

CITY OF SACRAMENTO

ECONOMIC DEVELOPMENT DEPARTMENT



**Dave Harzoff**

**Economic Development Manager**

Planning Academy Presentation

## **Economic Development Department**

### **Redevelopment**

- Downtown, River District, Railyards**
- California Community Redevelopment Law**

### **Economic Development**

- Business attraction, retention and assistance**
- Special projects facilitation and financing**
- Maintain and enhance city tax base**
- Small business assistance and certification**
- Business association liason/ombudsman**
- Economic Development Strategy and Priorities**

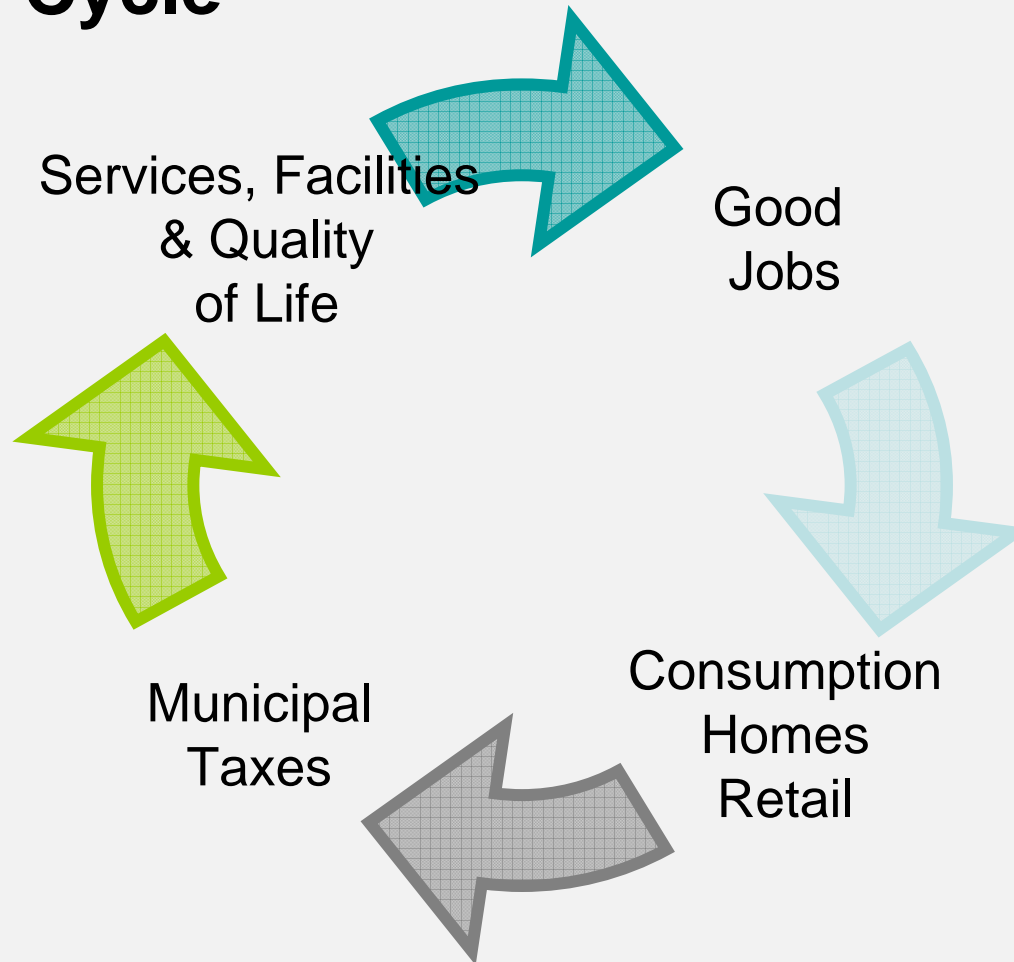
## Three Components of Community Health (3 E's)

- Social Health (Social **E**quity)
- Healthy **E**nvironment
- Healthy **E**conomy

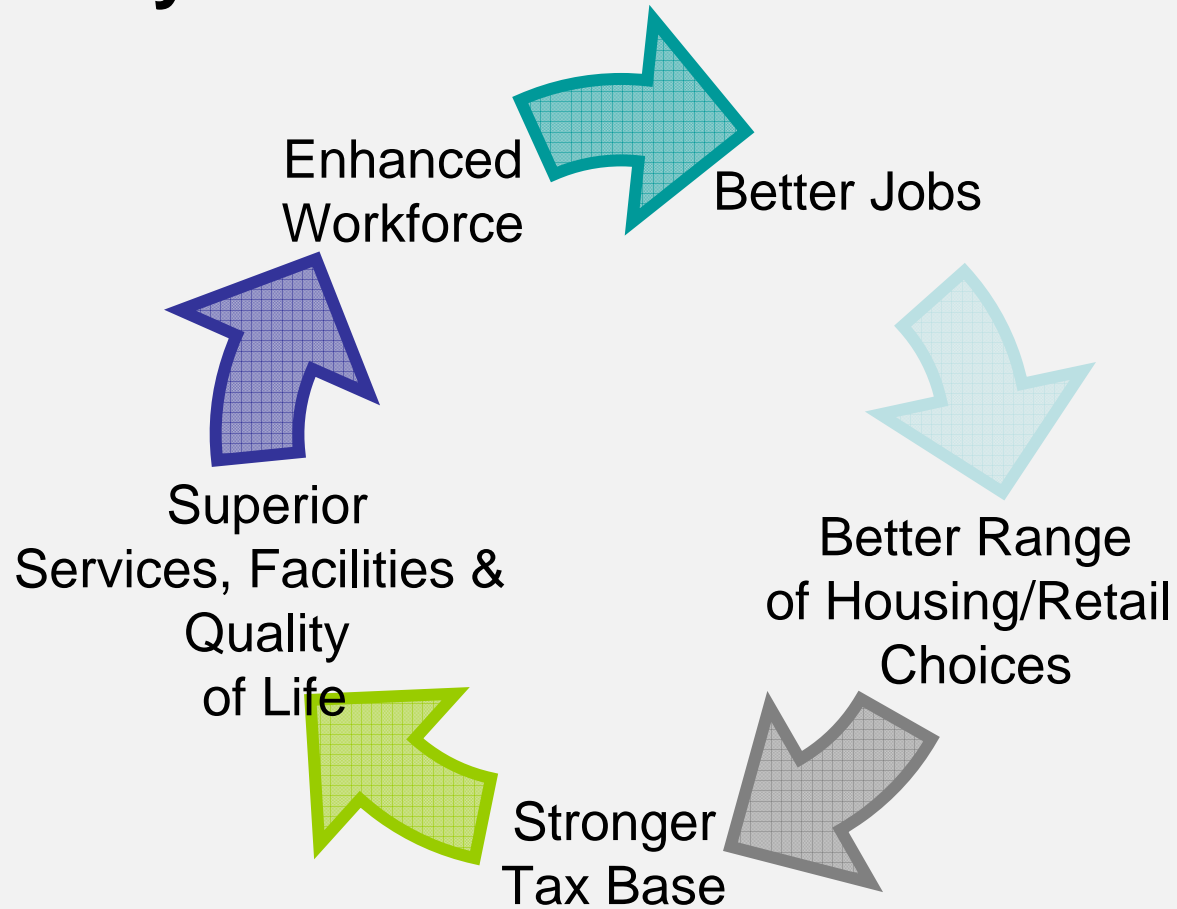
## Economic Development 101

- Facilitating private investment
- Creating, retaining or attracting jobs
- Connecting citizens to jobs
- Attracting new wealth and resources to the community
- Increasing the City tax base: maintain and improve services and facilities
- Fostering a high Quality of Life for citizens

# Economic Cycle

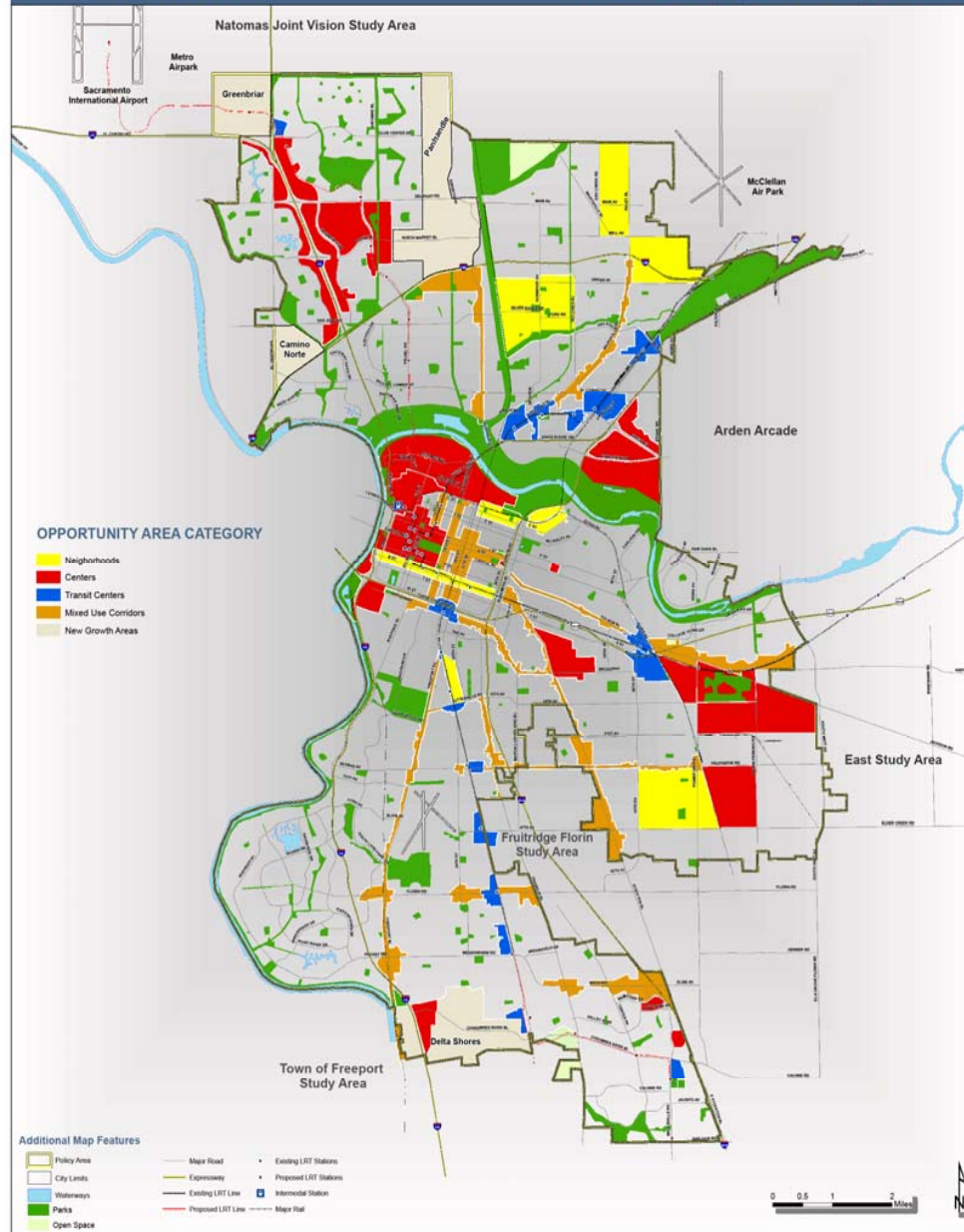


# Economic Cycle



## Economic Development Strategy

- **Grow Business** - Strengthen City's Business Climate
  - Attraction, Retention, Expansion, Start Up and Assistance
- **Workforce** - Linking Residents and Jobs
  - Workforce Development/Education
  - Creating New Employment
- **Places** - Land Supply/Zoned and Served Sites
  - Amenities and Access
  - GP: Growth Opportunity Areas
- **Participation** – Internal/External
  - Participation in Key Regional Initiatives
  - Strategic Partnerships



## Fulton Avenue Development

- Development of new auto dealerships
- Significant Revenue Generator (Original Deal)
  - \$600,000 in ground lease payments
  - Est. \$600,000 - \$1 million in sales tax
- Public investment: **\$ 7 million**
- Private funds leveraged: **\$5.75 million**



## Business Retention & Expansion

### Manage Economic Incentive Programs

- CleanTech Zone - Enterprise Zone
- Brownfields Loan Program
- Small Business Assistance
- Regional San Sewer Credits

### Retention & Expansion Efforts

- Business Walks
- Seminars and Workshops



**It's your business  
to grow your bottomline**  
Join us for a FREE seminar and connect with  
resources to increase your business success

If you are an owner, CEO, operations manager, bookkeeper, tax accountant, CFO or in human resources, you should attend!

Take advantage of the many programs the city and its partners have to offer. "How to" presentations given by industry professionals on:

- City's Enterprise Zone Program
- Employer Hiring Services
- Employee Training Services
- Business Planning and Financing
- Enterprise Zone Tax Advice

June 11, 2008  
9:00 to 11 a.m.

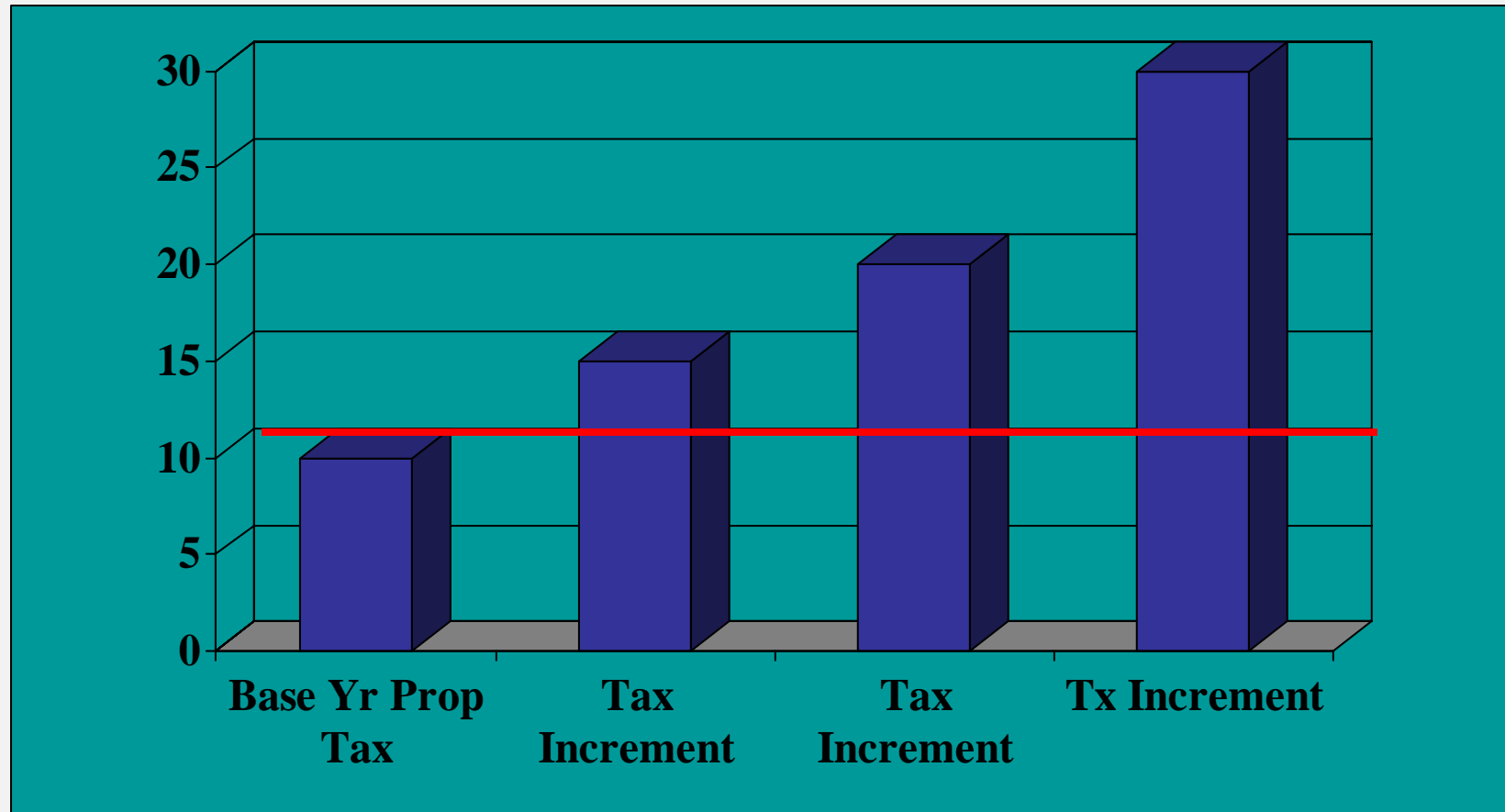
Sacramento Recycling and Transfer Station  
8491 Fruitridge Road, Sacramento  
*Light refreshments will be served*

Reserve your seat by contacting 808-5448 or  
e-mailing at [lowry@cityofsacramento.org](mailto:lowry@cityofsacramento.org)

# Redevelopment 101

- Legal structure enables local government to eliminate urban blight and foster revitalization
- Tools: eminent domain, land assembly/disposition, private projects gap financing, public infrastructure/facilities, tax increment financing
- Tax increment = new property tax revenues above base assessed valuation at creation of the Redevelopment Project Area
- 20% affordable housing required

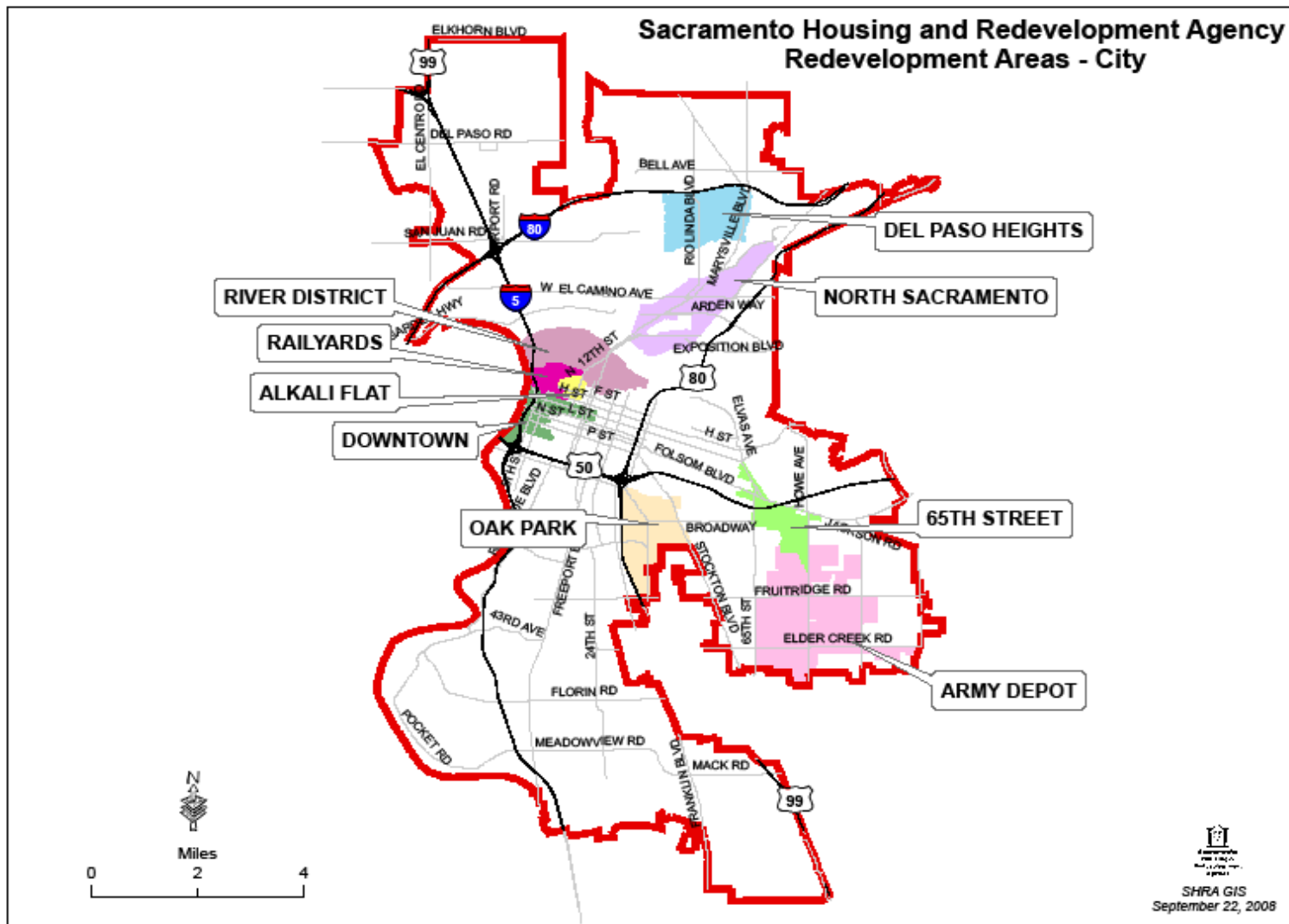
# Tax Increment Financing



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## Sacramento Housing and Redevelopment Agency Redevelopment Areas - City



## East End Lofts

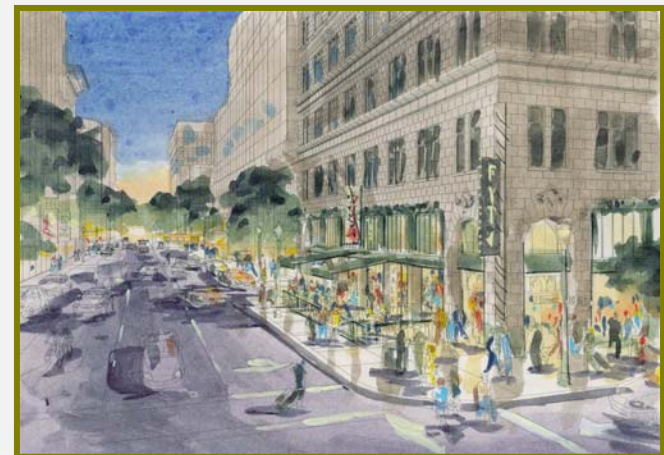
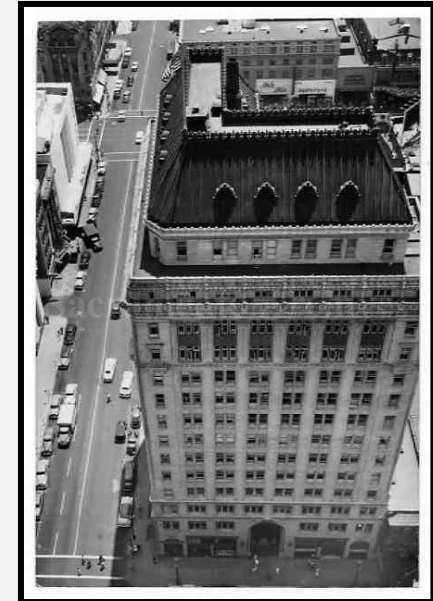
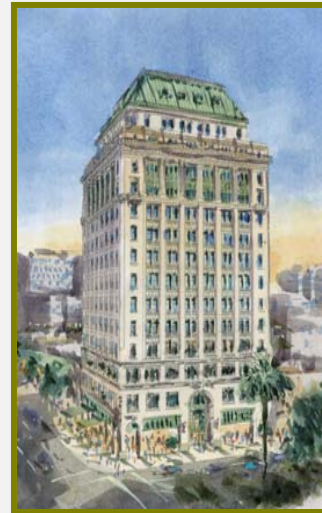


## East End Lofts

- 45,000 sf mixed use project in 1922 Elliott Building former auto dealership at 16<sup>th</sup> and J
- Ground floor restaurants: PF Chang's and Mikuni's; second floor professional office space
- Two top floors contain 18 unique live/work lofts, average 1,000 square feet.
- \$3 million subsidy on \$18 million project; purchased additional parking property; permit facilitation

### Citizen Hotel

- 197-rooms, signature restaurant and unique outdoor dining
- Public Investment: **\$9.85 million**
- Private Investment: **\$45 million**
- Will generate nearly **\$1.5 million** annually in new revenue
- Opening November 2008



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## Proposed Railyards Redevelopment Project Area

Source: Sacramento County GIS, RSG



- Existing Richards Boulevard Project
- Proposed Railyards Project Area

# Railyards Project

- Partially offset (\$800 million) infrastructure and public facilities costs with tax increment rebate and grants
- Public parking facilities
- Historic shops restoration funding
- Gap financing on private development
- Economic impact, fiscal impact, financial analyses; and infrastructure financing plan
- Business attraction and marketing partnership

## **What Lies Ahead for Economic Development**

### **Continue Business Retention, Expansion and Attraction Programs**

- Outreach to Businesses
- Provide Incentives for both existing and new businesses
- Strengthen Strategic Partnerships

### **Promote New Investment to the City**

- Clean and Green Technology Businesses
- Hospital & Medical Industry (Kaiser, Mercy, UCD, Sutter)
- Automobile Sector
- Hospitality



## **Reinvest in Opportunity Areas to increase Residential, Office, Entertainment and Retail**

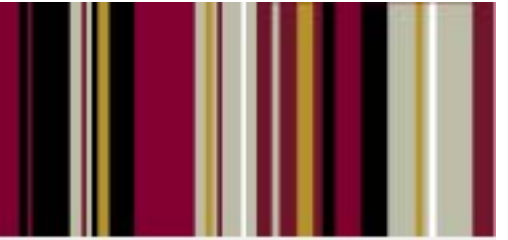
- JKL Corridor
- River District, Railyards, and Old Sacramento
- 65<sup>th</sup> Street
- Army Depot
- Sacramento Waterfront & The Docks

## **Launch SEED Corporation**

- Develop non-profit to assist the City and SHRA in economic development efforts

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Thank you!

