

REFLECTING ON 2010



Kevin Johnson, Mayor
 Angelique Ashby, District 1
 Sandy Sheedy, District 2
 Steve Cohn, District 3
 Robert King Fong, District 4
 Jay Schenirer, District 5
 Kevin McCarty, District 6
 Darrell Fong, District 7
 Bonnie J. Pannell, District 8

CITY OF SACRAMENTO
 Economic Development Department

From the Director



As we reflect on 2010 and gear up for 2011, I cannot be more optimistic that economic recovery will gain momentum in the New Year. Indications of recovery last year had its fits and starts, though economists have predicted that there will be sustained job creation and fewer layoffs in 2011. While increased job growth nationally may not fully drive down unemployment, it will, however, help by gaining ground from where we were even four years ago. I am encouraged that these national trends will be reflected in positive results on our local economy.

As with most local jurisdictions in the state and nationally, the City has been faced with challenges. These challenges have forced us to be creative, smarter and more efficient by coming up with ways to induce business growth, assist with job creation, and generate new sustainable revenues for the City.

This year, there were various highlights that topped off the year in both the City and the region:

- We continue to have a rock-solid green and clean industry sector that ranks in the top 10 nationally, as well as a strong and growing healthcare field.
- Efforts to enliven our downtown continue with the introduction of new entertainment establishments and prospective development opportunities that will materialize within the next 18 months on K Street.
- A number of planning and infrastructure investments in key opportunity areas throughout the City are underway, which will position us for the near term, generate jobs, and yield dividends in the future as development opportunities arise.
- We reached out to more than 900 businesses through our business visit program, and fielded hundreds of business and development inquiries and requests.

I am enthusiastic about what the City's local economic future holds. Without a doubt, it will come with a great deal of hard work and effort—but we're ready and we have a clear vision. It's apparent our City has much to offer, and companies still want to do business, grow and invest here. Consumer and business confidence indicates better conditions than in years past, and many say this year will be the start of an economic revival.

As we begin a new year, we are preparing revised strategies to reflect our current economy and are anxious to continue working with our partners to ensure ever-expanding business opportunities.

Jim Rinehart
 Economic Development Director

Business retention, expansion and attraction








Economic Development's business-retention, expansion and attraction program was successful in reaching out to the local business community and attracting companies. The program establishes a formal mechanism for connecting with businesses to ensure they remain and prosper in the City, and works to recruit prospective businesses to generate continued economic development investment.



Activity	What it is	2010 Reflections
Business Visit Program	As part of Economic Development's business-retention program, staff met with companies, held business walks and fielded inquiries to help the City achieve a better understanding of the business community's issues, concerns and priorities.	Conducted five business walks (River District, Oak Park, North Sacramento (2), and the Greater Broadway area), reaching over 700 businesses. Generated more than 200 business inquiries and conducted more than 20 business-retention visits. Raised awareness of key resources available to businesses, such as the Enterprise Zone benefits. Partnered with SMUD and the Utilities Department on an event to provide energy and water conservation information to 150 businesses.
Enterprise Zone Program	The Enterprise Zone offers tax advantages, such as hiring tax credits, a rebate on the sales and use taxes paid on equipment used in the zone, and other incentives to businesses that locate within the zone boundaries.	Pending approval from City Council in February 2011, the program will be expanded to include new areas within the City. The City and its partners created a new Web site, www.sacez.org , for program information. Assisted with 72 inquiries related to the program.
Sewer Credit Program	Partnering with the Sacramento Regional County Sanitation District, Economic Development provides economic incentives for industrial and commercial sewer customers by offering rebates on sewer connection fees.	Sixty-five businesses took advantage of the program and 594 jobs were created as a result.
Small Business Services	Economic Development provides small business services to aid and assist businesses with City bid and procurement opportunities.	Certification Program – More than 219 small businesses were certified and registered. Small Business Connection – Economic Development produced the first small business event to provide businesses with information on how to obtain procurement opportunities. More than 85 participants attended the event. Alliance Partners – Economic Development initiated partnering opportunities with the Hispanic, Slavic, Black and Asian Pacific chambers of commerce. These chambers will assist in small business outreach opportunities throughout the fiscal year.
Attraction Efforts	Economic Development assists with efforts to attract new jobs and reinvestment to the community. In 2010, we began efforts to increase our automotive portfolio and have added to our solar industry.	Entered into a negotiating period that attracted a new Chrysler and Fiat dealership to City-owned property in Haggin Oaks. Secured two solar company headquarters with 25 new employees.
Army Depot	The City manages the former Army Depot site, now leased by National Leasing LLC of Seattle. This former military facility provides leasing opportunities to numerous companies.	10 subleases in 2010.



Development

Key projects advanced in 2010. Although the number of development projects has decreased, Economic Development facilitated a number of projects to further economic reinvestment.

Project	2010 Reflections
700 Block of K Street	In the summer of 2010, the City's Redevelopment Agency board entered into an exclusive negotiating agreement for the 700 block. The developer will retain and revitalize the historic storefronts along K Street and re-tenant with retail and commercial uses. The project will introduce approximately 150 new residential units along the alley. 
800 Blocks of K/L Streets	In July 2010, the City's Redevelopment Agency board selected a development team to revitalize the 800 blocks of K and L streets. Still being fully defined, the project will include new residential units, more than 20,000 square feet of office space, and parking.
Cars on K Street	In November, the City Council approved this project, which will ultimately bring slow-moving vehicular traffic to the K Street corridor from 8 th to 12 th streets. The estimated \$2.7 million project will be completed by the end of 2011.
Ebner/Empire Hotel Development	At mid-year, Economic Development celebrated a new addition to Old Sacramento. The \$5.9 million reconstruction of the 1856 facades of the Ebner and Empire hotels was completed. The project replaced a blighted vacant lot with a beautiful 26,000-square-foot, historically accurate structure. The ground-floor commercial space activates the K Street walkway between Front and Second streets, and provides additional high-quality retail that will support Old Sacramento as a vibrant commercial district. 
K Street Entertainment Trio	This \$13 million development project was on a fast construction track in 2010—the entertainment trio was 95 percent complete at the end of 2010, and opened in January. This transformative effort will strengthen the 1000 block of K Street as a regional entertainment district. 
Powerhouse Science Center	Economic Development staff has been working with non-profit partner Powerhouse Science Center to redevelop the former PG&E power station on Jibboom Street in the River District. In 2010, the project took significant steps forward that included completion of CEQA and NEPA review, the approval of the former PG&E power station nomination for the National Register of Historic Places, and continued work toward completing their entitlements. 
River District Dealership Façade Improvements	Economic Development assisted Downtown Ford, a fixture in the River District for more than 35 years, with façade and site improvements. This investment will enable the dealership to remain viable and, in turn, provide revenue for the River District and Sacramento. 
River District Greyhound Bus Station Terminal	The new Greyhound bus terminal broke ground in the River District in June 2010. The 10,000-square-foot, state-of-the-art facility will be completed in 2011. 
River District Power Line Removal	Economic Development partnered with PG&E to remove antiquated and unused power lines and transmission towers throughout the River District. This project, which cost more than \$1 million, included the removal of two large 220-foot towers at the site of the future Powerhouse Science Center.
Riverfront Promenade Extension	In early June, Economic Development, along with the City's Parks and Recreation and Transportation departments, commemorated the first-phase extension of the Docks riverfront promenade. This \$5.4 million project provides 3.4 acres of additional recreational opportunities along the Sacramento River. Design plans for the second phase are completed, and the City is actively pursuing funding opportunities for future phases. 
Streetcar Study	In September, the City's Transportation and Economic Development departments released a request to obtain a consultant for a streetcar planning study. This effort will examine potential streetcar lines, the economic and transportation benefits, and financing options for the construction and maintenance of those lines. The study will get underway in early 2011.
Streetscape – K Street	In May, the \$4.2 million streetscape project on the 700 block of K Street was completed. Comprehensive streetscape improvements, the relocation of the light rail station and a new water feature at St. Rose of Lima park have enhanced the overall pedestrian experience.

Support programs

In addition to business retention, attraction and development projects, Economic Development assists with grant applications, the formation of business-improvement districts, and numerous other projects that help generate economic activity.

Deliverables	2010 Reflections
28th Street Landfill Solar Photovoltaic Farm	The Utilities and Economic Development departments are developing a solar photovoltaic farm on the 170-acre 28 th Street Landfill. In 2010, the City entered into an Exclusive Right to Negotiate agreement with Conergy Development. This project will provide an alternative, green source of energy and provide a revenue stream through the lease of the land to the operator. 
Brokerage Firm Selected for City Real Estate	In the fall of 2010, CB Richard Ellis was awarded a contract to begin an inventory of the estimated 2,000 City-owned properties and develop a strategic plan to identify how the City could more efficiently manage its surplus properties. This process could enable the City to generate revenue through the sale/lease of surplus properties or by optimizing existing revenue-producing properties.
Clean Tech Zone Assessment	In July, Economic Development completed an evaluation of the City's Clean Tech Zone, an area envisioned to serve as a hub for solar-related companies. This assessment will assist the department in developing strategies and opportunities to accommodate the growing solar and alternative energy markets.
Depot Park Solar Project	Working with Community Development, Economic Development helped facilitate the approval of a 2.5 megawatt ground-tracking solar power system. The installation will reduce power use by approximately 40 percent at the 350-acre revitalized industrial park. U.S. National Leasing LLC of Seattle, the master lessee of the former Army Depot, is installing this system on 18 acres of the park.
Digital Billboards on City-Owned Property	In May, the City Council approved lease contracts with Clear Channel Outdoor to construct and operate four new electronic billboards on City-owned properties. These billboards will generate about \$720,000 per year. Additional upfront payments by Clear Channel will mean over \$1 million in total revenue to the City during the billboards' first year of operation. Clear Channel also removed 24 existing billboard faces as part of this effort. 
Mack Road Property Business Improvement District Formation	In August 2010, more than 75 percent of commercial property owners in the Mack Road area voted to approve a new business and property improvement area (PBID). The cost to form the district and outreach efforts were achieved through Council District 8 and Economic Development. As a result of this, \$410,000 will be available annually to fund security and marketing programs for the Mack Road commercial corridor.
US EPA Clean-Up Grant	In April, Economic Development was awarded a \$200,000 United States Environmental Protection Agency (EPA) Clean-Up Grant to aid in environmental remediation and clean-up efforts at the former PG&E power station on Jibboom Street. This site will be home to the Powerhouse Science Center, a science, space and technology center that is planned for the vacant building.
US EPA Supplemental Revolving Loan Fund Grant	The City received \$400,000 in supplemental Revolving Loan Fund grant funds from EPA in 2010. These funds will assist other entities with the cleanup of brownfield sites. To date, the City has loaned \$900,000 for the cleanup of the Curtis Park rail yard.
Utility Undergrounding	Economic Development staff has been working with partners SMUD, Regional Transit, AT&T and property owners to underground utility lines from North B Street to North 5 th Street along North 7 th Street and Richards Boulevard. Economic Development is also working with SMUD and Township 9 to underground lines near that project. These improvements will eliminate visual blight and power lines along the new light rail line.
River District Specific Plan	Economic Development worked with the City's Community Development Department to complete the River District Specific Plan. In 2010, Review and Comment hearings were concluded, with approvals scheduled for January and February 2011. 