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SECTION – 12 **Economic Development**

Economic Development

Building On Our History - Creating The Place To Be.

The role of the **Economic Development Department** is multi-fold. The Department is the advocate for the business community in the City of Sacramento. It markets, facilitates, and financially assists targeted private investment and development within the City of Sacramento, and seeks redevelopment opportunities that will revitalize the Merged Downtown and Richards Boulevard Redevelopment Project Areas. There are two operational divisions within Economic Development: Citywide Development and Downtown Development.

Citywide Development is focused on development outside the Downtown Sacramento core. The focus includes:

- Business recruitment
- Business retention and expansion
- Small business outreach
- Revitalization of targeted commercial corridors
- Economic development policy
- Development opportunity project management
- International trade investments
- Revolving loan funds

Downtown Development focuses on redevelopment and revitalization of the Downtown Sacramento core including the Richards Boulevard Redevelopment Project Areas and the Railyards. Specific areas of focus include:

- The Sacramento River waterfront
- Downtown housing
- New hotel development to support tourism and the Sacramento Convention Center
- Retail, entertainment, and cultural arts facilities
- New commercial and office projects
- Public area beautification
- Economic development legislation

PROPOSED BUDGET/STAFFING CHANGES

The Economic Development Department was reduced by \$707,406 including the elimination of 3.0 filled FTE. These reductions also include the reassignment of the Department's Public Information Officer to the Community Development Department and the unfunding of 2.0 FTE Senior Project Managers and 1.0 FTE Accounting Technician. This reduction will result in the following service level impacts:

Employment Opportunities

Reduction Net General Fund savings of \$35,000.

Impact Will result in a reduced capability to link employers with job seekers and increase City employment rate.

City Memberships and Sponsorships

Reduction Net General Fund savings of \$59,000.

Impact Reduction in magnitude of City memberships and sponsorships with regional partners providing various resources such as retention, outreach, and attraction efforts. These partners potentially include Sacramento Clean Energy, California Association for Local Economic Development, International Council of Shopping Centers, Midtown Business Association, and Ethnic Chambers of Commerce.

Small Business Assistance

Reduction Net General Fund savings of \$40,000.

Impact Elimination of the Small Business Development and Advisory Board (and associated committees) which serves as an advisory entity to the Economic Development Department, Human Resource Department, and City Council will result in a significant reduction in the ability to assist the small business community within the City including Property-Based Improvement Districts, Business Improvement Districts, Small Business Development Center and business associations.

Citywide Marketing Efforts

Reduction Net General Fund savings of \$171,310 and the transfer of 1.0 FTE to the Community Development Department.

Impact Reduced marketing, materials and collateral for business attraction, retention and expansion efforts.

Investment and Job Creation Projects

Reduction Net General Fund savings of \$331,030 and the elimination of 2.0 FTE.

Impact Delay in advancing development projects including the:

- o 65th Street and Power Inn Opportunity Area
- o Cal Expo/Point West Opportunity Area
- o Raley Boulevard Industrial Project Area
- o Central City Project Area

Customer Service

Reduction Net General Fund savings of \$71,066 and the elimination of 1.0 FTE.

Impact Restructure of Customer Service delivery; significant increase in response time to public inquiries and processing of department administrative functions.

Department Budget Summary

Economic Development Budget Summary	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Funded Positions (FTE)	21.00	18.00	18.00	14.00	(4.00)
Budgeted Expenditures					
Employee Services	2,350,341	2,050,063	2,046,876	1,669,147	(377,729)
Labor/Supply Offset	(3,749)	2,856	2,856	2,856	0
Property	0	2,000	2,000	2,000	0
Service And Supplies	1,753,366	1,761,462	1,761,462	1,481,466	(279,996)
Total:	4,099,958	3,816,381	3,813,194	3,155,469	(657,725)

Funding Summary by Fund/Special District

General Fund	3,959,015	3,792,381	3,789,194	3,155,469	(633,725)
Interdepartmental Service Fund	140,943	24,000	24,000	0	(24,000)
Total:	4,099,958	3,816,381	3,813,194	3,155,469	(657,725)

Division Budget Summary

Economic Development

Division Budgets	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Administration	132,430	108,653	108,652	75,701	(32,951)
Citywide Development	2,784,202	2,730,802	2,727,614	2,293,930	(433,684)
Downtown Development	1,183,325	976,927	976,928	785,839	(191,089)
Total:	4,099,958	3,816,381	3,813,194	3,155,469	(657,725)

Staffing Levels

Economic Development

Division FTEs	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Administration	1.00	1.00	1.00	1.00	-
Citywide Development	14.00	11.00	11.00	8.00	(3.00)
Downtown Development	6.00	6.00	6.00	5.00	(1.00)
Total:	21.00	18.00	18.00	14.00	(4.00)

