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SECTION – 13

ECONOMIC DEVELOPMENT

Building On Our History - Creating The Place To Be

DESCRIPTION

The role of the **Economic Development Department** is multi-fold. The Department 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 market-rate 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

MORE INFORMATION

For more information about the Economic Development Department:

Web site - <http://www.cityofsacramento.org/econdev>

Other Economic Development Information - <http://www.sacsites.com/>

PROGRAMS/SERVICE HIGHLIGHTS

The Economic Development Department will continue to implement the key components of the Council adopted Economic Development Strategy. The department will target commercial corridors including retail, small business, and clean and green energy industries for business retention, recruitment and expansion to stimulate the local economy.

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OBJECTIVES FOR FY2009/10

Downtown Development

- Evaluate the City's Fee Deferral Program.
- Construct St. Rose of Lima Park.
- Join Sacramento Statewide Community Infrastructure Program (SCIP) fee financing program.
- Initiate rehabilitation of 700 K Street block with the goal of transforming the area into a destination retail district.
- Construct redevelopment of 1012-22 K Street.
- Complete negotiations for an additional downtown hotel.
- Implement Modular Newsrack Program on K Street.
- Hold design competition for Capitol Mall Planning Project.
- Construct Phase 1 of the K Street Streetscape.
- Promote Railyards opportunities as part of the City's overall economic development effort.
- Initiate redevelopment of the Marshall Hotel.
- Disposition and Development Agreement (DDA) negotiations and environmental clearance for 800 K Street.
- Riverfront Promenade Docks Development
 - Adopt the Docks Environmental Impact Report (EIR) and Specific Plan;
 - Complete construction documents for Docks Promenade Phase I; and
 - Construct Phase 1 of the Riverfront Promenade in the Docks area.
- River District Development
 - Adopt the River District Specific Plan with EIR;
 - Complete negotiations with private developer for Discovery Center Hotel pad;
 - Complete General Produce/Agency property exchange;
 - Complete environmental work on the Jibboom St. Powerhouse Science Center; and
 - Break ground on the Greyhound Terminal at 420 Richards Boulevard.

Citywide Economic Development

- Meet with 100 local businesses as part of City's Business Retention Program.
 - Conduct two "Business Walks" with local business associations.
 - Conduct two Council district tours.
 - Participate in the annual International Council of Shopping Centers Spring Convention and recruit property owners, developers and retailers to the Sacramento region.
 - Identify projects for the Sacramento Enterprise and Economic Development Corporation that will help stimulate the economy.
 - Assist with development projects and opportunities at Cal Expo/Point West.
 - Assist with development projects and opportunities at Granite Regional Park.
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- Participate in regional small business outreach events.
- Target investment and development opportunities in the Targeted Commercial Corridors.
- Implement and Market the approved new Enterprise Zone.
- Execute Brownfields Program.

APPROVED BUDGET/STAFFING CHANGES

Service Level Impacts

The Economic Development Department budget will be reduced by \$754,274. This reduction includes the unfunding of 3.0 FTE positions and the reassignment of 1.0 FTE position from Citywide to Downtown Redevelopment (funded by downtown tax increment). The professional services and advertising budgets will be significantly reduced, resulting in the following service level impacts:

- Reduced ability to meet with businesses, which could result in the loss of jobs, tax revenue to the City and services to the community.
- The City will be limited in initiating contact in a systematic manner with whole industry segments (i.e. will only be able to respond if contacted) currently reached through partnering with the State of California and other economic development partners.
- The Department will have to limit proactive economic development planning and business outreach.
- Implementation of the Council's sustainability agenda and goals for clean and green technology will be inhibited.
- Significant reduction in the ability to assist the small business community within the city.
- Discontinued/reduced levels of partnership with non-profit regional partners that provide business retention and attraction services.
- Department program of entrepreneurial support will be diminished.

FY2009/10 Approved Budget

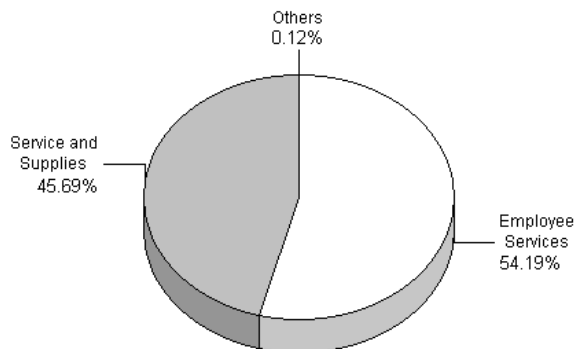
Department Budget Summary

Economic Development Budget Summary	FY	FY		FY	Change More/(Less) Approved/Amended
	2007/08 Actual	Approved	2008/09 Amended	2009/10 Approved	
Funded Positions (FTE)	24.00	25.00	25.00	22.00	(3.00)
Budgeted Expenditures					
Employee Services	2,713,697	2,882,372	2,977,089	2,575,336	(401,753)
Interdepartmental Transfers	(23,220)	2,856	2,856	2,856	0
Property	6,000	6,000	6,000	3,000	(3,000)
Service and Supplies	2,392,046	2,436,308	2,457,580	2,171,272	(286,308)
Total:	5,088,523	5,327,536	5,443,525	4,752,464	(691,061)

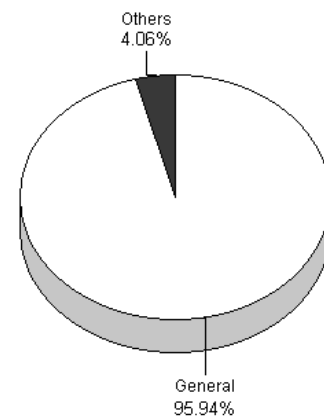
Funding Summary by Fund/Special District

Community Center Fund	52,000	52,000	52,000	52,000	0
General Fund	5,036,523	5,132,140	5,248,129	4,559,521	(688,608)
Interdepartmental Service Fund	0	143,396	143,396	140,943	(2,453)
Total:	5,088,523	5,327,536	5,443,525	4,752,464	(691,061)

Budgeted Expenditures - FY2009/10



Funding Summary - FY2009/10



Division Budget Summary

Economic Development Division Budgets	FY	FY		FY	Change More/(Less) Approved/Amended
	2007/08 Actual	Approved	2008/09 Amended	2009/10 Approved	
Administration	338,323	312,285	312,285	319,723	7,438
Citywide Development	3,203,561	3,380,488	3,380,488	2,918,464	(462,024)
Downtown Development	1,546,639	1,634,763	1,750,752	1,514,277	(236,475)
Total:	5,088,523	5,327,536	5,443,525	4,752,464	(691,061)

FY2009/10 Approved Budget

Staffing Levels

Economic Development Division FTEs	FY	FY		FY	Change
	2007/08 Actual	Approved	Amended	2009/10 Approved	More/(Less) Approved/Amended
Administration	2.00	2.00	2.00	2.00	0.00
Citywide Development	13.00	14.00	14.00	13.00	(1.00)
Downtown Development	9.00	9.00	9.00	7.00	(2.00)
Total:	24.00	25.00	25.00	22.00	(3.00)
