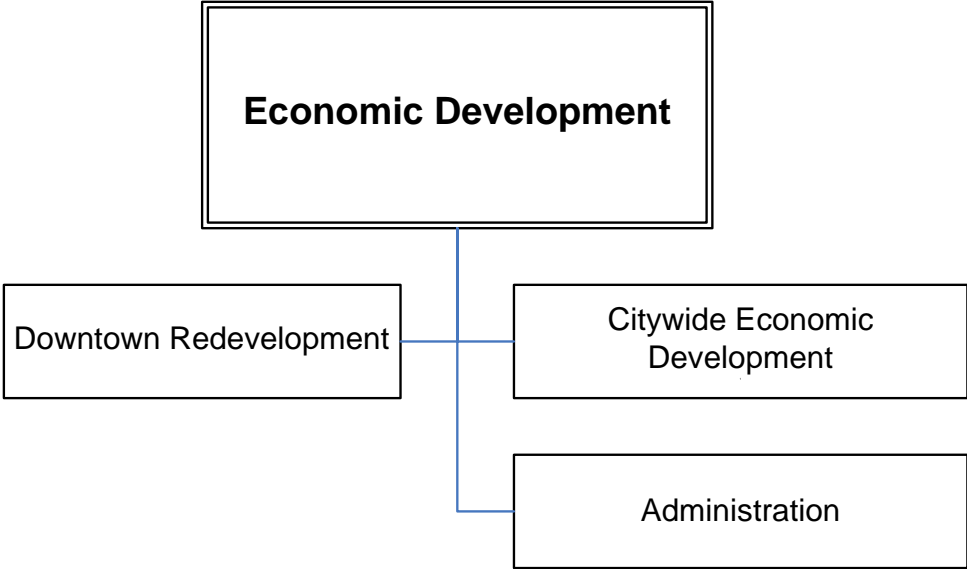


13

SECTION - 13

ECONOMIC DEVELOPMENT



ECONOMIC DEVELOPMENT

Building On Our History – Creating The Place To Be

DESCRIPTION

The Economic Development Department was merged into the Development Services Department during FY2004/05. Subsequently, Economic Development was re-created as a separate department. Areas within the Economic Development Department include:

- Merged Downtown Redevelopment Project Area
- Richards Blvd Redevelopment Project Area
- City wide economic development activities

The primary role of the Economic Development Department is to market, facilitate and financially assist targeted private investment and development within the City of Sacramento in accordance with established economic development priorities and adopted land use plans and policies. The Department also provides significant redevelopment financing within the Merged Downtown Redevelopment Project Area and manages the Richards Boulevard Redevelopment Project Area.

MORE INFORMATION

For more information about the Economic Development Department:

Website - <http://www.cityofsacramento.org/econdev>

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

Key Contacts –

Department Head

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Administration

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OBJECTIVES FOR FY2005/06

- Update of the 2000 Economic Development Strategy.
- Continue with the implementation of the 2005 Merged Downtown Redevelopment Area Implementation Plan.
- Implement the J-K-L Strategy.
- Complete the Docks Area Plan.
- Achieve Council priority of expanding economic development throughout the City.

ACCOMPLISHMENTS IN FY2004/05

Merged Downtown Redevelopment Area

- Adoption of the 3rd Amendment to the Merged Downtown Redevelopment Project Area, extending the time limits of the Project Area for 10 years.
- Adoption of the Educational Revenue Augmentation Fund (ERAF) Extension for Merged Downtown Project Area, extending the plan effectiveness by one-year.
- Completion of the Old Sacramento Retail Study.
- Opening of the 16th & J Street Lofts with P.F Chang's and Mikuni's on the ground floor.
- Opening of the Wells Fargo Pavilion at 15th and H Streets.
- Successful J-K-L Community Process which helped to identify priorities and an action plan for revitalization of the corridor.
- Completion of the Wayfinding Signage Project.
- Executed OPA and began construction on the REA Building Project.
- Approved an OPA and began construction on the Old Sears Building at 12th & K Streets.
- Established the DT Sac Revitalization Corp.
- Completed a parking structure feasibility study.
- Completed negotiations to bring a major retail tenant to the Elks Building.
- Approved the DDA for the Lords/Magnolia site.
- Completed the Old Sacramento Strategic Plan.
- Completed the Old Sacramento Retail Strategy.
- Developed a facade rebate program for Old Sacramento.
- Approved a facade rebate program for historic buildings.
- Successful community input process for Bridging I-5 project; development of initial concepts.
- Completed infrastructure and development constraints analysis of the Docks Area.
- Started community process of Docks Planning Effort.

Richard Boulevard Project Area

- Completed all Blue Diamond obligations of the Agency
- Adopted Third Amendment to Richards Boulevard Redevelopment Plan extending eminent domain authority for an additional 12 years
- Commenced negotiations for development of the Old City Incinerator site.
- Executed OPA and began construction of the REA Building Project.
- Commenced Richards Boulevard Combined Sewer finance strategy.
- Commenced Dos Rios Light Rail Station Feasibility Study.
- Commenced Gateway Streetscape Master Plan Study.
- Assisted in financing the Phoenix Park Housing Project;
- Provided local funding for the Sacramento Intermodal Transportation Facility Project.

- Completed studies for the new Downtown Sports and Entertainment District, including a downtown King's arena.
- Funded ongoing operations of the Detox Facility.
- Commencement of the Two Rivers Trail environmental review process.

Citywide Economic Development

- Retained the Little League field and required the purchase of the Depot at one time.
- Helped Vanguard locate at the an old portion of the Procter and Gamble site that was vacant for over 10 years.
- Continued to guide resolution of Trap Shoot environmental issues and to direct negotiations with Raption Honda.
- Conducted analysis related to a new Sacramento Sports arena.
- Helped facilitate the application submittal for a new 80,000 sq. ft. retail center at Mack and Franklin (Hong Kong Plaza).
- Continued to facilitate Sutter Hospital expansion.
- The Sutter Medical team, in conjunction with the Children's Theater and the Trinity Cathedral, completed their joint planning, filed an application with the City Planning Department, which is now under environmental review.
- Submitted CIRM bid.
- Commenced feasibility studies for B Street Theater.
- The first new office building in the Point West area is a 3-story, 70,000 square foot building, accommodating the expansion of Nationwide Insurance, the parent company of Allied Insurance, and will house 450 new employees in the area.
- Coordinated the District 8 Economic Development Tour.
- Coordinated the District 2 Economic Development Tour.
- Updated SacSites GIS-based website.
- Facilitated technical review and community outreach for Mercy Hospital expansion.
- Provided financial assistance and facilitation for Arnold Brothers Building mixed-use project.
- Assisted with site search and community outreach for Sacramento School District's Health Professions High School. proposed budget/Staffing Changes.

PROPOSED BUDGET/STAFFING CHANGES

Organizational Changes

- Economic Development Department was re-created as a new department separating from the Development Services Department for FY2005/06.

Organizational Assessment

- The Downtown Development activities are offset by revenues received from the Sacramento Housing and Redevelopment Agency; and
- The Economic Development Department is taking a reduction in the citywide economic development group's professional services budget to achieve the two percent organizational assessment goal.

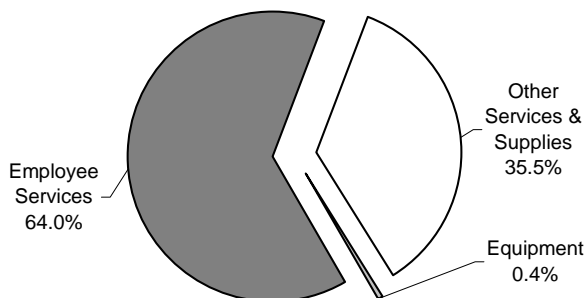
Augmentations

- Additional staff to be off-set with additional tax increment funds, to address increased workload and to address shortfall in administration support with the re-creation of the department (+2.0 FTE; +\$262,649)

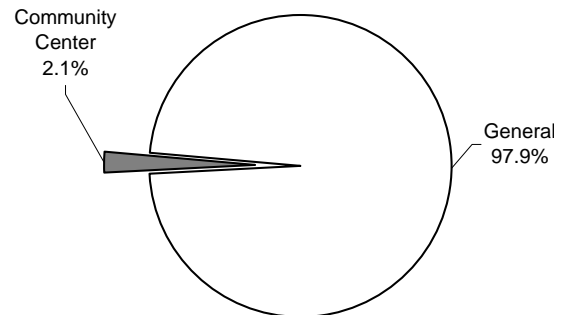
Department Budget Summary

Economic Development Budget Summary	FY 2003/04 Actual	FY 2004/05 Approved	FY 2004/05 Amended	FY 2005/06 Proposed	Change More/(Less) Proposed/Amended
Positions (FTE)	17.00	0.00	0.00	15.00	15.00
Budgeted Expenditures					
Employee Services	1,417,562	0	0	1,575,601	1,575,601
Other Services & Supplies	1,229,452	0	0	873,509	873,509
Equipment	0	0	0	11,000	11,000
CIP & Grant Offsets	(17,221)	0	0	0	0
Transfers	(5,767)	0	0	0	0
Total:	2,624,026	0	0	2,460,110	2,460,110
Funding Summary by Fund/Special District					
General	2,573,058	0	0	2,408,110	2,408,110
Community Center	50,968	0	0	52,000	52,000
Total:	2,624,026	0	0	2,460,110	2,460,110

Budgeted Expenditures - FY06



Funding Summary - FY06



Division Budget Summary

Economic Development Division Budgets	FY	FY	FY	Change	
	2003/04	2004/05	2005/06	More/(Less)	
	Actual	Approved	Amended	Proposed/Amended	
Downtown Economic Development	1,504,734	0	0	1,254,409	1,254,409
Citywide Development	982,816	0	0	1,064,827	1,064,827
Economic Development Admin	136,476	0	0	140,874	140,874
Totals:	2,624,026	0	0	2,460,110	2,460,110

Staffing Levels

Economic Development Division FTEs	FY	FY	FY	Change	
	2003/04	2004/05	2005/06	More/(Less)	
	Actual	Approved	Amended	Proposed/Amended	
Downtown Economic Development	8.00	0.00	0.00	7.00	7.00
Citywide Development	7.00	0.00	0.00	7.00	7.00
Economic Development Admin	2.00	0.00	0.00	1.00	1.00
Totals:	17.00	0.00	0.00	15.00	15.00

TRENDS

Citywide Economic Development Activities	FY2001/02	FY2002/03	FY2003/04
Number of Major Negotiations Overseen	N/A	N/A	8
Amount of Open Projects	N/A	N/A	16
Current Number of Studies	N/A	N/A	4

Merged Downtown Redevelopment Project Area	FY2001/02	FY2002/03	FY2003/04
Number of Old Sacramento & Waterfront Projects	N/A	N/A	26
Number of Current DT Capitol Projects	N/A	N/A	18
Number of Current Projects with Budget over \$1 Million	N/A	N/A	11
Number of Downtown Projects	N/A	N/A	10
Number of Housing Related Projects	N/A	N/A	22

Richards Blvd. Redevelopment Project Area	FY2001/02	FY2002/03	FY2003/04
Current Number of Projects under Review	N/A	N/A	4
Amount of major/minor projects completed	N/A	N/A	12
Current Number of Studies under way	N/A	N/A	3
Number of Open/Ongoing Negotiations	N/A	N/A	2

Proposed Positions

4451	<u>Downtown Economic Development</u>	<u>FY2004/05</u>	<u>FY2005/06</u>	<u>Change</u>
	Economic Development Project Manager	0.00	1.00	1.00
	Secretary	0.00	1.00	1.00
	Sr Economic Development Project Manager	0.00	5.00	5.00
	Organization Total:	0.00	7.00	7.00
4453	<u>Citywide Development</u>	<u>FY2004/05</u>	<u>FY2005/06</u>	<u>Change</u>
	Director of Economic Development	0.00	1.00	1.00
	Secretary	0.00	1.00	1.00
	Sr Economic Development Project Manager	0.00	2.00	2.00
	Sr Economic Development Project Manager	0.00	3.00	3.00
	Organization Total:	0.00	7.00	7.00
4455	<u>Economic Development Admin</u>	<u>FY2004/05</u>	<u>FY2005/06</u>	<u>Change</u>
	Director of Economic Development	0.00	1.00	1.00
	Organization Total:	0.00	1.00	1.00
	 DEPARTMENT TOTAL:	 0.00	 15.00	 15.00