

COUNTY OF SACRAMENTO
CALIFORNIA

37
27

For the Agenda of:
March 5, 1985

To: Board of Supervisors
Sacramento City Council

From: County Executive
City Manager

FILED
MAD - 5 1985
Cont to 4-2-85
BY THE CITY CLERK
OFFICE OF THE CITY CLERK

APPROVED
BY THE CITY COUNCIL

APR 2 1985 *as amended*
OFFICE OF THE CITY CLERK

Subject: STRUCTURE FOR ECONOMIC DEVELOPMENT IN SACRAMENTO - JOINT REPORT
APPROVED
BY THE CITY COUNCIL

RECOMMENDATION:

MAR 19 1985
OFFICE OF THE CITY CLERK

Authorize the formation of a staff group, as outlined below, to develop the report as recommended:

DISCUSSION:

Recently, your Board and Council approved a recommendation of the Overall Economic Development Program Committee that our offices prepare a joint report on community economic development goals, strategy, and organizational structure. The OEDPC raised significant issues in its letter to the City Council and Board of Supervisors of November 27, 1984. In essence it asks that the City and County Governments address:

Improving the coordination and overall effectiveness of economic development activities.

The possibility that a multi-interest, multi-jurisdictional approach would result in more efficient utilization of resources.

Organic and structural changes in current practice to be expressed and operated through an Economic Development Strategy to be followed by the City and County Governments, as well as the private sector.

These issues are not simple. Economic development means different things to different interests. Each interest tends to see such activity in the context of its internal activities and revenues, with external factors seldom rising to the threshold of attention. The OEDPC states that each organization working in a segment of economic development tends strongly to focus on its own funding and program to the exclusion of a broader community strategy and benefit.

The Board of Supervisors and the City Council, as local governments of general jurisdiction, occupy two positions with respect to economic development. First, they bear the responsibility and carry the authority to act in the overall public interest, to determine where that interest lies and to use public powers and resources accordingly. Second, they are the only legally-constituted entities which are managed by governing bodies which are elected to represent the whole

~~27~~
27

community, regardless of the way in which the community may otherwise be segmented according to one or another particular interest.

In the general context of economic development, it can be demonstrated by reference to local government budgets that increases in retail sales and employment and decreases in demand for law enforcement and social services are in the public interest. However, the generality is difficult to state in terms of specific acts, regulations, and expenditures. In order to express the general public interest in terms of specific economic development actions, it is probably necessary to treat public interest in terms of public benefit, with "public" defined as the whole body of residents, voters, tax payers, and fee payers who utilize municipal services. The primary interest for consideration by the Board of Supervisors and the City Council then becomes:

What benefits accrue to the whole public as a result of local government economic development actions, expenditures, and expressions and how can these actions be maximized?

or

What can economic development activities reasonably be expected to accomplish within the radius of responsibility and authority of the City and County Governments?

Some obvious sub-issues appear:

1. What distinguishes public benefit from one or more other benefits such as profits, social service benefits, environmental benefits?
2. At what point do public and nonpublic interests coincide and/or diverge? This is a particularly vexatious question. There is general consensus that expansion of the industrial base is a positive economic development goal. However, the consensus may be weakened when particular industries are considered. For example, an industry which imports workers at low wages may create a private benefit and a public cost by adding to the local population of working poor who are eligible for one or another welfare program.
3. Is it legally and politically possible for cities and counties to adopt standards and criteria to determine classes or types of businesses to be encouraged or discouraged?
4. How extensively may public resources be used to stimulate private activities?
5. Can valid research be devised to project public benefits flowing from economic development activities?

27

There is no current statement of public policy on economic development per se. Various documents contain policy statements which touch the subject peripherally. The City and County General Plans and Community Plans and the laws and mission statements of various other entities all contain some general language on the subject, but none constitute a strategy sufficient to guide all the concerned interests and agencies in a focussed common direction.

The OEDPC has suggested that the City and County devise a means to coordinate expenditures, budgets, and program activities among the various entities now working with different elements of economic development and to define economic development goals and strategy for the whole community and its various interests.

Others are currently working on various parts of the same concept. The Metropolitan Chamber of Commerce will soon produce a report from its Jobs, Income, and Business Development Task Force. The League of California Cities has just formed the President's Task Force on Economic Development. The Governor has reorganized and redirected the California Department of Commerce.

The most immediate need for action by local governments appears to be the need to define its proper role and to identify resources which may be available to fulfill that role.

We recommend that a multi-agency staff group be formed to address those issues. The staff group should include the chief administrative officials (or their designees) of:

The City of Sacramento

The County of Sacramento

The Sacramento Employment and Training Agency/The Private Industry Council

The Sacramento Metropolitan Chamber of Commerce

The Sacramento Area Commerce and Trade Organization

The Sacramento Office of the California State Employment Development
Department

The Sacramento Housing and Redevelopment Agency


A nominee of the Metropolitan Chamber of Commerce who is an industrial real estate broker

The staff group should be charged with the responsibility of returning to the Board of Supervisors and City Council with a report including the following recommendations:

27

1. A proposed policy statement setting forth the proper role of local government in economic development.
2. An inventory of the resources and powers that local government may properly use to implement the policy.
3. Recommendations as to the advisability, function, and structure of a community-wide strategic and operational economic development organization.

Respectfully submitted,



BRIAN H. RICHTER
County Executive



WALTER SLIPE
City Manager

RLW:sp (afa2316)

cc: David Martinez, SETA
Mike Seward, Sacramento Metropolitan Chamber of Commerce
John Roberts, SACTO
John Molloy, CDBG
Jim McClelland, EDD



CITY OF SACRAMENTO

RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO

APR 18 11 07 AM '85

DEPARTMENT OF PLANNING AND DEVELOPMENT
927 10th Street
Sacramento, Ca. 95814

Administration
Room 200 449-5571
Building Inspections
Room 100 449-5716
Planning
Room 300 449-5604

April 17, 1985

TO: Anne Mason, Assistant City Clerk
FROM: Mac Mailes, Director of Planning and Development
SUBJECT: PROPOSED AMENDMENTS OF COUNCILMAN GRANTLAND JOHNSON

This memo is regarding the proposed amendments by Councilman Grantland Johnson regarding Item 27 on City Council agenda of April 2, 1985.

Item 27 pertains to Joint City/County Report Regarding the Structure for Economic Development in Sacramento.

Below are the main points of the motion:

1. Work with SHRA, SETA, and the County;
2. Consider formation of a Public Sector Agency to deal with public as opposed to private concerns in economic development;
3. Investigate funding the Agency and its staff from assessments against SETA, CDBG, JTPA, City and County.

Call me if you have any questions.

Council Meeting of April 2, 1985

Item 27. Joint City/County report regarding the structure for economic development in Sacramento --- Proposed amendments by Councilman G. Johnson

Basically, I'd like to direct staff on the City side to work with the Redevelopment Agency, CETA staff, and County staff to develop a specific proposal and set of recommendations in which we could develop a greater and utilization of CDBG money. Make up JTPA The question of CSBG that has lead to economic development, IDB, EDC Chamber to the extent that we could acquire inter-personal designation and the activities. That they coordinate would be higher in the event the designation is achieved, and also and the future NDB WPX activity and other activities relating to small businesses, minority-owned businesses, or development activity so, for example, sit down with Dave Martinez of CETA and talk about what amount of resources to and a centralized and coordinating economic devleopment in terms of basic care funds. The same thing would hold true with CDBG, for example, I would recommend looking at allotting 10% of the CDBG funds to the departments. And I guess for my benefit that really is the discussion. That involves more discussion between public sector enterprises as opposed to public sector/private sector interest. City/County, SHRA and CETA.....those entities involving themselves in discussions and coordinatiion with the Chamber, SACTO, and other public sectors which ought to take place....but really the subject of discussion....

FEBRUARY 26TH THRU MARCH 1ST

CITY
COUNTY
SHRA
SETA

1. Structure - Consortium; Commission
Composed of Economic Development Players

2. RESOURCES:

- 10% of CDBG
- JTPA ~~FUND S~~
- Economic Development of CSBG
- 1 D B
- Separate Staffing
- SHRA Direct Loans
- 503 Loans (SAA)
- Revolving Loan Program (CREATION)
- Land use Planning
- Enterprise Zones COORDINATION POSITION (1 POS)
- Expedited Permit Processing
- Centralized Procurement Information
- ~~MDD~~^{MDE}/WBE: assistance, monitoring, and advocacy (2 POS)
- Economic Development Policy Development and Coordination/
Preparation of Countywide Economic Development
- Private Sector Exactions ~~AND/OR INCENTIVES~~
- Small Business Supportive Services
- Investment of City - County Idle Funds
- ~~Economic~~^{IC} Development Research
- Industrial Siting

Susa and Asst.

Pardun

1/2 POS

Wolgamot/Lefkovitz

1 Planner/1 Planner Co.

CITY ECONOMIC
DEVELOPMENT
COORDINATOR