

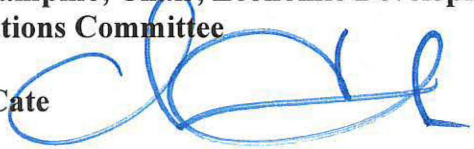


**COUNCILMEMBER CHRIS CATE  
CITY OF SAN DIEGO  
SIXTH DISTRICT**

**M E M O R A N D U M**

**DATE:** January 5, 2021

**TO:** Councilmember Raul Campillo, Chair, Economic Development and Intergovernmental Relations Committee

**FROM:** Councilmember Chris Cate 

**SUBJECT:** 2021 Economic Development & Intergovernmental Relations Committee Priority Memo

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I am pleased to serve on the Economic Development & Intergovernmental Relations Committee for 2021. Per your request, I have provided my priorities that I believe the Committee should examine this year. The COVID-19 pandemic greatly affected our local economy. As we focus on supporting our City recover from the pandemic, it will be imperative that this Committee work to encourage economic development and effectively coordinate with our State and Federal governments to advocate for our City and region.

**Economic Development**

- Review regional trends in economic and workforce projection data and their alignment with incentive programs, educational systems, and policies.
- Review the City's efforts to expand small business funding opportunities, including the Revolving Loan Fund Program, the Small Business Micro-Revolving Loan Fund, and the Business Finance Loan Program.
- Receive regular updates on the City's current Economic Development Strategy and prepare for a future update of the Strategy.
- Review the updated Council Policy 900-12 (Business and Industry Incentive Program) and provide any appropriate updates to improve functionality.
- Regularly engage the Small Business Advisory Board to gather feedback on what the City can improve upon in helping small businesses succeed.
- Develop policies to strengthen the Small Business Advisory Board.
- Enhance and maximize the City's reach to the film industry and enact policies that make San Diego more attractive to the film industry.

- Work with City staff to ensure an update of the City's Economic Development Strategy is progressing. City staff should consult with the Committee for their input on the update.

### **CARES Act Spending Update**

In response to the COVID-19 pandemic, the City of San Diego received \$248 million in CARES Act funding. The latest allocation of funding in the stimulus bill does not include an allotment to state and local government. The Committee should seek an update as to how CARES Act funding was spent locally and the impact those allocations made.

### **Homeless and Eviction Diversion**

Many San Diegans have experienced financial hardship as a result of COVID-19. This includes job loss, reduction of income, or an increase in medical expenses. The recent COVID-19 Relief Bill included \$25 billion in emergency rental assistance. The City should consider using these funds to assist those facing evictions and homeless diversion programs.

### **Make Temporary Outdoor Restaurant and Business Operations Program Permanent**

Due to the impact of COVID-19, many San Diego businesses have been forced to adapt to limitations placed on indoor operations. The City of San Diego established Temporary Outdoor Business Operation Permits, which helped dining and retail outlets expand their operations outdoors to cost-effectively implement safety, health, and distancing protocols. The City then expanded outdoor operations to include gyms, religious services, barbershops, and other non-fitness recreational and day camp activities in City parks. The Committee should explore ways to make these temporary changes permanent to support businesses affected by the pandemic.

### **Small Business Relief Fund**

Small businesses are an essential part of San Diego's diverse neighborhoods and identity. Due to the impact of COVID-19, many of these small businesses have been adversely affected or have permanently closed. In 2020, the Small Business Relief Fund was approved for local businesses, allocating \$6.1 million in funding. It is imperative that the Committee continue to advocate for additional small business relief funding in any future allocations of COVID relief funding from the federal government.

### **Reopening the San Diego Convention Center for Events and Attendees**

In 2019, the San Diego Convention Center hosted 143 events and 836,695 attendees which accounted for 822,528 hotel room nights, \$755.3 million in direct attendee spending, \$29 million in hotel and sales tax revenue to the City, and had an overall regional impact of \$1.3 billion. Since the pandemic, San Diego has been unable to host events and attendees at the Convention Center, halting the City's ability to generate revenue. Under normal circumstances, the Convention Center serves as an economic engine for the City generating activity for businesses in the region as well as providing essential tax revenue for core City services. The Committee should advocate for the timely approval of state reopening guidelines which will provide the Convention Center with much needed regulatory clarity to plan for and execute a safe reopening when it is safe to do so.

### **Business Incentives and Land-Use Policy Changes for Defense Contractors**

The defense industry is an essential part of the San Diego economy contributing hundreds of millions of dollars. San Diego is home to many of the largest defense contractors in the nation supporting our military installations. The Committee should explore business incentives and land-use policy changes to help expand these businesses.

### **Biotech and Life Sciences Industries**

Every year, Biocom updates their annual Economic Impact Report to showcase the impact of the biotech and life science industry in San Diego. San Diego is home to an abundance of biotech companies that are critical to our local economy. The Committee should hear an informational item about the local impact that our biotech and life science companies place in our economy.

### **Childcare Access**

Finding licensed childcare for many families has become extremely difficult, including for many parents who work for the City of San Diego. The lack of childcare facilities negatively impacts the quality of life for San Diegans and businesses alike. The Committee should continue working with stakeholders and other government agencies to identify policy and funding opportunities to make childcare more affordable and accessible.

### **Expand Trade and Export Opportunities with the Pacific Rim**

Request that the Committee work with staff and industry partners to highlight the impact of Asian markets in San Diego and examine ways to bolster that market and remain competitive with other ports in the state.

### **Economic Impact of Filipino-American Community**

San Diego has the third largest concentration of Filipino-Americans in the nation. The Committee should pursue an economic impact study of the Filipino-American community in San Diego to highlight the positive economic impacts this community generates.

### **Commission an Impact Report on the COVID-19 Pandemic on the Craft Beer and Distilling Industry**

The COVID-19 pandemic has had a profound effect on hundreds of local bars, breweries, and distillers. The lockdown of establishments that serve alcohol has led to many of these businesses permanently shutting down. An impact report in conjunction with the San Diego Brewers Guild, the San Diego Distillers Guild, and the California Restaurant Association would be helpful to study how the pandemic has affected the industry to evaluate the financial importance that these businesses have to the local economy.

### **Business Improvement Districts**

The City currently has 18 Business Improvement Districts (BIDs) serving over 11,000 businesses. As such, it is critical that each BID be held accountable for ensuring success to its respective business community. City staff should provide detailed reports on the performance of each BID and provide recommendations for improvements of underperforming BIDs.

### **Storefront Improvement Program Modifications**

While the City's Storefront Improvement Program is popular among business owners, many projects are not accelerating at a desirable rate due to the standard length of time required to acquire a permit. The City should consider an expedited permit process for Storefront Improvement Program permit applicants.

### **Veteran Entrepreneurship**

The City of San Diego is home to thousands of veterans. The Committee should work with industry leaders to identify opportunities to encourage and incentivize entrepreneurship among our veterans locally.

### **Veteran Preference in City Contracting and Hiring**

The Committee should implement a Veterans Preference Program that would grant honorably discharged veterans full exemption from the Business Tax Certificate fee and priority in City of San Diego's contracting and hiring opportunities.

### **Opportunity Zones**

Opportunity Zones are an economic development tool that incentivizes investment in underserved communities. The program offers additional incentives to private investors to encourage support for underserved communities and help spur economic development in rural and urban communities. The Committee should receive updates on community outcomes as a result of private investors investment in opportunity zones.

### **Opening at Least One Library in Each Council District as an Essential Service**

The pandemic has highlighted the need to bridge the digital divide for all San Diegans. Our City libraries are an important service to students and adults of all backgrounds, providing easy access to health information, learning resources, job searches, and for leisure. Each Council District should ensure at least one library remains open as an essential public service.

### **Youth Employment and Workforce Development**

The City should analyze, develop, and implement a means to monitor the progress and outcomes for opportunity youth. The Committee should work with the following programs to increase opportunities for San Diego youth:

- Connect2Careers
- Hire A Youth Summer Programs
- Tech Hire opening the door for students interested in the technology field
- SDSU's Compact for Success program for guaranteed SDSU admission
- UCSD's CREATE School and District Partnerships to maximize educational opportunities for both students and teachers.
- Youth Opportunity Passes to ensure youth have free access to public transportation resulting in increased access to jobs and extracurricular activities.

### **Expand Access to Fresh Food**

Several areas of the City of San Diego have been labeled by the USDA as "food deserts," defined as an area in which it is difficult to buy affordable, good-quality fresh food. Likely due to the low-income levels of residents and the modest average 2% grocer profit margins, large full-service

grocers have no natural interest in opening stores in these areas, leaving thousands of San Diegans susceptible to preventable and treatable diseases like diabetes, heart disease, and high blood pressure. Other cities have seen success in using federal grants to implement programs focused on encouraging small convenient stores to offer fresh produce and proteins. The City of San Diego should explore creative opportunities to expand access to fresh, healthy foods to residents in “food deserts” and Promise Zones.

#### **Monitor Expanded Capacity for Federal and State Grant Opportunities**

The Committee should request an annual update listing all Federal and State grant opportunities available, sought, applied for, and awarded. This report should include the impact of hiring additional grant staff and the collaboration with our region’s elected leadership and the City’s lobbyists.

#### **Support a Comprehensive Robocall Policy**

The Committee should support efforts and legislation aimed at protecting Californians from fraudulent robocalls and ensure there is adequate enforcement of those protections.

#### **Homelessness Resources**

Homelessness remains a top priority. While one-time funds in the form of State grants have provided critical funding for the City to provide homeless programs and services, the Committee should work closely with City staff and our lobbyists to protect existing funding sources and advocate for additional State and Federal funding to help the City continue to implement homeless services and housing programs.

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