



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

M E M O R A N D U M

DATE: March 27, 2016

TO: Councilmember Myrtle Cole

FROM: Councilmember Chris Cate

SUBJECT: Comments to Proposed Economic Development Strategy

At the March 10, 2016 meeting of the Economic Development and Intergovernmental Relations Committee, it was requested that Councilmembers provide their comments regarding the Draft 2017-2019 Economic Development Strategy (EDS).

Below, are my comments to the proposed EDS. I look forward to providing further comments at the next hearing to approve the strategy.

Promotion of Economic Development Department

The Economic Development Department (Department) provides a myriad of resources to businesses. Furthermore, the Department implements strategies that boosts the number of businesses starting in or relocating to San Diego, increases the number of jobs in the City, and increases tax revenues that are used to pay for services.

The programs are outlined in 'Appendix E' of the EDS, but I believe it is important that these activities, as well as the timeline for the proposed expansion of any programs within the Department, be moved to 'Appendix A'. A summary of the programs and their regional impact should also be included in 'Section 5' (City's Support for Economic Development). The section "Economic Development Efforts" within the "Executive Summary" should also be expanded upon.

Further Development of Metrics

The EDS contains overarching Overall Economic Performance Indicators to track the progress of our regional economy. Each of the base sectors outlined in the EDS include corresponding tactical objectives, actions, and metrics. While the actions seem to correspond to the tactical objectives outlined, the proposed metrics are more overarching and may be best suited as additional performance indicators.

I propose developing metrics associated with each corresponding action listed under the tactical objectives. For example, specific metrics that track the performance and utilization of economic development programs by our customers should be identified and monitored. This way, we will be able to measure the success or failure of each objective while also being able to measure economic performance.

City Influenced Performance Indicators

As previously mentioned, the EDS contains Overall Economic Performance Indicators that measure the health of our regional economy. It is important to note that all but one of the indicators provided measures regional activity, as opposed to just specifically the City of San Diego. Many activities outside of those performed by our City government influence our regional economy, therefore it is important to also focus on those indicators the City can more greatly influence.

I propose the Department develop a set of Performance Indicators in which the City can directly influence and measure, perhaps those currently outlined as metrics under each economic base sector. I also recommend that the Department evaluate the addition of venture capital investment and local patent intensity as potential economic performance indicators and be included within the updated EDS.

Future Updates

As the Department provides quarterly updates and year-end reports monitoring the actions related to the EDS, these reports should list all outcomes directly related to the metrics outlined in the EDS.

cc: Andrea Tevlin, Independent Budget Analyst
Erik Caldwell, Economic Development Department