




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

M E M O R A N D U M

DATE: February 14, 2020

TO: Honorable Members of the Economic Development & Intergovernmental Relations Committee

FROM: Councilmember Chris Cate, Chair, Economic Development & Intergovernmental Relations Committee 

SUBJECT: 2020 Economic Development & Intergovernmental Relations Committee Work Plan

As Chair of this important committee, I appreciate the opportunity to share my 2020 Work Plan for the Economic Development & Intergovernmental Relations Committee. The Work Plan is created to reflect my priorities as well as many of the priorities outlined by my fellow committee members. While this Work Plan will guide our agenda this year, it is not meant to be exhaustive and I welcome the ideas of my fellow colleagues on the committee throughout the coming year.

The Economic Development & Intergovernmental Relations Committee covers a wide range of important topics, including intergovernmental relations, interagency and bi-national agreements, international trade, foreign trade zones, educational partnerships, San Diego County Regional Airport Authority, Port District, San Diego Convention Center Corporation, city-wide economic development programs and strategy, workforce development, commercial marketing district, business improvement districts, arts and culture, open data, and Civic San Diego.

ECONOMIC DEVELOPMENT:

- Review regional trends in economic and workforce projection data and their alignment with incentive programs, educational systems, and policies.
- Develop policies to attract, retain, and expand businesses.
- 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.
- Work closely with government partners in the binational region to strengthen the cross-border economy and identify opportunities for improved economic growth.
- 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.
- Proactively promote San Diego's growing blue economy.
- 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.

Military and Defense Industry

Explore Opportunities to Establish an Unmanned Aircraft Systems Incubator

San Diego is a national leader in the Unmanned Aircraft Systems (UAS) industry, generating over one billion dollars annually in regional economic impact, and by all estimates, the industry is expected to continue to grow. In 2018, the City was chosen to participate in The Unmanned Aircraft System (UAS) Integration Pilot Program (IPP) from the Federal Aviation Administration (FAA) and the U.S. Department of Transportation (USDOT). The IPP is an opportunity for state, local, and tribal governments to partner with private sector entities to accelerate safe UAS integration and innovation both regionally and nationally. The City of San Diego should work cooperatively with industry leaders and advocacy groups to develop strategies to bolster this industry, including the development of a drone incubator facility. Current regulations limit where drone technology can be tested. An incubator would allow start-up firms to develop and advance their technology within a secure space while remaining in compliance with federal and local regulations.

City of San Diego Military & Defense Impact Study

Each year, the San Diego Military Advisory Council (SDMAC) conducts their annual Military Impact Study with Point Loma Nazarene University. As the hub of seapower and airpower on the West Coast, San Diego is critical to our national defense. In 2017, the Propel San Diego study evaluated the impact of the defense industry amongst local businesses of varying scale. The Committee should evaluate the impact of the military and defense industry within the City of San Diego, in conjunction with the San Diego Regional Chamber of Commerce and the San Diego Regional Economic Development Corporation.

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.

International Trade

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.

Examine USMCA Impacts

The newly-passed trade deal with the United States, Mexico, and Canada (USMCA) provides new opportunities to increase San Diego's trade economy. The Committee should examine the impacts USMCA will have on San Diego's economy and develop policies that strengthen trade with Mexico and Canada.

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.

Business Expansion, Attraction, and Retention

Examine existing business expansion, attraction, and retention policies and work with City staff to identify areas for improvement.

Review Business Incentives and Expansion Opportunities for Craft Distilling

In 2014, the Economic Development and Intergovernmental Relations committee approved a business incentive for the expansion of AleSmith Brewing Company. Craft distilling is one of the next major industries to expand in the City of San Diego. The Committee should conduct a study on the economic impact of craft distilling and should evaluate opportunities to work with local craft distilleries to help and encourage the expansion of these businesses.

Business Improvement Districts

The City currently has 18 Business Improvement Districts (BIDs) serving over 11,000 businesses. As a result, it is critical that each BID is held accountable for ensuring success for its related 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 in the City, 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 in the community.

Veteran Preference in City Contracting and Hiring

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

Technical Assistance

According to San Diego Municipal Code 22.3619, the City may establish technical assistance programs to assist SLBEs and ELBEs in applying for business-type certifications, becoming eligible for minor public works contracts, securing necessary bonding and insurance, and generally complying with the City's advertising, bidding, and award process. The Committee will work to review the possibility of establishing a technical assistance program.

Expedite Approval Process for Small Business Loan Program

The Committee should develop a policy that would expedite the approval process for the City's Small Business Loan Program to spur the development of new businesses.

San Diego Promise Zone

The San Diego Promise Zone (SDPZ) spans 6.42 miles and includes a portion of Downtown's East Village, parts of Barrio Logan, Logan Heights and Southeastern San Diego's Encanto. The City of San Diego's Economic Development Department has programs and partners that help businesses located in the SDPZ area. City staff should provide an update on current SDPZ data according to the US Department of HUD Evaluation Framework, as well as provide updates on overall SDPZ neighborhood revitalization efforts.

Opportunity Zone

Opportunity Zones are an economic development tool that incentivizes investment in underserved communities. The program was designed to offer additional incentives to private investors to encourage support for underserved communities and help spur economic development in the rural and urban communities. The Committee must have updates on community outcomes from private investors investment in opportunity zones.

Libraries as Community Resource Centers

Residents of San Diego have many resources at their disposal but may be unaware of or lack reasonable access to them. With the vast number of libraries in most communities across the City, there is opportunity to dedicate space at each branch to inform and help guide residents through services, such as tax preparation, employment opportunities, housing navigation, nutrition assistance, childcare, and business development, to name a few. The City could partner with varying qualified nonprofits to provide their corresponding area of expertise and connect residents to resources provided by multiple government levels and jurisdictions.

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 will 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 to experience an increase in 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.

INTERGOVERNMENTAL RELATIONS:

Collaborate with the City's State and Federal Lobbyists on Committee Priorities

Continue to work with the City's lobbyists to advance the agenda of the Committee. Support the City's efforts to increase exports from the region and increase the amount of foreign direct investment into the region. Receive regular and timely legislative updates from city staff and lobbyists on the Committee's priorities.

Monitor Expanded Capacity for Federal and State Grant Opportunities

The Committee should request an annual update regarding all Federal and State grant opportunities available, sought, applied for, and awarded. This report should include the impact of 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 that protect Californians from fraudulent robocalls and ensure there is adequate enforcement of those protections.

Homelessness Resources

Homelessness has emerged as our most pressing regional challenge, and San Diego has received less funding per capita compared to most other metropolitan regions in the United States. While one-time funds in recent California State budgets have provided critical short-term investments, the Committee should work closely with city staff and our lobbyists to protect existing funding and advocate for continuing additional revenue to help implement appropriate services and housing programs to support the policies and approaches that have been proven to work in San Diego. Additionally, the committee should hear updates as appropriate on the programs initiated by the Council Select Committee on Homelessness in 2018, and programmatic updates on relevant items from the Regional Task Force on the Homeless.

Review reports from the following partner organizations and agencies:

- Asian Business Association
- Biocom
- Navy Region Southwest
- Port of San Diego
- San Diego Convention Center Corporation
- San Diego County Regional Airport Authority
- San Diego Association of Governments
- San Diego Military Advisory Council
- San Diego Regional Chamber of Commerce
- San Diego Regional Economic Development Corporation
- San Diego Tourism Marketing District
- San Diego Workforce Partnership
- Smart Border Coalition
- TMA BlueTech (formerly The Maritime Alliance)
- World Trade Center

CC:sb

cc: Honorable Mayor Kevin L. Faulconer
Honorable Councilmembers
Honorable City Attorney Mara Elliot
Andrea Tevlin, Independent Budget Analyst