



THE CITY OF SAN DIEGO
OFFICE OF COUNCILMEMBER RAUL A. CAMPILLO
SEVENTH DISTRICT

MEMORANDUM

DATE: January 29, 2024

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

FROM: Councilmember Raul A. Campillo, Chair, Economic Development & Intergovernmental Relations Committee *Raul A. Campillo*

SUBJECT: 2024 Economic Development & Intergovernmental Relations Committee Work Plan

As Chair of the City's Economic Development and Intergovernmental Relations Committee for a fourth year, I am committed to supporting and enhancing our local economy. Our City must be dedicated to supporting our local economy, including the many industries located in San Diego, and the multitude of local jobs these businesses create and provide for our residents. San Diego's economy is undeniably binational. The local economy is also not restricted by the boundaries of the national border it shares with Mexico, and our City must continue to strengthen its partnership with its neighbors to the South. Empowering our economy is essential. Further, I am committed to enhancing our relationships with various governmental agencies across San Diego. These relationships are essential as we advocate for the needs of our City, from grant funding to homelessness programing.

I appreciate the opportunity to share our 2024 Work Plan for the City of San Diego (City) Economic Development & Intergovernmental Relations Committee (Committee). The Work Plan is created to reflect the shared priorities of all three committee members, with significant input by my colleagues via their priority memos submitted to my office. While this Work Plan will guide the committee agenda this year, it is not meant to be exhaustive, and I welcome the ideas of my colleagues on the committee throughout the year.

The Committee covers a wide range of important topics, including intergovernmental relations, interagency and bi-national agreements, international trade, foreign trade zones, San Diego Regional Airport Authority, Civic San Diego, Port District, educational partnerships, city-wide economic development programs and strategy, workforce development, commercial marketing districts, business improvement districts, Tourism Marketing District, San Diego Convention Center Corporation, incentive programs, regulatory relief, community development block grants, small business support, worker rights and protections, labor standards, job quality standards, arts and culture, and open data.

ECONOMIC DEVELOPMENT

2024 World Design Capital: The cities of San Diego and Tijuana submitted a first of its kind, joint bid to the World Design Organization and was awarded the 2024 World Design Capital (WDC) designation, putting our binational region on the international stage. In FY2024, the City Council (Council) allocated \$3 million from its discretionary Transient Occupancy Tax (TOT) for WDC. The Committee should receive regular updates on the progress of preparing for the events and programs throughout 2024 and assist in supporting the cities of San Diego and Tijuana in this effort.

Support Tourism Industry: Tourism is the second largest segment of San Diego's economy and employs over 214,000 people. Supporting businesses and workers within the tourism industry is critical to the economic health of our region. This year, the San Diego Tourism Authority begins preparing the San Diego Tourism Stewardship Plan for 2024-2035. This plan is crucial for creating a balanced and sustainable tourism industry that not only benefits our visitors but also our local community. It aims to foster economic growth while preserving San Diego's unique identity and enhancing the overall quality of life for our residents. The Committee should receive an update from the Tourism Authority regarding the San Diego Tourism Stewardship Plan for 2024-2035.

Access to Affordable, Quality Childcare: San Diego needs more childcare opportunities for working families to enable parents to enter, re-enter, or remain in the workforce and to support children's development. The lack of affordable, quality childcare can affect parents' ability to enter, remain or re-enter the workforce, causing negative economic impacts to individual families, employers, and the community as a whole. Access to affordable, quality childcare will continue to be a major focus of this Committee this year, including supporting Organized Care Facilities and Home-based Settings.

Biotech and Life Science Industry: The Biotech and Life Science industries are a critical part of San Diego's innovation economy. The Committee should explore receiving a report from Biocom, the leader in accelerating the life science industry in California, regarding economic impacts of these industries in California. The Committee should also explore ways in which the City can be a partner, ensuring the Biotech and Life Science industries continue to flourish in San Diego.

Cannabis Equity: The City adopted its first Cannabis Equity Assessment in 2022, providing a foundation for the development of a future cannabis equity program for San Diego, identifying tools identifying tools such as offering technical support, regulatory compliance assistance, and help with securing the capital necessary to begin a business. Such tools could remedy barriers to licensure and employment in the regulated cannabis industry and aid the State in its goal to eliminate or reduce the illicit cannabis market by bringing more people into the legal marketplace for San Diego. The Committee should receive an update from the Cannabis Business Division regarding the state of Cannabis Equity in the City of San Diego.

Micro Loan Financing: The lack of access to capital is a serious issue for potential small business owners in underserved communities. Capital is critical in stabilizing a business's finances and building a company's capacity to grow. Non-predatory micro loan financing would provide the critical capital many small businesses need, allowing for both financial independence and a positive impact to the overall community. The City should explore the impact of micro loan financing on small businesses and encourage outreach to community members on education and opportunities for micro loans.

Economic Impact Study of Asian American Pacific Islander Community: Incorporate the results of the "Economic Impact Study of the Asian American Pacific Islander Community" that is currently underway into our work as a city. San Diego is home to a large, growing, and historically underserved AAPI community. While often spoken as a monolith, this community is extremely diverse and multi-faceted – and their contributions to our economy and our cultural vibrancy too often go underrepresented in our work as a city, especially when data is disaggregated for decision makers to understand the nuances of impact. This Committee looks forward to the production of this survey, including interviews with owners and data analysis, to be completed during the summer/fall timeframe. Results should be shared with this Committee and City staff to potentially identify any opportunities to relieve any regulatory burdens our small and API-owned businesses may be experiencing.

Discretionary TOT funding for Arts and Culture: On December 5, 2023, City Council voted to approve amendments to Council Policy 100-03. The policy establishes a procedure to formalize the Council's recommendation to the Mayor on its preferred use of the Council's discretionary 1% of the 10.5% Transient Occupancy Tax, with the goal to bring arts & culture funding to that level. The Committee should take the lead each year to submit a recommended level of funding to support arts & culture activities and strive to achieve the 1% level over the next several years as overall budgets allow.

Growing the Creative Economy in the San Diego Region: The City of San Diego recently released its findings for the 2023 Report "Creative Economy in the San Diego Region". Commissioned by the City through Arts and Culture, the report was produced in partnership with the San Diego Regional Policy & Innovation Center (PIC). The report details the impacts the pandemic had on the creative industries, their recovery, and key recommendations to strengthen and promote the overall growth of the creative economy to fully capitalize San Diego's creative and economic potential. At \$10.8 billion, the creative industries supported economic activity equivalent to 3.7% of the county's gross regional product (GRP) supporting almost 170,000 jobs.

The Committee should continue to monitor and support the efforts of the Commission of Arts and Culture to assure San Diego's competitiveness with peer cities as a driver for nurturing and attracting talent, investment, infrastructure and fueling economic growth.

City of San Diego Hiring Program: The Committee should develop policies and programs that encourage career pathways to civil service for those who typically face barriers in gaining employment with the City. These actions will seek to explore innovative policies that create an improved pipeline to civil service careers for underserved communities.

Youth Employment and Workforce Development: The City must continue to analyze, develop, and implement a means to monitor the progress and outcomes for opportunity youth. With a strong team, deep community connections, best-in class web-portal and IT solution, we have the foundation needed to dramatically expand the program this year to rival youth employment programs in other large cities. Additionally, we recommend in prioritizing the following programs:

- Connect2Careers
- Employ & Empower
- 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

Local Hire: Ensuring that the City is maximizing the utilization of its local workforce is critical to our economy and is a key component of the City's economic development efforts. Providing pathways to high-paying jobs for residents in underserved communities is a step toward expanding economic opportunities and directly impacts quality of life. In addition, providing local jobs is a crucial step towards providing a sustainable career pathway for those reentering society. With that, City staff should present to the Committee a report on local workforce utilization for City contracts. This includes, but is not limited to, construction, professional services, and goods and services contracts.

Worker Justice: In 2022, the Council included the following topics, Worker Rights and Protections, Labor Standards, and Job Quality Standards to the designated responsibilities of this Committee. The Committee should explore ways in which the City can be more supportive of its working residents and ensure labor standards such as proper pay and adequate safety conditions are met.

Storefront Improvement Program: The Storefront Improvement Program (SIP) helps revitalize and beautify our communities providing free professional design assistance and financial incentives to small business owners who wish to make a creative change to and

improve the curb appeal of their storefronts. The committee should explore ways to maintain and expand SIP, especially in areas of need.

SMALL BUSINESS SUPPORT

Small businesses are an essential part of the City's diverse neighborhoods and identity. San Diego's small businesses are the backbone of our regional economy, representing the majority of businesses and employing over half of our workforce. The City must actively engage and support these businesses that allow San Diego to thrive. In addition to the economic development priorities listed above, the Committee should:

- Review the City's efforts to expand small business funding opportunities, including the Business Finance Loan Program, Matching Grant/Rebate Programs, and others.
- Explore opportunities to leverage available state and federal funding to support local businesses and entrepreneurs.
- Regularly engage the Small Business Advisory Board to gather feedback on what the City can improve upon to help small businesses succeed.
- Examine the City's 18 Business Improvement Districts (BIDs) and provide oversight as it relates to the budgets for each BID.
- Review the City's efforts to provide Small Business Bonding Assistance Program and Technical Assistance.
- Work with industry leaders to identify opportunities to encourage and incentivize entrepreneurship among our veterans in the community.

INTERGOVERNMENTAL RELATIONS

Welcoming San Diego Strategic Plan Implementation: The Committee should receive updates from Mayor Gloria's office in regard to implementing the Welcoming San Diego Strategic Plan on Immigrant and Refugee Integration 2019 – 2024 which is a comprehensive blueprint for the San Diego region to bridge newcomer and native-born communities toward shared prosperity and a common future.

State & Federal Lobbyists: The Committee should receive regular and timely legislative updates from City staff and lobbyists on the Committee's priorities in the 2022 State and Federal Legislative Platform. The Committee should also work with and receive updates from staff and lobbyists regarding the City's efforts to be competitive in securing grants and leverage other governmental agencies to ensure San Diego is maximizing state and federal funding opportunities.

Port of San Diego: The Port of San Diego is a major city partner in developing the Blue Economy in San Diego. The committee should advocate for new funding opportunities to encourage increased economic activity in the Port district. The Committee should request an update from the Port of San Diego on issues and projects it is working on cooperatively with the city.

Intergovernmental and Agency Updates: The Committee should also request updates from the following organizations and agencies throughout the year who are vital to the San Diego economy and ecosystem:

- Strategic Alliance- San Diego Ethnic Chambers of Commerce
- San Diego Regional Airport Authority
- San Diego Convention Center
- San Diego Regional Chamber of Commerce
- San Diego Regional Economic Development Corporation
- San Deigo Workforce Partnership
- San Diego City-County Reinvestment Task Force
- San Diego and Imperial Counties Labor Council