

Office of the City Auditor

City of San Diego

Performance Audit of the Economic Development Program

City's Economic Development Program
Needs Improved Strategic Planning

Presentation to the Audit Committee

October 1, 2012



Background

- Economic Development Concepts
- Strategic Planning Purpose and Importance
- Audit Objectives

Background

- Two main divisions oversee the City's core economic development efforts
- Most program funding comes from voluntary fees, assessments, and grants
- Recent reorganization under Development Services

Division	Work Units
Economic Growth Services	<ul style="list-style-type: none">• Government Incentives• Business Expansion Attraction and Retention (BEAR)
Economic Development Division	<ul style="list-style-type: none">• HUD Programs Administration• Business Finance• Office of Small Business

Background:

City Council Policy 900-01 “Economic Development”

- Framework for a comprehensive economic development program which encourages sustainable economic prosperity throughout San Diego
- Success in these activities is dependent upon complementary efforts to provide for public infrastructure, affordable housing, employment and training and environmental quality as well actions in the legislative and regulatory arenas
- Provides for an annual review and a biennial submittal of the Economic Development Strategic Plan

Background:

City's General Plan – Economic Prosperity Element

Economic Development Strategic Plan should:

- Refine policies set forth in the Element
- Report on trends, identify economic issues, use comprehensive economic and performance indicators
- Inform infrastructure and land use priorities
- Develop near to mid-term strategies within long-term goals
- Identify new initiatives with private sector
- Be developed and updated every 3 years

Finding 1: Timing and Content

- Most recently adopted plan is outdated (2001)
- Timing issue in policy guidance
- Proposed Economic Development Strategic Plan lacks critical elements
- Citywide Strategy and department-level tactical plans provide starting point but do not replace need for comprehensive economic development strategy, as described in Council Policy and General Plan

Finding 2: Strategic Linkages

Plan should align-

- Upward: General Plan
- Laterally: CIP, CDBG, land use, other interrelated programs
- Outward: Economic development partners

Finding 2: Strategic Coordination

- City's role in the region and limitations
- Strategic rationale for coordination
- Coordinate to delineate roles, avoid duplication, establish effective divisions of labor

Recommendations

- We made 3 recommendations to management to improve the content and scope of the City's Economic Development Strategy and related efforts
- We made 1 recommendation to City Council to consider Policy revisions
- Management agreed with all 3 recommendations and supported the recommendation to City Council

Questions?

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