

# **Economic Development**



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## Department Description

The Economic Development Department (EDD) is comprised of several work units including Business Expansion Attraction and Retention (BEAR), Community Development, Sustainability and Promise Zone. The Department implements several economic and community development programs in order to create and sustain a resilient and economically prosperous City. Economic growth, energy independence, revenue enhancement, and community revitalization are accomplished by attracting new companies, retaining and/or expanding existing companies, making San Diego competitive in emerging markets, revitalizing and investing in older business communities and creating opportunities for residents of disadvantaged communities.

The Department's mission is:

*To cultivate economic and community development opportunities that serve businesses, neighborhoods, and residents*

The Department's vision is:

*A catalyst for economic prosperity and community investment*

## Goals and Objectives

***Goal 1: Strategically invest in the growth and development of businesses, neighborhoods, and residents***

- Leverage funding for greater commercial neighborhood benefit
- Invest in affordable housing options
- Expand economic opportunities for all
- Increase access to quality public and private facilities and services

# Economic Development

## Goal 2: Cultivate a globally competitive, sustainable, and resilient local economy

- Reduce the City’s overall carbon footprint and prepare San Diego to be a climate-smart city
- Maintain and build on San Diego’s competitive advantage by increasing workforce development, quality of life, and innovation
- Increase the number of San Diegans with middle-income jobs
- Increase small and neighborhood business activity

## Goal 3: Provide high quality public service

- Receive on average a rating of 90% “good” or “excellent” customer service scores from internal and external customers
- Increase overall awareness of EDD programs, incentives, and services with the public
- Highlight successes and impacts of EDD programs and initiatives

## Key Performance Indicators

Performance Indicator	FY2017 Target	FY2017 Actuals	FY2018 Target	FY2018 Projection	FY2019 Target
1. Amount of CO2 emissions reduced community-wide and from City operations <sup>1</sup>	15%	15%	15%	15%	15%
2. Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG)) <sup>2</sup>	418,539	300,785	500,000	225,595	250,000
3. Percentage growth in jobs created or preserved by the expansion, attraction and retention of employers working with the Department <sup>3</sup>	50%	16%	50%	10%	10%
4. Percentage growth in number of companies working with the Department that result in international trade or investment <sup>4</sup>	50%	167%	50%	20%	20%
5. Percentage growth in the number of districts formed <sup>5</sup>	5%	6%	5%	5%	5%
6. Percentage growth in the number of small businesses assisted and expanded annually as a result of small and neighborhood business programs <sup>6</sup>	5%	111%	5%	5%	10%
7. Total amount of federal funds expended for affordable housing <sup>7</sup>	\$14.2M	\$15.9M	\$19.0M	\$19M	\$21.5M
8. Total amount of federal funds expended for economic development programs <sup>8</sup>	\$1.4M	\$1.4M	\$4.5M	\$4.5M	\$6M

# Economic Development

## Key Performance Indicators

Performance Indicator	FY2017 Target	FY2017 Actuals	FY2018 Target	FY2018 Projection	FY2019 Target
9. Total amount of funds expended for infrastructure projects and community service <sup>9</sup>	\$12.4M	\$13.3M	\$15.7M	\$21M	\$21M

1. CO2 emissions will be calculated for calendar years and available for review at the end of the following calendar year. Targets have been adopted for 2020, 2030, and 2035.
2. The decrease in the Fiscal Year 2018 Target is a result of infrastructure projects that remain under construction or will not be placed in service long enough to report demographics for beneficiaries before the end of the fiscal year.
3. Last year, more than 3,100 jobs were retained or grew because they worked with department programs. Business investment in projects varies from year-to-year based on the time required to complete projects and fluctuations in industries.
4. Department-wide emphasis in foreign direct investment, world trade center activities and the Foreign Trade Zone program should result in significant increase in the number of companies.
5. Districts administered are the Tourism Marketing District, the Downtown Property Business Improvement District, Maintenance Assessment Districts, Business Improvement Districts, and Community Parking Districts.
6. Measures were taken internally to accurately track and reflect business assistance provided. In addition, OpenCounter Business Portal launched in Fiscal Year 2017 with the ability to capture potential job growth and division-wide CRM Salesforce launched in Fiscal Year 2018.
7. Increase due to larger than projected HOME program income revenue and expenditure.
8. Increase from Fiscal Year 2018 Target of \$4.5M to \$6.0M due to inclusion of Reinvestment Initiative (ReI) funding.
9. Increase from Fiscal Year 2018 Target \$19M to \$29M due to inclusion of Reinvestment Initiative (ReI) funding.



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# Economic Development

## Department Summary

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018–2019 Change
FTE Positions (Budgeted)	56.00	63.85	<b>59.35</b>	(4.50)
Personnel Expenditures	\$ 5,840,494	\$ 7,092,334	\$ <b>7,157,251</b>	\$ 64,917
Non-Personnel Expenditures	7,472,152	8,945,775	<b>7,969,155</b>	(976,620)
<b>Total Department Expenditures</b>	<b>\$ 13,312,646</b>	<b>\$ 16,038,109</b>	<b>\$ 15,126,406</b>	<b>\$ (911,703)</b>
<b>Total Department Revenue</b>	<b>\$ 6,529,873</b>	<b>\$ 8,249,980</b>	<b>\$ 7,565,223</b>	<b>\$ (684,757)</b>

## General Fund

### Department Expenditures

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018–2019 Change
BID & Commercial MAD	\$ 35,910	\$ -	\$ -	\$ -
Business Expansion, Attraction & Retention	3,988,961	4,345,326	<b>4,385,110</b>	39,784
Community Development	1,750,079	2,395,900	<b>2,332,777</b>	(63,123)
Economic Development	7,505,106	6,642,476	<b>6,434,049</b>	(208,427)
Economic Growth Services	12,171	-	-	-
Small Business & Neighborhoods	20,420	-	-	-
<b>Total</b>	<b>\$ 13,312,646</b>	<b>\$ 13,383,702</b>	<b>\$ 13,151,936</b>	<b>\$ (231,766)</b>

### Department Personnel

	FY2017 Budget	FY2018 Budget	FY2019 Proposed	FY2018–2019 Change
Business Expansion, Attraction & Retention	19.00	19.00	<b>20.00</b>	1.00
Community Development	15.00	20.00	<b>19.00</b>	(1.00)
Economic Development	22.00	24.85	<b>20.35</b>	(4.50)
<b>Total</b>	<b>56.00</b>	<b>63.85</b>	<b>59.35</b>	<b>(4.50)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b> Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	\$ 404,263	\$ -
<b>Safe Parking Program</b> Addition of non-personnel expenditures to support the Homeless Safe Parking Program operated by Jewish Family Services.	0.00	308,000	-
<b>Housing Navigation Center</b> Addition of non-personnel expenditures associated with the contribution to the San Diego Housing Commission for the Housing Navigation Center.	0.00	300,000	-
<b>Non-Discretionary Adjustment</b> Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	71,904	-

# Economic Development

## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	52,924	-
<b>San Diego Misdemeanants At-Risk Track Program Support</b> Addition of non-personnel expenditures associated with the San Diego Misdemeanants At-Risk Track (SMART) Program.	0.00	40,000	-
<b>Office of Sustainability Restructure</b> Transfer of 2.00 FTE positions from the Economic Development Department to the newly created Office of Sustainability supported by the General Fund.	(2.00)	(132)	-
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	(2.50)	(74,745)	82,840
<b>Reduction of Economic Development Program Support</b> Reduction of non-personnel expenditures associated with programs such as the Business Cooperation Program, Small Business Enhancement Program, CONNECT2Careers Program, and San Diego Housing Commission Programs.	0.00	(267,894)	-
<b>One-Time Reductions and Annualizations</b> Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2018.	0.00	(1,066,086)	(87,660)
<b>Total</b>	<b>(4.50)</b>	<b>\$ (231,766)</b>	<b>\$ (4,820)</b>

## Expenditures by Category

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018-2019 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 3,680,573	\$ 4,282,917	\$ 4,342,060	\$ 59,143
Fringe Benefits	2,159,921	2,809,417	2,815,191	5,774
<b>PERSONNEL SUBTOTAL</b>	<b>5,840,494</b>	<b>7,092,334</b>	<b>7,157,251</b>	<b>64,917</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 28,223	\$ 10,042	\$ 9,145	\$ (897)
Contracts	6,479,009	5,354,780	5,090,851	(263,929)
Information Technology	368,763	299,765	352,689	52,924
Energy and Utilities	7,107	2,139	6,000	3,861
Other	273,970	309,642	221,000	(88,642)
Transfers Out	315,000	315,000	315,000	-
Capital Expenditures	80	-	-	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>7,472,152</b>	<b>6,291,368</b>	<b>5,994,685</b>	<b>(296,683)</b>
<b>Total</b>	<b>\$ 13,312,646</b>	<b>\$ 13,383,702</b>	<b>\$ 13,151,936</b>	<b>\$ (231,766)</b>



# Economic Development

## Revenues by Category

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018-2019 Change
Charges for Services	\$ 4,293,400	\$ 5,378,906	\$ 5,374,086	\$ (4,820)
Other Revenue	1,740	-	-	-
Rev from Money and Prop	(11)	-	-	-
Rev from Other Agencies	2,064,744	216,667	216,667	-
Transfers In	170,000	-	-	-
<b>Total</b>	<b>\$ 6,529,873</b>	<b>\$ 5,595,573</b>	<b>\$ 5,590,753</b>	<b>\$ (4,820)</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2017 Budget	FY2018 Budget	FY2019 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000011	Account Clerk	2.00	1.00	1.00	\$32,530 - \$39,170	\$ 32,530
20000012	Administrative Aide 1	3.00	2.00	1.00	38,181 - 46,002	45,312
20000024	Administrative Aide 2	3.00	3.00	4.00	43,983 - 53,028	194,485
90000024	Administrative Aide 2	0.00	0.35	0.35	43,983 - 53,028	18,560
20000116	Assistant Engineer-Traffic	1.00	1.00	1.00	59,775 - 72,022	62,547
20000119	Associate Management Analyst	3.00	3.00	2.00	55,843 - 67,489	116,217
20000295	Community Development Coordinator	5.00	6.00	6.00	79,263 - 95,958	575,748
20000300	Community Development Specialist 2	10.00	10.00	11.00	55,843 - 67,489	669,349
20000301	Community Development Specialist 3	1.00	4.00	4.00	64,309 - 77,759	279,177
20000303	Community Development Specialist 4	10.00	11.00	12.00	68,971 - 83,561	967,483
20001101	Department Director	1.00	1.00	1.00	61,107 - 231,494	165,280
20001168	Deputy Director	1.00	1.00	1.00	48,516 - 178,445	123,960
20000104	Development Project Manager 2	1.00	0.00	0.00	68,821 - 83,109	-
20000924	Executive Secretary	0.00	1.00	1.00	44,993 - 54,404	50,262
90001073	Management Intern	4.00	4.50	2.00	25,075 - 30,167	60,334
20000172	Payroll Specialist 1	0.00	1.00	1.00	34,185 - 41,146	40,529
20000680	Payroll Specialist 2	1.00	0.00	0.00	35,753 - 43,166	-
20001222	Program Manager	5.00	7.00	6.00	48,516 - 178,445	679,564
20000015	Senior Management Analyst	2.00	3.00	2.00	61,322 - 74,128	135,450
20000918	Senior Planner	1.00	1.00	0.00	67,510 - 81,627	-
20000926	Senior Traffic Engineer	1.00	1.00	1.00	79,328 - 95,915	90,148
20000970	Supervising Management Analyst	1.00	1.00	1.00	68,971 - 83,561	83,561
20000756	Word Processing Operator	0.00	1.00	1.00	32,530 - 39,170	38,387
	Bilingual - Regular					5,824
	Budgeted Vacancy Savings					(120,152)
	Overtime Budgeted					3,835
	Reg Pay For Engineers					13,728
	Sick Leave - Hourly					3,193
	Termination Pay Annual Leave					6,749
<b>FTE, Salaries, and Wages Subtotal</b>		<b>56.00</b>	<b>63.85</b>	<b>59.35</b>		<b>\$ 4,342,060</b>

# Economic Development

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018-2019 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 33,170	\$ 34,891	\$ 33,679	\$ (1,212)
Flexible Benefits	531,651	701,605	707,348	5,743
Long-Term Disability	9,725	-	-	-
Medicare	52,853	59,223	60,005	782
Other Post-Employment Benefits	277,704	324,054	337,205	13,151
Retiree Medical Trust	3,483	4,745	5,108	363
Retirement 401 Plan	5,063	5,133	5,910	777
Retirement ADC	939,052	1,295,429	1,229,974	(65,455)
Retirement DROP	18,890	17,044	18,894	1,850
Risk Management Administration	48,398	54,594	57,970	3,376
Supplemental Pension Savings Plan	201,851	258,153	262,141	3,988
Unemployment Insurance	6,633	7,601	7,283	(318)
Workers' Compensation	31,449	46,945	89,674	42,729
<b>Fringe Benefits Subtotal</b>	<b>\$ 2,159,921</b>	<b>\$ 2,809,417</b>	<b>\$ 2,815,191</b>	<b>\$ 5,774</b>
<b>Total Personnel Expenditures</b>			<b>\$ 7,157,251</b>	

## Successor Agency Admin & Project - CivicSD Fund

### Department Expenditures

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018-2019 Change
Economic Development	\$ -	\$ 2,654,407	\$ 1,974,470	\$ (679,937)
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>	<b>\$ (679,937)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Successor Agency</b>	0.00	\$ (679,937)	\$ (679,937)
Adjustment to non-personnel expenditures and associated revenue according to the Successor Agency Fiscal Year 2019 Proposed Budget.			
<b>Total</b>	<b>0.00</b>	<b>\$ (679,937)</b>	<b>\$ (679,937)</b>

### Expenditures by Category

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018-2019 Change
<b>NON-PERSONNEL</b>				
Contracts	\$ -	\$ 2,654,407	\$ 1,974,470	\$ (679,937)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>-</b>	<b>2,654,407</b>	<b>1,974,470</b>	<b>(679,937)</b>
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>	<b>\$ (679,937)</b>

### Revenues by Category

	FY2017 Actual	FY2018 Budget	FY2019 Proposed	FY2018-2019 Change
Rev from Other Agencies	\$ -	\$ 2,654,407	\$ 1,974,470	\$ (679,937)
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>	<b>\$ (679,937)</b>

# Economic Development

## Revenue and Expense Statement (Non-General Fund)

Successor Agency Admin & Project - CivicSD Fund	FY2017 Actual	FY2018* Budget	FY2019 Proposed
<b>REVENUE</b>			
Revenue from Other Agencies	\$ -	\$ 2,654,407	\$ 1,974,470
<b>TOTAL REVENUE</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>
<b>OPERATING EXPENSE</b>			
Contracts	\$ -	\$ 2,654,407	\$ 1,974,470
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>
<b>TOTAL EXPENSE</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ -</b>	<b>\$ 2,654,407</b>	<b>\$ 1,974,470</b>

\* At the time of publication, audited financial statements for Fiscal Year 2018 were not available. Therefore, the Fiscal Year 2018 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2018 Adopted Budget, while the beginning Fiscal Year 2018 balance amount reflects the audited Fiscal Year 2017 ending balance.



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