

## **Economic Development**



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# Economic Development



## Description

The Economic Development Department (EDD) is comprised of several work units including Business Expansion Attraction and Retention (BEAR), Community Development, Promise Zone, and Fiscal Operations. The Department implements economic and community development programs in order to create and sustain a resilient and economically prosperous City. Inclusive economic growth, 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 disadvantaged communities, and vulnerable populations.

The BEAR Division provides services to businesses such as technical assistance, due diligence, expedited permitting, policy/legislative advocacy, utilities coordination, and application support for financial incentives. The Community Development Division administers the Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The six Consolidated Plan goals of the CDBG program include job readiness and economic development programs; public infrastructure needs; affordable housing; homelessness; vulnerable populations; and HIV/AIDS housing, health, and support services. The Promise Zone is a federally designated area representing the City's most disadvantaged and underserved communities. Through the Promise Zone initiative, partners work together to deliver comprehensive support, accelerate revitalization, and improve the quality of life for residents.

### ***The mission is:***

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

### ***The vision is:***

A catalyst for economic prosperity and community investment

# Economic Development

## 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

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

- 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 department programs, incentives, and services with the public
- Highlight successes and impacts of department programs and initiatives

## Key Performance Indicators

Performance Indicator	FY2018 Target	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG)) <sup>1</sup>	N/A	63,498	50,000	41,530	50,000
Percentage growth in jobs created or preserved by the expansion, attraction and retention of employers working with the Department <sup>2</sup>	50%	-27%	0%	5%	5%
Percentage growth in number of companies working with the Department that result in international trade or investment <sup>3</sup>	50%	200%	20%	20%	10%
Percentage growth in the number of small businesses assisted and expanded annually as a result of small and neighborhood business programs <sup>4</sup>	5%	-14%	10%	10%	10%
Total amount of federal funds expended for affordable housing <sup>5</sup>	\$19.0M	\$19.4M	\$21.5M	\$27M	\$7.5M
Total amount of federal funds expended for economic development programs <sup>6</sup>	\$4.5M	\$1.6M	\$6M	\$4M	\$7M
Total amount of funds expended for infrastructure projects and community service <sup>7</sup>	\$15.7M	\$28.8M	\$21M	\$26.2M	\$30M

1. FY18 Actuals are 63,498 based on the FY18 Consolidated Annual Performance and Evaluation Report (CAPER). FY19 Estimates and revised FY19 Target are based upon FY19 Annual Action Plan.

# Economic Development

## Key Performance Indicators

2. Last year, more than 2,281 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. EDD's job creation and retention metric is indicative of an economy spurring growth of small to medium sized businesses where job growth is in the dozens and not hundreds. San Diego has very few large corporations and majority of staff time is with smaller entities which proportionally have less employees to impact. In addition, this is an indicator of a market that is over-due for correction and expansion projects are showing signs of slowing. Any increase in job numbers and retention of jobs is a positive win for San Diego.
3. Department-wide emphasis in foreign direct investment, world trade center activities and the Foreign Trade Zone program resulted in a significant increase in the number of companies. There were 24 companies assisted by EDD in FY18 - Metro Connect 15, FTZ 3, EB5 6. This is up from 8 companies assisted in FY17. The total number assisted for FY19 will be updated at Year-End.
4. Last year, 2,518 small businesses were assisted. Measures were taken internally to accurately track and reflect business assistance provided. The number of businesses assisted is likely reduced because of the additional City tools that are available online. The zoning portal has assisted more than 13,000 inquiries through OpenCounter enabling clients to seek readily available information about permitted uses instead of coming in or calling. In addition, the Business Walks in FY18 generated half the number of surveys collected (280 vs 562) because they were generally smaller business corridors (North Park, Morena, Adams Avenue, East Village) whereas last year there were large commercial corridors (College, El Cajon Boulevard and Hillcrest). In addition, the Storefront Improvement Program went through a complete 8 month overhaul and re-launched in February 2018. The total number assisted for FY19 will be updated at Year-End.
5. FY19 Estimates are based upon FY19 Annual Action Plan. Until the FY 2020 – FY 2024 Consolidated Plan is approved by City Council in April 2019 and HUD in May 2019, all FY 2020 numbers are rough estimates. The dollar amounts for target expenditures do not include reprogrammed funds from the prior year.
6. Refer to footnote 5.
7. Refer to footnote 5.



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# Economic Development

## Department Summary

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
FTE Positions (Budgeted)	63.85	59.35	61.00	1.65
Personnel Expenditures	\$ 6,845,496	\$ 7,155,403	\$ 7,966,163	\$ 810,760
Non-Personnel Expenditures	7,912,804	8,121,109	7,316,228	(804,881)
<b>Total Department Expenditures</b>	<b>\$ 14,758,299</b>	<b>\$ 15,276,512</b>	<b>\$ 15,282,391</b>	<b>\$ 5,879</b>
<b>Total Department Revenue</b>	<b>\$ 7,086,192</b>	<b>\$ 7,614,510</b>	<b>\$ 8,171,462</b>	<b>\$ 556,952</b>

## General Fund

### Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Business Expansion, Attraction & Retention	\$ 4,144,106	\$ 4,384,033	\$ 4,406,379	\$ 22,346
Community Development	2,190,436	2,331,691	2,883,391	551,700
Economic Development	7,034,292	6,537,031	5,968,864	(568,167)
<b>Total</b>	<b>\$ 13,368,834</b>	<b>\$ 13,252,755</b>	<b>\$ 13,258,634</b>	<b>\$ 5,879</b>

### Department Personnel

	FY2018 Budget	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Business Expansion, Attraction & Retention	19.00	20.00	20.00	0.00
Community Development	20.00	19.00	20.00	1.00
Economic Development	24.85	20.35	21.00	0.65
<b>Total</b>	<b>63.85</b>	<b>59.35</b>	<b>61.00</b>	<b>1.65</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	\$ 473,902	-
<b>Corporate Partnerships and Development Program Restructure</b> Transfer of 1.00 Executive Director and associated non-personnel expenditures and revenue from the Neighborhood Services branch to the Economic Development Department.	1.00	195,771	391,021
<b>Addition of Assistant Deputy Director</b> Addition of 1.00 Assistant Deputy Director and associated revenue to support the Community Development and Promise Zone Divisions. This position will be fully supported by successor agency and Community Block Development Grant funding sources.	1.00	165,991	165,931
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	19,413	-
<b>Pay-in-Lieu of Annual Leave Adjustments</b> Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	16,908	-

# Economic Development

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	(0.35)	(18,514)	-
<b>One-Time Additions and Annualizations</b> Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2019.	0.00	(40,000)	-
<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	(49,623)	-
<b>Reduction of Program Support</b> Reduction of non-personnel expenditures associated with the CONNECT2Careers program, the San Diego Regional Economic Development Corporation, and the San Diego Housing Commission.	0.00	(82,833)	-
<b>Sustainability Department Restructure</b> Reduction of non-personnel expenditures related to internal contractual services for the Sustainability Department.	0.00	(264,469)	-
<b>Safe Parking Program</b> Reduction of non-personnel expenditures associated with the Safe Parking Program that will be supported by the Homeless Emergency Aid Program (HEAP).	0.00	(410,667)	-
<b>Total</b>	<b>1.65 \$</b>	<b>5,879 \$</b>	<b>556,952</b>

## Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 4,073,568	\$ 4,343,073	\$ 4,878,625	535,552
Fringe Benefits	2,771,927	2,812,330	3,087,538	275,208
<b>PERSONNEL SUBTOTAL</b>	<b>6,845,496</b>	<b>7,155,403</b>	<b>7,966,163</b>	<b>810,760</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 14,908	\$ 9,145	\$ 10,690	1,545
Contracts	5,347,130	5,193,518	4,677,083	(516,435)
Information Technology	284,491	352,689	372,102	19,413
Energy and Utilities	10,868	6,000	7,596	1,596
Other	208,912	221,000	225,000	4,000
Transfers Out	657,029	315,000	-	(315,000)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>6,523,338</b>	<b>6,097,352</b>	<b>5,292,471</b>	<b>(804,881)</b>
<b>Total</b>	<b>\$ 13,368,834</b>	<b>\$ 13,252,755</b>	<b>\$ 13,258,634</b>	<b>5,879</b>

## Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Charges for Services	\$ 5,550,065	\$ 5,374,086	\$ 5,581,038	206,952
Other Revenue	2,271	-	350,000	350,000
Rev from Money and Prop	22,730	-	-	-
Rev from Other Agencies	121,660	216,667	216,667	-
<b>Total</b>	<b>\$ 5,696,727</b>	<b>\$ 5,590,753</b>	<b>\$ 6,147,705</b>	<b>556,952</b>



# Economic Development

## Personnel Expenditures

Job Number	Job Title / Wages	FY2018 Budget	FY2019 Budget	FY2020 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000011	Account Clerk	1.00	1.00	1.00	\$ 33,605 - 40,459	\$ 39,043
20000012	Administrative Aide 1	2.00	1.00	1.00	39,449 - 47,528	47,528
20000024	Administrative Aide 2	3.00	4.00	4.00	45,444 - 54,769	209,856
90000024	Administrative Aide 2 - Hourly	0.35	0.35	0.00	45,444 - 54,769	-
20001202	Assistant Deputy Director	0.00	0.00	1.00	24,537 - 147,160	130,000
20000116	Assistant Engineer-Traffic	1.00	1.00	1.00	61,752 - 74,407	63,641
20000119	Associate Management Analyst	3.00	2.00	2.00	57,691 - 69,723	123,269
20000295	Community Development Coordinator	6.00	6.00	6.00	81,885 - 99,117	594,702
20000300	Community Development Specialist 2	10.00	11.00	11.00	57,691 - 69,723	727,428
20000301	Community Development Specialist 3	4.00	4.00	4.00	66,436 - 80,316	315,642
20000303	Community Development Specialist 4	11.00	12.00	12.00	71,249 - 86,311	1,014,881
20001101	Department Director	1.00	1.00	1.00	63,127 - 239,144	180,775
20001168	Deputy Director	1.00	1.00	1.00	50,128 - 184,332	128,059
20000924	Executive Assistant	1.00	1.00	1.00	46,475 - 56,208	54,499
20001220	Executive Director	0.00	0.00	1.00	50,128 - 184,332	128,059
90001073	Management Intern - Hourly	4.50	2.00	2.00	25,913 - 31,155	62,311
20000172	Payroll Specialist 1	1.00	1.00	1.00	37,086 - 46,859	45,743
20001222	Program Manager	7.00	6.00	6.00	50,128 - 184,332	707,482
20000015	Senior Management Analyst	3.00	2.00	2.00	63,342 - 76,578	146,083
20000918	Senior Planner	1.00	0.00	0.00	80,589 - 97,427	-
20000926	Senior Traffic Engineer	1.00	1.00	1.00	81,949 - 99,074	97,588
20000970	Supervising Management Analyst	1.00	1.00	1.00	71,249 - 86,311	86,311
20000756	Word Processing Operator Bilingual - Regular	1.00	1.00	1.00	33,605 - 40,459	38,482
	Budgeted Vacancy Savings					11,648
	Infrastructure In-Training Pay					(128,940)
	Infrastructure Registration Pay					3,870
	Overtime Budgeted					11,868
	Reg Pay For Engineers					3,835
	Sick Leave - Hourly					14,861
	Vacation Pay In Lieu					3,193
						16,908
<b>FTE, Salaries, and Wages Subtotal</b>		<b>63.85</b>	<b>59.35</b>	<b>61.00</b>		<b>\$ 4,878,625</b>

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 33,537	\$ 33,679	\$ 35,458	1,779
Flexible Benefits	697,048	707,348	747,819	40,471
Medicare	61,061	60,051	67,537	7,486
Other Post-Employment Benefits	331,031	336,820	352,488	15,668
Retiree Medical Trust	4,675	5,111	6,284	1,173
Retirement 401 Plan	5,879	5,910	8,204	2,294
Retirement ADC	1,299,871	1,227,614	1,461,798	234,184
Retirement DROP	18,454	18,894	14,673	(4,221)

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	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Risk Management Administration	54,449	57,915	69,312	11,397
Supplemental Pension Savings Plan	237,149	262,234	285,597	23,363
Unemployment Insurance	7,345	7,232	7,512	280
Workers' Compensation	21,428	89,522	30,856	(58,666)
<b>Fringe Benefits Subtotal</b>	<b>\$ 2,771,927</b>	<b>\$ 2,812,330</b>	<b>\$ 3,087,538</b>	<b>\$ 275,208</b>
<b>Total Personnel Expenditures</b>			<b>\$ 7,966,163</b>	

## Successor Agency Admin & Project - CivicSD Fund

### Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Economic Development	\$ 1,389,465	\$ 2,023,757	\$ 2,023,757	-
<b>Total</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>	<b>-</b>

### Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>NON-PERSONNEL</b>				
Contracts	\$ 1,389,465	\$ 2,023,757	\$ 2,023,757	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>1,389,465</b>	<b>2,023,757</b>	<b>2,023,757</b>	<b>-</b>
<b>Total</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>	<b>-</b>

### Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Rev from Other Agencies	\$ 1,389,465	\$ 2,023,757	\$ 2,023,757	-
<b>Total</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>	<b>-</b>

# Economic Development

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

Successor Agency Admin & Project - CivicSD Fund	FY2018 Actual	FY2019* Budget	FY2020 Proposed
<b>REVENUE</b>			
Revenue from Other Agencies	\$ 1,389,465	\$ 2,023,757	\$ 2,023,757
<b>TOTAL REVENUE</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>
<b>OPERATING EXPENSE</b>			
Contracts	\$ 1,389,465	\$ 2,023,757	\$ 2,023,757
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>
<b>TOTAL EXPENSE</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>
<b>BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 1,389,465</b>	<b>\$ 2,023,757</b>	<b>\$ 2,023,757</b>

\* At the time of publication, financial statements for Fiscal Year 2019 were not available. Therefore, the Fiscal Year 2019 Revenues, Expenditures, and Fund Balances reflect those amounts as published in the Fiscal Year 2019 Adopted Budget. Fiscal Year 2020 Beginning Fund Balance reflects the projected Fiscal Year 2019 Ending Fund Balance based on updated Revenue and Expenditure Projections for Fiscal Year 2019.



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