

# **Economic Development**



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## Department Description

In Fiscal Year 2016, the City Council established a standalone Economic Development Department (EDD). The Department is comprised of several work units including Business Expansion Attraction and Retention (BEAR), Community Development, and Sustainability. 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*

## Did you know?

- In Fiscal Year 2016, the Economic Development Department assisted 25 companies who, in turn, added or retained 1,100 local jobs (based on 6 months of Fiscal Year 2016 data).
- San Diego's innovation economy produces the second highest number of patents annually among U.S. metropolitan areas.
- In Fiscal Year 2016, the City's federal entitlement grant programs (Community Development Block Grant, HOME Investment Partnership, Emergency Solutions Grant and Housing Opportunities for Persons with AIDS) utilized \$20.8 million in grant funds to leverage an additional \$86.0 million from other sources which served a total of 366,716 households, people, and businesses.

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- The City's recently adopted Climate Action Plan outlines a bold plan of action for the City to reduce its carbon footprint in half by 2035.
- San Diego is the largest city in America to set a 100% renewable energy goal.
- In the last three years, over \$8.0 million in revenue generated from parking meters was invested back into the community to decrease parking congestion and increase pedestrian safety.

## 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***

- 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

# Economic Development

## Key Performance Indicators

Performance Indicator	Target <sup>1</sup> FY2015	Actual <sup>1</sup> FY2015	Estimated <sup>2</sup> FY2016	Target FY2017
1. Total amount of federal funds expended for affordable housing	N/A	N/A	N/A	\$8.0M
2. Total amount of federal funds expended for economic development programs	N/A	N/A	N/A	\$400,000
3. Total amount of funds expended for infrastructure projects and community service	N/A	N/A	N/A	\$9.0M
4. Number of persons assisted through infrastructure projects and community service (i.e., Community Development Block Grant Program (CDBG))	N/A	N/A	N/A	300,000
5. Amount of CO2 emissions reduced community-wide and from City operations	N/A	N/A	N/A	15%
6. Percentage growth in number and/or value of companies that are exporting	N/A	N/A	N/A	50%
7. Percentage growth in jobs created or preserved by the expansion, attraction and retention of base sector employers working with the Department	N/A	N/A	N/A	50%
8. Percent change in number of small businesses assisted and expanded annually as a result of small and neighborhood business programs	N/A	N/A	N/A	5% <sup>3</sup>
9. Percent change in number of districts formed	N/A	N/A	N/A	5% <sup>3</sup>

1. During Fiscal Year 2016, new department tactical plans and key performance indicators were developed. As such, Fiscal Year 2015 data may be unavailable.
2. New performance indicators for Fiscal Year 2016. Some baseline data is currently under development.
3. Target is an increase of 5% of the baseline which is currently being established.



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# Economic Development

## Department Summary

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
FTE Positions (Budgeted)	50.70	51.35	56.00	4.65
Personnel Expenditures	\$ 4,990,000	\$ 5,505,554	\$ 6,046,590	\$ 541,036
Non-Personnel Expenditures	6,824,804	8,318,127	8,930,166	612,039
<b>Total Department Expenditures</b>	<b>\$ 11,814,804</b>	<b>\$ 13,823,681</b>	<b>\$ 14,976,756</b>	<b>\$ 1,153,075</b>
<b>Total Department Revenue</b>	<b>\$ 6,801,256</b>	<b>\$ 7,470,912</b>	<b>\$ 8,141,001</b>	<b>\$ 670,089</b>

## General Fund

### Department Expenditures

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
BID & Commercial MAD	\$ -	\$ 15,539	\$ -	\$ (15,539)
Business Expansion, Attraction & Retention	-	-	4,441,577	4,441,577
Community Development	1,856,882	2,002,410	1,600,899	(401,511)
Economic Development	5,927,261	7,171,292	8,934,280	1,762,988
Economic Growth Services	1,477,438	1,926,909	-	(1,926,909)
Small Business & Neighborhoods	2,553,223	2,707,531	-	(2,707,531)
<b>Total</b>	<b>\$ 11,814,804</b>	<b>\$ 13,823,681</b>	<b>\$ 14,976,756</b>	<b>\$ 1,153,075</b>

### Department Personnel

	FY2015 Budget	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
BID & Commercial MAD	0.50	0.50	0.00	(0.50)
Business Expansion, Attraction & Retention	0.00	0.00	19.00	19.00
Community Development	21.85	21.85	15.00	(6.85)
Economic Development	5.00	5.00	22.00	17.00
Economic Growth Services	12.35	12.00	0.00	(12.00)
Small Business & Neighborhoods	11.00	12.00	0.00	(12.00)
<b>Total</b>	<b>50.70</b>	<b>51.35</b>	<b>56.00</b>	<b>4.65</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Expand Connect2Careers Workforce Program</b> Adjustment to reflect an increase of non-personnel expenditures for the San Diego Workforce Partnership's Connect2Careers Program.	0.00	\$ 250,000	\$ -
<b>Small Business Enhancement Program software</b> Addition of non-personnel expenditures to purchase Open Counter Software for the Small Business Enhancement Program.	0.00	200,000	-
<b>Addition of Associate Management Analyst and Community Development Specialist</b> Addition of 1.00 Associate Management Analyst and 1.00 Community Development Specialist 4 to manage Successor Agency activities as mandated by State Assembly Bill 1X 26 (The Dissolution Act).	2.00	198,163	196,667

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## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Expand Serial Inebriate Program</b> Adjustment to reflect an increase in non-personnel expenditures and revenue to provide additional transitional housing beds for residents struggling with substance abuse and homelessness.	0.00	170,000	170,000
<b>San Diego Economic Development Corporation</b> Addition of non-personnel expenditures to support contract services associated with the San Diego Regional Economic Development Corporation.	0.00	150,000	-
<b>Transfer of Community Development Specialist 4</b> Transfer of 1.00 Community Development Specialist 4 and associated revenue from the Planning Department to the Economic Development Department.	1.00	107,448	332,200
<b>Addition of Senior Planner</b> Addition of 1.00 Senior Planner to support the implementation and maintenance of the City's Climate Action Plan.	1.00	105,936	10,000
<b>24/7 Restroom Access for the Homeless</b> Addition of non-personnel expenditures to provide 24 hours a day, 7 days a week public restroom access.	0.00	105,000	-
<b>Salary and Benefit Adjustments</b> Adjustments to reflect the annualization of the Fiscal Year 2016 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	76,850	-
<b>Addition of Payroll Specialist</b> Addition of 1.00 Payroll Specialist and revenue to support payroll and human resources activities.	1.00	64,279	35,000
<b>Equipment/Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	53,751	-
<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	29,253	-
<b>Employee Rewards and Recognition Program</b> Addition of non-personnel expenditures to support the Employee Rewards and Recognition Program per Administrative Regulation 95.91.	0.00	3,532	-
<b>Non-Standard Hour Personnel Funding</b> Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	(0.35)	(11,640)	-
<b>Reduction in Non-Personnel Expenditures</b> Reduction of non-personnel expenditures due to savings in postage, supplies, architectural services, and debt service.	0.00	(174,497)	-



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## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Revised Revenue</b>	0.00	-	62,152
Adjustment to reflect Fiscal Year 2017 revenue projections.			
<b>One-Time Reductions and Annualizations</b>	0.00	(175,000)	(135,930)
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2016.			
<b>Total</b>	<b>4.65</b>	<b>\$ 1,153,075</b>	<b>\$ 670,089</b>

## Expenditures by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 2,992,345	\$ 3,414,687	\$ 3,754,595	\$ 339,908
Fringe Benefits	1,997,655	2,090,867	2,291,995	201,128
<b>PERSONNEL SUBTOTAL</b>	<b>4,990,000</b>	<b>5,505,554</b>	<b>6,046,590</b>	<b>541,036</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 23,067	\$ 64,430	\$ 29,184	\$ (35,246)
Contracts	6,276,669	7,284,272	7,780,098	495,826
Information Technology	141,212	136,205	189,956	53,751
Energy and Utilities	6,513	2,675	2,286	(389)
Other	5,669	359,642	359,642	-
Transfers Out	371,675	369,000	369,000	-
Capital Expenditures	-	-	200,000	200,000
Debt	-	101,903	-	(101,903)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>6,824,804</b>	<b>8,318,127</b>	<b>8,930,166</b>	<b>612,039</b>
<b>Total</b>	<b>\$ 11,814,804</b>	<b>\$ 13,823,681</b>	<b>\$ 14,976,756</b>	<b>\$ 1,153,075</b>

## Revenues by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Charges for Services	\$ 3,516,216	\$ 4,179,161	\$ 4,601,507	\$ 422,346
Other Revenue	128,180	-	-	-
Rev from Other Agencies	3,156,860	3,291,751	3,539,494	247,743
<b>Total</b>	<b>\$ 6,801,256</b>	<b>\$ 7,470,912</b>	<b>\$ 8,141,001</b>	<b>\$ 670,089</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000011	Account Clerk	1.00	2.00	2.00	\$31,491 - \$37,918	\$ 75,267
20000866	Accountant 2	1.00	0.00	0.00	54,059 - 65,333	-
20000012	Administrative Aide 1	3.00	3.00	3.00	36,962 - 44,533	122,850
20000024	Administrative Aide 2	3.00	3.00	3.00	42,578 - 51,334	139,774
20001202	Assistant Deputy Director	1.00	1.00	0.00	23,005 - 137,904	-
20000116	Assistant Engineer-Traffic	0.00	1.00	1.00	57,866 - 69,722	57,866
20000119	Associate Management Analyst	1.00	1.00	3.00	54,059 - 65,333	170,726
90000544	Clerical Assistant 2 - Hourly	0.70	0.35	0.00	29,931 - 36,067	-

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## Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
20000295	Community Development Coordinator	5.00	5.00	5.00	76,731 - 92,893	432,141
20000300	Community Development Specialist 2	11.00	11.00	10.00	54,059 - 65,333	619,258
20000301	Community Development Specialist 3	1.00	1.00	1.00	62,254 - 75,275	72,640
20000303	Community Development Specialist 4	8.00	8.00	10.00	66,768 - 80,891	794,787
20001101	Department Director	1.00	1.00	1.00	59,155 - 224,099	145,000
20001168	Deputy Director	0.00	0.00	1.00	46,966 - 172,744	120,000
20000104	Development Project Manager 2	1.00	1.00	1.00	66,622 - 80,454	79,247
90001073	Management Intern - Hourly	4.00	4.00	4.00	24,274 - 29,203	116,813
20000680	Payroll Specialist 2	0.00	0.00	1.00	34,611 - 41,787	41,787
20001222	Program Manager	5.00	5.00	5.00	46,966 - 172,744	458,891
20000015	Senior Management Analyst	1.00	2.00	2.00	59,363 - 71,760	143,361
20000918	Senior Planner	0.00	0.00	1.00	65,354 - 79,019	79,019
20000926	Senior Traffic Engineer	1.00	1.00	1.00	76,794 - 92,851	91,458
20000970	Supervising Management Analyst	1.00	1.00	1.00	66,768 - 80,891	80,891
20000756	Word Processing Operator	1.00	0.00	0.00	31,491 - 37,918	-
	Bilingual - Regular					2,912
	Budgeted Vacancy Savings					(109,346)
	Overtime Budgeted					3,835
	Reg Pay For Engineers					13,928
	Sick Leave - Hourly					1,490
FTE, Salaries, and Wages Subtotal		50.70	51.35	56.00		\$ 3,754,595
		FY2015 Actual		FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Fringe Benefits						
Employee Offset Savings	\$	42,838	\$	42,484	\$ 38,187	\$ (4,297)
Flexible Benefits		335,092		439,757	531,428	91,671
Long-Term Disability		27,307		11,053	11,903	850
Medicare		41,298		47,170	51,930	4,760
Other Post-Employment Benefits		251,371		264,870	295,950	31,080
Retiree Medical Trust		1,635		2,821	3,644	823
Retirement 401 Plan		2,787		2,556	4,199	1,643
Retirement ADC		1,062,205		988,702	1,019,906	31,204
Retirement DROP		7,525		6,975	11,909	4,934
Risk Management Administration		36,348		47,250	51,150	3,900
Supplemental Pension Savings Plan		151,831		198,944	215,633	16,689
Unemployment Insurance		6,338		6,334	6,830	496
Workers' Compensation		31,080		31,951	49,326	17,375
Fringe Benefits Subtotal		\$ 1,997,655	\$	2,090,867	\$ 2,291,995	\$ 201,128
Total Personnel Expenditures					\$ 6,046,590	