



Memorandum

TO: COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE
FROM: Kim Welsh
SUBJECT: ECONOMIC STRATEGY IMPLEMENTATION
DATE: January 12, 2011

Approved  Date 1/14/11

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Accept the staff report on the Economic Strategy and Implementation Workplan as adopted by City Council on April 4, 2010.

OUTCOME

This report provides an update on the progress implementing the Economic Strategy Workplan for the January 2010-July 2011 period.

BACKGROUND

On April 4, 2010, City Council adopted the Economic Strategy 2010, which was intended to focus staff and other resources across City departments and the Redevelopment Agency in a common direction to:

1. Aggressively regain jobs and revenue as the national economy recovers (Strategic Goals #1-6), and
2. Create an outstanding business and living environment that can compete with the world's best cities over the long-term (Strategic Goals #7-12).

In addition to adopting the five-year Strategy, Council adopted an 18-month Workplan that identified high-priority action items for the January 2010-June 2011 time period. High-priority action items were defined as those that:

- can achieve a significant milestone or outcome in 18 months, and
- will require significant staff and/or Council time and attention.

Out of the 39 Workplan items, the Mayor and Council identified the "Top 10 for 2010." Staff committed to provide a progress report on Workplan implementation at the end of 2010.

January 12, 2011

Subject: Economic Strategy

Page 2 of 3

The Executive Summary of the Economic Strategy and the January 2010-June 2011 Workplan are linked to this memorandum.

ANALYSIS

Implementation of Economic Strategy 2010 is a collaborative effort that involves 11 City departments and the Redevelopment Agency, with leadership by the Office of Economic Development.

Exhibit A (attached) lists the Workplan items for each Strategic Goal and the departments involved, and provides a Progress Update. Exhibit B (attached) summarizes the new jobs, new City revenue, and new Agency revenue associated with completed and in-process projects assisted by the economic development team since adoption of the Economic Strategy in April 2010.

Staff will be available at the Committee meeting to answer questions on the various Workplan action items. Bottom-line outcomes are significant:

- Since the Economic Strategy was adopted in April 2010, significant projects assisted by City/Agency staff have generated 1,345 jobs, \$1,134,000 in City revenue, and \$557,000 in Agency revenue.
- Largely as a result of the coordinated “Jobs and Revenue-Generation Committee” effort to advance housing projects in North San Jose, the Building Department in December realized \$4 million in permit revenue—the second time in San Jose history to reach that level.

Staff has worked aggressively to implement the Economic Strategy and produce results with small, declining resources in a troubled economy. (Note: The City currently spends less than 1% its General Fund operating budget on economic development.) With continuing City General Fund deficits and the proposed state discontinuation of Redevelopment agencies, San Jose leaders will need to confront how to sustain a commitment to basic economic development functions that enable jobs for residents and revenue for city services and investment.

Also at the Committee meeting, staff will provide a brief update on recent changes to San Jose’s employment levels and unemployment rate that have occurred since this information was last provided at the November 18, 2010 City Council Budget Study Session.

EVALUATION AND FOLLOW-UP

Shortly after conclusion of the FY 2011-2012 budget, City staff will recommend a set of Workplan action items for the July 2011-December 2012 time period for consideration by the CED Committee and/or full City Council.

January 12, 2011

Subject: Economic Strategy

Page 3 of 3

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

The workplan has been coordinated with the Department of Planning, Building, and Code Enforcement; Department of Transportation; Public Works; Airport; Environmental Services Department; Housing Department; and the Redevelopment Agency.

CEQA

CEQA: Not a Project, File No.PP10-066 (a), Staff Report



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For questions please contact John Lang, Development Officer, at 408-535-8178

Attachments