

CITY OF RANCHO CORDOVA



CONCURRENT MEETING CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Tuesday, September 23, 2014

5:00 PM – Special Meeting
American River Community Room North

AGENDA

1. WORK SESSION - CALL TO ORDER/ROLL CALL

Council Members Budge, McGarvey, Sander, Terry and Mayor Skoglund.

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

3. SPECIAL MEETING ITEM

- 3.1 **Subject:** Economic Development Work Plan, Previous Plan Wrap up and New Priorities.

4. ADJOURNMENT

ADDITIONAL INFORMATION

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, MMC, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Tuesday, September 23, 2014 Special Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, September 18, 2014 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranhocordova.org.

Signed Thursday, September 18, 2014 at Rancho Cordova, California.


Mindy Cuppy, MMC, City Clerk

Economic Development Work Plan

Past and Future

Objectives and City Council Role

- Highlights from past Economic Development Work Plan for review.
- Update on Portland State University Urban Sustainability Accelerator Program for review.
- 2014/2015 Economic Development Work Plan. Request City Council to prioritize initiatives.

2012-2014 Work Plan

The plan was crafted around six major target areas:

1. Folsom Boulevard Revitalization
2. Business Development and Innovation
3. Business Retention
4. Retail Recruitment
5. Marketing & Image
6. Toolbox Development

Folsom Boulevard Revitalization

Accomplishments

- Secured a location for Los Rios Community College.
- Completed Folsom Blvd. Streetscape Phase 2 and 3.
- Hired a Commercial Code Enforcement Officer focused on Folsom Blvd.
- Organized quarterly Folsom Blvd. business and property owner meetings.
- Implemented RCPD Folsom Business Corridor Partnership for crime prevention.

Folsom Boulevard Revitalization Not Completed

- Initiate a complete vote on a Property Based Improvement District.
- Complete the infrastructure analysis as part of the Sustainable Communities Grant.

Business Development and Innovation Accomplishments

- Completed an innovation scorecard to determine the gaps and opportunities within the City.
- Hosted one advisory board meeting and CEO roundtable with the SARTA MedStart program.
- Participated in Next Economy.

Business Development and Innovation Not Completed

- Open a business incubator/accelerator in Rancho Cordova.
- Develop a business license fee waiver for new company start-ups less than a year old.
- Hospital/Medical Use Strategy.

Business Retention Accomplishments

- Conducted four targeted workshops with the business community highlighting various tools for businesses.
- Conducted a citywide business outreach program where each City employee was asked to complete five business surveys within a year.

Retail Recruitment Accomplishments

- Completed the agreement to build a new entertainment center for Rancho Cordova.
- Performed five monthly targeted cold calls to potential retailers and tracked the response to the potential of locating in Rancho Cordova.
- Attended the annual ICSC conference and presented specific development opportunities to potential retailers.

Retail Recruitment Not Completed

- Incentive program for City staff that recruits a new retail company.
- Conduct a land analysis on potential for retail development along Highway 50.

Marketing and Image Accomplishments

- Developed a comprehensive city brand.
- Grew and developed a short-term economic development marketing campaign.
- Capitalized on the 10th Anniversary to showcase economic development accomplishments and resources.
- Distributed 10+ positive economic development stories to media outlets.

Marketing and Image Accomplishments

- Created a business awards/recognition program.
- Launched Google Get Your Business Online.
- Promoted economic development through social media (Facebook, YouTube, and Twitter.)

Marketing and Image Not Accomplished

- Use a search engine optimization tool to hit the target audience. (To be part of upgraded website.)

Toolbox Development

Accomplishments

- Determined viability of the potential uses of EDO, CDC, and EDC.
- Obtained a CEDS (certified economic development strategy).
- Focused the EPA Brownfield funds on Folsom Boulevard.
- Prepared a strategy to use CDBG for an economic development purpose.
- Created/updated a new City fee booklet.
- Implemented electronic plan review.

Toolbox Development

Not Completed

- Add a Targeted Employment Area to the Enterprise Zone program.
- Review business license materials and communication to reflect business oriented language and presentation.
- Develop a building permit amnesty program for building permit deficiencies.

Portland State University Urban Sustainability Accelerator Program

- Michelle Reeve's November 2013 visit to Rancho Cordova prompted re-evaluation of how we look at the reuse of vacant and/or underutilized sites.
- This re-evaluation led to the creation of:
 - A pro-forma that would calculate improvements and ROI.
 - An internal document called The Rancho Cordova Urban Infill Strategic Plan (UISP).
- New approaches in dealing with the business and development communities.
- Our work has allowed us to reevaluate current regulations and seek alternatives.

New Work Plan, New Focus

- We are proposing six key initiatives in our new economic development work plan.
- Each initiative will involve a deep dive into our existing markets, a look at where we excel and areas of improvement, and provide data that will inform strategies and marketing going forward.
- We are asking for City Council to prioritize the initiatives.

Six Key Initiatives

1. Office Market and Office Building Revitalization
2. Manufacturing Industry and Building Revitalization
3. Niche Industry Identification
4. Retail Growth
5. Improve Citizen Access to Healthcare
6. Folsom Boulevard Revitalization

FRESH TAKE ON RANCHO CORDOVA'S ECONOMIC DEVELOPMENT PROGRAM

Rancho Cordova city officials have spent the first decade of cityhood establishing and implementing an effective economic development program, one that has included Folsom Boulevard revitalization, new housing development, hotel and retail recruitment, and new business-friendly policies.

That program has been successful, but after a decade it's time for a fresh take! Staff is crafting an economic development program that reviews where the City currently stands with an eye toward improving city vitality long term.

Regular ongoing functions of the department are important and will continue. However, during the next two years, staff will also focus on the specific initiatives outlined below, spending two to three months on each, in priority order, as defined by the City Council.

For each initiative, we will seek ways for the City to have a positive impact. During the next two years, we expect to improve relations with our businesses, understand infrastructure needs, identify effective ways to help our industries thrive, and recommend specific investments and other actions by the City and its partners.

The City's economic development program has been effective. However, recent interviews have identified the need to refresh relations between the City and local businesses. The timing is right to energize development through strategic outreach and publicity. We will craft "Operation Business Connect" to tie our Fresh Take brand with building a positive reputation for business friendliness.

Key initiatives moving forward:

1. Office Market and Office Building Revitalization
2. Manufacturing Industry and Building Revitalization
3. Niche Industry Identification
4. Retail Growth -- the right places and mixes to serve our citizens
5. Improve Citizen Access to Healthcare -- especially in less affluent areas
6. Folsom Boulevard Revitalization – Mather Pulse Point development

1

Office Market & Office Building Revitalization

FOCUS AREA

Current situation

Rancho Cordova is one of the original employment centers in the region, having started as an area with a multitude of data processing and call centers due to the communications infrastructure at the former Mather AFB. The City's once-thriving big floor-plate office product is now aging, and has been supplanted by newer office areas in Roseville, Folsom, and downtown Sacramento.

Why is this important?

The City's ability to attract new office users will continue to deteriorate, and the City might lose employment over time unless more of its offices are upgraded into modern configurations with modern amenities.

City actions

1. Identify new policies to help revitalize our office product;
2. Target key retrofit, infill and development projects; and
3. Permit streamlining and incentives for retrofits and infill.

Expected outcomes

Steady improvement and revitalization. Improved city image and attractiveness. More local citizens working locally. Improved daytime services within easy walking distance in areas of employment concentration.

Next step(s)

1. Compare office square footage, age and class of buildings, parking requirements, vacancy rates, absorption rates, and lease rates against those of competing areas in the region;
2. Identify comparative parking ratios, and traffic and congestion issues;
3. Identify infrastructure needs (Fiber, CAT5, or T3 availability, substation, and natural gas plumbed buildings);
4. Meet with brokers, owners, office managers, developers, and rehab firms.
5. Establish methods that will aid revitalization of existing office product.

Partners

Brokers, site-selectors, property owners, property managers, Chamber, others.

2

Manufacturing Industry and Building Revitalization

FOCUS AREA

Current situation

Rancho Cordova is one of the original manufacturing centers in the region, supporting the former Mather AFB. The City is blessed with good rail, air, and highway transportation, plus proximity to an employment base. Manufacturing comprises 11.5% of the City's employment base. Manufacturing is rapidly modernizing while our buildings and infrastructure are aging.

Why is this important?

The City still has a significant manufacturing employment base, plus the second highest number of technology companies in the region (4)¹, but this strength will deteriorate and the city might lose employment unless more of its industrial spaces are modernized.

City actions

1. Identify policies to help revitalize our manufacturing base;
2. Target key retrofit, infill and development projects; and
3. Permit streamlining and incentives for retrofits and infill.

Expected outcomes

Steady improvement and revitalization. Improved city image and attractiveness. More local citizens working locally.

Next step(s)

1. Compare manufacturing square footage, age of buildings, energy requirements, docking spaces, vacancy rates, absorption rates, and lease rates against those of competing areas in the region.
2. Identify comparative parking, traffic and congestion issues.
3. Identify infrastructure needs (Fiber, CAT5, or T3 availability, substation, and natural gas plumbed buildings) access to shipping, rail, air, and highway;
4. Meet with site selectors, brokers, business owners, factory managers, developers, and suppliers;
5. Establish methods which will aid revitalization of existing industrial product.

Partners

Brokers, site-selectors, Go-Biz, SARTA, Chamber, California Manufacturers Association, Placer County Economic Development Board (Manufacture's Forum), others

¹ Sacramento Business Journal, September 12, 2014. Roseville ranks first with 5, Folsom ranks third with 3.

FOCUS AREA	3 Niche Industry Identification
Current situation Why is this important? City actions Expected outcomes Next step(s) Partners	Quiet success might be Rancho Cordova's motto because several unique industries are thriving. These include home improvement, automobile aftermarket, insurance, trade schools, and technology. The area has built its tremendous employment base using the strength of local communications infrastructure, and on transitioning employees from the periodic downsizings of technology giants like Aerojet, Apple HP and Intel. As employment and population grow on the edges of the region, established centers such as Rancho Cordova may suffer employment losses. It is important to take a fresh look at these industries and their needs. Also, as we tell our story we need to know what we truly have and who we are. 1. Identify niche industries; 2. Creatively use brand and marketing to enhance niche industries; and 3. Permit streamlining for growth and incentives. Strong and diverse employment base. Improved city image and attractiveness. More local citizens working locally; 1. Characterize our unique industry clusters by size, employment, facility needs, etc.; 2. Identify specific needs of each cluster; 3. Study infrastructure needs; 4. Meet with industry leaders, site selectors, brokers, property owners, company owners; 5. Market identified niche markets. SACTO, SARTA, GoBiz, SBDC, Higher Education, Entrepreneurs. Chamber, local industry groups, others.

FOCUS AREA	4 Retail Growth
Current situation	Rancho Cordova has seen its existing shopping centers purchased by new companies and new businesses move into those centers. Even with the new retail tenants, the City has sites that remain vacant, as well as, commercially zoned property that remains vacant. Residents and commuters shop in nearby cities for items they cannot find locally or do not know exist locally.
Why is this important?	While most cities have not focused on retail development, unless they have a regional center, we feel that focusing on retail will provide our existing residents, new residents, and commuters with viable options to shop in Rancho Cordova. Additional retail options will provide the City with additional sales tax revenue.
City actions	1. Utilize psychographic data to understand our resident and commuter mix; 2. Recruit missing retailers/grocers; 3. Permit streamlining for growth and incentives;
Expected outcomes	Varied retail mix that meets the needs of residents and commuters in existing and new areas of the City. Additional sales tax revenue for the City.
Next step(s)	1. Gather data on resident/commuter mix and the needs of retailers; 2. Work with brokers, site selectors, retailers/grocers to identify viable locations for targeted retailers/grocers; 3. Craft materials and update the City's website to contain information that is of interest to retailers/grocers;
Partners	Brokers, site-selectors, retailers, grocers, property owners, property managers, Chamber, others.

FOCUS AREA	5 Improve Citizen Access to Healthcare
Current situation	Rancho Cordova lacks a hospital or emergency room open to the public.² Though the city has a number of HMO's and clinics including Kaiser, UC Davis, Dignity Health and others, relatively few services are available to lower income residents.
Why is this important?	Efficient access to hospital and emergency rooms is an important community amenity. In addition, better access to healthcare by those who most need it improves citizen health.
City actions	1. Identify ways to improve access; and 2. Plan and implement improved services.
Expected outcomes	Healthier, more productive citizens.
Next step(s)	1. Identify emergency response capacities and needs; 2. Meet with healthcare experts and local providers; 3. Study healthcare infrastructure needs; 4. Identify areas of limited regular healthcare access; 5. Identify ways to improve access.
Partners	Health care providers, fire and EMS responders, VA, health care practitioners.

² The VA Hospital is closed to non-veterans.

	6 Folsom Boulevard Revitalization -- Mather Pulse Point Development
FOCUS AREA	
Current situation	Rancho Cordova has spent millions of dollars improving Folsom Boulevard. Nearby residents now enjoy a new streetscape, easier access to Light Rail stations, and improved retail and services opportunities. The work has been expensive but rewarding. Now that Los Rios Community College District is constructing a new satellite campus at the Mather Pulse Point, the City needs to do what it can to build economic momentum there.
Why is this important?	Developing the Mather Pulse Point will bring new services to a historically disadvantaged community. This will require working with local investors on a small scale project-by-project.
City Actions	1. Continue working with supporting organizations, including SACOG, Portland State University, Los Rios Community College, and local businesses; 2. Dedicate resources to planning, accessing grants, and accelerating development; and 3. Consider creating a new Community Development Corporation as part of the Mather Pulse Point tool kit.
Expected outcomes	Slow and steady redevelopment in the vicinity into a new vibrant, livable, walkable transit-oriented village.
Next step(s)	1. Utilize resources through Portland State University grant to to assess new development strategies that will involve the surrounding community while improving coordination with the private sector to attract new businesses; 2. Identify demographics/psychographics for the Pulse Point and vicinity; 3. Create a stakeholder group of local business leaders, residents and revitalization experts; 4. Develop tools/incentives that would assist property owners to redevelopment their properties.
Partners	SACOG, RT Metro, Los Rios Community College, land owners, local businesses, and local citizens.

Down Payment Assistance Program

September 23, 2014

Objective

Council to discuss and determine the objective of a potential Down Payment Assistance Program and determine amount of resources, if any, to devote to the program.

Cities with Housing Assistance Programs

- Brentwood
- Irwindale
- Menlo Park
- Milpitas
- Mountain View
- Parlier
- Union City
- Walnut Creek

Program Types

- Home Loans
- Down Payment Assistance Loans
- Various Terms
 - Forgiven over time, based on length of employment
 - No payment due until home sold or employee separates
 - Regular 30 year mortgage
 - Equity Share (pro-rata repayment out of home appreciation)

Common Objectives

- Recruitment Tool
- Providing Low Income Housing
- Incentivizing employees to live in the City
- Making home ownership possible for employees (high property value cities)

Use and Effectiveness

- Brentwood
 - 12 loans, 4 written off due to foreclosures, no longer offering
- Milpitas
 - 4 loans, no longer offering due to low use and complexity
- Mountain View
 - Started program several years ago but it has never been used

Use and Effectiveness

- Parlier
 - Most employees left the City and didn't repay the loans; political fallout
- Union City
 - Robust program – only used once
- Walnut Creek
 - 13 loans in 10 years

What is Council's Objective?

Alternatives?