CITY OF RANCHO CORDOVA

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RANCHO CORDOVA
CALIFORNIA

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, August 29, 2017

5:30 PM – Special Meeting
American River Community Room North

AGENDA

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

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

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. 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 Six Month Implementation Plan.
Recommendation: Council to approve the six month implementation plan and provide direction to staff regarding implementation.
Result of Recommended Action: Staff will take Council direction regarding revisions, further study, and/or implement the Implementation Plan.
Staff Report: Amanda Norton, Economic Development Manager.
Advances Goal: 6.

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, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Tuesday, August 29, 2017 Special Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, August 24, 2017 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.cityofranchocordova.org.

Signed Thursday, August 24, 2017 at Rancho Cordova, California.

Stacy Leitner

Stacy Leitner City Clerk

MEMORANDUM

DATE: August 29, 2017

TO: Honorable Mayor and Council Members

FROM: Economic Development Department

SUBJECT: Economic Development Six-Month Implementation Plan

RECOMMENDATION

That City Council approve the six-month implementation plan and provide direction to staff regarding implementation.

RESULT OF RECOMMENDED ACTION

Staff will take Council direction regarding revisions, further study, and/or implementation of the plan.

BACKGROUND

In the Fall of 2016, Economic Development Staff presented to Council a five-year Strategy Plan. The Plan was crafted around a year of data collection in the form of one-on-one interviews, focus groups, and industry data. The goal was to have a deep understanding of existing industry and develop a strategy from the data. We found that the City's strongest industries coincide nicely with the attraction targets of the Greater Sacramento Economic Council (GSEC) and with the Valley Vision Next Economy Capital Region Prosperity Plan's key industries. The City of Rancho Cordova has individual businesses and/or clusters of businesses that fit within each of GSEC's target industries as shown in the table below.

Next Economy Core Clusters	Greater Sacramento Economic Council (GSEC)	Rancho Cordova's Niche Industries
Advanced Manufacturing	Advanced Manufacturing	Industrial & Manufacturing; Construction, Contracting & Home Improvement
Agriculture & Food	Agricultural Technology	
Clean Energy & Technology	Clean Energy Technology	Industrial & Manufacturing
Information & Communications Technology	Education & Knowledge Creation	Education & Trade Schools
Life Sciences & Health Sciences	Life Sciences	Health care and insurance
	Biotechnology	
	Startups	
	Technology Companies	Technology
	International Businesses	

After gaining an understanding of the nuts and bolts of key industries, the Economic Development Element of the City's General Plan was used as the guiding tool to develop the framework for the Strategy. The Economic Development Element (the Element) contains eight goals, 27 policies, with 81 action items.

The Economic Development team began framing the Strategy using the Element goals and the industry analysis. The Strategy is designed as a working five-year plan, with an understanding that it may be modified and updated as needed. The Strategy is designed to be broad enough to capture a changing business market and capture reportable benchmarks.

The Strategy is laid out by the primary functions of the Department. There are four main functions: business attraction; business retention and expansion; network-building, marketing and visibility; and areas of collaborations. Each function area includes the day-to-day work, tools that are utilized, along with focus areas, measures of success, and the intended community results. The measurements of success are the specific benchmarks that will be tracked to showcase the work being completed as well as trends.

The feedback we received from Council was that while the Strategy Plan was broad and all encompassing, Council would like to see a more tailored Implementation Plan with regular Council check-in and more opportunities for data sharing.

The Economic Development Department is proposing regular six-month updates to City Council regarding the Implementation of the five-year Strategy Plan. In each presentation we will highlight the work that has occurred along with the next six-month plan.

<u>SIX-MONTH ACTION PLAN</u>

The September 2017 – February 2018 six-month implementation plan will focus on setting the foundation and critical path with both greenfield and infill opportunity sites to proactively market to and attract target industry segment users.

Focus Area #1	**Target Industries**
Purpose	To attract companies in industries that best take advantage of Rancho Cordova's assets, available real estate and current business ecosystem.
To Be Completed	• Identify all existing clusters of opportunity • Reconcile clusters of opportunity with opportunity sites • Narrow to top 3 targeted industry clusters • Develop marketing platform for sites • Enter into Phase II of agreement for an Innovation Center
Why Is This Important	Understanding our strengths and the strengths of the region assists with business retention and attraction. Businesses like to be near similar businesses or businesses of a similar caliber. This will enable us to develop key messaging and focus on key industries.
Metrics & Deliverables	• Analysis with Greater Sacramento Economic Council's research team to determine 3-5 industries with maximum growth potential and list of emerging industries for ongoing outreach and recruitment

Focus Area #2	Enhance Existing Opportunity Sites
Purpose	To attract a balance of business opportunities to Rancho Cordova
To Be Completed	• Identify amenities for opportunity sites • Prioritize needed amenities • Create capital improvement plan • Building Amenities Improvement Plan into Marketing Platform • Attend two retail trade shows annually • Conduct direct outreach to retail brand matches on a quarterly basis • Connect with area retail brokers on a quarterly basis for knowledge exchange
Why Is This Important	We are often told there is no "there" there, meaning that there are not enough places for people to shop and gather. Some may not know what existing resources are available, and others are not finding the resources and services they are seeking.
Metrics & Deliverables	• Recruitment and expansion list developed for targeted business outreach

Focus Area #3	Opportunity Site Analysis
Purpose	Gather information, perform analysis of key catalyst opportunity sites within the city
To Be Completed	• Identify all major opportunity sites • Categorize sites by use • Create real estate committee • Develop site availability timeline • Obtain available financial incentives for potential targets • Create new incentive for development/recruitment • Develop marketing platform for sites
Why Is This Important	There is debate between brokers as to what a "shovel ready" site entails. Recent inquires have shown that if a business is looking to do ground up construction they want all approvals and sticks in the ground in 6-12 months. Deep understanding of what is needed to better position our opportunity sites
Metrics & Deliverables	• Identified two key catalyst sites

NEXT STEPS

As a City, we have been working on key messages and improving the image of Rancho Cordova. Our existing niche markets align with those that the Greater Sacramento Economic Council is looking to recruit and retain. Our location allows for all the amenities from rural to urban for our residents, employees, and visitors. As more companies are on-shoring or near-shoring from the Bay Area, we have the space and land available.

From the conversation with City Council members we will develop key messages, with salient statics so that we have a united voice when discussing Rancho Cordova.

FISCAL IMPACT

There is no fiscal impact at this time. Funds may be needed to complete more thorough analysis and will be allocated as needed.

ATTACHMENT(S)

Six-month Implementation Plan.
2850884.1

Six-Month Priority Implementation Action Plan

Goal	Action	Team	Completion

The September 2017-February 2018 six month implementation action plan will focus on **Business Attraction and Encouraging Private Business Investment** portion of the Economic Development Strategy Plan (pg. 6-7). The goal of the below action steps are to set a foundation and critical path with both greenfield and infill opportunity sites to proactively market to and attract target industry segment users.

Goal	Action	Team	Completion
Opportunity Sites			Six Month Timeframe
1) Identify All Major Opportunity Sites	Research Sites Communicate w/Brokerage Development Community Research Current Relocation Trends in California	ED	Oct-17
2) Categorize Sites by Use	Identify Zoning and Potential Zoning of Sites Create Range of Uses Based on Access, Transportation, Infrastructure, Etc. Balance Selected Opportunity Sites with Recent Absorption Create Approved List of Top 20 Opportunity Sites	ED Planning	Oct-17
3) Create Real Estate Committee	Form Committee of Real Estate Professionals to Meet Quarterly Evaluate Timelines, Marketing Programs and Incentives Create Tactics for Promotion of Sites	ED	Oct-17
4) Develop Site Availability Timeline	For Land Sites, Develop Timeline to Shovel-Ready Status For Buildings, Find Time Range of Availability Research Opportunities for Reuse of Buildings with Rehabilitation and Create Schedule	ED Planning Building	Nov-17
5) Obtain Available Financial Incentives for Potential Targets	Research Existing State and Federal Incentives Create Use Scenarios Create Template for Existing Incentives	ED Finance	Dec-17
6) Create New Incentives for Development/Recruitment	Research Rebate/Loan/Grant Programs in Other Jurisdictions Create Local Incentive/Business Stimulus Incentive Program Approve Program	ED Finance	Feb-18
7) Develop Marketing Platform for Sites	Categorize Site by Target Market Create Visuals for Future Use of Sites Create Collateral Material for Marketing and Proposals Incorporate into Social/Digital Media Program	ED Comms	Feb-18
Target Industry Clusters			Six Month Timeframe
1) Identify All Existing Clusters of Opportunity	Utilize Recent Industry Cluster Study and NextEconomy Results Research Recent Trends in California Recruitment/Retention Identify Opportunity Levels of Each Cluster	ED	Oct-17

Goal	Action	Team	Completion
2) Reconcile Clusters of Opportunity with Opportunity Sites	Work Concurrently with Opportunity Site Analysis to Evaluate Space	ED	Nov-17
	Analyze Potential Job Investment Creation per Site and Per Industry	Planning	
	Place Ranges of Opportunity with Each Opportunity Site		
3) Narrow to Top 3 Targeted Industry Clusters	Evaluate "Return" in Jobs and Investment per Industry Cluster	ED	Nov-17
	Rank Industry Clusters		
	Narrow to Top 3 Industry Clusters		
4) Develop Marketing Platform for Sites	Research and Develop List of Unique Competitive Attributes for Each Cluster	ED	Feb-18
	Create Collateral Material for Marketing and Proposals	Comms	
	Incorporate into Social/Digital Media Program		
Enhance Existing Opportunity Sites			Six Month Timeframe
1) Identify Amenities for Opportunity Sites	Review "Offering" of Each Opportunity Site	ED	Nov-17
	Rate Importance of Existing Amenities	Planning	
	Create List of Missing Imperative Amenities for Development/Use	Building	
2) Prioritize Needed Amenities	Utilize Real Estate Committee to Evaluate Amenities	ED	Nov-17
	Create List of Necessary Improvements for Site Development/Use		
	Create List of Amenities Yielding Greatest Benefit to Opportunity Sites		
	Utilizing Also Targeted Industry Cluster List		
3) Create Capital Improvement Plan	Evaluate List of High Priority Improvements	ED	Feb-18
	Create Budget and Implementation Plan for Improvements	Planning	
	Evaluate Existing Funding Sources	Finance	
	Create Capital Improvement Plan for Unfunded Improvements	Comms	
	Approve Plan		
4) Building Amenity Improvement Plan into Marketing Platform	Market and Promote Planned Improvements to Opportunity Site Offering	ED, Comms	Feb-18
Metrics and Deliverables			Six Month Timeframe
1) Up-to-date database of information about opportunity sites for infill and greenfield development potential			
2) Prioritization of opportunity site project exploration			

Economic Development

Implementation Plan

AGENDA ITEM 3.1

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Focus Areas

Target Industries

Opportunity Sites

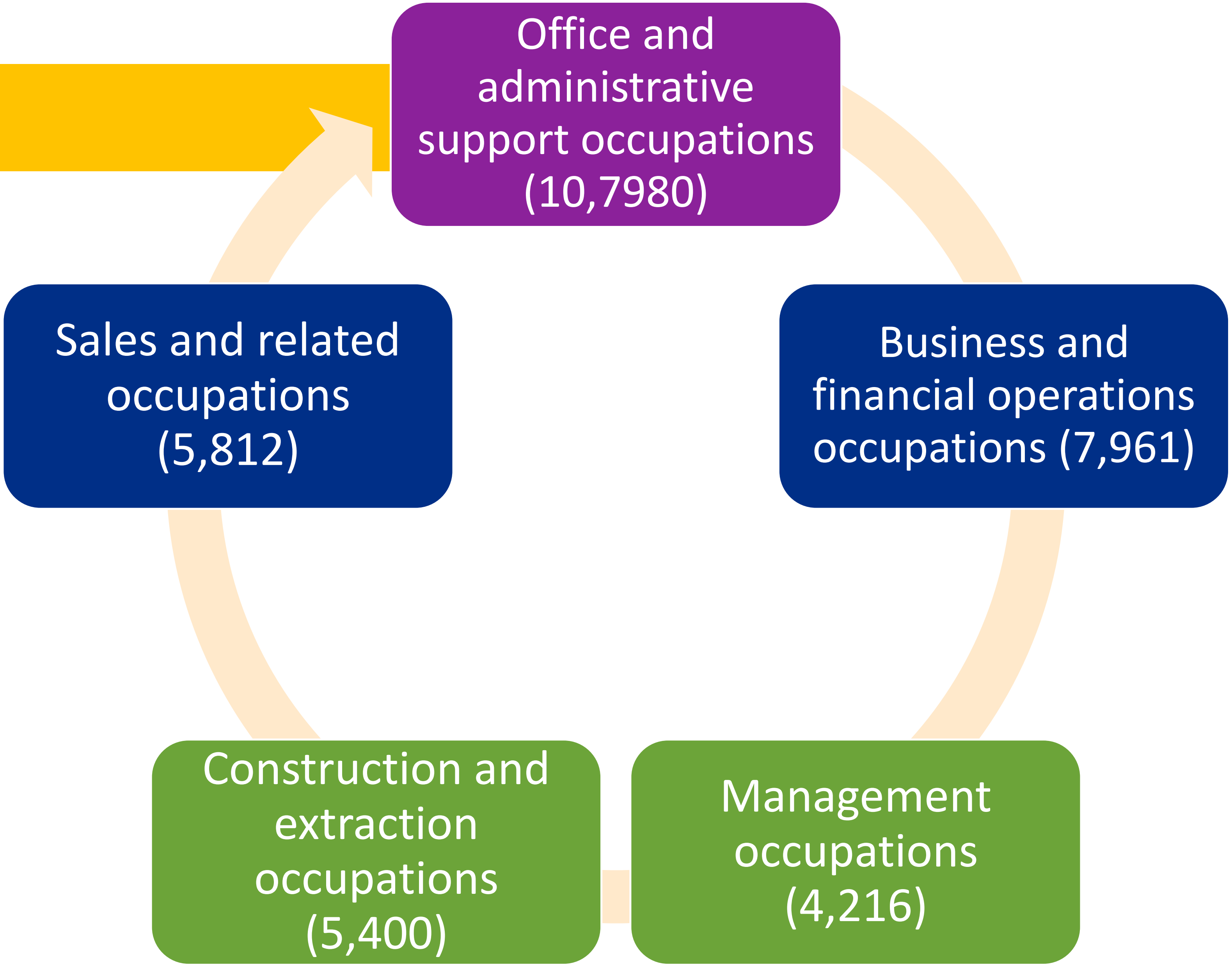
Enhance Existing Opportunity Sites

AGENDA ITEM 3.1

Target Industries

ASSETS

Rancho Cordova's Largest Employment by Occupation (2017):



Source Emsi, August 2017

ASSETS

Largest growth occupations in the past 5 years (2012-2017):

- Construction and extraction occupations (35.3%)
- Food service preparation and serving related occupations (22.0%)
- Transportation and material moving occupations (19.7%)
- Healthcare practitioners and technical occupations (18.0%)
- Business and finance operations occupations (17.9%)
- Installations, maintenance and repair operations (17.4%)
- Computer and mathematical occupations (17.2%)

Source Emsi, August 2017

ASSETS

Largest projected growth occupations in the next 5 years (2017-2022):

Healthcare support occupations (15.4%)

Healthcare practitioners and technical occupations (12.2%)

Community and social service occupations (8.5%)

Computer and mathematical occupations (8.1%)

Installation, maintenance, repair occupations (8.0%)

Transportation & Material Moving Occupations (8.0%)

Source Emsi, August 2017

OPPORTUNITIES

- Healthcare related occupations trending up past five years and anticipated future growth over the next five years
- Business and financial operations occupations have increased much faster over the past 5 years in Rancho Cordova than the Region (17.9% vs 5.0%) and are a target market of Greater Sacramento Economic Council
- Computer and mathematical occupations have increased much faster over the past 5 years in Rancho Cordova than the Region (17.2% vs 7.9%) and are a target market of Greater Sacramento Economic Council

The Finance and Insurance industry is our largest employer; other businesses want to enter into robust and similar job markets.

On shoring and near shoring of companies/departments

WEAKNESSES/THREATS

Federal and State policy decisions (e.g. Healthcare)

State minimum wage increases

Reputation of Region vs Bay Area

Impacted healthcare programs at local colleges

Loss of graduating students to Bay Area

Cost of staying in California vs moving out of state

Perception of difficulty in recruiting talent

STRAGEGY: What do we support?
What are we going after?

Considerations:

Determine desired industry segments

Healthcare is a desired segment between GSEC, Next Economy and our existing ecosystem

Support an innovation center that supplies classes/badging for skills desired by industry

Opportunity Sites

ASSETS (Top 20 Potential Sites)

- RETAIL
  - Sam's Building
  - Kohl's Building
  - Dal Tile
  - Casino
  - Bear Hollow
  - Cordova Lane
  - Fong
- INDUSTRIAL
  - Stone Creek Industrial Park
  - 2561 Mercantile Drive
- OFFICE
  - Kemper Building
  - Sprint Building
  - Evergreen Zinfandel
  - Bank of America
  - Verizon Buildings
  - Evergreen/ International
  - Zinfandel / North Mather
  - 2925 Kilgore Rd
  - City Property & Adjacent
  - Pitamber Property
  - Adjacent to City Hall

STRENGTHS/OPPORTUNITIES

- Financial Resources to support a catalyst project
- Greenfield development potential
- Demographic trends (population, income/education) are scaling upward to support new opportunities
- New housing starts
- Gaining momentum with regional and national companies
- One of the lowest cost energy providers in the state
- Existing vacancy

WEAKNESSES/THREATS

- Site specs don't meet market demand requirements
- Construction and Infrastructure costs
- Time to make modifications vs. business timeline to enter market
- Changing market demand
- Property ownership structure
- 90% of companies would choose existing space over new build
- Neighboring jurisdictions have land positioned for growth

AGENDA ITEM 3.1

STRATEGY: What is the top priority area?

Upon assessment of opportunities, do we prioritize:

Quickest completion?

Targeted industry segment?

Geographic focus?

Enhance Existing Opportunity Sites

AGENDA ITEM 3.1

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ASSETS

We have largest suburban office square footage

Prospect Park office park is the largest master planned office park in the region

Wide swath of industries that utilize office buildings (Barco to Blue Shield)

90% of the workforce drives into our City

2/1 jobs to housing ratio

AGENDA ITEM 3.1

OPPORTUNITIES

- “Scale Up City” – Existing large floor plate office
- Close by amenities - Office supports retail
- Updated office space – Business incentive/ sign
- Space to recruit Fortune 500/HQ companies
- Space to recruit large companies over 1,000 employees

AGENDA ITEM 3.1

WEAKNESSES / THREATS

- We don’t have the “cool” factor – lack of amenities
- No new inventory on the horizon
- Neighboring jurisdictions have land positioned for large office campuses
- Outdated inventory
- Traffic Congestion
- Permitting process and timeline from business perspective
- Existing space is not “start-up” friendly – limited space

STRATEGY: What do we want to become?
How do we grow what we have?

Consideration:

Startup specialist → Fortune 500 / HQ businesses → Scale up City

THANK YOU