



## City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 1/15/2013

**Report Type:** Staff/Discussion

**Title:** Resolution Endorsing Next Economy Regional Prosperity Plan

**Report ID:** 2013-00097

**Location:** None

**Recommendation:** Pass a Resolution endorsing the Next Economy Regional Prosperity Plan, which includes strategies aimed at accelerating job creation and economic health across the six-county region.

**Contact:** Jim Rinehart, 916-808-5054, Economic Development Director, Economic Development Department

**Presenter:** Jim Rinehart, 916-808-5054, Economic Development Director, Economic Development Department

**Department:** Economic Development Dept

**Division:**

**Dept ID:**

**Attachments:**

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1-Description/Analysis

2-Next Economy Draft Resolution

3-Exhibit A - Next Economy Capital Region Prosperity Plan Executive Summary

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### **City Attorney Review**

Approved as to Form

Michael Sparks

1/10/2013 9:25:57 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Jim Rinehart - 1/9/2013 2:30:17 PM



## Description/Analysis

**Issue:** Over the past year, the Next Economy coalition convened to create an economic development strategy for the capital region. The resulting Capital Region Prosperity Plan was developed in partnership with the region's business leadership, education, local governments and various other participating stakeholders. Leading business organizations included the Sacramento Metropolitan Chamber of Commerce, the Sacramento Area Commerce and Trade Organization (SACTO), the Sacramento Area Regional Technology Alliance (SARTA) and Valley Vision. The initiative encompasses the counties of Sacramento, Placer, El Dorado, Sutter, Yolo and Yuba as well as their incorporated cities. The Capital Region Prosperity Plan seeks to identify, build upon and promote the region's competitive strengths and put forth a set of inter-related strategies to accelerate job and wealth creation and boost new investment across the region.

For the region's businesses to compete successfully in a global economic environment, it is imperative that both public and private interests in the region work together to maximize their competitive advantages. Such collaborative and coordinated economic development can stimulate job creation and prosperity across the region. The Capital Region Prosperity Plan is a tool to advance such an objective. The region's cities and counties are now being asked to support the Next Economy initiative and the core principles in the Plan by adopting supportive resolutions.

An executive summary of the Plan is attached to this report. It lays out five overarching goals and a unified vision for achieving the objectives and strategies that will be activated through a set of high-priority actions and performance measures scheduled to begin in the first quarter of 2013. An implementation plan with metrics for measuring success is forthcoming.

The City of Sacramento's draft Economic Development Strategy, presented to the City Council on January 8, 2013, aligns well with the Capital Region Prosperity Plan.

**Policy Considerations:** The recommendation is consistent with the City's goals for economic development including regional cooperation and leadership.

**Economic Impacts:** While there are no immediate impacts, participation in a regional economic development plan will help to broaden, diversify and accelerate the City's tax base and revenue streams to support and enhance high quality services to residents and businesses.

**Environmental Considerations:** General policy and procedure making is exempt from California Environmental Quality Act (CEQA) review under Section 15378(b)(2) of the CEQA Guidelines.

**Sustainability:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Participation in a regional economic development plan will benefit the citizens of Sacramento and will help to broaden, diversify and accelerate the City's tax base and revenue streams to support and enhance high quality services to residents and businesses.

**Financial Considerations:** Supporting and participating in a regional economic development plan presents opportunities to generate revenues and investments for the City.

**Emerging Small Business Development (ESBD):** None.

## RESOLUTION NO. 2013-\_\_\_\_\_

Adopted by the Sacramento City Council

January 15, 2013

### **ENDORING THE NEXT ECONOMY REGIONAL PROSPERITY PLAN AND AUTHORIZING THE CITY MANAGER TO ALIGN THE CITY OF SACRAMENTO ECONOMIC DEVELOPMENT EFFORTS IN SUPPORT OF ITS IMPLEMENTATION**

#### **BACKGROUND**

- A. The Capital Region has experienced economic hardship and an associated lagging recovery as a result of the “Great Recession.”
- B. Our economy competes and succeeds as a region.
- C. Our individual jurisdictions strive to work together to improve our region’s economy to compete within the state, nation and international economies.
- D. The Next Economy is a regional effort to grow the \$97 billion annual Capital Region economy.
- E. Given the size and complexity of the challenges, economic development activities must be strategic and synchronized if they are to have lasting impact.
- F. Realizing that no single organization can accomplish the broad range of strategies and actions encompassed within the Next Economy; business, government leaders, educational institutions, not-for-profit economic development organizations and private industry must come together to positively impact our regional economy.
- G. The Next Economy is deliberately designed to invite direct participation from the broadest array of organizations.
- H. The public sector, as a leader and integral partner with the private sector in any regional economic development success, must be fully engaged.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City of Sacramento endorses the Next Economy Regional Prosperity Plan, which is attached as Exhibit A and is a part of this resolution.

Section 2. The City Manager is authorized to actively engage in shaping and implementing the Next Economy Regional Prosperity Plan and to integrate it into the City of Sacramento's economic development strategies and activities.

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**Exhibit A - Next Economy Regional Prosperity Plan**

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## CALL TO ACTION: Accelerate Job Creation and New Investment in California's Capital Region

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Through this action-oriented Prosperity Plan, the Capital Region of California, covering El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties, joins together to pursue a competitive and strategic economic development agenda to bring about resiliency, vitality and a wide range of new opportunities for job creation, innovation and increased investment.

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**Next Economy** is a business-led, volunteer-driven regional endeavor that strives to move a \$97 billion annual economy that has suffered economic hardship and a lagging recovery into one that is diversified, robust and sustainable. Recognizing that competition in today's global economy increasingly occurs at the regional level, and that the Region's economic advantages are narrowing under dated models, business leadership from the Sacramento Metro Chamber, the Sacramento Area Commerce and Trade Organization (SACTO), the Sacramento Regional Technology Alliance (SARTA) and Valley Vision launched **Next Economy** as a collective response. This initiative uncovers competitive strengths and maps out a set of interlocking strategies that can accelerate job and wealth creation and boost new investment across the Capital Region.

Given the size and complexity of the challenge, economic development activities must be strategic and synchronized if they are to have lasting impact. It is clear that broad based job creation efforts are necessary to revive economic health on a regional scale and that a series of independent, localized steps will not bring about true economic growth and prosperity for all.

More than a plan, **Next Economy** is a movement. It aims to align regional economic development activities and focus them for maximum impact. To do so, **Next Economy** poses a region-wide **CALL-TO-ACTION**: *Mobilize private industry, government, academic and civic leadership to focus on a set of common strategies and actions to accelerate job creation and new investment in California's Capital Region with the goals of supporting innovation and entrepreneurship, diversifying the regional economy, and improving the business climate for economic growth.*

Realizing that no single organization can accomplish the broad range of strategies and actions encompassed within the Prosperity Plan, **Next Economy** challenges government leaders, educational institutions, not-for-profit economic development organizations and private industry to initiate bold new approaches to bring about economic recovery and to actively work together to make those approaches succeed. In this way, **Next Economy** is deliberately designed to invite direct participation from the broadest array of organizations and people possible who are committed to widespread prosperity across the Region. This Prosperity Plan sets the stage to transform the Region's economy by mobilizing leaders around a **common playbook for action**, enabling organizations to select certain "plays" that suit their strengths and capabilities, and put them in action in ways that fit the needs of those they serve.

In the end, however, success lies in ensuring that **Next Economy** strategies and actions are deeply integrated into organizations' work plans with strong accountability mechanisms and champions across all segments of the Capital Region's leadership. We encourage you to take part in this important movement to accelerate job creation and investment and together we will move the Capital Region to the **Next Economy**.

Mark Otero | Susan Peters | Martha Lofgren | Jim Williams | Brice Harris | Craig McNamara  
BioWare | Sacramento County | Brewer Lofgren | Williams Paddon | Los Rios | Sierra Orchards

## Goals

The Capital Region Prosperity Plan lays out five overarching goals:

1. **Foster a strong innovation environment**
2. **Amplify the Region's global market transactions**
3. **Diversify the economy through growth and support of core business clusters**
4. **Grow and maintain a world-class talent base**
5. **Improve the regional business climate for economic growth**

## A Unified Vision

By uniting job creating activities against a common vision and activating joint implementation of that vision, the Capital Region becomes poised to engender a new reputation. **Vision**—*Within five years, the Capital Region will be widely regarded as a:*

1. **Sought-after place for business growth, investment and entrepreneurship**
2. **Desirable place for an educated workforce and young professionals to live, study, work and contribute**
3. **Diverse economy renowned for its core business clusters and driven in large part by export activity**

## Strategic Economic Agenda

The Capital Region Prosperity Plan lays out five overarching goals and a set of associated long range objectives and action-oriented strategies designed to accelerate job creation and investment. To move the Region's Next Economy vision to reality, these objectives and strategies will be activated through a set of high-priority tactics and performance measures to be developed in coordination with regional stakeholders and organizations. Plan implementation is scheduled to begin in first quarter of 2013.

### 1. FOSTER A STRONG INNOVATION ENVIRONMENT

Objective 1:

#### **BOLSTER UNIVERSITY TECHNOLOGY TRANSFER AND COMMERCIALIZATION**

##### **Strategies:**

- ◆ Embed regional research, university technology transfer and entrepreneurship programs within the Region
- ◆ Identify regional industry needs and align university research capacity for new discoveries and emerging technologies
- ◆ Develop strong relationships between regional research universities and small business, financing, and incubator and accelerator programs and services on a region-wide basis
- ◆ Encourage linkages between researchers making discoveries with entrepreneurs and companies able to commercialize and deploy
- ◆ Explore opportunities for developing university-industry research centers around regional research strengths and core business clusters

Objective 2:

#### **EXPAND ACCESS TO CAPITAL FOR HIGH GROWTH COMPANIES AND SMALL AND MEDIUM ENTERPRISES**

##### **Strategies:**

- ◆ Establish a centralized access point for information about the sources of capital available across all stages of a company lifecycle
- ◆ Build new forms of debt and equity capital available to high-growth companies and small and medium enterprises
- ◆ Facilitate effective connections between funders and companies
- ◆ Strengthen relationships with external funding sources interested in regional deal opportunities
- ◆ Leverage public sector investment power to increase the level of regional investment

Objective 3:

### **BUILD A ROBUST NETWORK OF BUSINESS INCUBATOR AND ACCELERATOR SERVICES**

#### **Strategies:**

- ◆ Link existing and emerging incubator and accelerator programs into a regional network
- ◆ Expand the scope and capacity of incubator and accelerator services based on potential market demand
- ◆ Connect emerging companies in the Region to appropriate components of the incubator and accelerator network
- ◆ Market the existence and outcomes of the incubator and accelerator network internally and externally
- ◆ Build a targeted retention effort focused on viable companies that have received incubator and accelerator services

## **2. AMPLIFY THE REGION'S GLOBAL MARKET TRANSACTIONS**

Objective 1:

### **GROW INTERNATIONAL TRADE AND EXPORT ACTIVITY**

#### **Strategies:**

- ◆ Build a comprehensive regional service provider network that offers effective business assistance, financing, and targeted support services for international trade
- ◆ Market the availability and outcomes of the service provider network internally and externally
- ◆ Develop an ongoing series of foreign trade missions exclusively designed for local company export promotion
- ◆ Form strategic relationships with international business networks, existing foreign companies and foreign government agencies to identify and support international trade opportunities
- ◆ Ensure the Region's transportation infrastructure has the capacity to increase global goods movement and passenger travel

Objective 2:

### **INCREASE THE LEVEL OF FOREIGN DIRECT INVESTMENT**

#### **Strategies:**

- ◆ Enhance coordinated marketing efforts focused on foreign direct investment
- ◆ Create a diverse and effective group of lead generation resources for priority foreign direct investment targets
- ◆ Expand the amount and frequency of foreign trade trips targeting specific companies, industry trade shows, and business networks
- ◆ Develop a strategic network of service providers and regional leaders to assist with outreach efforts and foreign company prospects
- ◆ Market investment opportunities within the Region to potential foreign investors

## **3. DIVERSIFY THE ECONOMY THROUGH GROWTH AND SUPPORT OF CORE BUSINESS CLUSTERS**

Objective 1:

### **FORM FUNCTIONAL BUSINESS NETWORKS AND ESTABLISH SPECIFIC CLUSTER INITIATIVES**

#### **Strategies:**

- ◆ Recruit members from across the entire value chain including company leaders, universities and related service providers to form cluster alliance groups
- ◆ Perform ongoing cluster needs assessments and facilitate effective solutions
- ◆ Develop annual cluster alliance group priorities and action plans that focus on increased jobs and investment, drive implementation of needed growth activities, and monitor progress against stated annual objectives
- ◆ Maintain cluster-specific resource guides listing relevant regional programs, services, and providers

Objective 2:

### **CREATE AND ALIGN TARGETED PROGRAMS AND SERVICES TO SUPPORT CLUSTERS**

#### **Strategies:**

- ◆ Develop marketing materials to build internal and external cluster visibility
- ◆ Align regional business attraction and retention programs with cluster opportunities
- ◆ Build targeted innovation and entrepreneurship resources for cluster activities

#### **Capital Region Core Business Clusters**

- ◆ Advanced Manufacturing
- ◆ Agriculture & Food
- ◆ Clean Energy Technology
- ◆ Education & Knowledge Creation
- ◆ Information & Communications Technology
- ◆ Life Sciences & Health Services

- ◆ Explore opportunities to create formal public-private partnerships to foster and grow cluster opportunities
- ◆ Facilitate new domestic business-to-business sales and foreign exports to increase economic base activities within core clusters
- ◆ Encourage the creation of local and regional incentives that support growth of primary jobs across core clusters and other industries
- ◆ Explore opportunities for import substitution to facilitate new supplier relationships within the Region and abroad

Objective 3:

### **BUILD STRONG ECONOMIC FOUNDATIONS FOR SUSTAINED CLUSTER GROWTH**

#### **Strategies:**

- ◆ Align workforce development efforts to address current and anticipated gaps in labor supply and demand within the clusters
- ◆ Advocate for public policy at the state and local levels that supports conditions necessary for cluster growth
- ◆ Build a robust regional network of suppliers and service providers for effective cluster operations
- ◆ Address specialized facilities and infrastructure needs that strengthen connectivity required for cluster growth

## **4. GROW AND MAINTAIN A WORLD-CLASS TALENT BASE**

Objective 1:

### **CREATE MECHANISMS TO ATTRACT NEW TALENT AND RETAIN EXISTING TALENT**

#### **Strategies:**

- ◆ Establish connections between active young professionals groups throughout the Region and engage members as ambassadors in talent attraction and retention efforts
- ◆ Execute a talent attraction campaign targeting young professionals, experienced entrepreneurs, and high demand occupations and skills
- ◆ Implement a talent retention strategy focusing on students and recent graduates of regional education and training programs
- ◆ Develop mechanisms to better connect new, existing and prospective students and residents to career opportunities and lifestyle assets in the Region
- ◆ Invest in the Region's cultural infrastructure as a means to retain and attract talent

Objective 2:

### **ALIGN TRAINING AND EDUCATION PATHWAYS TO INCREASE ECONOMIC PROSPERITY FOR BUSINESSES AND WORKERS**

#### **Strategies:**

- ◆ Mobilize the community to advance and support continued investment in education and related infrastructure
- ◆ Develop critical career pathways that align with core business clusters across all education and training levels
- ◆ Address critical gaps in workforce supply and demand across core business clusters and other large industry sectors
- ◆ Track regional benchmarks for education and evaluate feasible strategies to improve performance and student outcomes
- ◆ Ensure that education curriculum and specialized training programs focus on developing and sustaining the Region's diverse ethnic workforce

## **5. IMPROVE THE REGIONAL BUSINESS CLIMATE FOR ECONOMIC GROWTH**

Objective 1:

### **REMOVE ECONOMIC AND REGULATORY BARRIERS TO STIMULATE GROWTH**

#### **Strategies:**

- ◆ Educate elected officials and local government about business climate issues and devise permitting policies and procedures that are streamlined and predictable across all local jurisdictions in the Region
- ◆ Establish an effective system to head off business relocation and to respond to company-specific local-level regulatory issues
- ◆ Identify the most important obstacles facing entrepreneurs and the business community at large
- ◆ Coordinate the Region's business advocacy efforts to influence a reduction of regulatory barriers at the local, state and federal levels to improve the Region's business climate
- ◆ Establish alliances among the business community, other regions across the state and special interest groups to coordinate solutions to regulatory barriers and influence state policy

Objective 2:

**AMPLIFY THE REGION’S REPUTATION AND VISIBILITY AMONG KEY AUDIENCES**

**Strategies:**

- ◆ Mobilize a set of inter-locking campaigns, aligned with the Next Economy vision, that solidify the Region’s reputation as the economic, cultural and recreational capital of the State of California
- ◆ Establish a media partner network committed to publishing content that celebrates local and regional achievements internally and externally
- ◆ Establish a mechanism for collecting, assembling, coordinating and disseminating key messages and celebratory content

Objective 3:

**INTENSIFY ECONOMIC DEVELOPMENT ACTIVITIES THAT DRIVE GROWTH AND INVESTMENT**

**Strategies:**

- ◆ Build a significant fund that can be used to directly invest in competitive new company locations or expansions that create high value jobs
- ◆ Establish a formal, region-wide system to retain local companies and good quality jobs
- ◆ Prioritize Next Economy strategies and identify strategic and coordinated funding sources for implementation of actions that offer anticipated high job and wealth creation outcomes
- ◆ Pursue opportunities with state agencies and departments that result in increased investment, procurement, and/or private-sector job creation
- ◆ Educate the public and investors about the Region’s economic development activities, the value they offer and the job and wealth creation opportunities they can garner

Objective 4:

**DEVELOP A NEXT ECONOMY GOVERNANCE STRUCTURE THAT ENSURES IMPLEMENTATION AND ACCOUNTABILITY**

**Strategies:**

- ◆ Align strategic objectives of Capital Region non-profit organizations with a goal of collaborating on Next Economy implementation strategies
- ◆ Obtain endorsement of Next Economy implementation strategies by cities and counties in the Capital Region and coordinate Next Economy implementation strategies with public agency partners
- ◆ Enact a formal Agreement among principal organizations specifying roles and performance obligations toward Next Economy execution
- ◆ Track implementation progress, manage accountability, report regularly, celebrate successes and adjust strategies and actions as necessary for efficiency and maximum return on investment for economic development activities
- ◆ Examine merits associated with completion of a region-wide Comprehensive Economic Development Strategy (CEDs)

**-END-**