



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2671  
[www. CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
 February 14, 2006

Honorable Mayor and  
 Members of the City Council

**Subject:** City Economic Development Strategy Contracts

**Location/Council District:** Citywide

**Recommendation:**

Adopt a Resolution authorizing execution of contract amendments with Economic Planning Systems and ICF Incorporated related to the update of the Economic Development Strategy.

**Contact:** Tom Zeidner, Senior Project Manager, 808-1931

**Presenters:** Not Applicable

**Department:** Economic Development Department

**Division:** Citywide

**Organization No:** 4453

**Summary:**

This report describes recent developments in the update of the City Economic Development Strategy and consulting services related therewith. Herein, staff recommends authorization of contract amendments entailing an additional expenditure of \$117,500 for consulting services beyond those earlier allocated to be paid from FY2005 funds.

**Committee/Commission Action:** Not Applicable

**Background Information:**

In 2000, an Economic Development Strategy Framework was adopted by the City Council with the intent of establishing the City's economic development priorities over a five-year period. As that period has elapsed, the Economic Development Department staff has been in the process of preparing an updated Economic Development Strategy. Further, the Council established a three-year strategic goal of "spreading economic development throughout the City" and conducting a series of "business summits" within the community. Thus, an intention of the Strategy update is to meet the Council's goal of expanding economic development throughout the City, and the process for preparation of the Strategy has been structured to include a series of business summits, thus achieving this second important goal.



Staff was last before the Council to report on the progress of the Strategy update process on November 1, 2005. At that time, it was reported that issues identified during an initial round of public outreach could be categorized into three general themes outlined below:

1. Producers – Strengthening Business – the City’s Economic Engine
  - a. Retaining and expanding the existing business
  - b. Facilitating formation of new businesses
  - c. Attracting and recruiting outside businesses
  
2. People – Linking Residents to the Economy
  - a. Job opportunities
  - b. Skills readiness
  - c. Housing affordability
  - d. Quality of life/livability
  
3. Places – Building Strong Neighborhoods
  - a. The General Plan Update
  - b. Infrastructure: transportation, sewer/water, energy
  - c. Anchors: neighborhoods, districts, corridors
  - d. Image: Identity and marketing strategy

It was also reported on November 1st that reaching this level of specificity within the Strategy would require an additional round of community outreach by way of a series of focus groups centered around the following:

1. Small Business Assistance;
2. Tourism, Arts & Entertainment;
3. Manufacturing, Distribution & Production;
4. Technology-based Enterprise Formation;
5. Large Employers & Headquarters Firms;
6. Opportunity Areas, Zones & Districts; and
7. Commercial Corridors

To actively engage elected officials in the strategy-formation process, staff requested the Mayor and Councilmembers, depending on specific areas of interest and availability, to host each of these focus group sessions. At this writing, the first five of these sessions have been conducted. The Opportunity Areas and Commercial Corridors focus groups are both scheduled to occur in mid-February, 2006. Staff anticipates returning to the City Council to present the final Economic Development Strategy and Department work plan in the month of March.

Staff has been utilizing the services of two separate consulting firms in the strategy formation process: Economic & Planning Systems (EPS) and ICF Incorporated. An existing contract with EPS is in place for up to \$99,500 in services. The current ICF contract is for \$94,500. Both are allocated for payment from FY2005 funds.

As a result of additional emphasis on the producers, people and places themes, as well as additional focus groups meetings described above and developed in consultation with the Council, the original contracts and scopes of work with EPS and ICF have broadened. Thus, staff recommends adoption of the attached resolution authorizing execution of contract amendments with EPS and ICF reflecting the additional services required of both in connection with the current approach to the Economic Development Strategy. Execution of the amendments will entail additional costs of \$57,000 and \$60,500, respectively (\$117,500 total), above those currently allocated for payment from FY2005 funds.

**Financial Considerations:**

The additional funding needed for both contract amendments total \$117,500 and is available in the Predevelopment project budget (PN: KC67).

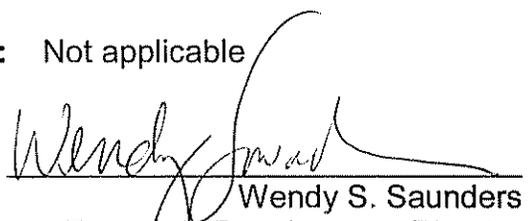
**Environmental Considerations:**

The Economic Development Strategy and Five-Year Work Plan is not subject to CEQA as it is not an activity that will result in a direct or reasonably foreseeable indirect physical change in the environment per CEQA Guidelines Sections 15060 (c) (2). Any actual project that could result from the implementation of the strategy and plan will be subject to the environmental review process.

**Policy Considerations:**

The Economic Development Strategy is being prepared in response to the three-year strategic goal of the City Council to spread economic development throughout the City and to update a strategy framework adopted in 2000. The process for completion of the Strategy is further intended to address Council's goal of conducting business summits to better define business needs and strengthen commercial corridors.

**Emerging Small Business Development (ESBD):** Not applicable

Approved By:   
Wendy S. Saunders  
Economic Development Director

Recommendation Approved:

  
RAY KERRIDGE  
Interim City Manager

Table of Contents

Pg. 1	Report
Pg. 4	Resolution

**RESOLUTION NO.**  
Adopted by the Sacramento City Council

**AUTHORIZATION OF AMENDMENTS TO CONTRACTS WITH ECONOMIC & PLANNING  
SYSTEMS AND ICF CONSULTING RELATED TO THE UPDATE OF THE CITY OF  
SACRAMENTO ECONOMIC DEVELOPMENT STRATEGY**

**BACKGROUND**

- A. The City of Sacramento (City) is currently engaged in the update of its Economic Development Strategy (Strategy).
- B. The City has retained the services of Economic & Planning Systems (EPS) and ICF Incorporated (ICF) to aid in the process of updating the Strategy.
- C. The City has executed contracts with EPS and ICF for such services, the funding for which was previously allocated within the 2005 Fiscal Year City Budget.
- D. The original approach to the Strategy update has been revised based upon consultations with the City Council.
- E. The modified approach to the Strategy update is beyond the scope of the existing contracts with EPS and ICF.
- F. EPS and ICF have submitted contract amendments reflective of the modified approach.
- G. The EPS and ICF contract amendments entail expenditures of \$57,000 and \$60,500, respectively above those currently allocated for payment from 2005 Fiscal Year funds.

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

- Section 1. The terms of supplemental amendment No. 1 for Economic & Planning Systems are hereby approved.
- Section 2. The terms of supplemental amendment No. 1 for ICF Incorporated are hereby approved.
- Section 3. The City Manager, or designee, is authorized to execute the EPS and ICF contract amendments on behalf of the City.