



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 21, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: DRAFT CITY-WIDE ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK AND DIRECTION TO DEVELOP THE NECESSARY ACCOMPANYING IMPLEMENTATION AND ACTION PLAN

ISSUE:

Review and approve the draft City-wide Economic Development Strategic Framework and direct staff to develop the necessary accompanying Implementation and Action Plan.

RECOMMENDATIONS:

That the City Council:

1. Receive the draft conceptual Economic Development Strategic Framework;
2. Provide staff with guidance on completing an Economic Development Action Plan; and
3. Direct staff to:
 - A. Initiate Industry Gap and Leakage Analyses – Sectors and Specific Business Types Identified;
 - B. Target Secondary Location Businesses;
 - C. Start-Up, Scale-Up, and Attract Sustainable Businesses - Green, Clean, and Hi-Tech;
 - D. Facilitate investment through Streamline Riverside and Build Riverside core services and;
 - E. Launch the Economic Development Implementation and Action Plan phase

BACKGROUND:

On December 15th and 18th of 2014, the City Council held planning workshops that resulted in seven strategic priorities. These priorities included enhanced customer service, a focus on economic development, and concerted efforts to reduce taxpayer liability and costs, and were the foundation for the adoption of the Riverside 2.0 and subsequent Riverside 2.1 Strategic Plans. These strategic priorities are also the guide for Citywide goals and performance measures for each department. Many positive changes have come from the direction set by City Council in 2014, however the City of Riverside's Economic Development Action Plan has not been updated to reflect the Riverside 2.1 Strategic Plan.

On June 19, 2018, City Council received an introduction to Economist Michael Shuman with Local Economics, Inc., the consultant hired to provide advice on the first phase of creating a new Citywide Economic Development Strategic Framework. Mr. Shuman was chosen for his expertise in local economics and entrepreneurship strategies, a component of economic development often given inadequate consideration in municipal action plans.

In the spirit of supporting Riverside's inclusiveness and diversity, over the past 18 months, Mr. Shuman conducted 12 focus groups across different industry sectors, developed a Citywide survey, met with institutional stakeholders, and completed research and analysis of the local economy. This body of work contributed to the resulting draft "Poised for Prosperity Roadmap": a Strategic Framework consisting of six Principles, Goals and Actions for Implementation that outline a framework for determining achievable, measurable results moving forward (Attachment 1). This Citywide Economic Development Strategic Framework seeks to provide economic prosperity for everyone living and working in the City of Riverside.

DISCUSSION:

The Community & Economic Development Department seeks to continue moving forward in completing a new citywide Economic Development Action Plan in alignment with priorities set forth by City Council for the creation, implementation and measurement of economic development. This effort is defined as any policy, program, initiative or effort by the public, private or non-profit sectors that improves the potential for all individuals, organizations or communities to increase income and assets and decrease the cost of living and doing business.

The first step in this process was to develop the draft conceptual Economic Development Strategic Framework brought forth today. The document creates the framework for an Action Plan by outlining the following goals:

1. **Prioritizing attraction and retention efforts that support a diverse and resilient economy:** identifying industry gaps and economic "leaks", which lead to dollars, jobs and talent lost to the local economy and targeting industries that reduce these challenges. Examples include: targeting green, sustainable and technology related industries, supporting programs that encourage local spending, having a strong business visitation program and maintaining effective relationships with partners such as the Greater Riverside Chambers of Commerce and local higher education institutions.
2. **Creating an inclusive entrepreneurship ecosystem:** providing a foundation for entrepreneurial success including creative work spaces, adequate training, access to capital, mentoring and partnerships, and support for the growth of Riverside's existing business communities. Examples include: Riverside ExCITE, Inland Empire Small Business Development Center, Non-Profit Bootcamps, Nextgen Farmer Training, startup incubators and "Pink Zones".
3. **Retaining, developing and attracting local workforce talent:** identifying local workforce gaps and acting with initiatives that support talent retention, continuing education, future workforce preparation and living wage job development. Examples include: Adult education and retraining such as Vocademy Skills Discovery and Training Center, high school Career Academies, Career Training and Internship Programs through the Riverside Community College District, and collaboration with University of California Riverside, La Sierra University and Cal Baptist Universities to prepare and produce graduates for the professional workforce.

4. **Creating a welcoming investment climate:** continuing action toward streamlining regulatory processes, enhancing a business-friendly atmosphere and leveraging Riverside's advantages for investment. Examples include Streamline Riverside, Build Riverside and the One Stop Shop.
5. **Supporting an exceptional quality of place:** strengthening the local assets that make Riverside an exceptional place to live, including diverse housing options and local arts & culture, while preparing for the future of technology, infrastructure and transportation needs and advancing Citywide sustainability and resiliency. Examples include: Citywide cultural resource mapping, creating and retaining gathering places reflective of unique cultural experiences, working with partners on affordable housing solutions and supporting local events.
6. **Implementing effective marketing and storytelling:** telling the Riverside story effectively for the promotion of all other goals through targeted multi-purpose and niche marketing, as well as succinct storytelling that unifies the community around a cohesive message. Examples include: destination marketing, targeting markets such as specific talent pools or niche developers, identifying and sharing unifying marketing messages, bringing conferences and new visitors into the City and hosting educational partnership events such as broker luncheons.

Several action items were gleaned from the stakeholder groups and research conducted by Dr. Schuman and warrant immediate action, including, but not limited to, the following:

- I. Initiating a Leakage Analysis – Sectors and Specific Business Types Identified
- II. Targeting Secondary Location Businesses
- III. Start-Up, Scale-Up, and Attracting Sustainable Businesses - Green, Clean, and Hi-Tech
- IV. Facilitate investment through Streamline Riverside and Build Riverside core services and;
- V. Launching the Economic Development Action Plan phase

Upon approval by the City Council, the Community & Economic Development Department will endeavor to complete the Economic Development Implementation & Action Plan, developing the necessary actions to define community partnerships, build on local strengths, tackle our most pressing economic challenges and target opportunities in achieving the goals outlined in the Strategic Framework.

FISCAL IMPACT:

There is no immediate fiscal impact associated with this action. Staff estimates the cost to develop the necessary Implementation and Action Plan may be approximately \$25,000 to \$75,000. As such, staff may return to the City Council with a formal recommendation, supplemental appropriation request, and precise cost for final approval. The exact amount is currently unknown since staff has not determined whether this will be an in-house project, a project involving a consultant and/or a combination of both.

Prepared by: David Welch, Community & Economic Development Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Draft Economic Development Strategic Framework with accompanying research appendix by Local Analytics, Inc.
2. Presentation