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MEMORANDUM

DATE: June 17, 2019

TO: Honorable Mayor, City Council members

FROM: Timothy A. Miller, City Administrator

SUBJECT: Economic Development Re-Boot

BACKGROUND

As the wind-down of the former TCEDA JPA come to a close, it is time for the City to define its economic development future. Guiding documents can include the Economics chapter of the City's 2020 General Plan (Chapter 10) and the Tourism, Local Economy and Community chapter of the Vision Sonora Plan (Chapter 4). Both documents are available on the City's website. The proposed FY 2019/20 budget retains the same funding level for economic development as has been budgeted the prior two years. A portion of this money will need to utilized for our share of the PERS unfunded liability. The balance remains available for economic development activities.

APPROACH

To be successful, any plan, program or strategy must meet the needs of the community and its stakeholders. Buy-in and support at all levels is a must. For these reasons, staff is suggesting the City begin at the grassroots level with a bottom-up instead of a top-down approach.

For the past few weeks, City staff has been in contact with Audrey Taylor, Chabin Concepts, Inc. reviewing the issues that arose with our current economic development program, discussing approaches to community engagement and providing available documents. These conversations have led to the proposal that City staff is recommending that the Council consider.

Prior to developing an "action plan" or other economic development initiative, economic data and current conditions will be updated and stakeholders will be interviewed. A draft findings report identifying opportunities and consensus on priorities will be prepared and reviewed with City staff. A stakeholder's roundtable will follow to review the report and solicit further input regarding findings and direction. This report will be presented to the City Council identifying recommendations and next steps. Ultimately, the goal of this process is to lead to an action plan that will implement the local economic development initiative(s) identified.

RECOMMENDATION

Attached is a copy of Chabin Concepts, Inc. proposal. The cost is not to exceed $7,500 and the work is anticipated to take six to eight weeks. City staff is recommending the City Administrator be authorized to execute an agreement on behalf of the City.

Chabin

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Date: June 2019
Client: City of Sonora, CA
Project: Economic Development Restart

Background

Over the last few months there has been much turmoil and changes with economic development operations in the County and for the City. As a result, the City made the decision to leave the County JPA to focus on city-oriented economic development initiatives for at least the near-term. An informal poll was conducted by the paper asking readers *Is Downtown Struggling?* and *Why is Downtown Struggling?* which a majority of the readers indicate it is struggling – what we need to know is the dynamics of the downtown and how to address.

To move forward with economic development in the City means taking a step back.

Deliberate steps need to be taken to engage stakeholders and not be influenced or reactionary to what has recently occurred. Need to ensure the council has fact-based data to determine action steps.

A strategic planning process involves several steps:

1. Where are we now?
2. Where do we want to be?
3. How will we get there?
4. Who will do what?
5. How will we measure?

The City is not starting from scratch. There are two guiding documents from which to base future economic development initiatives:

- 2020 General Plan, Revised May 30, 2017 / Chapter 10-Economics Goals, Policies & Implementation
- Vision Sonora (2013)

A restart should be viewed as an opportunity to advance a shared-vision of a healthier and more resilient community which is aligned with the General Plan Goals & Priorities and Vision Sonora.

Phase I Approach to Economic Development Plan

Engage a third-party consultant to facilitate stakeholder input, economic data, existing conditions gathered into a "findings report" for the Council as a first step for a Economic Development Work Plan:

1. **Current Situation**: Update guiding documents existing conditions and economic data to ensure any decisions/direction is based on current and projected data.
2. **Stakeholder Interviews**: Conducted confidential stakeholder interviews (20-25) with questions focused on identifying consensus of priority areas of economic development.

3. **Findings Report**: Based on economics research (1) and stakeholder interviews (2), prepare a *findings report* of economic development opportunities and consensus on possible priorities and actions.
4. **Review with Staff**: Review the findings report with city staff for further input and possible clarifications of existing conditions.
5. **Stakeholder Roundtable**: Conduct a Stakeholder Roundtable to review findings report and provide further input to findings and direction.
6. **Report to Council**: Present findings report to Council with stakeholder, staff and consultant recommendations of possible priorities and next steps. Council provide input.

With council direction move to Phase II to prepare an action plan that aligns with guiding documentations, findings and takes into consideration capacity and resources to implement an economic development initiative.

About Chabin Concepts, Inc.

Chabin Concepts, Inc., is a full-service economic development consulting firm with experience in developing strategic actions, economic development roadmaps, downtown strategies, marketing, business recruitment, grant applications and direct work with businesses to access State of California resource programs, such as, California Tax Credit program.

The Chabin Team has worked in the Valley on numerous projects and initiatives over the last 30 years and understands the dynamics of the different economies of the Valley and Sierra communities. Chabin currently has contract services with City of Merced and City of Los Banos, as well as updating the Comprehensive Economic Development Plans for County of Merced and San Joaquin.

BUDGET & TIMELINE

Not to exceed budget: $7,500, not including travel expenses

Timeline: 6-8 weeks

CONSULTANT TEAM

The Team will include:

- Audrey Taylor, CEO, Chabin Concepts, Inc. – Prime Lead
- Vicki Doll, Principal Strategist, Chabin Concepts
- Lindy Hoppough, Chabin Concepts

We look forward to the opportunity to serve the City of Sonora.

Signed and Dated June 10, 2019

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