



City Council Agenda

City of Campbell, 70 North First Street, Campbell, California

CAMPBELL CITY COUNCIL STUDY SESSION

**Tuesday, May 17, 2016 – 6:45 p.m.
Council Chamber – 70 N. First Street**

NOTE: No action may be taken on a matter under Study Session other than direction to staff to further review or prepare a report. Any proposed action regarding items on a Study Session must be agendized for a future Regular or Special City Council meeting.

CALL TO ORDER, ROLL CALL

NEW BUSINESS

1. Economic Development Division Accomplishments

Recommended Action: Conduct Study Session and provide direction to staff.

PUBLIC COMMENT

ADJOURN

In compliance with the Americans with Disabilities Act, listening assistive devices are available for all meetings held in the City Council Chambers. If you require accommodation, please contact the City Clerk's Office, (408) 866-2117, at least one week in advance of the meeting.

MEMORANDUM



City of Campbell

To: City Council **Date:** May 17, 2016

From: Paul Kermoyan, Community Development Director *PK*
Nicole Brown, Economic Development Intern/Coordinator *NB*

Via: Mark Linder, City Manager *[Signature]*

Subject: Study Session – Economic Development Division Accomplishments

OVERVIEW

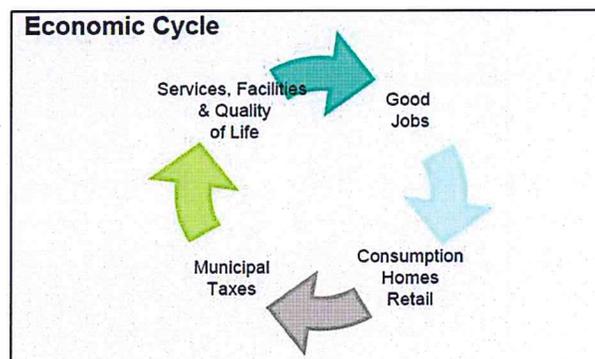
The City Council budgeted \$98,513 in FY 2015/16 to initiate an Economic Development program several years following the dissolution of Redevelopment Agencies. The program essentially formed a “Division” of the Community Development Department, administered by the Director and staffed with a Project Manager, an existing position moved from the City Manager’s office, and an Economic Development Intern, who was a new hire. Together the Project Manager and Economic Development Intern account for 1.2 FTE with a personnel cost of \$73,251.

Why Have Economic Development?

The purpose of developing the program was to build on the City’s existing efforts to improve the community’s quality of life, which is a fundamental component of economic development. Per the Economic and Community Development Institute of Auburn University, “Economic Development” has been defined as:

“The process by which a community creates, retains, and reinvests wealth and improves the quality of life”

One way to visualize Economic Development is to view the components of an economic cycle:



What the above economic cycle attempts to convey is that Economic Development is more than just recruiting industry. Rather, it is a holistic approach of building a sustainable community. In fact, businesses are attracted to, and want to stay in, communities that have diverse places to live, work and conduct business. In this regard, a community's ability to have top quality schools, exceptional medical care, diverse recreational opportunities, good roads, alternative forms of transportation, clean water, effective public safety, housing opportunities, pleasing community aesthetics, and a healthy civic life make a community appealing.

General Plan Guidance

The desire to retain an active and healthy Economic Development program is supported by the City's 2001 General Plan which includes:

Strategy LUT-5.3c: Revitalization of Shopping Centers: Encourage the maintenance and revitalization of commercial shopping centers.

Strategy LUT-5.3f: Redevelopment: Facilitate redevelopment opportunities that further revitalize efforts in the Downtown commercial core.

Policy LUT-5.5: Industrial Diversity: Promote a variety of industrial use opportunities that maintain diversified services and a diversified economic base.

Policy LUT-13.1a: Variety of Uses: Attract and maintain a variety of uses that create an economic balance within the City while maintaining a balance with other community land use needs, such as housing and open space, and while providing high quality services to the community.

Strategy LUT-131b: Business Retention and Attraction: Develop programs to retain and attract businesses that meet the shopping and service needs of Campbell residents.

Strategy LUT-13.2d: Large Retailers on Hamilton Avenue: Encourage large retailers to locate along Hamilton Avenue and Bascom Avenue by maintaining large parcels, encouraging lot consolidation, and discouraging parcel adjustments that reduce lot sizes.

In an effort to further implement the policies and strategies of the City's General Plan, an Economic Development Strategy was created in March, 2006 (Attachment A). All communities with an active Economic Development program have an Economic Development Strategy or Plan administered by an Economic Development Division.

The City's Strategy is currently outdated and in need of revision. In fact, most communities update their Strategy/Plan every five years.

DISCUSSION

This year the Economic Development Division has been extremely busy and has accomplished a multitude of operational projects. In a broad sense, below reflects what the Economic Development Division has begun to implement:

- Deliberately working on business retention and attraction.
- Collaborating with the Chamber of Commerce and the School District;
- Building relationships with small business and the commercial brokerage community;
- Reaching out to the City's customers to understand their needs;
- Proactively speaking to businesses who may be interested in relocating to Campbell;
- Participating in regional economic development initiatives with Joint Venture Silicon Valley;
- Staffing and working with the Economic Development Advisory Committee on Work Plans;
- Working with developers to ensure that housing opportunities are provided

More specifically, below reflects ongoing projects:

Commercial Property Inventory - The Community Development Department routinely receives inquiries as to potential locations to establish a business. Due to new tools developed by the Economic Development staff, inquiries can now be handled online through a self-service mapping tool which can be found on the city's website under 'Doing Business' on the 'Available Properties' Page. The mapping tool enables the user to easily search for specific property categories such as: property type, square footage ranges and price.

Commercial Broker Relationships – The mapping tool used on the 'Available Property' webpage is fueled by information provided to Economic Development staff through their relationships with local Commercial Brokers. Staff obtains the most current property information via conference calls and/or bi-monthly emails with local Brokers who the staff has established a business relationship with. Building these relationships has been a focus of the Division's goals.

Concierge Program – The Economic Development staff established a point person to help the public navigate through challenging government processes. Paul Kermoyan, Community Development Director, receives inquiries from the public and delegates work items to Economic Development staff. Many inquiries include but are not limited to: mapping and zoning questions, property availability inquiries, and assistance

through planning and building processes. Once a staff member is assigned to an inquiry they use all resources available to help resolve the issue and are part of the process from beginning to end. There are routine check-ins with the Director in order to maintain transparent communication channels with all parties.

Business Resource Guide – Through attendance at various Economic Development conferences and seminars, the Economic Development staff are well equipped with current local, state and federal programs and resources that could benefit local businesses. Staff routinely updates the city's business resource webpage on those new and helpful programs to local Campbell businesses. Staff also performs outreach to local businesses to notify them of programs that they may be a good candidate. If a local business needs help navigating through government programs which are available to them, staff helps them through this process via the Economic Development's Concierge program.

Website Update – Economic Development's new updated 'Doing Business' webpage allows the public to have greater clarity, translucency, and more tools when seeking business related information. The landing page offers many options in seeking information, whether a person would like to directly seek contact with a staff member or would like to explore business solutions through the webpage, both options are now available to the public.

Consumer Satisfaction Survey (Building and Planning) - In order to help city officials and staff understand how they can better serve their community, the Economic Development staff has created two customer satisfaction surveys for both the Planning and Building Division. This survey is supplied to the customer after they have completed a transaction with the Building or Planning Division. The purpose of this survey is to generate feedback from customers for a period of a year and analyze this data to identify trends and bottlenecks in city processes. Staff hopes to then use this feedback to create more efficient permitting channels in both Planning and Building Division.

Staff Satisfaction Survey - Improving city functions is two-fold, requiring both external and internal examination. As part of the EDAC Work Plan, Economic Development staff also conducted an internal survey to gauge staff satisfaction with management and working conditions. Approximately 74 employees responded to the survey and the results revealed that most staff favorably viewed the working environment and leadership as positive. However, there were mixed results relative to resources and working conditions.

Outdoor Dining, Display and Sign Survey - Staff's survey of downtown business activity has revealed that there are ongoing issues where outdoor seating, outdoor merchandise displays and portable signs impede the public path of travel and/or do not comply with the ordinances. After Economic Development's Study Session with the City

Council, many pathways to correcting downtown violators were identified. Economic Development staff is currently in the process of working with businesses to help educate and correct issues. Through these site visits staff has currently obtained one Outdoor Dining Permit from a downtown business that had formerly been operating without permitted outdoor dining; two downtown businesses have improved their ADA accessibility after a walkthrough with Economic Development staff; and three downtown businesses have removed their portable signage from the public right-of-way. Economic Development staff has also created an easy to read flyer with general outdoor dining, display and portable sign standards to help downtown businesses understand what is expected of their respective outdoor dining, display and signage.

Super Bowl 50 Outreach - The City of Campbell had been invited to partner with the NFL and be a 'Super Community' during the Super Bowl 50. The Economic Development Department was put in charge of identifying ways to bring out-of-town visitors into the city core. From this task, Economic Development staff created a 'Super Fan Fun Card' program. Working with the seven hotels within the City of Campbell and also, in partnership with an integral group of businesses in the downtown, staff was able to create a discount card program that supplied every guest checking into a hotel in Campbell during the Super Bowl week with a Super Fan Fun Discount Card. This discount card offered out-of-town Super Bowl guest's many deals on some of the best restaurants and retail shops located in Campbell's downtown core.

DCBA Participation - The Super Bowl 50 campaign also enabled Campbell's Economic Development Department to forge close relationships with downtown merchants and increased the City's involvement and participation in monthly Downtown Business Association meetings.

The Super Fan Fun Weekend, a program which hosted a different football themed activity Friday through Sunday of the Super Bowl 50 weekend, would not have been possible without Economic Development's close partnership with the DCBA.

Promoting Campbell - Economic Development staff created a roadshow booth which they utilized at this year's International Council of Shopping Centers (ICSC) Monterey Conference. Economic Development staff showcased their booth by participating in ICSC's deal making conference. Deal making activities at this conference included 83 entities consisting of businesses, developers, specialized services, brokers, real estate specialists, and local governments. Economic Development staff prepared for this activity by generating a Development Activity Report, working with brokers to display their available inventory, and identifying various other opportunities that exist in the City. Due to Economic Development's efforts put forth from this conference, a few businesses have expressed interest in Campbell. Those businesses include Smart and Final, Rubio's, In-n-Out Burgers and Midici The Neapolitan Pizza Company.

Economic Development Advisory Committee (EDAC) - Economic Development staff continues to work with EDAC and help this committee realize their Work Plan items. Remaining EDAC projects in the final stages of development are the internal and external surveys of city attitudes. An EDAC member identified examples of how staff sometimes has unfriendly attitudes. In order to understand the issue further, Economic Development staff created an employee survey to gauge the satisfaction of employees in the workplace and also a customer survey to collect feedback from post land use entitlement and building permit finals. Although the results of the internal survey have been completed, staff is still collecting the results of the customers.

New Business Letters – The Executive Assistant to Community Development, who also provides support to the Economic Development Division, receives new business license information from the Finance Department and has historically prepared letters addressed to the new businesses welcoming them to the City of Campbell. The letters are forwarded to the City Manager's office for the Mayor's signature.

MOVING FORWARD

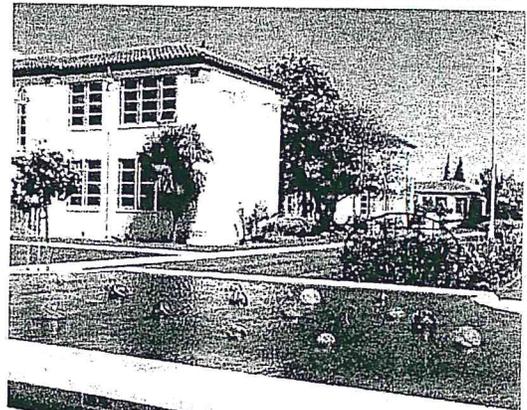
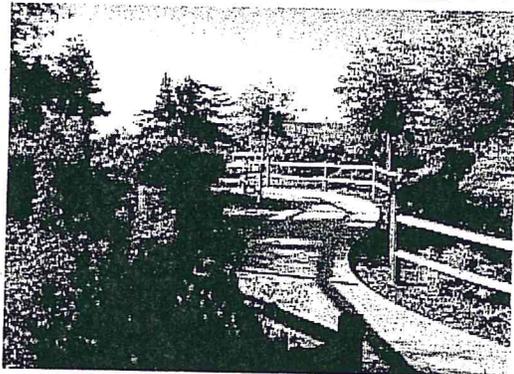
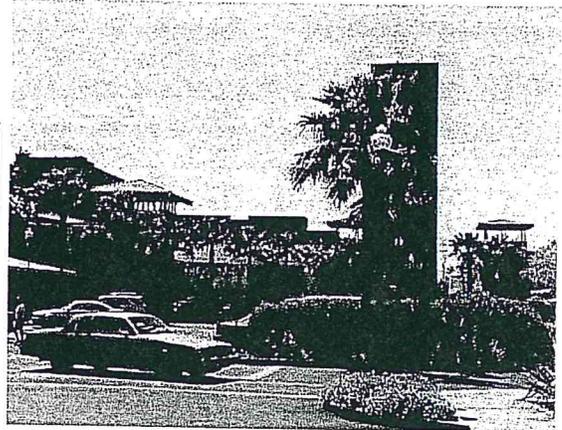
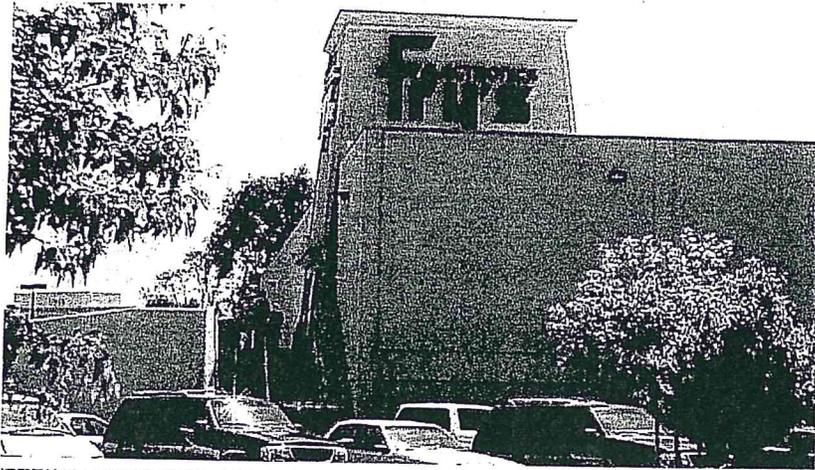
The Economic Development Division continues to work on a variety of assignments as the program begins to evolve. Two important projects involve:

Capturing Campbell' Economic Development Report - Economic Development staff is currently in the process of working with Campbell Chamber of Commerce to release a quarterly economic development report highlighting economic trends within the city and local business.

Economic Development Strategic Plan - Economic Development staff is planning to update the City's Economic Development Strategy given its age, its reference to defunct redevelopment agency era programs, and the need to recalibrate the City's economic development goals. Such a plan will provide an assessment of the existing conditions that drive the economy in Campbell and will help local stakeholders and decision makers to implement strategies that will contribute to the City's future economic health.

Attachment A – Economic Development Strategy

CITY OF CAMPBELL ECONOMIC DEVELOPMENT STRATEGY



Adopted March 21, 2006

INTRODUCTION

The City of Campbell has a history of providing high level municipal services, commercial goods and services, employment and housing opportunities that have resulted in a sense of high quality of life and community. During the last five years Campbell, like the rest of Silicon Valley, has felt the sting of a lingering depressed economy. State budget problems, lower tax revenues, higher costs, and structural changes in the economy of Silicon Valley have all contributed to the challenging times for cities to maintain a sustainable revenue base.

While the high tech industry drives the economy in Silicon Valley, Campbell has a diverse economy in that it is not heavily vested in the high tech industry but rather enjoys a wide variety of commercial retail and business to business industries. This diverse tax base is better suited for sustained economic success as opposed to fleeting success that is experienced in other communities that are highly leveraged in one industry. A sustained economy should lead to:

- Quality of life for our residents
- A prosperous economy for the business community
- A sustainable revenue growth to maintain quality City services and fund infrastructure improvements

Economic development is the process of creating and maintaining community prosperity through a healthy local economy and strong tax base that helps ensure services remain at a high level. A sustainable economy does not come automatically and it cannot be just a private sector concern. This Strategy is an instrument to help serve as direction for implementing programs and practices that help create opportunities for economic development partnerships between local government and private enterprise in an effort to further support and enhance economic resources.

Creating and maintaining a desirable quality of life for our residents is dependent upon the City's ability to provide quality services such as police, fire, recreation, senior services, as well as providing adequate and safe infrastructure such as roads and public facilities. Quality municipal services and infrastructure are provided for a cost that must be generated by a sustainable revenue stream. Sustaining and growing the City's tax base is essential in this regard. The City of Campbell is committed to providing quality services and therefore is committed to helping create an attractive and conducive environment for business to prosper which in turn will help maintain a sustainable tax base.

OBJECTIVES

- To develop and maintain a sense of public/private partnership and cooperation throughout the organization through the development of business relationships and improved customer service;
- To foster business retention and expansion by monitoring the needs of the business community and then being responsive to those needs;
- To maximize the potential of the City's commercial property assets while balancing the pressure for development with sound land use decisions;
- To identify and track economic trends relevant to Campbell and be prepared to maximize the opportunities such trends present;
- To help enhance and promote a strong local economy that in turn helps maintain municipal services and the community's quality of life.

PROGRAMS AND STRATEGIES

I. Business Retention and Expansion

The retention and expansion of existing business is essential to maintaining sustainable employment and tax base. It also assists in attracting new business. To the extent a city can influence these decisions, the retention and expansion policies are directed toward developing business relationships, gathering and exchanging information, and determining the needs of business so that local government can be responsive. Helping to create a productive environment for business and providing excellent customer service is key.

A. **Economic Development Advisory Committee:** This Committee would be appointed by the City Council and would consist of two Council members, and representatives from business and residents of the community. This Committee would meet two to four times a year. The goals and objectives would be:

1. To exchange ideas on how the City can better serve the business community;
2. For the City to provide an economic "State of the City" report once a year and get feedback;
3. For the Committee to help keep the City in touch with issues and economic trends and advise the City on issues that could affect policy decisions;

4. The Committee may be used as a sounding board for City policy that will affect the business community and for the Committee to help shape economic development policy.
- B. **Economic Development Team:** This team would include representatives appointed by the City Manager from the various City departments such as RDA, Public Works, Planning Building and Finance, to serve as a clearinghouse for facilitating economic development projects and addressing economic development issues such as:
1. Facilitating interdepartmental cooperation on business related issues and increase awareness throughout the organization of the importance of economic development.
 2. Identify sites that may be ripe for reuse and make recommendations as to how the City can put itself in the best position to achieve the highest and best use of that site.
 3. Identify and recommend revenue enhancement opportunities;
 4. Identify "Critical Projects" that present an opportunity to generate significant tax dollars and/or employment and ensure project review, plan check, department and agency coordination are streamlined. In essence, "get the product to market" responsibly, but efficiently.
- C. **Meet With Business:** City representatives will meet with the business managers, CEOs and store owners of strategic businesses to establish and maintain communication lines to:
1. Foster a productive and trusting relationship between City Hall and private business;
 - a. Develop an understanding of the business community and how local government can better respond to its needs;
 - b. Develop a sense of community; and
 - c. Express appreciation for the role and contribution business brings to the Campbell community.
- D. **Citywide Targets:** Identify development or redevelopment opportunities. Meet with property owners, prospective developers and commercial brokers to determine the highest and best of these sites and explore their potential.
- E. **Downtown Strategy:** Staff has identified several sites in the downtown area that are ripe for redevelopment. Staff will seek approval of a strategy

from the Downtown Sub-Committee to facilitate the redevelopment of these key sites. While the primary focus for redevelopment of these sites is to eliminate blight and help “tie together” the downtown, all have the potential to generate additional revenue. Additionally, the improved synergy generated by new development downtown helps solidify the downtown area as a dependable revenue source for the City. The RDA will continue use of the Storefront Improvement Program in the downtown core as an incentive to improve the quality of buildings and a means of helping to create attractive storefronts that contribute to successful businesses.

- F. **Business License Amnesty Program:** Staff will work with its consultant to analyze the cost/benefit of providing an amnesty program for those businesses operating in Campbell without a business license. The crux of the program would be to forgive penalties for those delinquent businesses if they secure a business license within a specified period of time. The hope is that the program would encourage those businesses to pay their business license tax thereby increasing the long term tax base.
- G. **“Shop Campbell” Campaign:** Staff will work with the Chamber of Commerce to devise a campaign that educates and encourages Campbell residents to buy locally and keep the sales tax dollars in Campbell. Public awareness through articles and possibly store window posters will help get the word out.
- H. **“Doing Business” Brochure:** This is a brochure that will outline the “step by step” process for conducting business in Campbell. This can be made available in the City Clerk’s office and at the various service counters throughout City Hall and on the web.
- I. **Develop Economic Development Page on City Website:** Expand the City’s web site to include an Economic Development page that would promote the “Shop Campbell” theme, identify significant property that is for sale or lease, and provide demographic “*Facts & Figures*” important to potential new business and prospective developers.
- J. **Gateway Signs:** Staff will explore installing gateway signs that announce the entry into Campbell from the various entry points surrounding the City.

- K. **Business Recognition and Appreciation**

While the most effective way to demonstrate recognition and support for the business community is cooperatively working together, at times an outwardly gesture of local government's appreciation is warranted. The City will:

1. Sponsor a Business Appreciation Event once a year for key business leaders.
2. Send "Welcome" letter to new businesses in Campbell that welcomes them into the community.

L. **Ombudsman**

The Economic Development staff will act as a liaison between the business community and City Hall providing assistance, direction and conflict resolution as needed.

II. **Program Monitoring**

Evaluating programming is an important part of the plan process. Monitoring provides feedback to ensure that programs are providing the greatest benefit and to allow a change of direction if required. An annual report and work program will be prepared.