

CITY COUNCIL COMMITTEE

HOUSING & ECONOMIC DEVELOPMENT

Dan Helix, Chair
Ron Leone, Committee Member

5:30 p.m., Monday, January 26, 2015

Building A, Garden Conference Room
1950 Parkside Drive, Concord

ROLL CALL

PUBLIC COMMENT PERIOD

1. **DISCUSSION** –Economic Development Program for Small Businesses. Report by John Montagh, Redevelopment/Housing Manager.
2. **ADJOURNMENT**

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**REPORT TO COUNCIL COMMITTEE ON
HOUSING & ECONOMIC DEVELOPMENT****TO HONORABLE COMMITTEEMEMBERS:**

DATE: January 26, 2015

SUBJECT: Economic Development Program for Small Businesses**Report in Brief**

The City Council directed the Housing and Economic Development Committee to hold a meeting to discuss programs related to assisting small businesses growth and success in Concord. The federal Small Business Administration defines in most cases a “small business” as having up to 500 employees. Under this definition almost all of Concord’s approximately 8,000 businesses would be classified as “small businesses.” However, for purposes of this report, a small business in Concord will be defined as one with 10 or fewer employees. This staff report provides background information on the City’s Economic Development program for businesses of all sizes, and activities that are targeted to assist small businesses in Concord.

Staff requests the Committee members review the information and provide feedback to staff on the information provided.

Background

The City of Concord’s Economic Development program was established in 1994. Since that time, the City of Concord has taken a leadership role in economic development efforts in the county and statewide. For example, the City was the first in the County to adopt a comprehensive Economic Development Strategy (ED Strategy) in 1997, which is updated regularly. The ED Strategy focuses City and staff resources to stimulate a healthy local economy. The City was also the first to establish a one-stop Permit Center for City services where business and residents could obtain entitlement information and permits over the counter.

Some of the City’s economic development achievements over the years included:

- Attracting retailers such as Hobby Lobby, Fry’s Electronics, Orchard Supply Hardware (at Clayton Valley Shopping Center), Mimi’s Restaurant, Mazda of Concord, Ale Industries’ The Pig and The Pickle, Hop Grenade, Los Montanas Restaurant (new owner) TART, Pacific Plaza Imports and Audi of Concord
- Facilitating various small business store front renovations in the downtown

- Facilitating the attraction, expansion and retention of Audi Concord, Fresenius, Concord Chevrolet, Cerus Corporation, Systron Donner Inertial Division, BevMo (Corporate Headquarters), Harrison Engineers, EJ Phair, TART Collections, SeaTel and Concord Honda
- Producing numerous downtown events to create a community gathering place while marketing/supporting the downtown merchants by drawing hundreds of thousands people to Todos Santos Plaza
- Providing small business seminars and workshops with area partners to help attract and expand businesses (on-going)

Most recently, the City Council adopted the 2012 Development Code, which further streamlines the permitting process for businesses seeking to locate or expand in Concord. This was a major undertaking which few cities have done as it is time consuming, rigorous and costly. With the adoption of this Development Code, Concord is positioned to be more nimble when reviewing permit applications and more inclusive of land use activities that can be accommodated within the City. One major change that streamlined the development process is that many planning applications are now reviewed and approved at the staff administrative level, rather than requiring review by the Planning Commission and/or Design Review Board. Additionally, entitlement permits can now be reviewed concurrently, rather than the previous requirement for sequential review. This process, greatly aided by the use of new technology, also shortens the review time and speeds the approval process for applicants.

Approximately eight years ago the Economic Development program had five (5) Full Time Equivalent (FTE) professional staff members working exclusively on economic development and Redevelopment-related activities. Staffing declined over the years due to loss of funding to the point where the City now has 2.05 FTE professional staff members implementing Economic Development programs (Downtown Program Manager, Economic Development Specialist, and 0.05 FTE Economic Development and Housing Manager). In addition, the Director of Community & Economic Development supports the City's Economic Development programs through her leadership and active participation in working with Economic Development staff to facilitate economic development efforts. The City Council, City Manager as well as the members of the City's Executive team are all actively involved and engaged in facilitating the City's economic vitality.

With the loss of the Redevelopment program by action of the State of California in late 2011, the amount of funding that was once available to support economic development programs and initiatives within Concord has been greatly reduced. With less financial and city resources, the City's Economic Development programs and initiatives need to be implemented strategically and in a focused manner.

Existing Economic Development Program

The City provides effective Economic Development programs and services to foster and facilitate business retention, expansion and attraction. Economic Development staff currently implement these programs and activities that include:

- Providing ombudsman services to the business owners and developers going through City's entitlement process
- Conducting Goodwill Visits to Concord's existing businesses
- Site location services Facilitating County and State permitting
- Marketing Concord as a premier business location through tradeshow, regional business events, social media, traditional media, special events, one-on-one meetings with site selectors and developers
- Presenting Business Recognition Awards to showcase Concord's successful businesses
- Sending welcome letters from the Mayor to new Concord businesses
- Outreaching and working with developers, property owners and real estate professionals to attract new businesses and investment to Concord
- Working with Concord's business partners to make Concord a premier business location
- Partnering with business groups such Todos Santos Business Association, Concord Small Business Association and Monument Business Network to support local business efforts.
- Offering Small Business Workshops and training through local and regional partners
- Implementing the BuyConcord web site where businesses can upload offers for free to customers

In 2012, the City Council directed staff to implement an Economic Development Action Plan whereby the City focused its efforts and actions. A brief overview of some of the activities undertaken include:

- Launched social media using Facebook and Twitter platforms to promote Concord amenities and economic development opportunities. Launched social media advertisement to market Concord's web sites and social media outlets.
- Refreshed the Economic Development web site that provides demographic and available sites for businesses to locate and grow.
- Established a portal for small businesses to gain access to local, state and federal programs to start and grow their business. Small businesses can find planning tools, funding resources, government requirements and training resources and much more. (<http://concord.toolsforbusiness.info/california/Ob/>)

- Facilitated the creation of the Tourism Improvement District that is generating more than \$700,000 annually to increase tourism and occupancy for Concord hotels.
- Worked with Concord's new Auto Dealers to market its product lines to car shoppers by promoting that Concord dealers offers the widest selection and best values for car buyers. This effort included a cooperative marketing campaign and signage program.
- Facilitated the establishment of John F. Kennedy University's Business Accelerator program in Concord.
- Marketed and outreached to developers to facilitate selection of a master developer for the Concord Reuse Project Area.
- Conduct Economic Development training to City staff to gain an understanding on how they can support and promote the City's economic vitality
- Adopted a Business Friendly Pledge whereby the City took a proactive step in making certain commitments to create a business friendly environment for the business community.
- Expanding the City's business partnerships by participating in multiple local and regional business groups such as Concord Chamber, Bay Bio, East Bay Leadership Council and others.
- Implemented the Mayor's initiative of a "Coffee with the Mayor" Program to introduce business leaders to senior City staff members

Discussion

The "Great Recession" stalled much of the State's, region's and City's economic growth. While San Francisco, Silicon Valley and to some extent Oakland, are experiencing robust economic development activity, many regional business sectors remain flat.

The City has taken steps to continue be proactive but prudent in its approach to supporting economic development initiatives. These initiatives have an underlying theme in that they are cost effective, have wide reach and are manageable given staff resources. At a past City Council meeting, the subject of looking at ways to expand the City's economic development services to small businesses was raised, and the Council directed this item to be discussed at a future Housing and Economic Development Council Committee meeting.

As mentioned in this report, the City's Economic Development program offers a wide range of economic development services. For small businesses, staff provides the following:

- Ombudsman Services
- Permit facilitation
- Site selection services

- Marketing small businesses through social media contests,
- Downtown Concord Where Everything is a Step Away promotion on Comcast and Astound
- Cross promotion in newspaper advertisement for certain events.
- One-on-one meetings to discuss business expansion or location issues.
- Small business resource web site chalked full of information for small businesses included business planning tools, funding resources, government requirements and training resources and much more. (<http://concord.toolsforbusiness.info/california/0b/>)
- Workshops such as starting and running a small business in partnership with Contra Costa Small Business Association.
- Business events such as Taste of Monument, Merchant at the Market for downtown, Kiwanis' taste of Concord and AAUW Art and Wine Stroll.
- Staffing, attending and partnering with business associations such as Todos Santos Business Association, Monument Business Network, Concord Small Business Association
- Attend/support Concord Chamber events

Staff requests the Council Committee members' review the City's existing economic development efforts for small businesses.

Public Contact

The City Council Committee Agenda was posted. Concord Chamber of Commerce, Todos Santos Business Association, Monument Business Network and the Concord Small Business Association were notified.

Recommendation for Action

Receive staff's report and provide comment as appropriate.

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Economic Development & Housing
Manager



Valerie J. Barone
City Manager

Reviewed by: Victoria Walker
Director, Community & Economic
Development