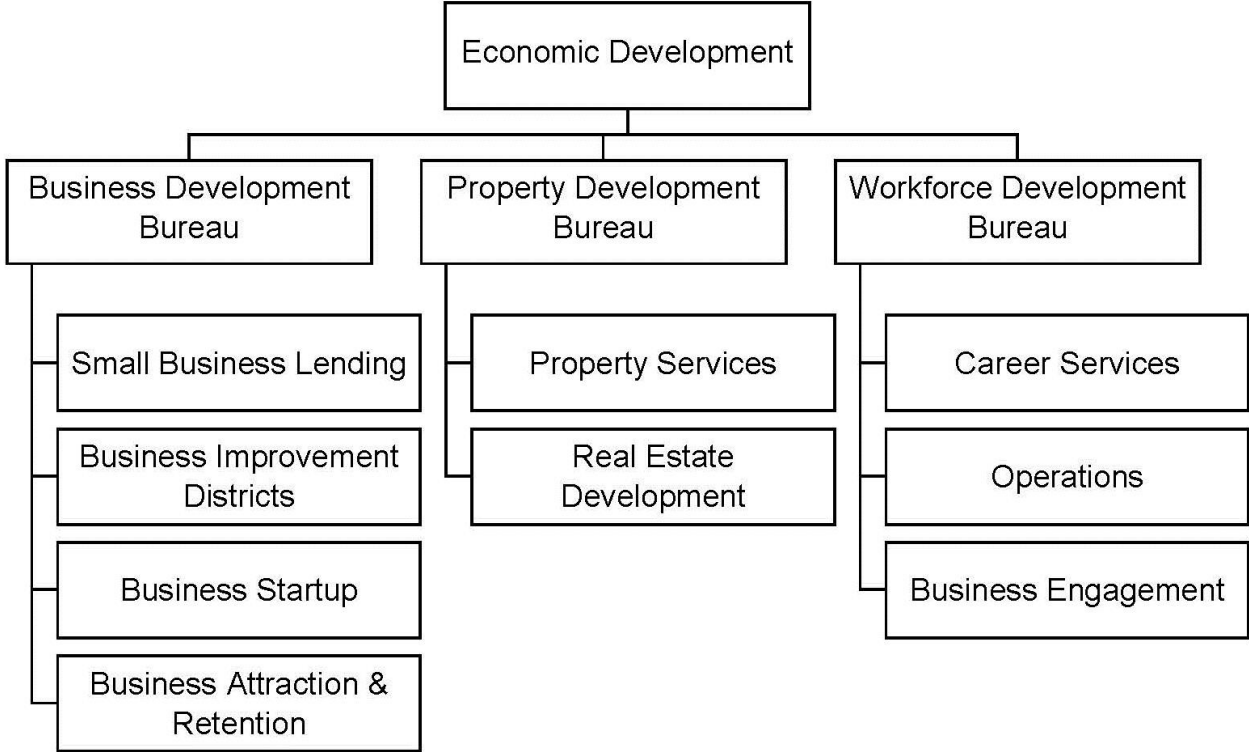


Economic Development



John Keisler, Director

Sergio Ramirez, Deputy Director

Nicholas Schultz, Workforce Development Director

Erick Serrato, Workforce Development Deputy Director

Johnny Vallejo, Property Services Officer

Seyed Jalali, Business Development Officer

Department Overview

Mission:

The mission of the Economic Development Department is to create economic opportunities for workers, investors, and entrepreneurs in the City of Long Beach.

Core Services:

- Grow and strengthen established industry clusters and emerging sectors in Long Beach.
- Increase access to economic opportunities in low-income communities to advance economic equity.
- Ensure workforce preparedness and business competitiveness through an alignment of economic development, training, education, and community partner efforts.
- Build a supportive economic ecosystem that creates reliable pathways for entrepreneurs to confidently start and grow successful businesses.
- Create more responsive, cost-effective, and streamlined City processes to grow investment and development in the City.
- Enhance quality of life to grow businesses, jobs, and investment that support a thriving local economy.
- Advance an integrated approach to local and regional economic development to enhance business opportunities and global connectedness.

FY 18 Focus:

In FY 18, the Economic & Property Development Department will be renamed the Economic Development Department (Department) and reorganized into three bureaus for Workforce Development, Property Development and Business Development to reflect the balance between its core services. Central to its work plan for the coming year, the Department will focus on implementing the recommendations of the 10-year Blueprint for Economic Development (Blueprint). This comprehensive plan provides policy recommendations to advance Long Beach as “the City of opportunity for workers, investors, and entrepreneurs”, with a particular focus on economic opportunities in low-income communities.

The development of the Blueprint was a collaborative effort, which included an econometric study of the City from Beacon Economics, 26 public meetings, 25 individual listening sessions, and discussions with 20 subject matter expert panelists. The focus in FY 18 will be to prioritize recommendations from the Blueprint, and to develop the plan for implementation, tracking, and reporting progress. Important FY 18 work on the Blueprint includes:

1. Distribute the Blueprint to City Council, City Commissions, City staff and partners, and encourage alignment with economic development goals and objectives.
2. Work with City staff and partners to develop a Blueprint workplan, including specific activities and investment, estimated costs and available financial resources, and a timeline that will advance key objectives.
3. Develop an online platform for tracking and reporting performance for each of the key objectives for economic development.
4. Produce a comprehensive communication plan including the distribution of the Blueprint to community, research, investment and industry partners in multiple formats and languages to reach diverse stakeholder groups and bolster awareness.
5. Provide regular updates to the Economic Development Commission, Economic Development & Finance Committee, and City Council.
6. Organize an annual conference to highlight progress on the Blueprint, including a scorecard focusing on key performance indicators for local economic development.

Important work on the implementation of the Blueprint began in FY 17, and will continue to be the focus of the Department for years to come.

Department Performance Measures

Key Measure	FY 16 Actual	FY 17 Target	FY 17 Estimate	FY 18 Projection
Number of new Long Beach based small businesses (10 or fewer employees)	868	947	970	980

This measures the number of new small businesses (10 or fewer employees) locating in the city or adding a new location. Figures exclude home-based businesses and commercial/residential rental property licenses. In FY 15, Council approved a small business incentive pilot program. Staff will continue to monitor its success.

Key Measure	FY 16 Actual	FY 17 Target	FY 17 Estimate	FY 18 Projection
Number of Successor Agency properties disposed	15	17	28	6

This measures the amount of former Redevelopment Agency Properties (Successor Agency properties) that were initially retained under the Long Range Property Management Plan under the category of “for sale”. The initial goal was to sell the 57 parcels designated “for sale” while actively seeing buyers for an additional 136 parcels categorized as “Future Development”. These properties were transferred to the City for disposition, with the goal to leverage City-owned property for economic development. In FY18, only 6 “Future Development” parcels remain for sale. Once sold, the City will have completed the disposition of Successor Agency properties and begin a new era of property development.

Key Measure	FY 16 Actual	FY 17 Target	FY 17 Estimate	FY 18 Projection
Number of Long Beach residents who are placed in employment	2,350	3,600	2,280	3,520

This measures the number of residents that are served through employment programs through Pacific Gateway. This includes career services through the Career Transition Center, Youth Opportunity Center, and contracted service providers. Service and enrollment levels have been trending down after years of increase during the economic recession, as expected. The launch of the online service system has been delayed, and is instead expected to show an increase of enrollment in FY 18, instead of FY 17 as had been projected. The online system will allow residents to access services online (without having to come in to a job center). This will add new customers to the system for FY 18, while overall walk-in customers continue to decline to pre-recession levels, in-line with State and National trends. While the number of customers seeking services in-person decline, the depth of that service intensifies. As the local economy regains strength, the system will focus on harder-to-serve clients with acute barriers to employment.

FY 17 Accomplishments

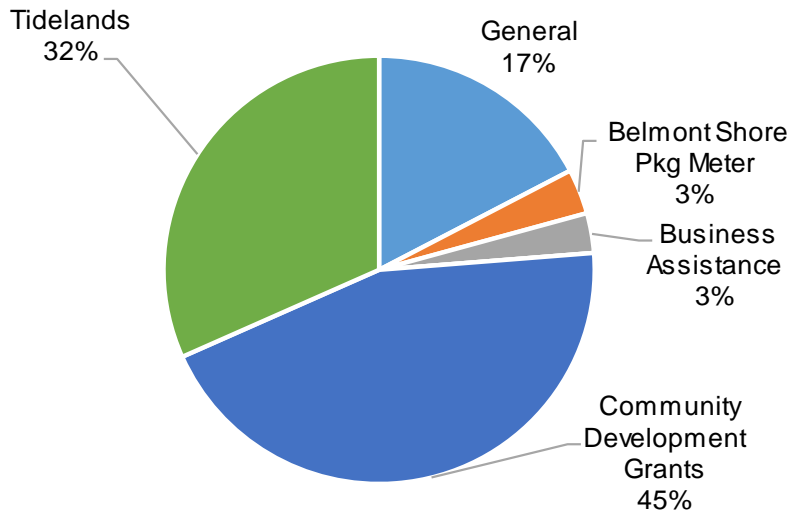
- Received City Council approval for the 10-year Blueprint for Economic Development, which involved hosting 26 public meetings, 25 individual listening sessions, and discussions with 20 subject matter expert panelists.
- Completed the Purchase and Sale Agreement with LAB Holdings, Inc., for the purchase of 50 Successor Agency parcels, to begin the transformative development along Atlantic Blvd. in North Long Beach.
- Executed the Amendment between the City of Long Beach and Mental Health America to begin construction on an innovative facility incorporating mental health services, homeless services, and a marketplace on Long Beach Blvd., in Central Long Beach.
- Established the Office of Economic Research within the Business Attraction & Retention Division to address the expanding demand for economic data, inform decision-making, track progress against key measures, and create awareness about opportunities for investment in the City.
- Provided more than 5,000 adults and youth with career services and job training, across three workforce centers, including 275 out-of-school youth.
- Administered the Master Plan for the re-envisioned C-17 Site in Douglas Park, supported through a \$4 million grant from the Department of Defense, and secured an additional \$1.5 million to help businesses and workers in the C-17 supply chain.
- Expanded youth services into the San Pedro/Wilmington areas through a new \$1 million annual contract from the City of Los Angeles.
- Collaborated with Starbucks to launch a new store staffed by youth who have overcome serious barriers (one of only six such stores in the US).
- Secured a \$500,000 grant from the State to support English Language Learners in obtaining quality employment, and to strengthen service connections among the City, Long Beach City College, and Long Beach School for Adults.
- Hosted over 19,000 online sessions and created over 500 new user accounts in BizPort over the past year.
- Launched the Business Navigators Program in partnership with the Veterans Affairs Administration to provide support services to entrepreneurs navigating the City's business startup process.
- Hired the first Institute for Innovation & Entrepreneurship Fellow in partnership with CSULB to provide a bridge between the University and local entrepreneur support services.
- Funded the expansion of the CSULB Small Business Monitor Survey to measure small business confidence and target investment in programs that help small businesses start and grow.
- Provided six small business loans for a total of \$460,000.
- Funded 26 startup grants for a total of \$52,000, and 123 commercial building façade grants for a total of \$238,443 (leveraging another \$157,622 in additional private investment).
- Queen Mary – New lease with Urban Commons Queensway, LLC for stewardship/operation of the Queen Mary and shore side development.

FY 17 Accomplishments

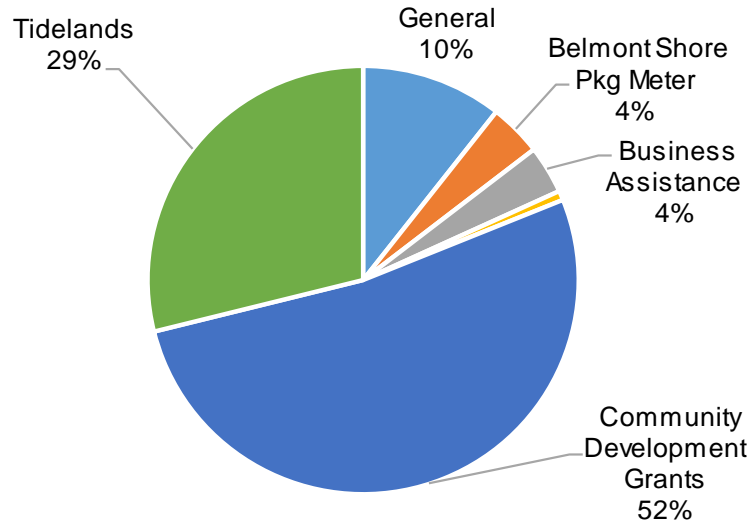
- Convention Center – Center Theater and Arena entry-way enhancements, creation of innovative Seaside Way “Cove” outdoor event space.
- Convention Center Solar Roof – New Power Purchase Agreement with operator for Convention Center Solar Roof to repair and operation of solar photovoltaic system.
- Closed escrow on three for sale parcels, two future development sites and opened escrow on five additional future development sites.
- Entered into a lease with the Jenni Rivera Love Foundation for the redevelopment of vacant city facility to launch the Jenni Rivera Inspirational Center. The Center will provide child care services to the local community, music appreciation for youth and showcase the life of Jennie Rivera through exhibits of her artistic career.
- Completed the rehabilitation of the ArtX facility allowing the ArtExchange to expand classroom programming.

FY 18 Budget

FY 18 Revenues by Fund



FY 18 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
General	3,903,667	2,029,358	1,874,308
Belmont Shore Pkg Meter	765,000	755,797	9,203
Business Assistance	677,838	694,119	(16,281)
Civic Center	-	135,210	(135,210)
Community Development Grants	10,043,102	9,994,896	48,206
Tidelands	7,130,000	5,524,212	1,605,788
Total	22,519,607	19,133,593	3,386,014

Summary of Proposed Changes*

General Fund	Impact	Positions
Increase revenue to reflect anticipated proceeds from Successor Agency Property sale, which will be used to support management of these properties.	(100,000)	-
Add one Assistant Administrative Analyst II to assist with the management of City-owned properties.	95,852	1.00
One-time funding for maintenance services to upkeep City-owned properties.	50,000	-
One-time funding to support the creation of a digital database for property management.	50,000	-

Tidelands Area Funds	Impact	Positions
Increase revenue from Annual Passenger Fee Rent from Carnival Cruise Lines to reflect projections.	(210,000)	-
Add an Assistant Administrative Analyst II to support the administration of the Queen Mary lease.	95,852	1.00
Increase budget for contract Engineering Services to support management and oversight of the Queen Mary.	60,000	-

* For ease of review, reallocations of resources within departments, offsets, adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Business Development Bureau

Key Services:

- | | |
|---|--|
| <p>1. Small Business Lending</p> <ul style="list-style-type: none"> • Revolving Loans • Launch Grants & • Façade Improvement Program <p>2. Business Improvement Districts</p> <ul style="list-style-type: none"> • Administration & Oversight • Establishment/Renewal <p>3. Business Retention</p> <ul style="list-style-type: none"> • Incentive Programs • Relocation | <p>4. Economic Research</p> <ul style="list-style-type: none"> • Blueprint Implementation • Research • Tracking & Reporting <p>5. Business Startup</p> <ul style="list-style-type: none"> • Attraction • Site Selection • Licensing & Permitting |
|---|--|

FY 18 Funding Source: General Fund 37%, Civic Center Fund 4%, Belmont Short Parking Meter Fund 25%, Tidelands Operations Fund 6%, Business Assistance Fund 23%, Civic Center Fund 4%, Community Development Grants Fund 5%

Business Development	Actuals FY 16	Adjusted* FY 17	Proposed* FY 18
Revenues	11,799,427	13,621,090	1,442,838
Expenditures	9,516,860	11,020,036	3,025,919
FTEs	13.00	17.00	10.00

*Amounts exclude all-years carryover.

Narrative:

The Business Development Bureau (Bureau) is responsible for growing the number and size of businesses in the City of Long Beach, with a particular focus on economic inclusion and under-represented entrepreneurs. As described in the Blueprint for Economic Development (Blueprint), the goal of the Bureau is to build a supportive economic ecosystem that creates reliable pathways for entrepreneurs to confidently start and grow successful businesses. Key objectives of the Bureau to advance this goal in FY 18 are to invest in strategies that:

- Reduce the cost and median days to approval for business licensing;
- Increase the number of active business licenses;
- Establish Long Beach as one of the most business friendly cities in the state; and
- Increase the number and value of small business loans secured.

In FY 17, the Bureau launched a number of new business assistance programs and partnerships including BizPort, BizMap, Business Navigators, the Institute for Innovation & Entrepreneurship Fellowship, StartUpToolkit, Small Business Monitor Survey expansion, and the Office of Economic Research, to help entrepreneurs navigate the business startup process. In FY 18, the Bureau will grow these programs with a particular focus on promoting economic inclusion, and increasing the number of minority-owned and women-owned businesses in the city.

Business Development Bureau

The Business Development Bureau also includes the newly formed Executive Office, which is responsible for overall management of the Economic Development Department. Key services of the Executive Office include financial services, personnel management, public affairs, and executive management of the Department.

The overarching goal of the Executive Office is to ensure that the Department is aligned with the policy direction of the Mayor, City Council, and City management. Specific responsibilities include facilitating the development of the City's 10-Year Blueprint for Economic Development; forming strategic partnerships with community partners; managing the performance of Department operations to align with the Department strategic plan; staffing the Economic Development Commission and Economic Development & Finance Committee of the City Council, and providing regular updates to policy makers and the community regarding key economic indicators for the City of Long Beach;

In FY 18, the Executive Office will focus on the prioritization and implementation of recommendations from the Blueprint for Economic Development; and, ensure that necessary resources are in place to execute the work. This includes the marketing and promotion of Blueprint goals and objectives, the hiring of new positions, the execution strategic partnerships to expand service delivery, and the development of funding sources to grow and sustain new programs.

Property Development Bureau

Key Services:

1. Property Services

- Proactive Property Maintenance
- Contract Administration
- Lease Negotiation
- Asset Management
- Long Range Property Management

2. Real Estate Development

- Appraisals
- Acquisitions & Sales
- Real Estate Transactions
- Opportunity Site Identification
- Development Services

FY 18 Funding Source: General Fund 11%, Tidelands Operations Fund 83%, Tidelands Area Funds 6%

Property Development	Actuals FY 16	Adjusted* FY 17	Proposed* FY 18
Revenues	-	-	11,033,667
Expenditures	-	-	6,020,162
FTEs	-	-	9.00

*Amounts exclude all-years carryover.

Narrative:

The Property Development Bureau (Bureau) is responsible for managing City property, and increasing the amount of real estate investment in the City. As described in the Blueprint for Economic Development (Blueprint), the goal of the Bureau is to create more responsive, cost effective, and streamlined City processes to grow investment and development in the City. Key objectives of the Bureau to advance this goal in FY 18 are to invest in strategies that:

- Reduce the cost of development;
- Reduce the median days to approve entitlements for property development;
- Reduce the commercial, office, retail, and residential vacancy rates; and
- Increase citywide real estate investment.

In FY 17, the Bureau nearly completed the sale of all Successor Agency properties, which has triggered a historic level of private real estate investment in the City. To manage this increased level of interest from investors and developers, the Department added a Deputy Director. In FY 18, the Bureau will continue to grow with the addition of two new staff positions to (a) expand oversight of the recently approved 66-year lease between the City and Urban Commons for the operation, maintenance, and development of Queen Mary Island, and (b) proactively manage and maintain City-owned properties. These two new positions are offset by a percentage of revenue generated from the Queen Mary lease agreement and from the sale of City-owned properties. The Bureau also intends to introduce new digital platforms to highlight “opportunity sites” for real estate development, and better manage City-owned real estate assets.

Workforce Development Bureau

Key Services:

1. Workforce Development

- Job Search Assistance
- Individualized assessments
- Connection to Training
- Career Counseling
- Skill Development scholarship to Occupational Training

2. Communications

- Outreach
- Marketing & Promotion
- Public Affairs
- Workforce Investment Board

3. Business Assistance

- Recruitment and Hiring
- Youth Hiring and Internships
- Lay-Off Aversion
- Customized Training

4. Workforce Operations

- Contracts and Procurement
- Accounting Functions
- Budgeting
- Administration
- Grant Monitoring

FY 18 Funding Sources: General Fund 2%, Community Development Grants Fund 98%

Workforce Development	Actuals FY 16	Adjusted* FY 17	Proposed* FY 18
Revenues	13,976,063	10,348,334	10,043,102
Expenditures	14,109,297	10,413,876	10,087,512
FTEs	70.27	70.27	70.27

*Amounts exclude all-years carryover.

Narrative:

The Workforce Development Bureau (Bureau) is responsible for providing economic opportunities for workers and providing a skilled workforce for employers in the City of Long Beach. As described in the Blueprint for Economic Development (Blueprint), the goal of the Bureau is to ensure the preparedness of the workforce and competitiveness of business through alignment of economic development, training, education, and community partnerships. Key objectives of the Bureau to advance this goal in FY 18 are to invest in strategies that:

- Increase year over year per capita income in the City;
- Increase the number of middle and high-skill jobs in the City; and
- Increase the number of Long Beach residents who reengage with the education and training system.

In FY 17, the Bureau provided more than 5,000 adults and youth with career services and job training, across three workforce centers, including 275 out-of-school youth. The Bureau also expanded youth services into the San Pedro/Wilmington areas through a new \$1,000,000 annual contract from the City of Los Angeles; and, secured a \$500,000 grant from the State to support English Language Learners in obtaining quality employment. In FY 18, the Bureau will continue to strengthen service connections among the City, Long Beach City College, and Long Beach School for Adults; and continue to create economic opportunities for workers and employers in the region.

Financial Summary by Category

	Actual FY 16	Adopted* FY 17	Adjusted* FY 17	Proposed* FY 18
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	7,000	12,000	18,000	12,000
Fines and Forfeitures	-	-	-	-
Use of Money & Property	11,460,347	11,115,634	11,251,950	11,405,000
Revenue from Other Agencies	13,427,179	9,933,802	10,230,839	9,826,835
Charges for Services	225	-	-	-
Other Revenues	702,510	1,012,036	2,104,781	1,053,772
Interfund Services - Charges	4,828	6,000	6,000	6,000
Intrafund Services - General Fund Charges	-	-	-	-
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	-	-
Operating Transfers	173,401	6,000	357,855	216,000
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Total Revenues	25,775,490	22,085,473	23,969,424	22,519,607
Expenditures:				
Salaries, Wages and Benefits	6,388,791	9,818,034	9,142,757	10,388,754
Overtime	18,230	-	168	-
Materials, Supplies and Services	14,470,996	9,144,977	11,376,913	8,717,024
Internal Support	512,733	(178,877)	(178,877)	(225,962)
Capital Purchases	136,716	-	-	-
Debt Service	267,844	250,522	250,522	253,777
Transfers to Other Funds	1,830,849	-	842,428	-
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Total Expenditures	23,626,157	19,034,656	21,433,911	19,133,593
Personnel (Full-time Equivalents)	83.27	87.27	87.27	89.27

* Amounts exclude all-years carryover.

Personnel Summary

Classification	FY 16 Adopt FTE	FY 17 Adopt FTE	FY 18 Prop FTE	FY 17 Adopted Budget	FY 18 Proposed Budget
Director-Economic Development	1.00	1.00	1.00	214,390	208,080
Accountant III	1.00	1.00	1.00	67,174	69,887
Accounting Clerk II	1.00	1.00	1.00	38,535	40,092
Accounting Clerk III	1.00	1.00	1.00	50,976	43,154
Administrative Analyst III	3.00	3.00	3.00	272,816	283,838
Administrative Analyst II-NC	2.00	2.00	2.00	136,550	142,050
Administrative Analyst I-NC	1.00	1.00	1.00	65,259	67,888
Administrative Intern	8.76	8.76	8.76	318,877	331,674
Administrative Officer	-	1.00	1.00	114,000	118,606
Assistant Administrative Analyst II	-	-	2.00	-	120,092
Assistant Director-Workforce	1.00	1.00	1.00	110,000	114,444
CD Specialist I	4.00	4.00	4.00	228,048	240,464
CD Specialist II	2.00	2.00	2.00	123,407	126,712
CD Specialist III	16.51	16.51	16.51	1,245,224	1,289,628
CD Specialist IV	3.00	3.00	3.00	231,508	242,917
CD Specialist V	7.00	7.00	7.00	608,095	622,930
CD Technician I	1.00	1.00	1.00	47,389	49,304
CD Technician II	1.00	1.00	1.00	43,550	48,001
CD Technician III	1.00	1.00	1.00	54,904	57,122
CD Technician IV	2.00	2.00	2.00	117,005	121,732
Clerk Typist II	1.00	1.00	1.00	44,737	46,545
Clerk Typist III	5.00	5.00	5.00	225,325	235,540
Community Information Specialist II	1.00	1.00	1.00	42,443	44,150
Deputy Director of Economic Development	1.00	1.00	1.00	152,564	158,727
Development Project Manager II	1.00	1.00	1.00	84,205	87,607
Development Project Manager III	2.00	3.00	3.00	270,519	281,448
Exec Director-Reg Wrkfr Invest Brd	1.00	1.00	1.00	148,782	154,793
Executive Assistant	-	1.00	1.00	65,457	68,101
Payroll Personnel Assistant II	-	1.00	1.00	48,573	50,535
Real Estate Officer	1.00	1.00	1.00	133,659	139,059
Real Estate Project Coordinator II	1.00	1.00	1.00	98,111	83,285
Real Estate Project Coordinator III	3.00	3.00	3.00	309,723	322,236
Real Estate Technician II	1.00	1.00	1.00	59,209	61,601
Redevelopment Project Officer	1.00	1.00	1.00	117,799	122,558
Secretary	2.00	2.00	2.00	87,230	93,512
Senior Accountant	1.00	1.00	1.00	90,939	94,613
Special Project Officer	1.00	1.00	1.00	121,263	104,073
Workforce Development Officer	3.00	3.00	3.00	302,634	314,861
Subtotal Salaries	83.27	87.27	89.27	6,490,879	6,801,859
Overtime	-	-	-	-	-
Fringe Benefits	-	-	-	3,231,615	3,484,957
Administrative Overhead	-	-	-	133,441	139,839
Attrition/Salary Savings	-	-	-	-	-
Expenditure Transfers	-	-	-	(37,901)	(37,901)
Total	83.27	87.27	89.27	9,818,034	10,388,754

