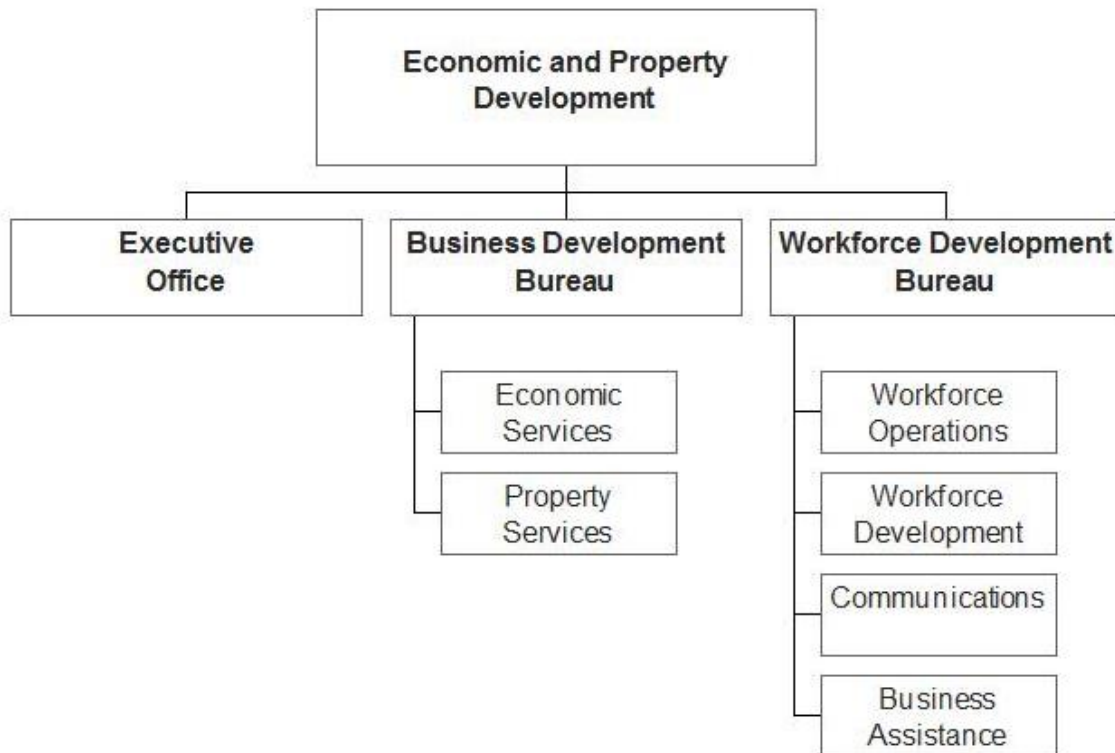


Economic and Property Development



Kathryn McDermott, Acting Director

Johnny Vallejo, Property Services Officer

Nicholas Schultz, Workforce Development Director

Erick Serrato, Workforce Development Deputy Director

Department Overview

Mission:

The mission of the Economic and Property Development Department is to create a focused effort on economic development services, foster and encourage business and job growth, facilitate business relocation and expansion, and increase economic activity while maintaining quality and strength of our neighborhoods.

Core Services:

- Create business opportunities through coordinated, interdepartmental outreach and support
- Reduce risk and increase certainty in the entitlement and permitting process
- Support neighborhood quality while supporting economic development
- Provide resources for business retention, relocation, retraining, retooling and restructuring
- Accommodate business short and long term labor needs
- Provide opportunities for workforce matriculation and assimilation
- Manage, negotiate and implement complex real estate transactions
- Manage, negotiate, implement and administer complex leases and extensions
- Continue to develop every City employee into business ombudsmen

FY 17 Focus:

The Economic and Property Development Department will work with the Mayor and City Council, its Commission and various Committees, BIDs and economic development partners, to focus on the following: access to capital for new entrepreneurs and Long Beach based businesses; business assistance services and permitting to support and grow the City's economy; licensing and location assistance; strategic disposal of Successor Agency properties to generate needed residential density; hotel development and retail growth to support local businesses; coordination with the Innovation Team to improve the delivery of services; reducing risk and increasing certainty in the permitting and development process; and identifying problems and finding solutions.

The Department will continue daily activities to support economic development initiatives, in addition to the vast administrative workload of City-owned land and buildings leased to businesses and individuals. These leases generate a tremendous revenue stream, which Department staff continue to manage in ways that are in the best interest of the City. One such asset, the Queen Mary and surrounding 43 acres, is an example of an intricate lease arrangement that includes priority returns, land residual values, Queen Mary restoration funding and Carnival Cruise Line growth.

The Department will continue to work with the Mayor, City Council, Economic Development and Finance Committee, and the newly formed Economic Development Commission to define a scope of work for Beacon Economics to prepare an Economic Strategic Blueprint, Economic Indicators Report and an implementation strategy to help guide the City toward greater economic success. The Department's most recent partner is the Mayor's Innovation Team, funded through a 3 year, \$3 million grant from the Bloomberg Foundation. The Department looks forward to continue its excellent working relationship with the Innovation Team to identify ways to stimulate growth and generate jobs; and to identify ways to improve services, increase productivity and stimulate business growth.

The Department now includes the Workforce Development Bureau (Pacific Gateway), which significantly increases the size of the Department, its budget and its ability to pursue economic development activities. Merging the Bureau into the Department creates synergy in functionality and coordination that can serve to match individuals with jobs, retrain individuals for employment in emerging industries and assist businesses by providing qualified employees for specialty services, often with subsidized wages. The extent of the benefits of this merger are not yet fully explored and are anticipated to grow as the services offered by the Business Development Bureau complement the services offered by the Workforce Development Bureau.

Department Performance Measures

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Number of new Long Beach based small businesses (<i>10 or fewer employees</i>)	929	947	876	947

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 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Number of Successor Agency properties disposed	1	15	15	17

This measures the amount of former Redevelopment Agency Properties that were initially retained under the Long Range Property Management Plan under the category of “for sale”. The initial goal is 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 dispose of these properties to enhance economic development and improve the City’s economic health. The total number of “Future Development” parcels approved by Council in FY 16 is 89.

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Number of Long Beach residents who are placed in employment	2,526	2,300	2,500	3,600

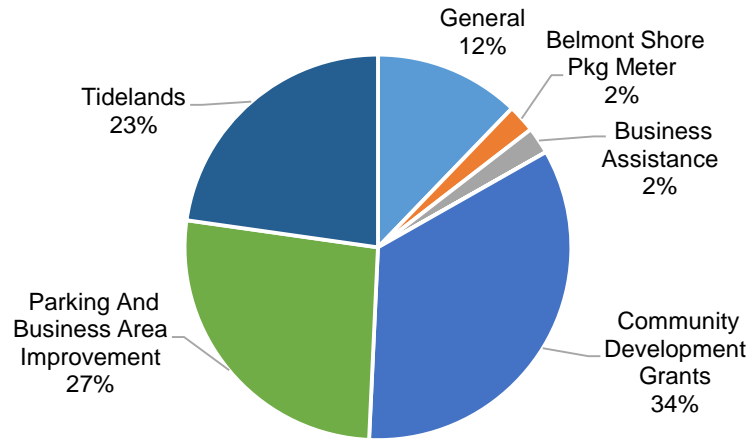
This measures the number of residents that are placed in employment as a result of the services provided through Pacific Gateway. This includes career services through the Career Transition Center, Youth Opportunity Center, and contracted service providers. The number of residents placed in employment is affected by several factors, such as the unemployment rate and availability of jobs and resources for job seekers. Despite modest funding reductions, discretionary grants will support continued service levels consistent with FY 16. The FY 17 projection includes services provided throughout the Bureau’s service area, many of which had been left out of this projection in previous years.

FY 16 Accomplishments

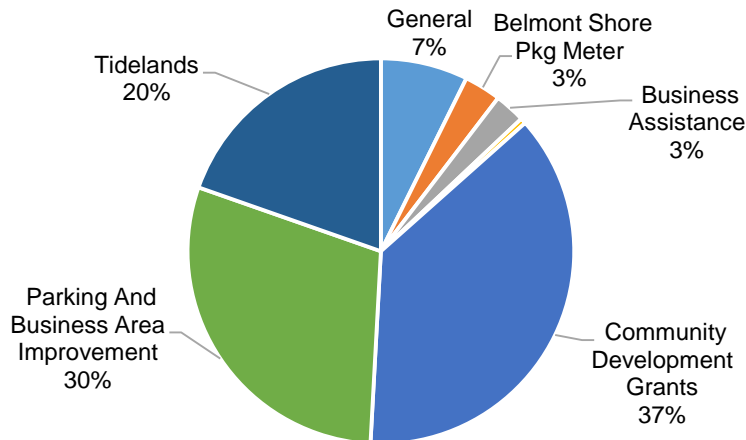
- Received approval to implement a Long Range Property Management Plan (Plan) for over 250 parcels in connection with the dissolution of the Redevelopment Agency.
- Disposed of the majority of the For Sale property identified in the Plan.
- Land Swap that enabled the Pike to transform into the Pike Outlets with H&M, Nike and Forever 21.
- Success at Douglas Park with approximately 3,000 jobs with Mercedes Benz, Virgin Galactic, Universal Technical Institute and the creation of a medical office cluster.
- Provided 38 business start-up grants.
- Approved/funded four economic development loans totaling \$445,000.
- Accomplished annual renewals for all Parking and Business Improvement areas.
- Was awarded more than \$1 million in funding to continue operation of the Harbor WorkSource Center supporting the residents of Wilmington, San Pedro, and the Harbor Gateway communities.
- Pacific Gateway's Youth Opportunity Center assisted more than 900 youth in gaining paid work experience in the public and private sectors.
- Pacific Gateway's Employment Services served over 5,100 people through one-on-one services centered on education and skills, career coaching, job readiness, training access, and job development/placement.
- Services resulted in placement of over 1,300 adult residents in employment of which 84 percent were still employed nine months later.
- Completed a sales tax sharing agreement with Hooman Toyota to facilitate the renovation, expansion and relocation of a retail car sales business.
- Completed a sales tax sharing agreement with Worthington Ford to support the cost to rehabilitate and upgrade an on-site freeway advertising message signboard.
- Established a new Uptown Business Improvement District (BID).
- Established a new Mid-Town Business Improvement District (BID).
- Completed the sale of the Edison building.
- Executed the Project Agreement for the new Long Beach Civic Center.
- Completed the abatement and demolition of the old Courthouse Building.
- Received City Council authority to sell the Art X and Acres of Books, and City Ventures property.
- Received authority for the first TOT Sharing Agreement in the City.
- Assigned existing lease and received authority to negotiate a Restated Lease for the Queen Mary.
- Most Future Development properties are now under contract and in escrow.

FY 17 Budget

FY 17 Revenues by Fund



FY 17 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
General	3,659,567	1,970,226	1,689,340
Belmont Shore Pkg Meter	701,734	830,891	(129,157)
Business Assistance	677,838	694,119	(16,281)
Civic Center	-	126,696	(126,696)
Community Development Grants	10,208,334	10,113,024	95,310
Parking And Business Area Improvement	7,968,757	7,968,757	-
Tideland	6,838,000	5,299,700	1,538,300
Total	30,054,230	27,003,413	3,050,817

Summary of Adopted Changes*

GENERAL FUND	Impact	Positions
Add a Development Project Manager III to serve as an ombudsman and an Administrative Officer and Payroll Personnel Assistant II to provide personnel, administrative and financial oversight and support. All positions are offset by additional revenue.	-	1.81
Reduce property management expenses at selected City-owned vacant land/properties	(32,412)	-

COMMUNITY DEVELOPMENT GRANTS FUND	Impact	Positions
Add a Payroll Personnel Assistant II to support personnel and administrative services in the Department.	62,544	0.80
Add an Administrative Officer responsible for personnel, financial, and other administrative functions for the Department, offset by reallocation of other costs.	7,323	0.09

TIDELANDS OPERATIONS FUND	Impact	Positions
Add an Administrative Officer and Payroll Personnel Assistant II to provide personnel, administrative and financial oversight and support.	45,487	0.30

* 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:

1. Leases, Contracts and Acquisitions

- Lease/Contract Negotiations
- Amendments/Modifications
- Lease/Contract Administration
- Acquire Property
- Sell Property

2. Economic Services

- Inter-Departmental Coordination
- Business Outreach

3. Special Projects

- City Mgmt./Assigned Tasks
- Council/Assigned Tasks

4. Property & Business Improvement Districts (PBID)

- Staff Support
- Establishment/Reestablishment
- PBID Reporting

FY 17 Funding Source: General Fund 6%, Civic Center Fund 1%, Parking Area and Business Area Improvement Fund 50%, Belmont Short Parking Meter Fund 5%, Tidelands Operations Fund 32%, Business Assistance Fund 4%, Marina Fund 1%, Rainbow Harbor Area Fund <1%,

Business Development	Actuals FY 15	Adjusted** FY 16	Adopted* FY 17
Revenues	-	19,447,391	19,845,896
Expenditures	-	17,315,100	16,773,501
FTEs	-	13.00	17.00

*Amounts exclude all-years carryover.

**Amounts as published in the FY 17 Proposed Budget released July 1, 2016. Amounts exclude all-years carryover.

Note: FY 15 information can be found in the City Manager, Development Services, Human Resources, and Public Works Department Budgets.

Narrative:

The Business Development Bureau includes two divisions. The Property Services Division is responsible for the City’s acquisitions and sale of City-owned assets and provides real estate asset administration functions, which include leasing of privately held property for City-use purposes and leasing of City-owned property for business purposes. The Division is also involved in the administration of various ground lease and management agreements including the Queen Mary, Pike at Rainbow Harbor, the Long Beach Convention Center, the Towne Center and the Aquarium of the Pacific. The Economic Services Division provides coordinated support, information and guidance to help steer businesses through City processes and business license requirements. The Division also manages the small business loan program.

Business Development provides support for the City’s Business Improvement District (BID) program, assisting community and quasi-public groups in the formation of business improvement associations within defined geographic areas to promote business and economic vitality.

The Business Development Bureau staffing has been enhanced in the FY 17 budget by including a new Development Project Manager III. The Development Project Manager is intended to report to the Department’s Economic Development Officer to support expanded economic development activities and programs. In addition, an Administrative Officer and Payroll Personnel Assistant II have been budgeted in the Department in order to assist with administrative functions.

Workforce Development Bureau

Key Services:

1. Services for Adults

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

2. Services for Youth

- Employment and occupational training
- Internship and work experience
- Career exploration

3. Services for Business

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

4. Bureau Operations

- Contracts and Procurement
- Accounting Functions
- Budgeting
- Department administration
- Grant Monitoring

FY 17 Funding Sources: General Fund 2%, Community Development Grants Fund 98%

Workforce Development	Actuals FY 15	Adjusted** FY 16	Adopted* FY 17
Revenues	-	20,604,368	10,208,334
Expenditures	-	20,820,566	10,229,912
FTEs	-	70.27	70.27

*Amounts exclude all-years carryover.

**Amounts as published in the FY 17 Proposed Budget released July 1, 2016. Amounts exclude all-years carryover.

Narrative:

In FY 17, Pacific Gateway will continue to provide skill-based employment services to over 3,900 residents, which is correlated to more than 10,800 actual visits. These efforts will be focused on preparation for high growth sectors of vital importance to the regional economy including healthcare, advanced manufacturing, construction, logistics / goods movement, and retail trade. Pacific Gateway will also continue to offer vibrant services and programs providing effective career transition assistance for area youth focused on career exploration, occupational skills training, academic enrichment, industry recognized credential attainment, and preparation for employment, postsecondary education, or advanced training. The Business Assistance Programs will continue to increase employment opportunities for Long Beach residents by promoting layoff aversion strategies, business training strategies, and no-cost human resources assistance. The Business Assistance Team will also be fully engaged in delivering retraining and reemployment assistance to residents impacted by major downsizing or plant closures in the area.

Financial Summary by Category

	Actual FY 15	Adopted* FY 16	Adjusted** FY 16	Adopted* FY 17
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	-	7,968,757	7,968,757	7,968,757
Franchise Fees	-	-	-	-
Licenses and Permits	-	12,000	12,000	12,000
Fines and Forfeitures	-	-	-	-
Use of Money & Property	-	11,415,634	11,415,240	11,115,634
Revenue from Other Agencies	-	9,785,506	20,228,038	9,933,802
Charges for Services	-	-	-	-
Other Revenues	-	357,976	376,724	1,012,036
Interfund Services - Charges	-	6,000	6,000	6,000
Intrafund Services - General Fund Charges	-	-	-	-
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	-	-
Operating Transfers	-	-	45,000	6,000
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Total Revenues	-	29,545,874	40,051,759	30,054,230
Expenditures:				
Salaries, Wages and Benefits	-	8,967,602	10,573,362	9,818,034
Overtime	-	-	(1,497)	-
Materials, Supplies and Services	-	16,730,460	25,962,443	17,113,734
Internal Support	-	(246,648)	(362,440)	(178,877)
Capital Purchases	-	-	9,229	-
Debt Service	-	252,122	252,122	250,522
Transfers to Other Funds	-	-	1,702,448	-
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Total Expenditures	-	25,703,537	38,135,666	27,003,413
Personnel (Full-time Equivalents)	-	83.27	83.27	87.27

* Amounts exclude all-years carryover. See budget ordinance in the back of this document.

**Amounts as published in the FY 17 Proposed Budget released July 1, 2016. Amounts exclude all-years carryover.

Personnel Summary

Classification	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 17 Adopt FTE	FY 16 Adopted Budget	FY 17 Adopted Budget
Director-Economic and Property Development	-	1.00	1.00	204,181	214,390
Accountant III	-	1.00	1.00	67,173	67,174
Accounting Clerk II	-	1.00	1.00	38,535	38,535
Accounting Clerk III	-	1.00	1.00	41,478	50,976
Administrative Analyst III	-	3.00	3.00	272,816	272,816
Administrative Analyst II-NC	-	2.00	2.00	133,142	136,550
Administrative Analyst I-NC	-	1.00	1.00	65,257	65,259
Administrative Intern	-	8.76	8.76	318,863	318,877
Administrative Officer	-	-	1.00	-	114,000
Assistant Director-Workforce	-	1.00	1.00	110,000	110,000
Clerk Typist II	-	1.00	1.00	44,737	44,737
Clerk Typist III	-	5.00	5.00	232,612	225,325
Community Information Specialist II	-	1.00	1.00	42,436	42,443
CD Specialist I	-	4.00	4.00	235,579	228,048
CD Specialist II	-	2.00	2.00	119,904	123,407
CD Specialist III	-	16.51	16.51	1,254,723	1,245,224
CD Specialist IV	-	3.00	3.00	228,210	231,508
CD Specialist V	-	7.00	7.00	604,306	608,095
CD Technician I	-	1.00	1.00	40,443	47,389
CD Technician II	-	1.00	1.00	43,550	43,550
CD Technician III	-	1.00	1.00	54,904	54,904
CD Technician IV	-	2.00	2.00	117,004	117,005
Development Project Manager II	-	1.00	1.00	84,205	84,205
Development Project Manager III	-	2.00	3.00	188,529	270,519
Exec Director-Reg Wrkfrc Invest Brd	-	1.00	1.00	148,782	148,782
Executive Assistant	-	-	1.00	-	65,457
Manager-Property Services	-	1.00	1.00	152,564	152,564
Payroll Personnel Assistant II	-	-	1.00	-	48,573
Real Estate Officer	-	1.00	1.00	133,659	133,659
Real Estate Project Coordinator II	-	1.00	1.00	93,285	98,111
Real Estate Project Coordinator III	-	3.00	3.00	294,657	309,723
Real Estate Technician II	-	1.00	1.00	56,256	59,209
Redevelopment Project Officer	-	1.00	1.00	117,799	117,799
Secretary	-	2.00	2.00	104,496	87,230
Special Project Officer	-	1.00	1.00	121,263	121,263
Senior Accountant	-	1.00	1.00	90,939	90,939
Workforce Development Officer	-	3.00	3.00	302,634	302,634
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Subtotal Salaries	-	83.27	87.27	6,158,922	6,490,879
Overtime	-	-	-	-	-
Fringe Benefits	-	-	-	2,886,056	3,231,615
Administrative Overhead	-	-	-	116,910	133,441
Attrition/Salary Savings	-	-	-	-	-
Expenditure Transfer	-	-	-	(194,286)	(37,901)
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Total	-	83.27	87.27	8,967,602	9,818,034