

ECONOMIC DEVELOPMENT PROPOSED BUDGET • FY 2019-20 & 2020-21

PROPOSED BUDGET

All Funds	FY 2018-19	FY 2019-20	Δ	FY 2020-21	Δ
Revenues	626,450	392,171	-37.4%	230,773	-41.2%
<i>General Fund</i>	605,171	648,101	7.1%	679,344	4.8%
Total Financing	1,231,621	1,040,272	-15.5%	910,117	-12.5%
Expenditures	1,231,621	1,040,272	-15.5%	910,117	-12.5%
Total Staffing	3.00	3.00	0.0%	3.00	0.0%

FOCUS AREAS



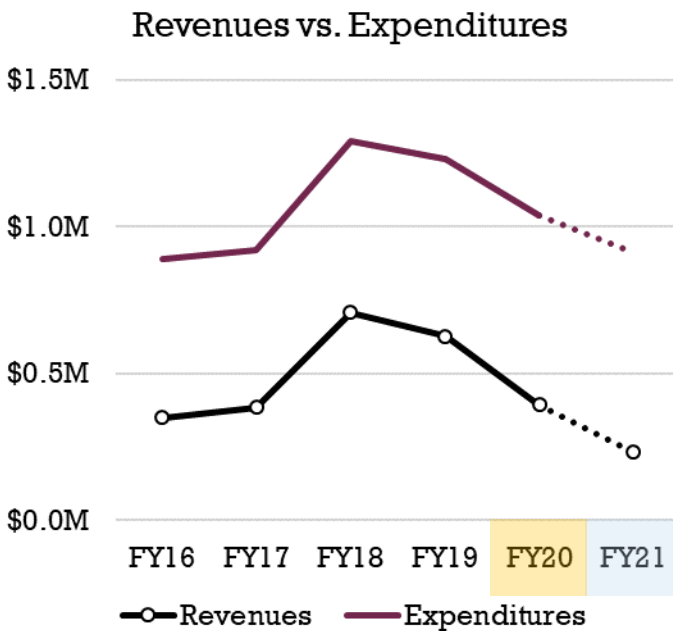
Attainable
Housing



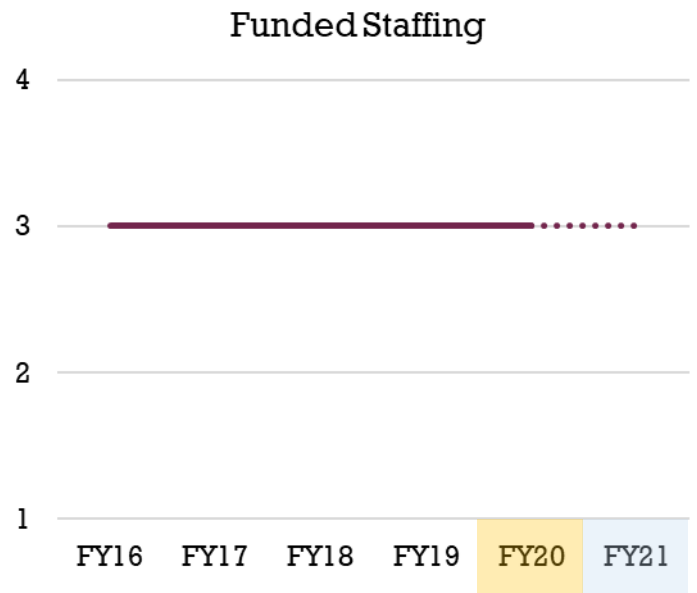
Dynamic
Economy

For Department Priorities:
[Operational Plan Section III](#)

BUDGET TRENDS



The gap between expenditures and revenues is funded by General Fund contribution.



Staffing will remain constant in 2019-20.

OVERVIEW

Mission

To implement the Economic Vitality Strategy by building collaborative partnerships with the cities, other agencies and individual businesses

Economic
Development

ECONOMIC DEVELOPMENT

Economic Development was established as a division of the County Administrative Office in 2015-16 to implement the Economic Vitality Strategy. This has been accomplished by building collaborative partnerships with the cities, other agencies and individual businesses, developing projects that create jobs and make efficient use of commercial space by facilitating infill development, expanding the public sector capacity through expanding access to high-speed fiber, and implementing the Long-Range Property Management Plan.

YEAR 1 BUDGET OVERVIEW

2019-20 RECOMMENDED BUDGET

The 2019-20 recommended budget provides for a decrease of \$191,349 in expenditures and a decrease of \$234,279 in revenues, which results in an increase of \$42,930 in General Fund contribution. The recommended decrease in expenditures and revenues reflects anticipated completion of projects in 2018-19.

EXPENDITURES

The increase in Salaries and Benefits of \$42,930 is due to increases for existing staff.

The decrease in Services and Supplies of \$234,279 is primarily due to the progress made on implementing the CEMEX and Long-Range Property Management Plan projects in 2018-19.

REVENUES

The decrease in revenues of \$234,279 is primarily in Charges for Services and Miscellaneous Revenues related to reimbursements for the CEMEX and Long-Range Property Management Plan projects in 2018-19.

STAFFING

Staffing is status quo for 2019-20.

YEAR 1 BUDGET DETAIL

Budget Unit: 26

All Funds	Actual 2017-18	Adopted 2018-19	Estimated 2018-19	Recommended 2019-20	Change from 2018-19	
Revenues						
Charges for Services	26,553	424,063	125,000	377,171	(46,892)	-11.1%
Miscellaneous	73,387	202,387	202,387	15,000	(187,387)	-92.6%
Total Revenues	99,940	626,450	327,387	392,171	(234,279)	-37.4%
<i>General Fund</i>	<i>717,466</i>	<i>605,171</i>	<i>670,582</i>	<i>648,101</i>	<i>42,930</i>	<i>7.1%</i>
Total Financing	817,406	1,231,621	997,969	1,040,272	(191,349)	-15.5%
Expenditures						
Salaries & Benefits	590,149	616,089	617,666	659,019	42,930	7.0%
Services & Supplies	227,257	615,532	380,303	381,253	(234,279)	-38.1%
Total Expenditures	817,406	1,231,621	997,969	1,040,272	(191,349)	-15.5%
Total Staffing		3.00	3.00	3.00	0.00	0.0%

YEAR 1 FINANCING CHANGES

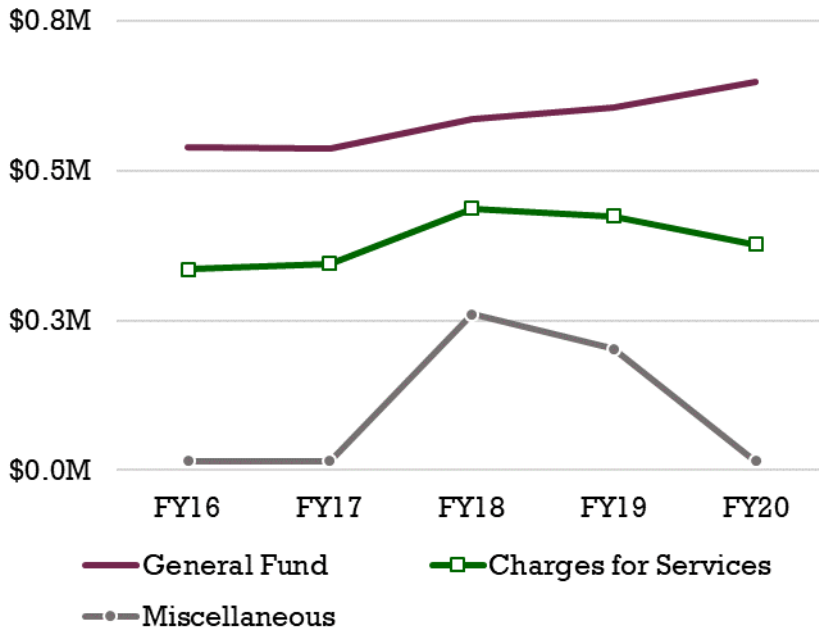
Financing Sources	Description/ Impact	Increase/ (Decrease)
Charges for Services	Decrease in revenues anticipated from the Redevelopment Successor Agency for disposition of properties.	(46,892)
Miscellaneous	Completion of projects anticipated to be completed in 2018-19.	(187,387)
General Fund	Increase in General Fund contribution.	42,930
Total		(191,349)

YEAR 1 EXPENDITURE CHANGES

Financing Uses	Description/ Impact	Cost/ (Savings)
Salaries & Benefits	Increase for existing staff.	42,930
Services & Supplies	Projects anticipated to be completed in 2018-19.	(234,279)
Total		(191,349)

FINANCING TRENDS

5-Year Financing by Sources



GENERAL FUND

The majority of the Economic Development budget is financed by the General Fund.

CHARGES FOR SERVICES

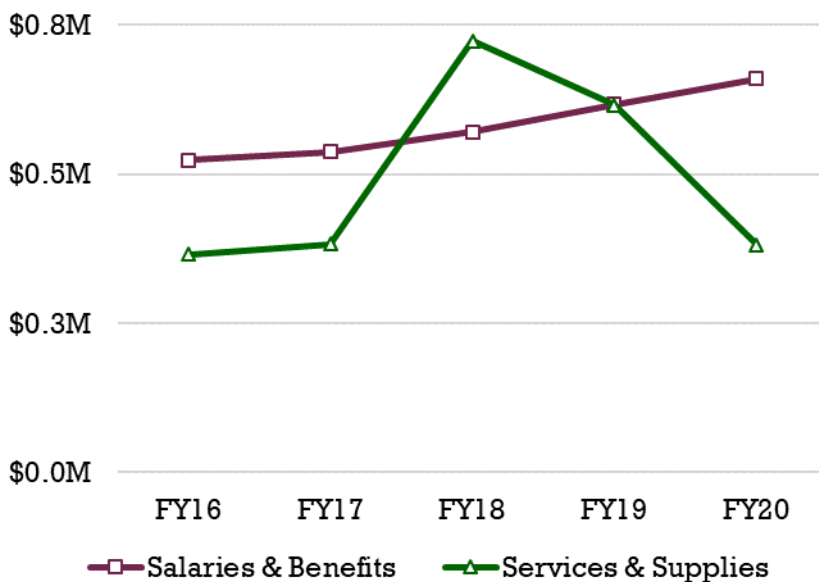
Economic Development Charges for Services are primarily provided by revenues from the Redevelopment Successor Agency to implement the Long-Range Property Management Plan.

MISCELLANEOUS

Related to reimbursements for projects.

EXPENDITURE TRENDS

5-Year Expenditures by Uses



SALARIES & BENEFITS

The majority of the Economic Development budget is spent on staff.

SERVICES & SUPPLIES

Includes costs for professional services and overhead such as office supplies, telephone service and travel and training costs.

ACCOMPLISHMENTS & ACCOUNTABILITY

PRIOR YEAR GOALS

1. Continue disposition of former RDA site at 17th & Capitola; Negotiate and enter into a Disposition and Development Agreement.
2. Continue disposition of former RDA site at 7th & Brommer; Negotiate and enter into a Disposition and Development Agreement.
3. Continue CEMEX Re-use and Restoration Plan; Re-use Plan and Local Coastal Plan Amendments based on Alternative Uses.
4. Advance Broadband into San Lorenzo Valley.
5. Continue Small Business Saturday, the 82% Micro Business Summit and facilitating a Main Street Program for Boulder Creek.
4. Held two Broadband Community Forums in Felton and Aptos in Fall 2018 that connected residents to internet service providers. Facilitated partnerships with smaller broadband service providers in the market area to help advance multiple solutions for enhancing wired and wireless service delivery and coverage.
5. Facilitated the third annual Small Business Saturday in November 2018, which represented the largest participation by County merchants since its introduction. Held the fourth annual 82% Micro Business Summit at Cabrillo College in May 2019. Presented and began implementation of a Main Street Program for Boulder Creek in Spring 2019.

2018-19 ACCOMPLISHMENTS

1. Regarding 17th & Capitola, Mid Pen Housing submitted application for entitlement of a mixed-use project including 56 affordable housing units and commercial space occupied by Dientes Community Dental Care and Santa Cruz Community Health Center.
2. Regarding 7th & Brommer, Swenson Builder was selected as the preferred respondent to a request for qualifications, followed by the approval of an Exclusive Negotiation Agreement. Swenson proposes to build a visitor-serving mixed-use development, containing lodging, other commercial uses, residential, and public open space.
3. Worked with the consultant RRM Group to produce a draft Coastal Reuse Plan containing multiple land use alternatives, including proposed Local Coastal Program Amendments. Held community meeting on November 8, 2018 to receive public comment on the plan. Conducted a peer review of the economic analysis of the land use alternatives. The Coastal Reuse Plan was accepted by the Board of Supervisors in February 2019 for the selection of the preferred land use alternative.
6. Started a systematic Business Retention and Expansion Program (BR&E), to better understand the needs and plans of existing businesses in our community. This will help retain and expand businesses of all sizes, grow new jobs and increase local tax revenues.
7. Began an Opportunity Site program to identify, map and track, vacant or underdeveloped properties within the unincorporated area, with a zoning designation for multi-family, commercial, visitor accommodation or industrial development. The data collected will be used to inform the BR&E program to target industries needed to diversify and strengthen the County's economic base.
8. Created and launched a new OED website (www.sccvitality.org) to promote a compelling value proposition and brand for Santa Cruz County. The site will be an informational resource for Businesses, Brokers, Developers, Residents, and anyone interested in evaluating Santa Cruz County as a place to do business.

YEAR 2 PROJECTED BUDGET OVERVIEW

2020-21 PROJECTED BUDGET

The estimates included in the 2020-21 projected budget assume a status quo operation and reflect any known changes resulting in an increase of total General Fund contribution of \$31,243. The recommended decrease in expenditures and revenues reflects anticipated completion of projects in 2019-20.

EXPENDITURES

The recommended increase in Salaries and Benefits of \$31,243 is due to increases for existing staff. The recommended decrease in Services and Supplies of \$161,398 is primarily due to the

progress made on implementing the Long-Range Property Management Plan projects in 2019-20.

REVENUES

The recommended decrease in revenues of \$161,398 is primarily in Charges for Services and Miscellaneous Revenues related to reimbursements for progress made on implementing the Long-Range Property Management Plan projects in 2019-20.

STAFFING

Staffing is status quo for 2020-21.

YEAR 2 PROJECTED BUDGET DETAIL

Budget Unit: 26

All Funds	Adopted 2018-19	Recommended 2019-20	Projected 2020-21	Change from 2019-20	
Revenues					
Charges for Services	424,063	377,171	215,773	(161,398)	-42.8%
Miscellaneous	202,387	15,000	15,000	0	0.0%
Total Revenues	626,450	392,171	230,773	(161,398)	-41.2%
<i>General Fund</i>	<i>605,171</i>	<i>648,101</i>	<i>679,344</i>	<i>31,243</i>	<i>4.8%</i>
Total Financing	1,231,621	1,040,272	910,117	(130,155)	-12.5%
Expenditures					
Salaries & Benefits	616,089	659,019	690,262	31,243	4.7%
Services & Supplies	615,532	381,253	219,855	(161,398)	-42.3%
Total Expenditures	1,231,621	1,040,272	910,117	(130,155)	-12.5%
Total Staffing	3.00	3.00	3.00	0.00	0.0%