



City of Culver City

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Staff Report

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Item #: A-3.

CC - Authorization to Release a Request for Proposals to Prepare an Economic Development Implementation Plan.

Meeting Date: August 27, 2018

Contact Person/Dept: Todd Tipton / CDD

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Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (08/21/18); Culver City Chamber of Commerce (08/21/18);

Department Approval: Sol Blumenfeld Community Development Director (09/07/18)

RECOMMENDATION

Staff recommends the City Council authorize the release of a Request for Proposals (RFP) to prepare and Economic Development Implementation Plan (Plan).

BACKGROUND

The City of Culver City is a modern and progressive community that is home to Apple, Sony, Amazon, Symantec and NantWorks among others. In spite of the City's economic success, there remain economic challenges related to maintaining the momentum that has been created, and moving the City forward. The City is facing a challenge of increasing expenditures in a time of decreasing revenues. The City has limited vacant land for new commercial development, and a low vacancy rate, making the attraction of new companies a challenge, in addition to the retention or expansion of existing businesses. To address these challenges, the City is seeking to prepare a Plan that understands concerns and interests of stakeholders, builds on the economic development work already completed or underway, and guides the discussion about what is feasible in the City with respect to economic development.

A Plan was previously prepared in 2014. The City's Economic Development Division has been implementing the recommendations and now that most of the work identified in the Plan is complete, the City is interested in identifying new strategies that will best support Culver City's Economy, given current and projected market conditions over the next five years.

Current concerns and considerations include:

- *Major industries* - The 2014 Plan identified the City's major industries as information/media, retail, professional services and government. The City would like to identify its existing industries, and how it can attract, strengthen and retain them.
- *Retail Dependence* - Retail Sales Tax makes up approximately 40 percent of the City's General Fund, and yet is not keeping up with inflation. While Culver City's retail vacancy rate remains at or below 5%, the City is concerned that changes in demand for brick and mortar retail may affect future vacancies and tax revenues. The City is interested in identifying ways to buffer its exposure to this trend if necessary.
- *Transient Occupancy Tax* - Transient Occupancy Tax makes up approximately seven percent of the City's General Fund. The City would like to identify ways to increase these funds and improve underperforming hotels/motels through either zoning or other incentives.
- *Real Estate* - A significant amount of real estate in the City is occupied by major sales tax producers such as auto dealerships. Because the sales tax producers do not often own the sites they occupy and because the sales tax producers are often not the highest and best use from a real estate perspective, many of the sales tax producers are at risk when/if the property they occupy is redeveloped. The City would like to know what properties are at risk and how the sales tax producers (and tax dollars generated therefrom) can be protected.

Additionally, the City would like to understand how public property could be better utilized to generate income.

- *Workforce Housing* - An increased demand and limited supply of residential property have increased housing prices significantly over recent years. The increased housing prices have hindered the ability of employees to find housing within the City or the surrounding area. The City is interested in creating workforce housing and would like to know what policies/programs/incentives could be utilized.
- *Creative Economy* - The City is comprised of a variety of creative industries, which have been an important factor in the City's economic growth. These creative industries contribute to the City's revenues through employment, tourism, consumer spending and corporate development. The City would like to identify opportunities to further nurture, support and grow these creative industries.
- *Business Districts* - The City has successfully organized four business districts and continues to pursue the formation of others. The purpose of these districts is to organize and encourage the

businesses to enhance and market their areas as they believe necessary. The City would like to understand how these districts can be further enhanced and strengthened.

- *Strengths, Weaknesses, Opportunities and Threats (SWOT)* - The City would like to analyze its primary strengths, weaknesses, opportunities and threats that directly impact economic competitiveness and compare those to the prior SWOT analysis in the 2014 Plan. The analysis should identify trends, specific businesses and user/tenant profiles that might be interested in locating and/or expanding to Culver City, and provide a brief explanation as to why they may be interested in the City. The analysis should consider hospitality/tourism and retail/commercial uses among others.

To provide an overview of economic development and related trends, staff from the California Association for Local Economic Development (CALED) and the Southern California Association of Governments (SCAG) will make a presentation during tonight's meeting.

DISCUSSION

In September, 2018, staff proposes issuing an RFP, in accordance with City specifications, that will include the following services:

- 1) Review the current Economic Development Implementation Plan and work completed to date;
- 2) Review and identify best practices in the industry that are most transferable to Culver City;
- 3) Facilitate approximately five stakeholder meetings;
- 4) Identify and analyze the best data to the extent necessary to accurately understand Culver City's economy;
- 5) After thorough review of past work, stakeholder input and Consultant research, provide a five-year work plan with timelines, responsible parties, quantifiable measurement tools for determining success and funding sources. The work plan shall, at a minimum, address the current concerns and considerations listed earlier, and reflect current industry best practices;
- 6) Prepare a final summary report of the Plan that describes the work completed, the data analyzed and the findings. The Plan should describe how the City can:
 - Diversify its economic base;
 - Encourage tourism;
 - Utilize public/private property to advance the City's economic objectives;
 - Protect revenue producing properties that are subject to redevelopment;
 - Market/brand itself;
 - Develop relationships with key businesses/organizations and non-profits;
 - Improve/better utilize public property;
 - Identify incentives that encourage the production of work-force housing;
 - Provide transportation infrastructure to improve mobility; and
 - Capitalize on the Olympics.
- 7) The proposal should include a minimum of five regular meetings with the City's Economic Development Subcommittee and City Economic Development staff to review progress and receive input and a presentation of the Plan findings to the City Council.

It is expected that the selected firm will prepare a Plan that contains specific economic development goals, strategies and implementation measure, outlining timing, anticipated costs and funding source for each implementation measure.

The selected Consultant Team will be one that has demonstrated experience in the preparation and implementation of economic development strategic plans for local jurisdictions. The City views effective public and business community outreach, and high-quality, user friendly, graphic design documents, as important to the creation of this Plan.

The City is preparing to begin the update of its General Plan. It is anticipated that portions of the Plan will be used to inform an Economic Development Element of the updated General Plan.

Once the RFP process is complete for the preparation of a Plan, Staff will return to the City Council with a recommendation to approve a contract.

FISCAL ANALYSIS

There is no fiscal impact to release the RFP for preparation of an Economic development Implementation Plan. Sufficient funds were appropriated in the Community Development Department's Fiscal Year 2018/19, as included in 10150120.613000, to cover the anticipated cost of this procurement.

ATTACHMENTS

- RFP #1911 - Preparation of an Economic Development Implementation Plan (DRAFT)

MOTION

That the City Council:

Authorize the release of a Request for Proposals for the Preparation of an Economic Development Implementation Plan.