



# County of El Dorado

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## Legislation Text

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Chief Administrative Office, Economic Development Division, recommending the following actions:

- (1) Authorize the Purchasing Agent to execute an agreement with Handshake Marketing for the provision of a target retail development tool (Funding of \$27,702 to be provided from the General Fund);
- (2) Authorize the Purchasing Agent to execute an agreement with Ed Graves Consulting for services related to the establishment of redevelopment areas (Funding of \$20,000 to be provided from the General Fund); and
- (3) Amend Resolution 102-2003 of the Board of Supervisors authorizing examination of sales, use, and transaction tax records from the State Board of Equalization.

BUDGET SUMMARY:		
Total Estimated Cost		\$47,702
Funding		
Budgeted	\$27,702	
New Funding	\$	
Savings	\$20,000	
Other	\$	
Total Funding Available	\$47,702	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: No change to net county cost. Savings attributable to suspension of Missouri Flat contract manager contract.

### Background:

At its meeting of October 2, 2007, the Board of Supervisors adopted an economic development strategy that addresses regulatory reform, business retention and expansion, and entrepreneurial growth and business attraction. This agenda item addresses a number of activities and proposed contract services to begin implementing the retention and attraction components of the economic development strategy.

### Reason for Recommendation:

**Target Retail Development Tool.** The business retention and expansion strategy calls for the generation of economic and demographic economic analyses. While not specifically called for in the business attraction strategy, consumer analytics will allow the County to match local and commuter consumer demand with appropriate retailers and available property owners for the benefit of our community.

A long-standing barrier to retail attraction and retention has been the lack of data and available sites to enable El Dorado County to compete for retail businesses in the region. Unincorporated El Dorado County is experiencing approximately \$229 million annually in retail sales leakage, according to the Economic & Planning Systems report presented to the Board June 19, 2007. According to the EPS study, this is occurring in every store category except eating and drinking places and hardware/home improvement stores. To counter this loss, development and use of a targeted retail development data tool would help enable El Dorado County to seek out and effectively recruit targeted retailers to the County, while using the data to coach existing retailers in how to improve their businesses through targeted marketing.

The proposed contract with Handshake Marketing provides for the development of a Target Retail Development data tool. The County would use to both support and strengthen developers' attraction efforts, while providing critical consumer analytics for use in retaining and helping current unincorporated El Dorado County's retailers remain viable through our business retention & expansion outreach activities. The contract also provides the County with reliable retail econometric data and customer analytics for use informing the County's negotiations with developers and retailers.

This tool will provide data analysis of households in the County and commute traffic along the Highway 50 corridor from Carson/Reno to West Sacramento. The analysis will match our demographics and psychographics (customer analytics) with 24 key retailing categories:

- Banks
- Book Stores
- Clothing Stores
- Day Spa
- Department Stores
- Drug Stores
- Events/Places Attended
- Fast Food Restaurants
- Furniture/Mattress Stores
- Grocery Stores
- Hardware Stores
- Home Electronic Stores
- Home Furnishing Stores
- Home Improvement Stores
- Hotels & Motels
- Large Appliance Stores
- Miscellaneous Goods
- Movie Theaters
- Office Supply/Service Stores
- Pet Supply Stores
- Shoe Stores
- Sit-Down/Family Restaurants
- Sporting Goods Stores
- Toy Stores

Staff will be able to support local developer attraction efforts and approach major national and

regional retailers with data demonstrating a fit between their business interests and the County's marketplace. Staff will also be able to assist existing businesses by providing an analysis of their current clientele with consumer demand, helping to better align their products/services and marketing efforts for tapping into unmet consumer demand.

**Establishment of Redevelopment Districts.** Redevelopment is a tool created by state law to assist local governments in eliminating blight from a designated area, as well as to achieve the goals of development, reconstruction and rehabilitation of residential, commercial, industrial and retail districts. Redevelopment encourages new development, creates jobs and generates tax revenues in declining urbanized areas by developing partnerships between local governments and private entities. Redevelopment is primarily financed by tax increment revenue. Other revenue sources include loans, grants and issuance of tax allocation bonds. Typically, agencies use tax increment funds to leverage financial assistance from various agencies of the state and federal governments, and private sources.

The Board of Supervisors established a redevelopment agency on January 29, 1980 through adoption of Ordinance 2059, which is codified in Section 2.72 of the County Ordinance Code.

In December 2007, GRC Associates completed the *El Dorado County Redevelopment Feasibility Study*. The study determined areas within the unincorporated portion of the County that could benefit from redevelopment. Based on the study results, the consultant concludes that the Georgetown, Diamond Springs, El Dorado, Somerset/Mt. Aukum, Camino/Pollock Pines and Meyers areas, along with portions of Shingle Springs and Missouri Flat, meet the conditions for establishing redevelopment areas.

The process to adopt redevelopment areas takes approximately one year to complete. The adoption process includes the following key steps:

- Designation of a survey area(s);
- Selection of a project area based on the blight assessment;
- Preparation of documents that result in the adoption of a redevelopment plan;
- Preparation and certification of environmental documentation required under Redevelopment Law and the California Environmental Quality Act; and
- Implementation of a public participation program.

County staff does not have the expertise necessary to create redevelopment areas. If the Board desires to create redevelopment areas, staff recommends that the County retain Ed Graves assist in these efforts. Mr. Graves has experience establishing, structuring, financing, and administering a successful redevelopment agency in two jurisdictions, including Placer County. To this point, Mr. Graves has assisted the Economic Development Coordinator in reviewing and prioritizing the establishment of redevelopment areas as identified in the feasibility study.

**Access to Sales and Use Tax Information.** The Economic Development Coordinator needs access to sales and use tax information in support of both the business retention and expansion, and entrepreneurial growth and business attraction components of the economic development strategy. To comply with the requirements contained within Section 7056 of the California Revenue and Taxation Code, the Board must authorize access to El Dorado County's sales, use and transactions

tax data from the State Board of Equalization by the Economic Development Coordinator. If the Board also chooses to continue work on redevelopment areas, the Board would need to extend access to the data to a designated economic development consultant. In this case, the Board would extend access to Mr. Graves.

Sales, use, and transactions tax data provide some of the most important economic development information available. By providing access to this information, County economic development staff and its consultant are able to align and focus their efforts on:

- Companies who are growing, or have the potential - such as business-to-business sales tax generators - to grow, and may need assistance (identification of expansion space, regulatory advocacy, procurement opportunities, international marketing, technical assistance, etc) and thereby are a high priority for contacting as part of the County's business retention and expansion program;
- Identifying patterns of industries that share common customers, suppliers, technology and labor to then offer opportunities to attract more firms by being a center for that particular cluster of business type;
- Identifying gaps and opportunities in the retail market when overlaid with comparative regional reports. It also provides staff with the critical analysis necessary to evaluate and shift economic development tactics as trends occur in specific retail, business, and industrial clusters, as well as geographic areas in El Dorado County and surrounding counties in the region;
- Revenue sizing of proposed and existing economic development projects as well as providing answers to general inquiries related to economic development.

Action to be taken following Board approval: Execute agreements; provide periodic updates to Board of Supervisors.

Contact: Sam Driggers

Concurrences: