

CHAPTER 8 – ECONOMIC DEVELOPMENT

The mission of Economic Development is to expand and diversify the City of Stockton's economy and to attract quality jobs in an effort to establish a sustainable community.

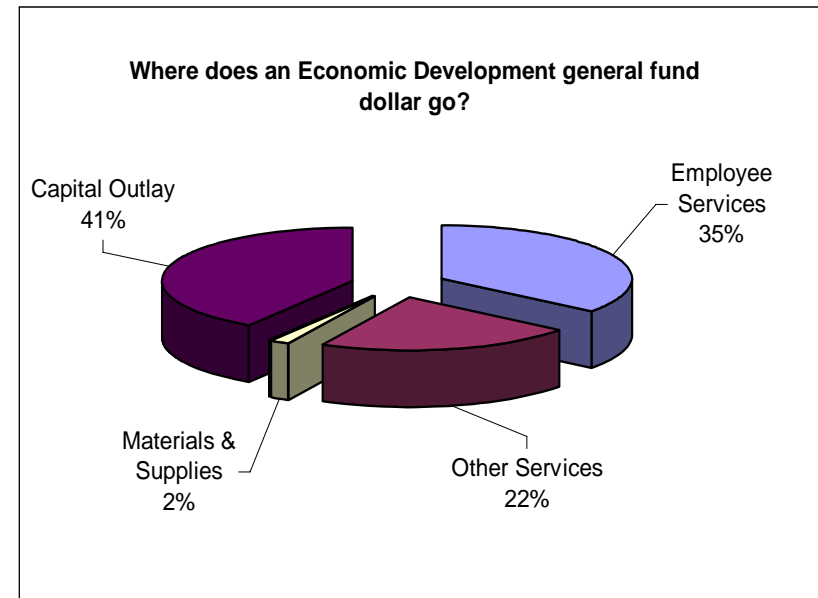
Functions of Economic Development include:

- business attraction;
- expansion and retention;
- marketing;
- retail, office and industrial development;
- permit facilitation;
- Enterprise Zone administration;
- promotion of public/private projects;
- management of Fee Deferral program; and
- administration and promotion of the Advantage Stockton site.

The Office of Economic Development is funded through the General Fund. As with most General Fund departments, a portion of personnel costs are allocated to other funds through the budget process. As a result, budget and actual expenditures reported by departments represent the unallocated operating cost per department. The City's financial system is not set up to easily determine total operating costs by department.

The chart to the right depicts how the remaining unallocated funds were expended for FY 2007. Economic Development expenditures allocated to other departments are included in the respective departments.

The Capital Outlay expenditure relates to a Deferred Reimbursement Agreement related to off site improvements associated with an economic development project.



Source: FY 2007 expenditure data

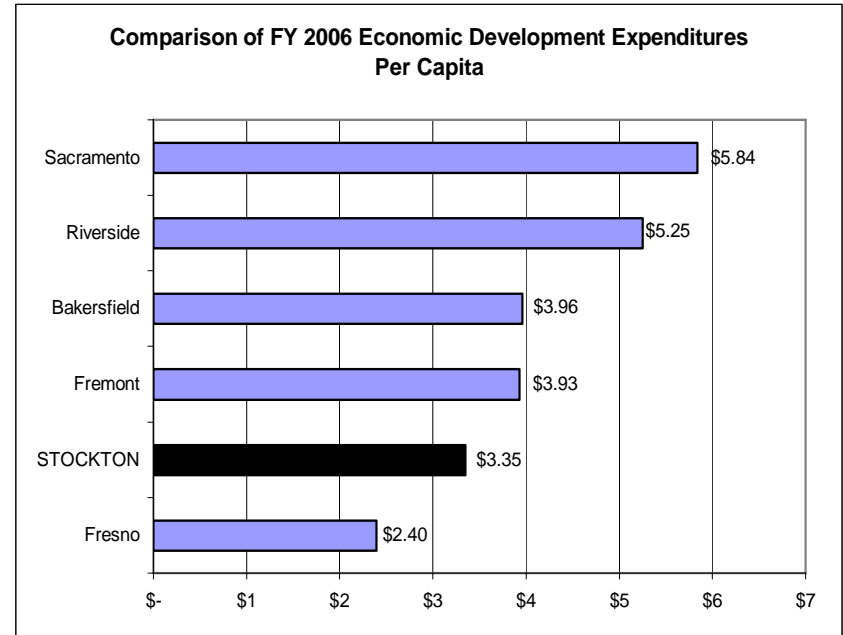
SPENDING AND STAFFING

For FY 2007, Economic Development's operating expenditures increased four percent compared to five years ago to \$1,103,946 while employee services decreased 16 percent to \$391,192. Total expenditures would have decreased 39 percent without the capital outlay expense in FY 2007. Spending on materials and supplies increased 264 percent. The increase is attributed to one time purchases of computer equipment and office furniture.

Authorized staffing has decreased 43 percent to four full time staff positions compared to seven positions five years ago. At the end of the fiscal year, actual full time staffing was at four positions.

Per capita comparisons between cities can be difficult as cities vary in population, number of departments, and offer a different mix of services than Stockton.

On a per capita basis, Stockton's Economic Development expenditures were \$3.81 per resident for FY 2007, which decreased six percent compared to five years ago. As shown to the right, Stockton's FY 2006 Economic Development per capita was greater only than Fresno but less than the remaining cities listed. Per capita comparisons were based solely on cities expenditures and population. We made no attempt to examine the types of services performed or cost allocation methods used by the respective cities' economic development department.



Source: FY 2006 Cities' Comprehensive Annual Financial Reports and Annual Budgets¹

	Operating Expenditures					TOTAL	Per Capita	Staffing ²
	Employee Services	Other Services	Materials & Supplies	Other Expenses	Capital Outlay			Authorized full time staffing
FY 2003	\$463,143	\$219,887	\$4,882	\$369,813		\$1,057,725	\$4.05	7
FY 2004	\$435,077	\$241,942	\$8,454	\$131,981		\$817,454	\$3.04	9
FY 2005	\$604,941	\$181,401	\$13,019	\$50,724		\$850,085	\$3.04	7
FY 2006	\$553,379	\$276,729	\$14,907	\$112,682		\$957,697	\$3.35	7
FY 2007	\$391,192	\$243,132	\$17,788	\$1,834	\$450,000	\$1,103,946	\$3.81	4

Change over

last 5 years -16% 11% 264% -100% 4% -6% -43%

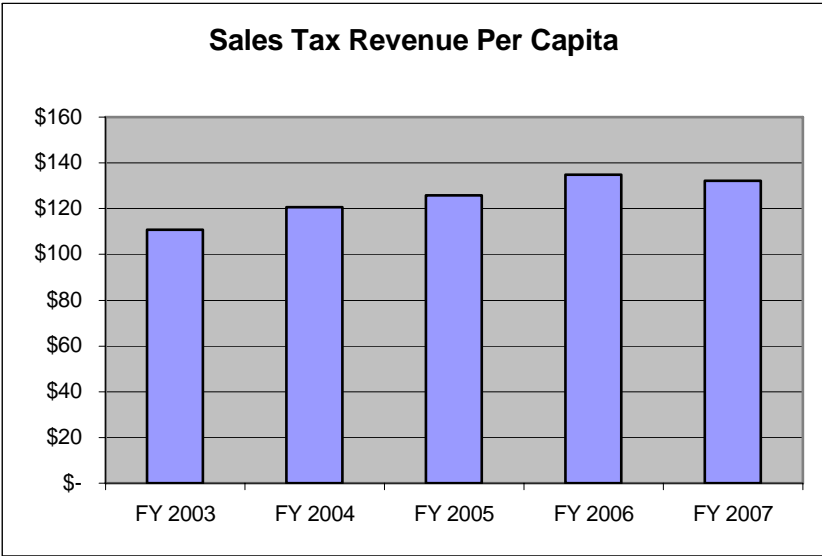
¹ Department expenditures were obtained from cities' Comprehensive Annual Financial Reports. Where data was unavailable, expenditures were obtained from department's annual budgets.

² Authorized full time staffing is based on approved annual fiscal year budgets.

PERFORMANCE MEASURES

In the past five years:

- As seen in the graph to the right, compared to five years ago, sales tax revenue per capita has increased 19 percent.
- The number of Economic Review Committee meetings held, and the number of outreach visits have remained fairly consistent at 57 and 24 respectively.
- Twenty-six percent of survey respondents rated the quality of economic development as good or excellent.
- Fifty percent of respondents rated shopping opportunities as good or excellent.
- Twenty-six percent of respondents rated retail growth as too slow, while 80 percent of respondents rated job growth as too slow.



Source: The HdL Companies

	Sales tax revenue per capita ¹	Economic Review Committee meetings	Outreach visits	Citizen Survey ²				
				Percentage rating the quality of economic development as good or excellent	Percentage rating shopping opportunities as good or excellent	Percentage rating job opportunities as good or excellent	Percentage rating retail growth as too slow	Percentage rating job growth as too slow
FY 2003	\$ 110.94	53	20					
FY 2004	\$ 120.64	58	21					
FY 2005	\$ 126.00	60	19					
FY 2006	\$ 134.83	42	22					
FY 2007	\$ 132.27	57	24	26%	50%	19%	26%	80%
Change over last 5 years	19%	8%	20%					

¹ Sales tax per capita data provided by The HdL Companies.

² National Citizen Survey – Stockton 2007

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