



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
Office of the County Manager



**DATE:** October 26, 2011  
**BOARD MEETING DATE:** November 1, 2011  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors  
**FROM:** David S. Boesch, County Manager  
**SUBJECT:** Board Workshop: Economic Development

**RECOMMENDATION:**

Discussion and direction regarding highest priority activities to be undertaken by the County.

**BACKGROUND:**

Many local governments have made economic development a high priority as they endeavor to both increase the standard of living for residents and improve the overall quality of life of their community. Often times, government is prodded into action as a result of local or national economic changes, such as a major employer closing or an entire industry collapsing. Goals can include addressing chronic unemployment as well as expanding the local tax base leading to improved governmental revenues.

In the broadest sense, policies of economic development encompass three major areas: government efforts to influence broad economic objectives and conditions, programs that provide infrastructure or services, and specific efforts toward job retention and creation, which tends to be the primary focus. Economic development professionals tend to work in public offices or for public-private organizations, providing leadership in policy-making, administering policy, programs and projects, and working in partnership with foundations, trade associations, utilities, schools, colleges and research institutions.

Our Shared Vision 2025 statement includes a Prosperous Community outcome, which states: *Our economic strategy fosters innovation in all sectors, creates jobs, builds community and educational opportunity for all residents.* To date, we have identified programs in the Human Services Agency, including the Workforce Investment Board (WIB), and Child Support Services as the most directly associated, and have affiliated with others who play important roles in fostering a vibrant economy, such as SamCEDA, Joint Venture: Silicon Valley Network and local chambers of commerce.

**DISCUSSION:**

There are a range of options available to your Board as you discuss how to proceed and where best to focus our County's efforts, as we look to ratchet up our involvement by complementing the efforts of our economic development partners. The Board's leadership and policy-making role affords it the ability to consider a range of approaches in support of a prosperous, vital economy: For example, ensuring that County procurement practices support the local economy and employers, or addressing factors that inhibit economic growth such as inadequate

infrastructure or lack of affordable workforce housing. As a major employer and landowner, the County already has a significant footprint and impact on the regional economy. In addition, as the land use authority for the unincorporated areas, we have the ability to look at our planning and zoning scheme to determine how well it supports our goals.

Job creation, economic output, and increase in taxable basis are the most common measurement tools, but often too much emphasis is placed on creating jobs; which is, ultimately, the domain of business. A broader set of goals and performance metrics are emerging as communities recognize the factors and indicators of a robust local economy in a knowledge-based global marketplace. Denver and other communities are emphasizing job quality, wealth creation, economic investment and diversification, and sustainability.

### Assets and Opportunities

Typically, developing an economic development gameplan includes an early inventory and assessment of assets. In Monterey County, for example, they are analyzing physical assets, human capital assets, technical assets, financial assets, business environment assets, and quality of life assets.

An inventory of San Mateo County-owned real estate “assets” shows that not all County property is fully utilized or necessarily occupied by its “highest and best use”. The Board may wish to discuss whether to investigate the prospect of either selling or long-term leasing properties deemed surplus to County operations. In particular, there are several properties in downtown Redwood City that may attract private interests, as well as scattered other properties such as the Event Center, Tower Road, the San Mateo Medical Center campus and/or Coyote Point.

Other potential opportunities are to look at privately-owned, unincorporated lands like San Francisco International Airport, North Fair Oaks, Harbor Boulevard, and/or Princeton-By-The-Sea.

### Roles and Responsibilities

The County should look to network its efforts with others who are already doing economic development-related work, in order to avoid duplication or perceived competition. We have an established track record of supporting our partners who are working to foster a vibrant regional economy, but there is more that the County itself could be doing. For instance, the County could leverage resources through the WIB, which is currently going through a strategic planning process, and better capitalize on the research and work of our economic development partners.

### Realities and Priorities

At the same time, we need to recognize that economic development is not a “silver bullet” solution to our budget deficit. It can over time certainly augment existing tax revenues to some degree, but the magnitude will likely not be great. With Board direction on priorities we can move assertively on a set of strategies that will help to strengthen our local economy while also bolstering our finances.

### **FISCAL IMPACT:**

Following Board discussion and direction, the County Manager will prepare a recommendation for how best to proceed, including a work plan, time line and budget.