



**THE CITY OF SAN DIEGO
OFFICE OF COUNCILMEMBER RAUL A. CAMPILLO
SEVENTH DISTRICT**

MEMORANDUM

DATE: January 31, 2025

TO: Honorable Members of the Economic Development & Intergovernmental Relations Committee

FROM: Councilmember Raul A. Campillo, Chair, Economic Development & Intergovernmental Relations Committee *Raul A. Campillo*

SUBJECT: 2025 Economic Development & Intergovernmental Relations Committee Work Plan

As Chair of the City of San Diego (City) Economic Development & Intergovernmental Relations Committee (Committee) for a fifth year, I remain committed to fostering economic growth, prosperity, and opportunity for all San Diegans. In a tough budget year, it's more important than ever to focus on government efficiency, prioritize investments that support our local economy, and strengthen the intergovernmental relationships that help us secure critical resources and funding to support essential programming for residents. San Diego's economy, rooted in a diverse range of industries and its unique binational character, is vital to the livelihood of our residents and the resilience of our region.

This year's Work Plan reflects the shared priorities of my committee colleagues and input from their priority memos. While the plan provides a framework for our 2025 agenda, it remains flexible to incorporate new ideas throughout the year. Our committee covers a wide range of issues, including binational agreements, workforce development, small business support, job quality standards, arts and culture, partnerships with key organizations, and collaboration efforts with local, state, and federal agencies.

In these challenging times, our focus must remain on building an equitable, resilient economy that creates opportunities for all. By strengthening intergovernmental communication and ensuring every investment delivers meaningful returns, we can meet the needs of our communities while supporting long-term prosperity for San Diego.

ECONOMIC DEVELOPMENT

Support Tourism Industry: In 2024 the tourism industry supported 1 in 8 jobs in San Diego.¹ Supporting businesses and workers within the tourism industry is critical to the economic health of our region. Last year, the San Diego Tourism Authority began preparing the San Diego Tourism Stewardship Plan for 2024-2035.² This plan is crucial for creating a balanced and sustainable tourism industry that not only benefits our visitors but also our local community. It aims to foster economic growth while preserving San Diego's unique identity and enhancing the overall quality of life for our residents. The Committee should receive an update from the Tourism Authority regarding the San Diego Tourism Stewardship Plan for 2024-2035.

Access to Affordable, Quality Childcare and Childcare Workforce Development: San Diego needs more childcare opportunities to support working families, enabling parents to enter, re-enter, or remain in the workforce while fostering children's development. This Committee will continue to support efforts to expand access to affordable, high-quality childcare and with the passage of Measure H in 2022, the Committee should receive an update from City staff on the assessment of City-owned sites for potential childcare facilities. To ensure a sustainable childcare sector, we must also focus on strengthening early childhood education career pathways and addressing workforce retention challenges. The Committee should receive a presentation from key stakeholders on strategies to retain childcare workers and develop career pathways in early childhood education.

Growing the Creative Economy: At \$10.8 billion, the creative industries contribute 3.7% of the county's gross regional product (GRP) and support nearly 170,000 jobs⁴. To ensure San Diego remains competitive with peer cities as a hub for talent, investment, infrastructure, and economic growth, the Committee should continue to monitor and support the efforts of the Cultural Affairs Department. With the adoption of the Creative City Cultural Plan in January 2025, the City has a strategic framework to enhance and grow its arts and culture ecosystem.⁵ This Committee should actively support the plan's implementation by receiving regular updates on funding, partnerships, mitigating fee impacts, and strengthening both existing and emerging cultural districts. Ensuring equitable access to arts and culture will help amplify diverse voices, foster economic growth, and enrich San Diego's creative landscape.

Council Discretionary TOT: On December 5, 2023, City Council approved amendments to Council Policy 100-03, which formalizes the process for Council's recommendation to the Mayor on the Council's Discretionary Transient Occupancy Tax (TOT). As part of the budget process, the Committee must make a recommendation and forward its recommendation to the Budget and Government Efficiency Committee for review. This recommendation will then be incorporated into the Independent Budget Analyst's budget priorities resolution for City Council consideration.

San Diego Promise Zone: The San Diego Promise Zone (SDPZ) spans 6.42 miles and includes a portion of Downtown's East Village, parts of Barrio Logan, Logan Heights, and Southeastern San Diego's Encanto. The City's Economic Development Department (EDD) has programs and partners

¹ <https://www.sandiego.org/press/press-releases/2024/70th-annual-meeting.aspx>

² <https://www.sandiego.org/about/san-diego-tourism-stewardship-plan.aspx>

⁴ <https://www.sdrpic.org/creative-economy>

⁵ <https://www.sandiego.gov/creative-city/plan>

that help businesses located in the SDPZ area. The Department of Race and Equity has also worked with EDD to operationalize its equity work by developing equity-driven strategies. City Staff should provide the Committee with updates on the impact of Economic Development programming and neighborhood revitalization efforts in SDPZ communities. In addition, the Committee should also receive updates on the sunseting of this ten-year initiative that started in 2016.

Cannabis Equity: With the completion of the Cannabis Equity Study, the City should continue to assess the impacts of the historically racially charged criminalization of cannabis. The Committee should continue further discussions and gather input on potential approaches to reduce barriers to entry in the regulated cannabis industry.

City of San Diego Hiring Programs: The Committee should develop and monitor current City policies and programs that encourage career pathways to civil service for those who typically face barriers in gaining employment with the City. These actions will seek to explore innovative policies that create an improved pipeline to civil service careers for underserved communities, including existing youth programs such as Employ & Empower and Connect2Careers.

Worker Justice: Since 2022, Worker Rights and Protections, Labor Standards, and Job Quality Standards have been the designated responsibilities of this Committee. In partnership with the City's Office of Labor Standards and Enforcement, the Committee should continue to explore ways in which the City can be more supportive of its working residents and ensure labor standards such as adequate pay, safety conditions, and trainings are met.

SMALL BUSINESS SUPPORT

Disparity Study Implementation and SLBE program: Creating pathways to high-paying jobs ensures San Diego workers and small businesses benefit from City programs. The Committee should receive a presentation from the Purchasing and Contracting Department and Equal Opportunity Contracting staff on implementing recommendations from the 2020 Disparity Study⁶, including updates to the City's Small Local Business Enterprise (SLBE) program, and the availability of technical and bonding assistance. While City Council has supported these initiatives, a 2024 update highlighted unimplemented recommendations. To drive meaningful progress, the Committee should actively monitor key performance indicators, ensure accountability in implementation.

Business Expansion Attraction and Retention: The City's Business Expansion, Attraction, and Retention (BEAR) team works with businesses to provide assistance and incentives that result in the retention and creation of jobs and investment in San Diego⁷. This Committee should receive updates from the BEAR team on program implementation.

Business Incentive Program: In January 2024, the City of San Diego Economic Development Department updated its Business Incentive Program to incentivize businesses that plan to expand in the City of San Diego and invest in their local communities. Examples of incentives include, supporting the hiring or training of employees, getting secured or unsecured financing through the

⁶ https://www.sandiego.gov/sites/default/files/city_of_san_diego_disparity_study_report_-_final.pdf

⁷ <https://www.sandiego.gov/economic-development/industry/retention>

City loan programs, technical assistance with City Staff and more. City Staff should provide the Committee with updates and reports on the program's outcomes.

Additionally, the Committee should also receive updates from City staff regarding:

- The City's efforts to expand small business funding opportunities, including the San Diego Region Revolving Loan Fund.
- Outreach and networking targeted towards underrepresented businesses through partnerships with chambers of commerce and other organizations.
- The City's 18 Business Improvement Districts (BIDs) and provide oversight on their budgets.
- Avenues to sustain and enhance the Storefront Improvement Program (SIP).
- The impact of micro loan financing on small businesses and encourage outreach to community members on education and opportunities for micro loans.

INTERGOVERNMENTAL RELATIONS

State & Federal Lobbyists: The Committee should receive regular and timely legislative updates from City staff and lobbyists on the Council's priorities in the 2025-2026 State and Federal Legislative Platform. The Committee should also work with and receive updates from staff and lobbyists regarding the City's efforts to be competitive in securing grants and leverage other governmental agencies to ensure San Diego is maximizing state and federal funding opportunities.

Strengthening Behavioral Health Collaboration: Collaboration with the County, behavioral health bed providers, law enforcement, and hospitals is essential to maximize the effectiveness of Proposition 1 funding and implementation. The City should work closely with these stakeholders to ensure resources are being utilized efficiently to enhance the behavioral health continuum of care. This includes identifying gaps, facilitating meaningful conversations, and exploring policies that improve access to behavioral health services and streamline coordination across agencies. The Committee should prioritize discussions on how the City can support these efforts, whether through advocacy, policy development, or convening stakeholders to drive progress in addressing the region's behavioral health needs.

Intergovernmental and Agency Updates: The Committee should also request updates from the following organizations and agencies throughout the year who are vital to the San Diego economy and ecosystem:

- The Port of San Diego
- Strategic Alliance - San Diego Ethnic Chambers of Commerce
- San Diego Regional Airport Authority
- San Diego Convention Center
- San Diego Regional Chamber of Commerce
- San Diego Regional Economic Development Corporation
- San Diego Workforce Partnership
- San Diego and Imperial Counties Labor Council