



Agenda Item

City Council

Item #: 7.1.

10/24/2023

File #: 23-0686

TO: Honorable Mayor and Members of the City Council

FROM: Tom Kisela, City Manager

1. SUBJECT

Presentation of Economic Development Strategy.

2. SUMMARY

Presentation of Economic Development Strategy to guide City efforts to expand economic opportunities in the community.

3. RECOMMENDED ACTION

Receive and file.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

e: Create an environment to attract, retain, and expand economic opportunities.

6. DISCUSSION AND BACKGROUND

Economic Development efforts focus on expanding economic opportunities, ensuring a broad revenue base to fund City services, creating and retaining jobs, providing a wide range of retail, restaurant, and service amenities for residents and visitors, and providing sufficient housing to support economic activity.

History of Economic Development in Orange

In the 1980's, the City of Orange created the Orange Redevelopment Agency (ORA) and designated multiple project areas in the City. The tax increment generated from ORA allowed the City to fund infrastructure improvements, business improvement programs, and affordable housing development; and hire staff to conduct business attraction, retention, and expansion efforts. As part of the 2011 Budget Act, the California State Legislature approved the dissolution of redevelopment agencies statewide, effective February 1, 2012. Deprived of its funding for economic development, the City of Orange disbanded its Economic Development Department and reassigned the ten staff members to various departments.

In the 11 years since the dissolution of ORA, the City has generally had one staff member assigned to business attraction, retention, and expansion efforts, although that staff member has also had other job duties that occupy a significant portion of their time. The annual budget for economic

development efforts allows for the design and printing of one to two marketing brochures, and to send three staff members to the ICSC retail convention.

Economic Development Strategy

The proposed Economic Development Strategy (EDS) would guide City economic development efforts. It outlines the conditions necessary to foster economic development, which are:

- Effective public safety
- High quality public infrastructure
- Quality of life services such as parks, libraries, historic preservation, and code enforcement
- Responsive and effective government that is efficient and provides a high level of customer service
- A sustained, proactive economic development program with sufficient resources and a range of tools to achieve its objectives

The EDS also proposes seven objectives:

1. Identify and build on Orange's key economic strengths.
2. Identify existing economic development resources and opportunities to develop additional resources.
3. Retain existing Orange businesses.
4. Facilitate private property investment.
5. Attract quality businesses to the City.
6. Promote Orange as a destination for visitors.
7. Provide housing at all income levels while preserving the character of existing neighborhoods.

The final component of the EDS is an Action Plan of activities that are proposed to be completed this fiscal year:

- Convene an Economic Development Forum to better identify Orange's economic development strengths and resources, and discuss additional strategies
- Organize an Economic Development Roundtable to meet regularly and discuss the implementation of this Economic Development Strategy
- Meet with Orange hotels to discuss interest in establishing a Tourism Improvement District (TID) and present a report to City Council with policy options to promote Orange as a visitor destination
- Identify tools to finance infrastructure and other improvements to Uptown Orange, Tustin Street, and other major commercial corridors
- Research the effectiveness of Enhanced Infrastructure Financing Districts and provide recommendations to City Council
- Explore the development of a Shop Local program in partnership with the Orange Chamber of Commerce
- Continue to work with ATN and the Orange Chamber of Commerce on a microtransit service for Old Towne

- Continue to work with OCTA on a circulator service to connect Uptown Orange, South Main Street, and Old Towne
- Conduct outreach to Old Towne businesses regarding the design and implementation of parking management solutions
- Request proposals for City Council consideration to create a vision, place branding, and place making for a resort district on West Katella Avenue that is complimentary to OC Vibe and OC Riverwalk

Many of the items in the Action Plan will require future City Council consideration. The proposed EDS is meant as a starting point and will evolve through input from the City Council, the Economic Development Forum, and the Economic Development Roundtable.

7. ATTACHMENT

- City of Orange Economic Development Strategy