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City unveils \$5M recovery plan to council

21-point plan proposes help for local business

An ambitious 21-point economic development plan drawn up as a response to the faltering national economy and decreased local sales tax revenue will be presented to the city council Tuesday.

Over the course of a year and at a cost of more than \$5 million, City Manager Ken Pulskamp expects the plan, if approved, to stimulate local businesses, encourage more filming and draw shoppers from outside the valley.

"These are unprecedented times," he said Wednesday. The plan was drawn up at the request of the council, he said, "so the city is in the position of pulling itself up by its own bootstraps."

Pulskamp said he has yet to find other cities that have proposed or executed such a sweeping plan.

The plan calls for \$5,237,003 in city funds. Add that to the \$13.5 million the city is receiving as part of the American Recovery and Reinvestment Act, and about \$18.7 million would be set for investment in Santa Clarita.

By focusing on economic development, the city is looking forward, Pulskamp said.

Because Santa Clarita has been frugal in its yearly budgets, "that has kind of lessened the effects of the global economic meltdown," he said.

That said, city officials are hoping to stave off further drops in revenue.

In the fourth quarter of 2008 the city suffered a 15-percent drop in sales-tax revenue from the fourth quarter of 2007. City spokeswoman Gail Ortiz said the city manager is expecting potentially the same drop for the first quarter of 2009.

Sales-tax revenue is one of the largest sources of money for the city's general fund.

First on the 21-point list is the expenditure of \$50,000 of general-fund money to market the city's enterprise zone. The state designation, introduced in 2007, covers 97 of the city's business-zoned land, and provides tax credits to qualifying businesses.

To date, only about 5 percent of the eligible businesses in the city have participated, Pulskamp said.

He said city officials are prepared to do what it takes to market the program, even if that means going door-to-door in the business community.

The city is also one of 40 recycling market development zones, through which qualifying

businesses are eligible for low-interest loans, financial assistance referrals and waste exchange. The program encourages the use of recycled materials and reduction of waste in product manufacturing.

Santa Clarita's economic development division would develop new marketing materials for the zoning as part of the 21-point plan.

One way by which Pulskamp hopes to increase revenue is drawing in business from outside Santa Clarita Valley through the "Think Santa Clarita" campaign, which is Point Three in the plan.

Some \$250,000 in general-fund money would be spent to "promote 'Thinking Santa Clarita First' to both consumer and business-to-business audiences ... when shopping, soliciting services (and) hiring employees," the report says.

Pulskamp said the plan would comprise direct mail and cable TV ads, banners, bus shelter ads and outreach to and through local businesses.

While the name is Santa Clarita-focused, Pulskamp said the goal is to generate business in the entire valley.

The Think Santa Clarita component has already drawn some criticism.

The Castaic Area Town Council voted April 15 for the unincorporated community to opt out of the campaign and instead come up with its own marketing drive.

Council members said they felt Castaic was an afterthought inclusion, rather than a vital part of the plan.

"I could certainly understand why a business in Castaic would be skeptical," Ortiz said.

Part of including unincorporated communities, she said, could be as simple as a "Think Santa Clarita — Shop Castaic" campaign.

"Because it's a larger concept, the city would very much like it to be a valleywide concept," she said.

The Santa Clarita Valley is no stranger to Hollywood, and city officials hope to strengthen that relationship.

The Film Incentive Program would redirect \$150,000 from the general fund to subsidize filming permits and to explore options for reducing costs of on-set safety personnel.

As an example, Pulskamp noted that Fire Department officials are constantly standing watch on set. That makes sense for any shoot involving pyrotechnics, he said, but he questioned whether such watchfulness is necessary for every shoot.

As an added incentive for film productions, the plan proposes to explore rebating half of the transient occupancy tax collected when productions require local hotel stays. The tax

is 10 percent within the city limits.

While the rebate program would likely result in about a \$50,000 loss in revenue over a year, expected additions to the roughly \$20 million the city sees annually in filming-related revenue would help balance things out, said Jason Crawford, the city's economic development and marketing manager.

Small businesses are also in the city's sights, with a proposal to set aside \$100,000 of community development block grant money to provide "micro-grants," or loans to businesses that do not qualify for traditional small-business financing.

Also proposed is the creation of program that creates incentives for Westfield Valencia Town Center, whether in the form of rebates or subsidization of future expansion permits.

The mall is in the midst of constructing its 234,500-square-foot Patios expansion, which will include about 40 retail spaces.

Mall spokeswoman Theona Miller said Thursday she could not confirm how many tenants, if any, have committed to spaces in The Patios.

Within the 21-point plan is a 15-item proposal to spend \$300,000 of general-fund money to streamline the development process.

The idea, Pulskamp said, is to give developers the ability to file applications online and create a one-stop office at City Hall.

Some \$50,000 will be requested from the general fund to offer short-term stabilization of permit fees for job-producing businesses.

City officials are hoping to garner more support for local events with the creation of a sponsorship program that requires little or no up-front spending.

For example, a business could contractually agree to sponsor an event for five years but only pay for the final four years.

Over recent months, the city has seen a slowdown in development-related work. Pulskamp wants to move \$250,000 worth of staff time previously dedicated to that work to the Economic Development Division.

Under the economic plan there is a proposal to move the Santa Clarita WorkSource Center under the umbrella of the economic development division, and Pulskamp said there have been initial discussions about moving the office to College of the Canyons.

Also on tap is a proposal to spruce up and draw more attention to local business districts, starting with Valencia Town Center and the auto center along Creekside Road.

The city would redirect \$2 million in landscape maintenance district fees to install signage along McBean Parkway, Valencia Boulevard and Magic Mountain Parkway.

Additionally, the city wants to make Creekside Road into more of a "destination" retail area, Ortiz said.

She said beautification work could include a traffic roundabout with an art installation at the intersection of Creekside and Auto Center Drive; an archway at the corner of Creekside and Valencia Boulevard; and landscaping and flags.

Pulskamp's plan also proposes partnering with the Chamber of Commerce, the Valley Industrial Association, COC and other agencies to explore the creation for a economic development corporation.

The city is also hoping to make sure "shop local" applies to City Hall.

Presently, he said, if a local company is within 5 percent of the lowest bid for a contract with the city, that business has the option of matching the bid. Pulskamp said he would like to see the bid-matching threshold increased to 10 percent, and hopes other local agencies would consider a similar program.

Number 17 on the city's 21-point list is a proposal to create roughly \$400,000 in new annual sales-tax revenue by increasing city hotels' transient occupancy tax by 2 percent to 12 percent, matching the rate charged by the county.

A facade improvement program for downtown Newhall would require \$150,000 from community development block grant funds to provide grants or loans for small businesses in the city's bedrock community.

Businesses that make large purchases — such as equipment — could also see a rebate. The plan proposes that half of any use tax payment of more than \$20,000 be used for permit fees or a rebate.

One of the larger chunks of money requested is \$1.187 million for a neighborhood stabilization plan. The city's options could be to purchase and rehabilitate foreclosed homes to sell or rent them to low-income buyers; demolish blighted structures; and assist in redevelopment efforts for residential and commercial properties.

Capping the plan is a proposal to develop a separate economic development element for the "One Valley, One Vision" general plan being drawn up by the city and county.

When it comes to a start date, Pulskamp said he'd like to see action as soon as possible.

While it is all contingent on council approval, he said, "I think we need to get these things going now."

"We need to do something that is above and beyond," Mayor Frank Ferry said. "We need something that is more than just a Band-Aid."

Ferry said he and City Councilman Bob Kellar asked Pulksamp to develop an aggressive plan after the two met with local businesses, who asked for something similar to what another city in Los Angeles County had carried out.

On Tuesday the City Council will hear a presentation on the 21-point plan and will be asked to approve it. The council meets at 6 p.m. in the council chambers at City Hall, located at 23920 Valencia Blvd.

Whether the challenge is wildfires or a wildly flailing economy, Puskamp said the city's response is the same.

"We're not unaccustomed to disasters," he said. "We always try to look at these things as, 'Hey, is this an opportunity in disguise?'"

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