# ECONOMIC DEVELOPMENT/REDEVELOPMENT

## Budget Summary

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FY 06/07 Proposed Budget</th>
<th>FY 05/06 Year-End Estimate</th>
<th>FY 04/05 Actuals</th>
</tr>
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<tbody>
<tr>
<td>Salaries</td>
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<td>$537,051</td>
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<td>Operations &amp; Maintenance</td>
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<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>11,000</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,514,255</td>
<td>$951,285</td>
<td>$813,270</td>
</tr>
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</table>

## PROGRAM

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<tr>
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<th>FY 04/05 Actuals</th>
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<tbody>
<tr>
<td>Economic Development/Redevelopment</td>
<td>$821,680</td>
<td>$846,290</td>
<td>$694,955</td>
</tr>
<tr>
<td>Community Development Block Grant</td>
<td>692,575</td>
<td>104,995</td>
<td>118,315</td>
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## FUNDING SOURCES

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<tr>
<td>Redevelopment Agency</td>
<td>$821,680</td>
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## FY 06-07 BUDGET BY PROGRAM

- Economic Development/Redevelopment: 54%
- Community Development Block Grant: 46%
DEPARTMENTAL FUNCTION

The Economic Development/Redevelopment Department implements activities associated with the operations of the Lancaster Redevelopment Agency. The Lancaster Redevelopment Agency was established on April 2, 1979, when the City Council adopted Ordinance No. 111 declaring the need for the Redevelopment Agency and designating itself as the Agency’s governing body. Pursuant to California Redevelopment Law, the Redevelopment Agency is a separate legal entity from the City Council. The Redevelopment Agency receives primary funding from Tax Increment Revenues as a result of the establishment of its seven redevelopment project areas. The Economic Development/Redevelopment Department ensures compliance with objectives and policies established by the Redevelopment Agency in implementing redevelopment activities within the City of Lancaster. This year the Agency has been split into two different departments. They are Economic Development & Redevelopment and Housing & Neighborhood Revitalization. While both departments are under the separate legal entity of the Redevelopment Agency, their functions have been split as the new names imply.

BUDGET GOALS FY 2006-2007

Economic Development

During the 2005-2006 budget year, the Economic Development/Redevelopment Department of the Redevelopment Agency will continue its job creation efforts to bring wealth-importing jobs to the City of Lancaster through the attraction of manufacturing and industrial business development. This effort will be enhanced with the adoption of the Economic Development Strategic Plan. This long-term look at Agency direction will include an action plan that will create a prioritized scope of work. In addition, the Agency will develop an aggressive outreach and marketing campaign for the retail sector, focusing on restaurants and retailers that have been identified, through demographic analyses, to be compatible with the Lancaster market. The Buxton Group has redone a demographic analysis based on four new intersections of commercially zoned property.

The Agency will keep City residents informed of Agency activities through its Redevelopment “Update” Newsletter and business postcards. With the addition of a new Economic Development Assistant and Senior Economic Development Coordinator position, the Agency will also undertake an aggressive Business Retention Program to assist in meeting the ongoing needs of the City’s existing business community, including coordination of the Downtown Revitalization effort. The staff will also work to implement the strategic pillars of the Economic Development Strategy. These include, job creation, workforce development, revitalization of commerce and creating a new sense of community.

ACCOMPLISHMENTS FY 2005-2006

1. Countrywide Home Loans occupied the second phase of its 13-acre, 206,000 sq. ft. loan processing center in the Lancaster Business Park. When fully staffed, Countrywide plans to employ 1,600 workers at this campus. Agency staff assisted in the expansion by acquiring four acres for overflow parking.

DEPARTMENT: ECONOMIC DEVELOPMENT/REDEV
2. Through Agency efforts, development restrictions were removed from the “old Sears site” at the southeast corner of 10th Street West and Avenue K. This site is now home to the Lancaster Town Center, a 33-acre retail center that includes a Lowe’s Home Improvement Center and additional available space for retail and restaurants. The developer has now signed leases with Chili’s, Panera Bread, and Winco (a large discount grocery retailer), Farmer Boy Restaurant, CVS Drugstore, Jamba Juice, Rubio’s, Verizon Wireless, 3-Day Blinds and Wells Fargo Financial.

3. Regent Aerospace has submitted plans for the construction of a 75,000 sq. ft. manufacturing facility in the Fox Field Industrial Corridor, which will ultimately provide 300 new employment opportunities. Additional plans include over 300,000 sq. ft. of industrial spec space at the site.

4. Larwin Investment Company completed construction of the first phase of the Fox Field Business Park, an industrial spec development in the Fox Field Industrial Corridor (FFIC) that will ultimately provide 220,000 sq. ft. in industrial space. The first phase is four buildings ranging in size from 7,000 sq. ft. to 16,000 sq. ft. Two of the buildings have been purchased by machine shops. A swimming pool supply company has also purchased a building.

5. SYGMA, a division of SYSCO, occupies an 110,000 sq. ft. distribution center in the Fox Field Industrial Corridor. The firm is about to occupy an expansion that will bring the structure to 239,000 sq. ft. and employ 300 at build out.

6. The Agency sold the final two parcels in the Lancaster Auto Mall, resulting in the expansion of the Mitsubishi dealership and the planned expansion of the Toyota dealership. Staff is also negotiating two auto dealer expansions on Agency-owned sites east of the Auto Mall on 10th Street West.

7. The Antelope Valley Fair and Alfalfa Festival held its second fair at the Agency-assisted new Antelope Valley Fairgrounds in the FFIC. This is the first new fairgrounds to be constructed in the State of California in 30 years.

8. Hilton Hotel has announced plans to develop two new hotels in Lancaster’s Front Row Center, adjacent to Clear Channel Stadium. The hospitality uses will include a Hampton Inn and a Homewood Suites. Negotiations are proceeding for office and commercial uses for the remainder of the 41-acre site.

9. Fresco II has entered into a Disposition and Development Agreement with the Lancaster Redevelopment Agency to build a restaurant in Front Row Center. Johnny Rebs’ will begin construction on a 3,500 sq. ft. southern style sit-down dinner house also in Front Row Center.

10. Dal Tile is occupying a new 18,000 sq. ft. building in the Lancaster Business Park. New businesses are occupying the McGarrey industrial condo complex, Cambridge Development’s spec buildings and additional facilities for lease developed by UDC Properties and Kestly Development.
PROGRAM DESCRIPTION

Eliminate blighting conditions and provide for the orderly growth, job creation, and development within seven redevelopment project areas. This program details and summarizes the combined activities relating to economic development efforts of the Agency. This program activity is funded from the Agency's Economic Development Fund for implementing economic development activities of the Agency.
### Account Code | Description/Justification | Proposed Budget FY 06/07 | Year-End Estimate FY 05/06 | Actuals FY 04/05
--- | --- | --- | --- | ---
901-4540 101 | Salaries - Permanent | $377,830 | $385,000 | $327,798
901-4540 111 | Salaries - Special | $1,800 | $1,800 | $1,590
901-4540 112 | Salaries - Temporary | $0 | $0 | $175
901-4540 121 | Fringe Benefits | $139,800 | $200,170 | $120,636

**TOTAL SALARIES** | **$519,430** | **$586,970** | **$450,199**

901-4540 200 | Registration | $9,520 | $4,845 | $2,225
901-4540 201 | Travel/Per Diem | $12,175 | $7,360 | $4,099
901-4540 202 | Local and Regional Expense | $1,140 | $540 | $668
901-4540 203 | Reimbursed Mileage | $5,285 | $1,650 | $1,213
901-4540 205 | Agency Promotion | $58,460 | $59,350 | $39,260
901-4540 206 | Publications & Dues | $15,805 | $14,740 | $14,200
901-4540 210 | Maps & Publications | $0 | $0 | $390
901-4540 212 | Postage - Special Mailings | $23,600 | $23,700 | $16,286
901-4540 217 | Vehicle - Fuel | $100 | $100 | $34
901-4540 251 | Special Activity Supplies | $6,300 | $300 | $162
901-4540 252 | Photo Film & Process | $100 | $50 | $0
901-4540 253 | Reprographics | $1,410 | $1,280 | $18,494
901-4540 254 | Copy Machine Costs | $0 | $1,800 | $1,838
901-4540 259 | Office Supplies | $4,510 | $4,350 | $1,987
901-4540 260 | Insurance Expense | $0 | $0 | $20,000
901-4540 301 | Professional Services | $140,400 | $110,200 | $100,755
901-4540 303 | Legal Services | $15,000 | $10,000 | $13,190
901-4540 304 | Audit Services | $7,000 | $7,000 | $4,921
901-4540 306 | Enterprise Zone | $0 | $0 | $1,621
901-4540 402 | Maintenance Services | $1,390 | $1,000 | $578
901-4540 750 | Capital Replacement | $55 | $55 | $2,835

**TOTAL OPERATIONS & MAINTENANCE** | **$302,250** | **$248,320** | **$244,756**

901-4540 751 | Furniture & Office Supplies | $0 | $8,000 | $0
901-4540 755 | Specialized Equipment | $0 | $3,000 | $0

**TOTAL CAPITAL OUTLAY** | **$0** | **$11,000** | **$0**

**TOTAL** | **$821,680** | **$846,290** | **$694,955**
PERFORMANCE OBJECTIVES

All Areas

1. Pursue new unsolicited redevelopment proposals as appropriate in accordance with Agency adopted policies and procedures. These efforts will be in compliance with a Strategic Plan for the Department.

2. Assist industrial and commercial businesses that are locating or expanding within Lancaster. The Agency will provide staff to work with business owners unfamiliar with City procedures and permitting requirements. The Agency’s goals include encouraging business development, avoiding unnecessary delays and costs sometimes caused by a lack of understanding of City requirements, troubleshooting potential problems, and promoting the Enterprise Zone.

3. Assist small businesses within the Antelope Valley by offering resource and referral assistance to persons wishing to start new businesses, assist in the expansion of businesses, or assist in relocating businesses into the area utilizing the Lancaster Business Incubator. Work with the Parks, Recreation & Arts Department to facilitate the Entrepreneurial Training Program in conjunction with the Hispanic Chamber.

4. Attract new commercial, industrial, and retail projects by continuing an aggressive property marketing strategy. The marketing plan will include the creation of the “Update,” including printed and e-mailed versions of the newsletter.

5. Continue relationship building and networking with the local and out-of-the-area brokerage communities. This will be accomplished with the sponsorship of special events for brokers.

6. Aggressively pursue manufacturing and industrial enterprises to provide employment opportunities for area residents. Staff will implement the DDA with Oates Construction and finish land assemblage for a 100-acre parcel at the southwest corner of 30th Street West and Avenue G.

7. Continue to work to revitalize commerce in Lancaster by implementing DDAs with the auto dealers and shopping center developers.

8. Review development and revitalization opportunities in downtown, including the implementation of the Specific Plan that is underway. Work to implement the restaurant attraction strategy.

9. Implement, in cooperation with the Finance Department, the professional service contract with Hinderliter de Llamas and Associates for reviewing sales tax generation of businesses within the City of Lancaster and Urban Futures in their role as Financial Advisor to the Agency.

10. To facilitate the revitalization of commerce initiative, the retail marketing brochure will be updated to include a new Buxton demographic analysis. This will be utilized to market new shopping centers including, Front Row Center, the Promenade at Amargosa Creek, Lancaster Spectrum, Valley Central, Avenue J and 20th Street East, the Lancaster Towne Center, and other commercial sites that may be developed.
ANALYSIS

Implementation of existing projects and expansion to the departmental initiatives approved during the 2006-2007 fiscal year will be aggressively pursued, including development of the balance of the land the Agency owns in “Front Row Center” and 10th Street West. This budget continues implementation of business attraction and retention efforts. The Economic Development & Redevelopment staff is in the process of preparing an Economic Development Strategic Plan. The plan will establish a prioritized scope of work that will become an implementing plan of action. A major focus of this effort will be to work more closely with other City departments that impact development. We will also strengthen relationships with organizations or governmental units that are not located in City Hall.
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<th>Account Code</th>
<th>Description/Justification</th>
<th>Proposed Budget FY 06/07</th>
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<th>Actuals FY 04/05</th>
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<tbody>
<tr>
<td>202-4541 101</td>
<td>Salaries - Permanent</td>
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<td>202-4541 201</td>
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<td>$692,575</td>
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