AUTHORIZE A CONTRACT WITH THE NATELSON DALE GROUP FOR THE DEVELOPMENT OF AN ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR THE CITY OF STOCKTON

RECOMMENDATION

It is recommended that the City Council adopt a motion authorizing the execution of a contract with The Natelson Dale Group, Inc., in an amount not to exceed $99,710 for the development of a comprehensive Economic Development Strategic Plan for the City of Stockton and authorizing the City Manager to take necessary and appropriate actions to carry out the purpose and intent of the motion.

Summary

Currently, the City of Stockton does not have an economic development strategic plan that is specific to the City itself. Instead, the City has been working from a County-wide plan developed by Angelou Economics in 2006. Given the City's unique demographics, economic climate, and fiscal strains, it is imperative that a strategy unique to the City be prepared to help guide the City's proactive efforts in economic development. The Economic Development Department is requesting approval to execute a contract with The Natelson Dale Group, Inc. in an amount not to exceed $99,710 for the development of a five-year, comprehensive Economic Development Strategic Plan. The development of the strategy will be an interactive process involving key members of both the public and private sector with the final outcome resulting in an actionable work plan to improve Stockton's economy.

DISCUSSION

Background

In 2006, the San Joaquin Partnership, a private, non-profit economic development corporation that serves San Joaquin County, contracted with Angelou Economics to prepare an economic development strategy for San Joaquin County. While the strategy was effective to deal with conditions in existence at that time, the economy has changed significantly in the past several years. Additionally, the 2006 plan looked at San Joaquin County as a single unit and did not drill down to the uniqueness of each community or identify specific strategies or actionable items that individual cities could implement.

On May 17, 2011, the Stockton City Council adopted 38 Strategic Initiatives aimed at four key goals: fiscal sustainability, public safety, economic development, and organizational capacity. One of the initiatives under economic development, Strategic Initiative 3.7 (“Strategic Initiative”), was the development of an Economic Development Strategic Plan to help guide Stockton in its efforts to attract and retain new business, as well as supporting small business development.
A comprehensive Economic Development Strategic Plan is the road map to improving the City’s overall fiscal health and economic viability. The goal is to stimulate the local economy, encourage job growth, and increase revenues in order to sustain long-term fiscal stability.

Present Situation

The purpose of the Strategic Plan is to provide a five-year road map for the City in determining where to allocate resources and identify priorities. The Strategic Plan would include specific action items geared towards creating new job opportunities, encouraging entrepreneurship and innovation, enhancing fiscal sustainability, investing in catalyst development areas, and increasing private investment throughout the community. The goal is to establish a more collaborative approach to economic development throughout the City by partnering with both internal and external stakeholders.

On January 14, 2014, the City Council approved the issuance of a Request for Proposal (RFP) for the development of a comprehensive, five-year Economic Development Strategy. Seven proposals were received in response to the RFP. The Selection Committee, comprised of Economic Development Department staff and representatives from the Port of Stockton, University of the Pacific, and San Joaquin Partnership, reviewed the seven proposals and selected four firms to be interviewed. The firms selected for interview demonstrated the most applicable experience, expertise and capacity. In addition, these firms demonstrated the best strategic fit with the City through proposals that best captured the intent and scope of the intended project. The four firms selected for interview included: Kosmont & Associates, The Natelson Dale Group, Inc., Chabin Concepts, and Applied Development Economics. The three firms that were not selected for interview were Ernest Swinger Consulting, Center for Strategic Economic Research and Wildan.

On March 18, 2014, the Selection Committee conducted interviews of the top four proponents and selected Natelson Dale Group, Inc. as the most highly qualified respondent. The criteria used to evaluate the proposals included:

- Completeness of the submitted proposal
- Experience in economic development strategic planning and successful outcomes from the implementation of such plans
- Adherence of the proposal to the scope and format outlined in the RFP
- Feasibility, timeliness, and quality of the implementation schedule
- Total cost of the proposal and willingness to negotiate a contract acceptable to the City

The Selection Committee recommends that Natelson Dale Group, Inc. be awarded a professional services contract not to exceed $99,710 for the development of an Economic Development Strategic Plan for the City of Stockton. Established in 1974, Natelson Dale Group, Inc. was chosen as a result of its extensive experience in economic analysis, industry targeting, strategic planning, local/regional alliances, and public policy. The firm formed a highly qualified team of professional to lead the development of Stockton’s economic development strategy, including Managing Principal Roger Dale, who will serve as team leader, and Dr. Terry Clower, who will provide in depth industry and cluster analysis. In its presentation to the Selection Committee, Natelson Dale Group, Inc. identified several key issues Stockton is currently facing, such as the need to diversify its economic base,
lingering impacts of the recession, loss of both Redevelopment and the Enterprise Zone, and budget constraints. It also identified some of Stockton’s key strengths, including its prime location, the Port of Stockton and other transportation systems, an established and growing Bay Area connection, industry capacity (available land and buildings), and favorable permitting environment. After reviewing its proposal and conducting interviews, the Committee felt that Natelson Dale Group, Inc. best understood Stockton’s current needs, was most qualified, and would provide Stockton with a customized strategy specific to its unique situation and characteristics. A detailed scope of services is included in the contract (Attachment A - Professional Services Agreement); however, below are a few of the tasks included in the scope:

- Engage with stakeholders, both public and private
- Conduct SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for the region
- Identify targeted industries for job creation and retention
- Identify strategies for supporting and growing entrepreneurship and innovation
- Set priorities for proactive economic development efforts for the next five years
- Establish specific actions or work plans to successfully implement overall strategies
- Establish metrics in which to measure performance and outcomes

FINANCIAL SUMMARY

There are sufficient funds in the Economic Development General Fund Account Number 010-1760-510 to pay for the contract in an amount not to exceed $99,710.

Attachment A - Professional Services Agreement