



## Legislation Text

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**File #:** 23-487, **Version:** 1

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Adopt a Resolution to Approve and Authorize the City Manager to Execute a First Amendment to the Consulting Services Agreement with Strategic Economics, Inc. for Production of the Economic Development Strategy, to Authorize Examination of Sales or Transactions and Use Tax Records

### **COUNCIL PRIORITY**

- Community & Business Development
- COVID Recovery (ARPA Spending Plan)
- Fiscal Sustainability and Transparency

### **RECOMMENDATION**

Staff recommends the City Council Adopt a Resolution to approve and authorize the City Manager to execute a First Amendment to the Consulting Services Agreement with Strategic Economics, Inc. for Production of the Economic Development Strategy, to Authorize Examination of Sales or Transactions and Use Tax Records.

### **BACKGROUND/ANALYSIS**

On September 18, 2023, the City Council approved Resolution No. 2023-134, authorizing the City Manager to Execute a Consulting Service Agreement with Strategic Economics for Production of the Economic Development Strategy. Work has commenced on the Strategy, which should be completed over the next 12 months.

San Leandro's Economic Development Strategy will identify what initiatives can be undertaken to best drive San Leandro's local economy. Successful economic development strategies build upon the existing strengths of the local economy and highlight the unique characteristics that can differentiate a community in the region.

One of the first steps in this analysis is to assess San Leandro's existing economic conditions. To do this, the City and Strategic Economics have identified the need for the consultant to access the City's sales tax data, which they would use to evaluate San Leandro's current retail, wholesale, product, and equipment sales and identify potential opportunities for growth.

The California Department of Tax and Fee Administration requires that cities adopt a resolution to authorize their officers, employees, representatives or consultants to examine confidential sales or transactions and use tax records. Accordingly, a Resolution has been prepared to authorize Strategic Economics to examine all of the sales or transaction and use taxes and make a First Amendment to the Consulting Services Agreement with Strategic Economics to outline the conditions under which they may access, utilize and distribute the information. Such authorization is in addition to and does not alter the existing and ongoing authorization for the City's sales tax consultant, MuniServices, to examine sales or transaction and use taxes records for the City of San Leandro.

Under the proposed First Amendment to the Consulting Services Agreement, Strategic Economics

will:

- Disclose information contained in, or derived from, those sales or transactions and use tax records only to authorized officers or employees of the City of San Leandro to examine the information;
- Be prohibited from performing consulting services for a retailer during the term of the Consulting Services Agreement; and
- Be prohibited from retaining the information contained in or derived from those sales or transactions and use tax records, after the Consulting Services Agreement has expired.

### **Previous Actions**

- Resolution No. 2023-134 - Authorizing a Consulting Services Agreement with Strategic Economics for production of the Economic Development Strategy for a total not to exceed amount of \$150,000 - September 18, 2023.
- Resolution No. 2016-457 - Adoption of the San Leandro 2035 General Plan, including Economic Development Element - September 19, 2016.
- Resolution No. 2021-150 - Adoption of ARPA Budget for Fiscal Years 21-22 and 22-23 and Authorizing the City Manager to Approve Carryovers/Unspent ARPA Funds to Future Fiscal Years' Budgets - November 1, 2021.
- Resolution 2021-117 - Agreement Amendment and Novation with MuniServices for Examination of Sales or Transaction and Use Taxes - July 19, 2021.

### **Applicable General Plan Policies**

- Action ED-1.11.A: Economic Development Strategy Updates - Periodically update and revise the City's Economic Development Strategy in response to changing market conditions and economic trends.
- Action ED-4.1.A: Retail Action Strategy - Develop a Retail Action Strategy, including evaluations of retail shopping patterns and leakage to other communities in particular sectors. The Strategy should include programs to retain San Leandro's retailers, and attract new retailers in under-represented sectors.

### **Environmental Review**

No environmental review is required for this proposed resolution.

### **Legal Analysis**

The proposed resolution and the amendment were reviewed by the City Attorney and approved as to form.

### **Financial Impacts**

The proposed resolution has no fiscal impacts to the City.

### **ATTACHMENTS:**

**A:** *Resolution to Authorize the City Manager to Execute a First Amendment to the Consulting Services Agreement with Strategic Economics, Inc. for Production of the Economic Development Strategy, to Authorize Examination of Sales or Transactions and Use Tax Records*

**B:** *First Amendment to Consulting Services Agreement between the City of San Leandro and Strategic Economics, Inc. for Economic Development Strategy.*

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