CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, August 26, 2026
City Hall Council Chambers 6360 Fountain Square Drive, Citrus Heights, CA
5:00 PM SPECIAL MEETING
6:00 PM REGULAR MEETING

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The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. The following methods are available to observe a Council meeting:

- In person: City Hall Council Chambers
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    - Press *9 to raise your hand to request to speak
    - Press *6 to unmute when called upon to speak
- Written public comments:
  - Submit written comments by 4:00 p.m. on the meeting date by completing an online Speaker Card citrusheights.net/FormCenter/City-Council-Meetings-Speaker-Card-30 Written comments will not be read during the City Council meeting but will be forwarded to all Council Members and become part of the public record.

AMERICANS WITH DISABILITIES ACT:

If you need a disability-related modification or accommodation, to participate in this meeting, please contact the City Clerk's Office 916-725-2448, cityclerk@citrusheights.net, or City Hall 6360

Fountain Square Drive at least 48 hours prior to the meeting. TDD: California Relay Service 7-1-1.

August 26, 2026 City Council Agenda Packet

Documents:

08-26-26 SPECIAL AND REGULAR COUNCIL AGENDA PACKET.PDF

CALL SPECIAL MEETING TO ORDER

1. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

PUBLIC COMMENT

APPEAL HEARING

2. SUBJECT: Appeal Of Notice Of Hearing Decision & Order Of Abatement For 7398 Antelope Road, Citrus Heights, CA 95621

ADJOURNMENT

CALL REGULAR MEETING TO ORDER

1. Flag Salute

2. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation Of The City Of Citrus Heights Honoring Kayak City As A 2026 Citrus Heights Business Of Distinction – Top Of The Trade

5. Presentation Of Certificate Of Recognition To Sheri Merrick For Being Named A 2026 "Women Who Mean Business" Honoree By The Sacramento Business Journal

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the City Council's subject matter jurisdiction. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during "Public Comment" not appearing on the posted agenda.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR

It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

6. SUBJECT: Approval Of Minutes

RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of May 27, 2026

7. SUBJECT: Second Reading – Ordinance Adding Division 6 ("Uniform Construction Cost Accounting Act") To Article V. ("Finances") Of Chapter 2 ("Administration") Of The Citrus Heights Municipal Code

STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Adopt Ordinance No. 2026-005, An Ordinance of the City Council of the City of Citrus Heights, California, Adding Division 6 ("Uniform Construction Cost Accounting Act") to Article V. ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code

REGULAR CALENDAR

8. SUBJECT: 18-Month Update: 2025-2027 Economic Development Work Plan

STAFF REPORT: M. Huber / A. Aguirre
RECOMMENDATION: Staff recommends that the City Council receive and file the 18-Month progress update on the 2025–2027 Economic Development Work Plan

9. SUBJECT: Approval Of Economic Development Support Fund Grant Request By The Citrus Heights Chamber Of Commerce

STAFF REPORT: M. Huber / A. Aguirre
RECOMMENDATION: Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, Approving a $30,000 Grant to the Citrus Heights Chamber of Commerce from the Economic Development Support Funds

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

CITY MANAGER ITEMS

ADJOURNMENT

ADDRESSING THE CITY COUNCIL:

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LEVINE ACT:

The Levine Act (Government Code Section 84308) requires parties to a proceeding before the City of Citrus Heights involving a license, permit or other entitlement for use to disclose any contribution over $500 made to a City elected or appointed officer (including Council Members and Planning Commissioners) within the 12 months before and 12 months after the City decision, and are prohibited from making, participating in, or using their official position to influence the decision.

WRITINGS RECEIVED AFTER AGENDA POSTING:

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City Clerk's Office at least 48 hours prior to the meeting. Email subscriptions of the agenda are available online by signing up with the City's Notify Me service.

MariJane Lopez-Taff, *Mayor*
Porsche Middleton, *Vice Mayor*
Dr. Jayna Karpinski-Costa, *Council Member*
Kelsey Nelson, *Council Member*
Tim Schaefer, *Council Member*

CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, August 26, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA 95621
Special Meeting 5:00 p.m.
Regular Meeting 6:00 p.m.

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August 21, 2026

Amy Van, City Clerk

SPECIAL CITY COUNCIL MEETING
5:00 PM

CALL SPECIAL MEETING TO ORDER

1. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

PUBLIC COMMENT

APPEAL HEARING

2. **SUBJECT:** Appeal of Notice of Hearing Decision & Order of Abatement for 7398 Antelope Road, Citrus Heights, CA 95621

ADJOURNMENT

REGULAR CITY COUNCIL MEETING
6:00 PM

CALL REGULAR MEETING TO ORDER

1. Flag Salute

2. Roll Call: Council Members: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff

3. Video Statement

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5. Presentation of Certificate of Recognition to Sheri Merrick for being named a 2026 "Women Who Mean Business" Honoree by the *Sacramento Business Journal*

PUBLIC COMMENT
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COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR (Estimated Start Time 6:40 p.m.)
It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

6. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of May 27, 2026

7. **SUBJECT:** Second Reading – Ordinance Adding Division 6 ("Uniform Construction Cost Accounting Act") to Article V. ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Adopt Ordinance No. 2026-005, An Ordinance of the City Council of the City of Citrus Heights, California, Adding Division 6 ("Uniform Construction Cost Accounting Act") to Article V. ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code

REGULAR CALENDAR (Estimated Start Time 6:45 p.m.)

8. **SUBJECT:** 18-month Update: 2025-2027 Economic Development Work Plan
STAFF REPORT: M. Huber / A. Aguirre
RECOMMENDATION: Staff recommends that the City Council receive and file the 18-Month progress update on the 2025–2027 Economic Development Work Plan

9. **SUBJECT:** Approval of Economic Development Support Fund Grant Request by the Citrus Heights Chamber of Commerce
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CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Special and Regular Meetings of Wednesday, May 27, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA 95621

CALL SPECIAL MEETING TO ORDER

The special meeting was called to order at 3:30 p.m. by Mayor Lopez-Taff.

1. Roll Call: Council Members present: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
   Council Members absent: None
   Staff Members present: Feeney, D. Jones, R. Jones

PUBLIC COMMENT

None

CLOSED SESSION

2. CONFERENCE WITH LABOR NEGOTIATORS
   Pursuant to California Government Code Section 54957.6
   Agency designated representatives: Ashley Feeney, City Manager, Ryan Jones, City Attorney, and Patrick Clark, Negotiator
   Employee Organization: Citrus Heights Police Officers Association, Citrus Heights Police Employees Association, and unrepresented employees

The City Council, City Manager, City Attorney, and Labor Negotiator participated in the closed session.

REPORT OUT OF CLOSED SESSION

There was no reportable action from closed session. Closed Session was continued to the end of the meeting.

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:02 p.m. by Mayor Lopez-Taff.

1. The Flag Salute was led by Council Member Schaefer.

2. Roll Call: Council Members present: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
   Council Members absent: None
   Staff Members present: Bermudez, Dunning, Feeney, D. Jones, R. Jones, Kempenaar, Lui, Turcotte and department directors.

3. The video statement was read by Acting City Clerk Jones.

APPROVAL OF AGENDA

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Karpinski-Costa, the City Council approved the agenda.

AYES: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES: None
ABSENT: None

PRESENTATIONS

4. San Juan High School Student Council Report

Claire Goodwin provided an update on end-of-year campus activities; final club events; the expansion of college-credit courses through Sacramento State; recognition of the Student Ambassador Program with the Spirit of San Juan Award; and the upcoming construction of a new science wing along with classroom and cafeteria modernization. The Seniors graduating on June 5, 2026 will be the first graduating class utilizing the new field. The upcoming school year will include a new Associated Student Body (ASB) advisor, and planning is underway for the 2027 student government retreat. The Spartan Student Government Team is coordinating with the sports program for spirit nights and other activities, and the concert band is delivering its final performance of the year.

5. Presentation by Republic Services – Annual Report and Scholarship Awards

Megan Smith-Fajardo of Republic Services presented on the 2025 residential services, community engagement, education, Customer Service Guide Poster Art Contest, and sustainability accomplishments. She reported that compost workshops and free residential compost sites saw significant growth, and she provided recycling and food waste recovery highlights.

Colleen Cadwallader of the San Juan Education Foundation assisted with the announcement of the 2026 Sustainability Scholarship winners. Madison Martin and Jonathon King of Mesa Verde High School and Lucas McCaskill of Bella Vista High School each received $1,000 awards and were presented with certificates by Mayor Lopez-Taff.

6. Annual Presentation by the Sacramento-Yolo Mosquito & Vector Control District

The Council received the annual presentation from Luz Maria Robles, Public Information Officer from the District, on current issues and challenges related to mosquito control and an update on mosquito-transmitted diseases. She gave a reminder of the services the District provides.

7. Proclamation of the City of Citrus Heights recognizing Leatherby's as the 2026 Small Business of the Year in Assembly District 7

Vice Mayor Middleton read and presented the proclamation to Dave Leatherby, Alan Leatherby and Michael Cremins.

PUBLIC COMMENT

Note for the record: Written public comment submitted by Alfred Sanchez was forwarded to the City Council and filed.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Karpinski-Costa attended the Tools of the Trade event and the Big Day of Service opening ceremonies. She went to the 90th Anniversary ribbon-cutting for Harris Industrial Gases. She attended the American Public Works Association (APWA) Sacramento Chapter Banquet, where General Services Director Cave was honored as one of the 2026 Top Ten Public Works Leaders of the Year. She reported on attending meetings of the Sacramento-Yolo Mosquito & Vector Control District Board and Sacramento Area Sewer District.

Council Member Nelson reported on attending a meeting of the Sacramento Transportation Authority as the alternate. She went to Tools of the Trade, the Spirit of San Juan Awards, and the APWA Banquet. She attended the Memorial Day ceremony at Sylvan Cemetery.

Council Member Schaefer provided an update on his health and expressed appreciation for the Community Blood Drive. He attended Tools of the Trade and the APWA Banquet. He reported on attending a Sacramento Area Council of Governments (SACOG) meeting. He attended a collaborative meeting of regional transit agencies.

Vice Mayor Middleton stated she had nothing to report, as she was just returning from vacation.

Mayor Lopez-Taff reported on attending a Sacramento Public Library Authority Board Budget Committee meeting. She graduated from Leadership Citrus Heights on May 14, 2026. She participated in the Community Blood Drive and Big Day of Service. She attended a grand re-opening ceremony for the AAA offices. She attended a Citrus Heights Areas 7,8 & 9 (CHASEN) Neighborhood Association meeting. She attended the presentation by Assemblyman Hoover to Leatherby's for Small Business of the Year. She met with a resident at City Hall and renewed her invitation to community members who would like to meet with her. She attended the Citrus Heights Chamber Luncheon and the APWA Banquet. She participated in the Memorial Day ceremony at Sylvan Cemetery. She attended the Oath of Office ceremony for the Citrus Heights Police Department.

CONSENT CALENDAR

8. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of March 11, 2026

9. **SUBJECT:** AB 481 – Annual Renewal of Military Equipment Policy for the Police Department and Review of Annual Report
STAFF REPORT: A. Turcotte / K. Frey / K. Lewis / J. Aguilar
RECOMMENDATION: Adopt Resolution No. 2026-032**,** A Resolution of the City Council of the City of Citrus Heights, California, Renewing its Military Equipment Policy

10. **SUBJECT:** Auburn Boulevard Complete Streets, Phase 2 Project – Authorize Additional Work
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council move the following:

    a. Adopt Resolution No. 2026-033, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Change Orders up to 11.3% of the Contract Amount with George Reed, Inc. for the Auburn Boulevard Complete Streets,

Phase 2 Project and Increasing the Total Authorized Construction Budget to $32,168,856.87; and

b. Adopt Resolution No. 2026-034, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 1 to the Agreement for Professional Services with Psomas for the Auburn Boulevard Complete Streets, Phase 2 Project; and

c. Adopt Resolution No. 2026-035, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 5 to the Agreement for Professional Services with Bennett Engineering for the Auburn Boulevard Complete Streets, Phase 2 Project.

11. **SUBJECT:** Appointment to Sacramento Homeless and Housing Planning Task Force
STAFF REPORT: A. Van / C. Kempenaar / N. Piva
RECOMMENDATION: Staff recommends the City Council move the following:

a. Appoint MariJane Lopez-Taff, Mayor, as the City's primary representative on the Sacramento Homeless and Housing Planning Task Force; and

b. Appoint Porsche Middleton, Vice Mayor, as the City's alternate representative to the Planning Task Force; and

c. Authorize these appointments to serve the duration of the Task Force term or until such time as the City Council makes subsequent appointments or modifications.

12. **SUBJECT:** Award of Banking Services Contract
STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Staff recommends the City Council Authorize the City Manager to Execute an Agreement with River City Bank for Citywide Banking Services

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Schaefer, the City Council adopted Consent Calendar Items 8, 9, 10, 11 and 12.

AYES:	Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES:	None
ABSENT:	None

PUBLIC HEARINGS

13. **SUBJECT:** Ordinance Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments
STAFF REPORT: A. Turcotte / K. Frey / W. Dunning / D. Miller / C. Kempenaar / A. Bermudez
RECOMMENDATION: Move to Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-003, An Ordinance of the City Council of the City of Citrus Heights, California, Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments

Police Lieutenant Dunning provided an overview of community outreach, prior City Council direction, and outlined the proposed amendments.

Mayor Lopez-Taff opened the public hearing at 7:14 p.m. Seeing no requests to comment, she closed the public hearing.

ACTION: On a motion by Council Member Schaefer, seconded by Vice Mayor Middleton, the City Council Introduced for a First Reading, read by title only, and waived the first full reading of Ordinance No. 2026-003, An Ordinance of the City Council of the City of Citrus Heights, California, Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments

AYES: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES: None
ABSENT: None

14. **SUBJECT:** 2026 Zoning Code Updates
STAFF REPORT: C. Kempenaar / A. Bermudez / S. Lui
RECOMMENDATION: Staff recommends the following:

a. Move to Determine the Proposed Amendments are Exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines; and

b. Move to Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-004, as shown in Attachment 1, an Ordinance of the City Council of the City of Citrus Heights, California, Amending Various Sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section).

Associate Planner Lui presented an overview of the proposed amendments detailed in the staff report, namely related to Accessory Dwelling Units (ADUs); revisions for consistency with Senate Bill 9; the addition of an Accessory Educational use; and other changes pertaining to murals, animal keeping, child day care and ATV sales.

Mayor Lopez-Taff opened the public hearing at 7:31 p.m. Seeing no requests to comment, she closed the public hearing.

ACTION: On a motion by Council Member Schaefer, seconded by Vice Mayor Middleton, the City Council Determined the Proposed Amendments are Exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines.

AYES: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES: None
ABSENT: None

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Nelson, the City Council Introduced for a First Reading, read by title only, and waived the first full reading of Ordinance No. 2026-004, as shown in Attachment 1, an Ordinance of the City Council of the City of Citrus Heights, California, Amending Various Sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section).

AYES: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
NOES: None
ABSENT: None

REGULAR CALENDAR

15. **SUBJECT:** Presentation on Housing Types: ADUs and Cottage Courts
STAFF REPORT: C. Kempenaar / A. Bermudez / N. Piva
RECOMMENDATION: Receive and file staff presentation. No action requested.

Senior Planner Bermudez presented an informational overview in response to a 2025-2026 City Council Strategic Objective requesting an evaluation of opportunities for new residential developments such as cottage courts or similar housing types and identification of opportunities for increasing accessory dwelling units as a source of affordable housing. She also reviewed recent state legislation, including Senate Bill 1332 (ADU Accelerator), and the City's local implementation efforts and successes.

Housing & Human Services Program Coordinator Piva provided information on ADU financing programs, the emerging housing models of cottage courts/pocket neighborhoods, and existing City zoning tools to support flexible housing types.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

Council Member Karpinski-Costa noted a scheduling conflict affecting her ability to serve as the alternate to the Sacramento Metropolitan Cable Television Commission. City Manager Feeney will work with Mayor Lopez-Taff to bring an item to the next meeting for an update to the appointment.

CITY MANAGER ITEMS

City Manager Feeney provided a recap of the Tools of the Trade and thanked Director Cave for her leadership. He congratulated those who took the Oath of Office with the CHPD. He reported on the successful Community Blood Drive and thanked Customer Service Representatives Fernandez and Lowe for their work. The City will be looking to host this event twice a year.

ADJOURNMENT

Mayor Lopez-Taff adjourned the regular meeting at 7:54 p.m. and reconvened Closed Session.

REPORT OUT OF CLOSED SESSION

There was no reportable action from closed session.

ADJOURNMENT

Mayor Lopez-Taff adjourned the special meeting at 8:00 p.m.

Respectfully submitted,

_____
Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: August 26, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: **Second Reading – Ordinance Adding Division 6 ("Uniform Construction Cost Accounting Act") to Article V. ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code**

Recommendation

On August 12, 2026, City Council introduced, read by title only, and waived the first full reading of an Ordinance amending Article V. ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code to incorporate Division 6 ("Uniform Construction Cost Accounting Act").

The background materials associated with this item are contained in the August 12, 2026 City Council Meeting Staff Report, available on the City's website.

Staff recommends the City Council adopt Ordinance No. 2026-005, An Ordinance of the City Council of the City of Citrus Heights, California, Adding Division 6 ("Uniform Construction Cost Accounting Act") to Article V. ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code.

Strategic Plan Alignment

This item is in alignment with the following City Council priorities:

- Maintain and Enhance Fiscal Stability While Supporting Operational Excellence
- Maintain Public Infrastructure and Enhance All Modes of Transportation

Fiscal Impact

There is no direct fiscal impact resulting from the revisions to the Ordinance. At the August 12, 2026, council meeting, City Council authorized the participation and implementation of the California Uniform Public Construction Cost Accounting Act (CUPCCAA). Under the same action, City Council introduced, read by title only and waived the first full reading of an

ordinance to amend Chapter 2, Article 5, adding Division 6 to incorporate CUPCCAA into the city's municipal code.

Attachments

1. Ordinance No. 2026-___, An Ordinance of the City of Citrus Heights Adding Division 6 ("Uniform Construction Cost Accounting Act") to Article V ("Finances") of the Chapter 2 ("Administration") of the Citrus Heights Municipal Code.

ORDINANCE NO. 2026-005

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADDING DIVISION 6 ("UNIFORM CONSTRUCTION COST ACCOUNTING ACT") TO ARTICLE V ("FINANCES") OF CHAPTER 2 ("ADMINISTRATION") OF THE CITRUS HEIGHTS MUNICIPAL CODE

The City Council of the City of Citrus Heights does ordain as follows:

Division 6 ("Uniform Construction Cost Accounting Act") is hereby added to Article V ("Finances") of Chapter 2 ("Administration") of the City of Citrus Heights Code as follows:

SECTION 1. Division 6 ("Uniform Construction Cost Accounting Act") is hereby added to Article V ("Finances") of Chapter 2 ("Administration") of the Citrus Heights Municipal Code as follows:

Division 6 - Uniform Construction Cost Accounting Act

Sec. 2-601 Purpose. The purpose of this Section is to establish procedures for public works construction projects in the City in compliance with the California Public Contract Code, Division 2, Part 1 and Division 2, Part 3, the Local Agency Public Construction Act, including the Alternate Provisions of the Uniform Construction Cost Accounting Act.

Sec. 2-602 Bidding Thresholds.

(a) Construction projects valued at the amount specified in California Public Contract Code § 22032(a) or less may be performed by City forces, by negotiated contract or by purchase order.

(b) Construction projects valued at the amount specified in California Public Contract Code § 22032(b) or less may be let to contract by informal bidding procedures, set forth in Section 8.3 below, to the lowest responsible bidder.

(c) Construction projects valued at more than the amount specified in California Public Contract Code § 22032(c) shall be let by formal bidding procedure, set forth in Section 8.4 below, to the lowest responsible bidder.

Sec. 2-603 Project Splitting. It shall be unlawful to split projects into smaller work orders or projects for the purpose of evading the provisions of this Section or applicable state laws.

Sec. 2-604 Informal Bidding Procedures.

(a) **Notice inviting bids**. The notice inviting bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids. Notice shall be provided in accordance with either Section 2-604 (a) or (b), or both.

(b) **Notice to contractor**.

(1) The City shall maintain an annual list of qualified contractors, identified according to categories of work. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary. All mailing of notices to contractors pursuant to this division shall be completed not less than ten calendar days before bids are due.

(2) The City may elect to mail, fax, or email a notice inviting informal bids to all construction trade journals as specified in California Public Contract Code § 22036.

Sec. 2-605 Award of bids in excess of informal amount. If all the bids received are in excess of the amount specified section 2-602(c), the City Council may, by adoption of a resolution by a four-fifths vote, award the contract up to the amount specified in California Public Contract Code § 22034(d), to the lowest responsible bidder if it determines the cost estimate of the City was reasonable.

Sec. 2-606 Formal Bidding Procedures. Notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the City; or, if there is no newspaper printed and published within the City, in a newspaper of general circulation which is circulated within the City. The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals specified in California Public Contract Code § 22036. The notice shall be sent at least 15 calendar days before the date of opening the bids. In addition, the City may also give such other notice as it deems proper, including mailing or e-mailing the notice to prospective vendors and contractors.

Sec. 2-607 Award. In both informal and formal bidding process, award shall be to the lowest responsible bidder. If two or more bids are the same and the lowest, the City may accept the one it chooses. Awards of contracts shall follow the city's procurement policy based on the City Council's, the City Manager's and/or the Department Director's signing authority and approved budgets.

Sec. 2-608 Rejection of Bids. In its discretion, the City may reject any bids presented if the City declares that the project can be performed more economically by employees of the City. Prior to rejecting any bids, the City shall furnish a written notice to an apparent low bidder informing the bidder of the City's intention to reject the bid. Said notice shall be mailed at least two business days prior to the hearing at which the City intends to reject the bid. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the City shall have the option of either of the following:

(a) Abandoning the project or readvertising for bids, or

(b) With the passage of a resolution by a four-fifths vote of the City Council declaring that the project can be performed more economically by the employees of the City, may have the project done by force account.

Sec. 2-609 No bids. If no bids are received through the formal or informal procedure, the project may be performed by the employees of the City by force account, or by negotiated contract.

Sec. 2-610 Emergency Work

(a) Declaration of Emergency. In the case of an emergency, the City, pursuant to a four-fifths vote of the City Council, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. The City Council, in the resolution, shall make findings that the emergency is such that it will not permit a delay which would occur from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

(b) The City Council delegates to the City Manager the authority to make an initial determination of an emergency and take any action under this section.

(c) If the City Manager orders any action pursuant to this section, the City Manager shall report to the City Council, at its next meeting, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

(d) Review of the Emergency.

(1) If the City Manager orders any action specified in this section, the City Council shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action.

(2) If the City Manager orders any action specified in this section, the City Council shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action.

(3) The City Council shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

SECTION 2. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 3. Effective Date and Notice. This ordinance shall take effect thirty (30) days after its adoption, provided it is published in full or in summary within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this _____ day of 2026 by the following vote:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: August 26, 2026

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Meghan Huber, Economic Development & Community Engagement Director
Alicia Aguirre, Economic Development Analyst II

SUBJECT: **18-month Update: 2025-2027 Economic Development Work Plan**

Recommendation

Staff recommends that the City Council receive and file the 18-month progress update on the 2025–2027 Economic Development Work Plan.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

> **Goal:** Diversify for a Vibrant Economy
> **Objective:** Prepare and present an Economic Development Work Plan to City Council, as well as establish a suite of incentives to attract sit-down dining and entertainment options. (2025 Strategic Planning)

Fiscal Impact

There is no fiscal impact associated with this report. Implementation of the Economic Development Work Plan 2025–2027, including the Business Attraction Incentive Program and Small Business Design Support Program, is being advanced primarily through existing City resources and economic development and community engagement annual budget. Some initiatives such as business attraction incentives, placemaking enhancements, or new economic development tools may require future funding consideration. Any related requests will be evaluated through the City's regular budget process and incorporated into the two-year budget cycle for City Council consideration as needed. All funding requests will be tied directly to the adopted Economic Development Work Plan to ensure alignment with long-term strategy.

Background and Analysis

The Economic Development Work Plan (EDWP) 2025-2027 has been developed in direct response to the City Council's strategic goal to "Diversify for a Vibrant Economy" and the

specific strategic objective to “Prepare and present an Economic Development Work Plan to City Council, as well as establish a suite of incentives to attract sit-down dining and entertainment options.” This plan serves as the economic development policy framework for the City, providing a structured approach to business attraction and commercial revitalization and creating a dynamic, business-friendly environment in Citrus Heights. The Council adopted the plan on February 12, 2025, along with the Business Attraction Incentive Program Guidelines and the Small Business Design Support Program Guidelines.

The development of the EDWP was guided by staff subject matter expertise, extensive market research and analysis, stakeholder engagement, and community input. City staff conducted outreach to business owners, property owners, managers, brokers, and industry experts to assess challenges and opportunities. Additionally, resident feedback was gathered to ensure that economic development priorities align with community needs.

The Economic Development Work Plan was designed as a policy framework to guide the City’s economic development activities over a three-year period. When it was adopted, staff anticipated that the first several months would focus on launching core programs, building momentum to then accelerate and strengthening initiatives to demonstrate measurable outcomes aligned with the plan’s metrics.

This work is led by 1.5 full-time equivalent positions, but economic development is intentionally a citywide and communitywide effort. The EDWP recognizes that success depends on the collective efforts of City employees, the City Council, and external partners, including property owners, businesses, brokers, regional agencies and community organizations. Together, these partners help create the conditions for investment through responsive service, business-friendly policies, infrastructure, public safety, strong partnerships and proactive engagement. This approach recognizes that everyone is an economic developer, with a role in creating a welcoming environment where businesses and investment can succeed.

As a reminder, Sunrise Tomorrow, the redevelopment of Sunrise Mall, is not included in the Economic Development Work Plan due to the project’s dynamic and iterative nature. Instead, the City’s work to advance the project is guided by the economic development objectives established through the Strategic Plan, available here. Efforts associated with Sunrise Tomorrow and the Sunrise Sports Center continue to advance which are a major focus area of economic development activities.

Staff previously presented six-month and one-year progress updates to the City Council. Now, at the 18-month mark, progress will be shared with the Council through a PowerPoint presentation. Staff have prepared a comprehensive update that highlights key accomplishments and organizes progress across the major categories of the Work Plan.

The **Attraction and Development Services** section of the Work Plan addressed four primary goals: improving regulatory processes to support business development, implementing a refreshed business recruitment strategy, adopting additional tools to incentivize near-term investment in Citrus Heights, and enhancing development services support.

- **Business Recruitment:** Staff continue to advance direct business recruitment through targeted prospecting and follow-up with operators, brokers and property owners. Current efforts focus on relevant retail, grocery, entertainment, full service restaurants, breweries and other concepts that align with target industries detailed in the EDWP, community desires, and current available real estate.
- **Trade Show Attendance:** Staff attended an International Council of Shopping Centers (ICSC) trade shows in September 2025, March 2026, and May 2026 to showcase available commercial inventory and connect with brokers, retailers, and developers. The event provided opportunities for industry conversations and market visibility for Citrus Heights. Staff will plan to attend ICSC Western in September 2026 to continue retailer outreach and investment attraction efforts.
- **Broker and Commercial Real Estate Outreach:** In January 2026, the City launched a quarterly broker-focused newsletter to strengthen communication with the commercial real estate community and support a more consistent pipeline for business attraction. The newsletter includes market updates and highlights from recent commercial activity across Citrus Heights. It also provides information about City incentives, development services, and staff support available to help facilitate investment. This effort is complimented by ongoing one-on-one broker outreach, allowing staff to share market intelligence, discuss available commercial corridors and opportunity sites, and build relationships that support future business recruitment and investment.
- **Zoning Code Updates:** On June 11, 2025, the City Council adopted zoning code updates, which became effective on July 11. The changes modernize the City's regulatory framework by broadening permitted uses, simplifying review processes, and creating more opportunities for investment and redevelopment. These updates are designed to protect community character while also supporting business growth and attracting new development opportunities in Citrus Heights. Additional zoning code updates were adopted on June 10, 2026, introducing new commercial use definitions to better reflect evolving market trends and streamline entitlement process for emerging retail and recreational uses.
- **Building Code Updates:** The City implemented local building code updates aimed at improving flexibility for commercial projects and streamlining permitting requirements. Focusing on making tenant improvements feasible and reducing unnecessary barriers while maintaining building safety.
- **Fire Code Amendments:** The City's proposed amendments to the Fire Code were accepted, offering added flexibility for tenant improvements and commercial occupancy classifications.
- **Incentive Programs:** The Business Attraction Incentive Program and the Small Business Design Support Fund were adopted in February alongside the Economic Development Work Plan. The Design Support Fund was utilized by a new business to secure a temporary certificate of occupancy. Other business support programs include the Sign Support Program, and the Activate Auburn Facade Improvement Program.
- **Banking Services RFP:** In September 2025, the City issued a request for proposals for banking services. The RFP included an economic development perspective by encouraging community engagement and requesting information on business support tools, such as revolving loan fund partnerships and other alternative funding mechanisms the City may consider in the future.

- **Development Process Liaison:** Management Analyst was brought onboard to serve as Development Process Liaison and has since provided direct assistance to more than 25 business and development projects, ranging from new business openings and changes of use to tenant improvements and redevelopment inquiries. Assistance includes helping applicants understand permitting and regulatory requirements by coordinating with City departments and outside agencies, and troubleshooting project-specific barriers. The liaison also participates in twice-monthly Development Services project coordination meetings, providing a regular forum for Planning, Building, Engineering, and Economic Development staff to identify project needs, coordinate next steps, and proactively address potential roadblocks.
- **Data Tools:** The City renewed its GSEC membership in 2025 to continue access to regional economic data and expanded analytic capabilities. Including data sets that are used for businesses retention visits and an annual economic profile. In addition, visitation data tools have been deployed to measure customer traffic at commercial centers. These tools have already proven valuable in prospecting conversations by providing reliable visitation counts and demonstrating potential market reach to prospective tenants.
- **Pre-Application Coordination:** Early coordination supports businesses and developers by clarifying requirements, identifying potential challenges, and connecting with the right departments before formal applications are submitted. These discussions clarify review pathways for a more efficient development process.
- **Opportunity Zone Nomination:** Staff led the nomination of three commercial areas for California's Opportunity Zone 2.0 program, coordinating regional partnerships, preparing market analyses and investment narratives, and securing letters of support to strengthen the City's competitiveness for future private investment and economic development opportunities.
- **No-Work Certificate of Occupancy**: Staff is collaborating with the Building and Safety Division to develop the framework and public facing guidance for a No-Work Certificate of Occupancy process. This streamlined pathway allows businesses occupying an existing commercial space with no change of use and no tenant improvements to obtain a certificate of occupancy through a simplified permitting process. The approach maintains compliance with California Building Code Requirements while making it faster for business to open in existing storefronts.
- **Opening a Business Guide:** Developed and launched a comprehensive "Opening a Business in Citrus Heights" guide to provide prospective and new businesses with a clear roadmap for navigating City requirements. The guide consolidates information on zoning, permitting, business licensing, and outside agency requirements into a single, accessible resource available online and in print.

The **Business Retention & Expansion** section of the Work Plan establishes goals to retain and grow key business anchors, strengthen partnerships and resource sharing, support workforce development, and enhance job retention. Over the last year, the City has advanced several initiatives aligned with these objectives:

- **Business Retention Site Visits:** The plan sets a goal of 50 annual site visits annually. Staff met this goal in 2025 by completing all 50 visits. As of August 2026, staff has already conducted more than half of the annual goal and remains on pace to meet or exceed the 2026 target. These visits provide an opportunity to strengthen relationships

with local businesses, identify expansion opportunities and operational challenges, connect businesses with available resources, and gather market intelligence to inform future economic development efforts.

- **Business Toolkit:** Welcome Kits were reintroduced in June 2025. All new businesses with a physical location in Citrus Heights now receive a kit that includes a welcome letter from the City, Economic Development contact information, and resources from regional partners (Sacramento Sewer District, Sacramento County Business Environmental Resource Center, SMUD Supplier Education and Economic Development Program, Small Business Administration, Citrus Heights Chamber, and Citrus Heights Police Department Crime Prevention Through Environmental Design tools). To date, over 250 kits have been distributed, providing a consistent first point of contact with the City.
- **Annual Business Survey:** A business retention survey was distributed at the end of September 2025. The survey asked business owners about their general experience operating a business in Citrus Heights. Results established baseline data on business climate, workforce needs, financing needs, and satisfaction with City services. In the first benchmark year, respondents rated overall business satisfaction and business friendliness at 3.5 out of 5. These results will serve as a reference point for tracking trends over time. A follow-up business survey is scheduled for the fourth quarter of 2026 to measure progress and identify emerging business needs
- **Business Safety Hub:** This online resource was launched in collaboration with the Citrus Heights Police Department. The Hub offers businesses access to crime prevention through environmental design (CPTED) resources, retail theft prevention materials, the Chronic Nuisance Offender program, and a dedicated business liaison within the Citrus Heights Police Department. This initiative reinforces the City's commitment to safety and security as a component of economic vitality. Resources from the business safety hub are regularly featured on the Business Bulletin and consistently rank among the most clicked stories.
- **Business Watch Initiative:** Building on the City's Business Safety Hub and CPTED resources, the Citrus Heights Police Department is partnering with the Citrus Heights Chamber of Commerce to develop a Business Watch Program. The program will strengthen communication and collaboration among businesses and public safety partners through crime prevention education, safety resources, and district-level business networks.
- **Quarterly Business Recognition Program:** The Business of Distinction Program has officially launched and recognizes one business per quarter through a City Council proclamation. Since adoption of the Work Plan, Byers Gymnastics has been recognized as the Civic Heights recipient, Honey Donuts as the Legacy Business, and Trust Barbershop as the Pride of Place recipient. The top of the Trade Award will be presented in August 2026 and nominations for Civic Heights Awards are scheduled to open in September 2026. The program provides an ongoing opportunity to recognize businesses that have served the community over many years, reinvested in commercial properties, activated vacant storefront, and contributed to the City's economic vitality.
- **Share Business Success Storie**s: Continued featuring local businesses through Economic Development communications to showcase business success, investment, and the diversity of Citrus Heights' business community. Features have included Honey Donuts, a Business of Distinction Legacy Business honoree operating in Citrus Heights since City incorporation; Beach Hut Deli, highlighted for its participation in May is Bike Month and

connection to the City's trail system; Dirty Locust, a unique home-based plant business offering specialty plants and hands-on bonsai education; Family Learning Lab; Narenj Mediterranean Grocery, which recently expanded its offerings to include a deli; and Sweet Music Studio Café, which provides a local venue for live music. Together, these features highlight business longevity, entrepreneurship, expansion, community involvement, and unique local offerings.

- **Love Local Campaign:** The shop local campaign continued during Auburn Boulevard Phase 2 construction, featuring 20 businesses on the City's website, social media platforms, and newsletter. The campaign highlights resiliency and drives local support during construction impacts. In July 2026, the City launched a citywide phase of the Love Local campaign highlight business across Citrus Heights. Through weekly social media reels, the campaign showcases the customer experience and promotes businesses identified through ongoing outreach and the Business of Distinction Program.
- **Restaurant Grant Outreach:** Staff conducted targeted outreach to promote the California Restaurant Foundation's Restaurant Care Resilience Fund during the June 2026 application period. Information was shared through the City's Business Bulletin, LinkedIn and other social media channels to maximize awareness among eligible Citrus Heights restaurants. Staff also distributed informational flyers during business retention visits and provided one-on-one technical assistance to several restaurant owners, including guidance through the application process and eligibility requirements.
- **Open Data Portal Awareness:** Staff supported promotion of the City's Open Data Portal to increase awareness among residents, businesses, and the development community. The platform is maintained by the City's IT Department, and Economic Development staff helped highlight its value as a business resource. The portal provides public access to real tome zoning information and business license data.

The **Small Business Support & Innovation** section of the Work Plan outlines initiatives like partnerships with Small Business Development Center to host programming, explore potential business incubation and acceleration programs, and support small business participation in community events.

- **Business Support:** Staff have advanced technical assistance efforts informed by feedback in the business retention survey. Survey responses showed interest in support related to social media and marketing. In response, staff released an invitation for proposals from qualified providers to deliver a turn-key technical assistance workshop series. The target launch for the program is early Q4 2026, offering workshops and practical training focused on helping small businesses strengthen their marketing.
- **Economic Development Grants:** Through the Economic Development Support Fund, staff also supported a business-led activation at Smash Sacramento. The fall event brought more than 400 attendees to a local shopping center and created pop-up opportunities for over 25 small business craft and food vendors.
- **Love Local Chamber Membership Sponsorship Pilot:** In July 2026, the City launched the Love Local Chamber Membership Sponsorship Pilot in partnership with the Citrus Heights Chamber of Commerce. The pilot provides eligible first-time storefront businesses with a complimentary one-year Chamber membership, connecting new business owners with networking opportunities, educational programming, and business support resources. The program supports entrepreneurship, encourages early engagement

with the local business community, and advances the Economic Development Work Plan's objective of strengthening small businesses.

- **Food Business Incubation Resources:** To support food entrepreneurs, staff developed and published online resource information connecting prospective food businesses with commercial kitchen operators offering licensed kitchen space, as well as regional food business incubator and accelerator programs such as the Alchemist Community Development Corporation. The resource helps lower barriers to entry for small food businesses by improving access to startup facilities, technical assistance, and business development programs.
- **Chamber of Commerce Business Expo *coming soon* (Q4 2026):** Partnering with the Citrus Heights Chamber of Commerce to facilitate a business expo. This event will serve as a local marketing platform for businesses to increase community visibility, engage in peer-to-peer networking, and showcase products and services to residents.
- **Small Business Technical Assistance & Partnerships:** Expanded efforts to bring locally accessible technical assistance and small business programming to Citrus Heights. The City submitted a Letter of Intent to explore hosting a Small Business Development Center (SBDC) Neighborhood Branch, which could provide regular on-site business advising and connect entrepreneurs with resources for business planning, growth, and access to capital. In parallel, staff is developing a small business workshop series for Q4 2026 focused on practical topics including marketing, business planning, and customer engagement.
- **Small Business Participation in Community Events:** Continued connecting local businesses with vendor and promotional opportunities at community events. As part of the upcoming Auburn Boulevard Complete Streets ribbon cutting, 10 Auburn Boulevard businesses will participate as food vendors, showcasing the corridor's diverse cuisine and introducing attendees to local businesses along the boulevard.

The **Marketing and Placemaking** goals in the work plan include a focus on economic development communications, transforming of spaces through placemaking, and establishing micro- geography-specific spaces, and reimaging spaces to support community and commerce.

- **Sylvan Corners Activation:** Sylvan Corners is a strong example of public–private partnership and grant-leveraged investment. Through an arts and history grant, paired with Activate Auburn grant funds, the City partnered with local businesses to support the installation of three murals and the expansion of patio spaces between DarkHeart Brewing and Ciro's Pizza. These improvements have enhanced the visibility and vibrancy of the corner. The project demonstrates how targeted grant funding, combined with private reinvestment, can catalyze transformation of key nodes into active, community-oriented destinations.
- **Commercial Property Reoccupancy Ordinance:** While not originally included in the Economic Development Work Plan, the Commercial Property Reoccupancy Ordinance emerged as a City Council objective for exploration in response to growing concerns around long-term commercial vacancies. Once identified, staff recognized the opportunity to shape the ordinance as more than a regulatory requirement, positioning it as a flexible, education-forward tool that supports commercial reinvestment, corridor beautification, and overall community vibrancy. Economic Development partnered

closely with the Police Department and Community Development to bring an economic development and placemaking lens to an approach that, in many jurisdictions, is solely regulatory in nature. Outreach and engagement included direct stakeholder communications, coordination with the Citrus Heights Chamber of Commerce and Sunrise MarketPlace, and two public workshops held on August 11, 2025 and December 3, 2025 to gather input and refine the framework.

- **Holiday Seasonal Communications:** Seasonal business communications were coordinated around the winter holiday shopping period, beginning with Small Business Saturday, observed the day after Black Friday, and every weekend thereafter until the weekend before Christmas. Messaging focused on reminding the Citrus Heights community of the economic impact of shopping locally and encouraging residents to support small businesses during the holiday season. Included in these social posts were a series of gift guides featuring local ideas organized by recipient type. The guides were intended to inspire some local gift shopping. The guides were picked up by the Sentinel supporting reach and visibility of the initiative. To support local retail during the spring season, staff developed a Love Local Valentines Day promotional guide.
- **Business Placemaking:** Through the Economic Development Support Fund, the staff supported the installation of a new exterior mural at Aquarium & Reptile Depot. The project enhances the visual character of the commercial and advances the Work Plan's placemaking objectives by encouraging business-led investments that create more vibrant and inviting commercial areas.
- **Social and E-News Business Features and Media Pitching:** Continued using City communications and local and regional media relationships to increase visibility for Citrus Heights businesses and new investment. Staff regularly highlights new openings, expansions, and unique local businesses through social media and e-news communications, while proactively pitching newsworthy business activity to outlets including the Sacramento Business Journal, Sacramento Bee, and Citrus Heights Sentinel. Recent outreach has included proactive media pitching for the Food Truck Plaza and sharing information on incoming businesses such as ATV Wholesale.
- **Love Local Banners- Coming Soon:** Developing a series of Love Local pole banners along Auburn Boulevard featuring local businesses and community imagery. The banners will enhance the corridor’s sense of place, increase visibility for local businesses, and reinforce Auburn Boulevard’s identity as an active commercial corridor and entrance into Citrus Heights.

The **Organizational Culture** goals in the Work Plan reinforce that all City departments are engaged in economic development efforts, as each play a role in supporting business and community vitality. Staff continue to collaborate across divisions on initiatives such as property maintenance and business safety hub. In addition, the City is expanding the use of shared data tools and insights across departments to improve service delivery.

- **Internal Development Services Training:** Coordinated and strengthened cross-department alignment on development processes, customer service, and economic development priorities.

- **Internal Placer.ai Training:** Hosted internal training on Placer.ai to expand staff capacity to use location-based data insights for decision-making, planning, and performance measurement.
- **Livability Summit (External Regional Hosting)**: Supported the Valley Vision/SACOG Livability Summit by participating in a regional panel highlighting Citrus Heights' economic development efforts and cohosting a mixer with the Chamber of Commerce at City Hall to showcase community identity and strengthen regional visibility.
- **Love Local for Lunch:** During National Small Business Week, staff launched the Love Local for Lunch initiative to encourage City employees to support locally owned restaurants and food businesses. An inventory of locally owned Citrus Heights dining establishments was developed and shared with employees to increase awareness of local options and reinforce the City's commitment to supporting small businesses through everyday purchasing decisions.
- **Procurement Outreach:** Economic Development partnered with the General Services Department to support a U.S. Small Business Administration-hosted procurement networking event connecting local businesses with public contracting opportunities. The event provided information on upcoming City capital improvement projects, procurement processes, and bid opportunities, helping local businesses better understand how to compete for public contracts while strengthening the City's local business ecosystem.

18 Month Progress

Economic development outcomes such as vacancy reduction, new business openings, and job growth often trail policy adoption and program launch by 12 to 36 months. As a result, Year One of the Economic Development Work Plan focused intentionally on establishing the regulatory, incentive, and operational foundation necessary to unlock private reinvestment in Years Two and Three.

A key performance objective of the Work Plan is reducing commercial vacancy Citywide, with goals to lower retail vacancy from 12.1 percent to 9 percent and office vacancy from 14.2 percent to 10 percent over the plan period. Q 1 2026 market data showed steady improvement in both categories. Point in time retail vacancy showed a 10.8 percent, and office vacancies were at 9.5 percent, exceeding the plan goal. Current snapshot of those same parameters show retail vacancy at 16.9% and office at 10.7%. While point-in-time vacancy rates can fluctuate with individual tenant openings, closures, and changes in available inventory, staff will continue to monitor vacancy trends over time to assess longer-term market performance. Economic Development will also continue targeted business attraction efforts and collaboration with property owners and brokers to support tenant recruitment, reoccupancy, and investment in key commercial properties.

Attachments

1. Economic Development Work Plan 2025-2027
2. Economic Development Work Plan Dashboard

CITRUS HEIGHTS

ECONOMIC DEVELOPMENT WORK PLAN

2025-2027

The City of Citrus Heights is committed to fostering a thriving, diverse local economy through strategic economic development initiatives that align with the City Council's goals of encouraging private investment, supporting local businesses, and enhancing community vibrancy. This Economic Development Work Plan (EDWP) builds on these priorities, serving as a roadmap for advancing economic opportunities and addressing key challenges over the next three years.

The EDWP framework is guided by five strategic focus areas: Business Attraction & Development Services, Business Retention and Expansion, Small Business Support, Marketing and Placemaking, and Organizational Culture. These focus areas provide a comprehensive structure for the City's efforts, ensuring resources and activities are aligned with the community's long-term economic development goals.

The City's approach reflects its built-out established nature, emphasizing "quality over quantity" in economic development. Strategies focus on revitalizing and reusing existing commercial properties and attracting quality tenants to vacant spaces. Additionally, the plan prioritizes supporting small businesses, marketing the city's assets, and enhancing Citrus Heights' sense of place to drive private investment and create a vibrant, welcoming community.

The EDWP is designed to be dynamic, adapting to changes in market conditions and other external factors. A progress dashboard with specific indicators for each priority area will be used to track activity and outcomes, allowing for regular evaluation and recalibration of initiatives as needed.

By embracing its role as a leader in the region of catalytic economic development and cultivating strong partnerships with public and private entities, Citrus Heights aims to maximize the economic impact of its resources, fill vacant spaces, promote redevelopment and infill opportunities, and grow its status as a dynamic and prosperous community.

The EDWP is informed by the expertise and experience of the City of Citrus Heights staff, data analysis, business stakeholder outreach, and community outreach.

BACKGROUND & DATA

An effective economic development strategy relies on a thoughtful combination of pragmatic commercial real estate assessments, comprehensive demographic data analysis, and a clear community vision. By aligning these elements, the strategy ensures that the right types of businesses are attracted to the area, that growth opportunities are maximized, and that development efforts are in harmony with the needs and aspirations of the community. This approach allows for informed decision-making, a more targeted recruitment strategy, and the creation of a sustainable, thriving local economy that benefits residents, businesses, and the broader region. This section provides an in-depth analysis of Citrus Heights, focusing on its 1.

demographic and economic forecasts, 2. commercial real estate assets, and 3. the community's priorities and aspirations.

1. CITRUS HEIGHTS DEMOGRAPHIC & INDUSTRY DATA OVERVIEW

Demographic and economic data are essential for shaping economic development strategies, especially in retail attraction, where population size, income levels, and spending power drive business decisions. In Citrus Heights, workforce trends, education levels, and cost of living factors also influence job growth, workforce retention, and the city's ability to attract new businesses that align with community needs.

Citrus Heights has a population of 87,127 residents, with a labor force of 45,965 and a labor force participation rate of 64.6%. The city's median household income is $75,022, and the median home value is $407,500, making it relatively affordable compared to surrounding communities in the Sacramento region. Educational attainment levels show that 22.1% of residents aged 25-64 hold a bachelor's degree or higher, which is below the national average of 35.8% and the Sacramento metro area's rate of 33.3%. This education gap presents an opportunity for workforce training programs and partnerships with local institutions to increase access to higher-wage employment opportunities.

While total employment in Citrus Heights has grown by 2.5% year-over-year, reaching 19,926 jobs, the cost of living is 24.7% higher than the national average. This dynamic impacts resident's purchasing power and workforce retention efforts, underscoring the need for workforce development initiatives and an increase in local jobs that provide sustainable wages.

Data Source: JobsEQ

1a. TOP INDUSTRY CLUSTERS BY EMPLOYMENT

The following five industry clusters represent the city's most established economic drivers by job count. These industries form the foundation of the local economy and will continue to play a significant role in employment, business growth, and economic stability. Top industry clusters are measured by employment volume as well as location quotient (LQ). A location quotient greater than 1.0 indicates that the City has a higher concentration of employment in a particular industry or occupation than the nation;

Source: JobsEQ

1. Healthcare and Social Assistance

Healthcare is the largest employment sector in Citrus Heights, accounting for 4,901 jobs, or 24.6% of the total workforce. With a location quotient of 1.65, this industry has a higher concentration locally than the national average. The city's aging population (20.6% over 60) is driving demand for expanded medical services, specialized senior care, and home health solutions. The sector has grown by 5.2% over the past five years, with continued expansion expected, making healthcare a priority for workforce development and business recruitment.

Example business use types include hospitals, medical and diagnostic laboratories, nursing care facilities, home health care services, and outpatient care centers.

2. Retail Trade

Retail remains a dominant industry, employing 4,240 workers and accounting for 21.3% of total employment. Citrus Heights is a strong regional shopping hub, anchored by Sunrise Marketplace. However, shifting consumer preferences and e-commerce trends have led to a 0.34% projected decline in employment, emphasizing the need for retail revitalization and adaptation to new consumer behaviors.

Example business use types include department stores, specialty food stores, clothing stores, electronics and appliance stores, and building material and garden equipment dealers.

3. Accommodation and Food Services

Citrus Heights' hospitality and food services sector plays a key role in both local economic activity and regional tourism. This sector provides 2,814 jobs, supporting both local demand and tourism-related activity. While the restaurant industry remains strong, Citrus Heights has limited hospitality infrastructure (no hotels and one motel). The sector has seen a 4.1% employment increase over the past five years, indicating opportunities for hospitality expansion, entertainment venues, and event spaces to increase economic activity.

Example business use types include full-service restaurants, limited-service restaurants, caterers, hotels (except casino hotels), motels, and drinking places serving alcoholic beverages.

4. Professional, Scientific, and Technical Services

The professional services sector provides a wide range of high-skill, high-wage jobs in industries such as legal, accounting, consulting, and engineering services. This sector plays a critical role in the local economy, employing 10.3% of the workforce. The industry has grown 7.5% since 2018, fueled by increasing demand for remote work support, business-to-business services, and IT consulting.

Example business use types include legal services, accounting and tax preparation, payroll services, management consulting services, advertising and public relations firms, and architectural and engineering services.

5. Administrative and Support Services

Administrative and support services are key business-to-business industries, providing back-office operations, employment services, and customer service functions. This industry cluster employs nearly 8% of the city's workforce. Over the past five years, the sector has added more than 300 jobs, supported by affordable office space and the city's proximity to Sacramento's economic hub.

Example business use types include employment placement agencies, telemarketing bureaus, document preparation services, and call centers.

1B. TOP TARGET GROWTH SECTORS IN CITRUS HEIGHTS

As Citrus Heights looks to expand its economic base, targeting industries with high growth potential will be critical for job creation and business attraction. Citrus Heights has several strong and emerging industry sectors that serve as key drivers of economic activity. These sectors offer high

employment concentrations, regional competitiveness, and opportunities for future growth. The following sectors have been identified based on location quotient (or LQ), employment levels, occupational strengths, and alignment with regional economic priorities.

Health Care and Social Assistance

The health care and social assistance sector is one of the most prominent industries in Citrus Heights, with a high employment concentration of 4,901 jobs and an LQ of 1.65, indicating that this sector is significantly more concentrated in Citrus Heights compared to the national average. Occupational strengths in human services and health sciences provide a strong talent pipeline for continued growth in this sector, with average wages ranging from $44,700 to $84,900.

This sector aligns with the Greater Sacramento Economic Council's (GSEC) regional clusters, positioning Citrus Heights as a strong player in the expansion of medical services, senior care, and specialized health care innovation. Given the city's aging population and demand for accessible medical services, further investment in healthcare facilities, medical technology, and workforce development programs could drive continued economic growth.

Consumer Services: Arts, Entertainment, and Recreation

Citrus Heights is a regional hub for consumer services, arts, entertainment, and recreation, with a high industry concentration (LQ 2.50) and a consumer services cluster LQ of 1.52. This sector employs 4,622 workers, demonstrating a strong local market for hospitality, tourism, and entertainment-related businesses.

The city's existing event spaces and recreational facilities contribute to its reputation as a destination for consumer services. With increasing demand for experiential retail, leisure activities, and arts-driven commerce, there is potential to expand entertainment venues, cultural attractions, and nightlife options to further capitalize on the city's strengths. Targeted incentives and placemaking strategies could help attract new entertainment and recreation-based businesses, enhancing Citrus Heights' position as a vibrant regional center for consumer experiences.

Retail

Retail remains a core economic driver for Citrus Heights, with an LQ of 2.17 and an employment base of 4,340 workers. The city serves as a regional shopping destination with major retail corridors and centers like Sunrise Marketplace.

Despite slower growth in the retail sector overall, opportunities exist in specialty retail, experience-driven shopping, and hybrid business models that blend retail, dining, and entertainment. Additionally, retail expertise and sales skills can translate into workforce mobility across other industries, such as hospitality and business services. The city's focus on revitalizing commercial corridors, improving shopping center aesthetics, and attracting high-quality tenants will be critical in sustaining retail's role as an economic pillar for Citrus Heights.

Financial and Professional Services

The financial and professional services sector is an area of high-value growth potential for Citrus Heights. With an average wage exceeding $114,000, this sector provides some of the highest-

paying jobs in the region. While total employment in this sector is smaller compared to retail and health care, the combined financial and professional services clusters account for over 2,000 jobs and are positioned for continued expansion.

This sector aligns with Greater Sacramento Economic Council's regional focus on tech, mobility, and advanced business services, creating opportunities for Citrus Heights to attract finance, legal, and professional consulting firms. The forecasted growth rate for this cluster is among the highest in the city, second only to health care. Expanding Class A and modern office spaces, as well as supporting flexible co-working environments, could further facilitate business retention and attraction in this high-wage sector.

Entrepreneurship and Start-Ups

Citrus Heights has an opportunity to foster entrepreneurship and start-ups by leveraging its existing industry strengths while addressing challenges related to limited commercial real estate inventory. Supporting emerging businesses in consumer services, health care, and professional services will help reinforce the city's economic base while creating pathways for job creation and innovation.

Expanding business incubation programs, access to capital, and networking opportunities for entrepreneurs can help drive local business development. With rising demand for flexible workspaces and e-commerce opportunities, the city can play a key role in supporting small business growth through targeted incentives, co-working hubs, and digital infrastructure enhancements.

Source: JobsEQ & analysis by Greater Sacramento Economic Council research team

These five key sectors represent Citrus Heights's strongest areas of economic opportunity. The city can foster a diverse, resilient, and forward-thinking economy by aligning business attraction strategies, workforce development initiatives, and targeted incentives with these high-growth industries.

Workforce Development and Economic Resilience

A skilled and adaptable workforce is essential for sustaining economic vitality, and Citrus Heights can play a role in aligning training programs with high-growth industries to support local employment opportunities. Strengthening partnerships with institutions like the Los Rios Community College District, Sacramento State University, and UC Davis can help bridge skill gaps in key sectors such as healthcare, professional services, and construction. Expanding career pathways in healthcare and human services aligns with the sector's strong job growth, while investing in workforce training for skilled trades and infrastructure projects can drive expansion in the construction industry. Additionally, workforce attraction and retention efforts are increasingly important, given the city's cost of living is 24.7% higher than the national average. By supporting these initiatives, Citrus Heights can enhance economic resilience, attract new businesses, and ensure that residents have access to sustainable, high-quality job opportunities.

The comprehensive demographic and economic analysis above provides a data-driven foundation for a targeted business recruitment strategy. By leveraging industry trends, workforce insights, and commercial opportunities, the Economic Development Work Plan will outline pragmatic actions to

attract businesses, and advance economic development goals. This approach ensures sustainable job growth, business retention, and long-term economic resilience for Citrus Heights.

2. CITRUS HEIGHTS COMMERCIAL REAL ESTATE OVERVIEW

Economic development is dependent on businesses having access to real estate that meets their needs. In Citrus Heights, commercial property availability and condition shape business attraction, retention, and overall economic vitality. The city must balance a strong retail legacy with shifting consumer trends, adapt to evolving office demand, and navigate a highly constrained industrial market. Understanding these dynamics is key to positioning Citrus Heights for long-term growth. The following sections examine the retail, office, and industrial markets, highlighting key trends and opportunities for strategic investment.

2.a RETAIL REAL ESTATE

Citrus Heights' retail market is at a pivotal moment, balancing the challenges of an aging commercial inventory with opportunities to attract new tenants and adapt to shifting consumer trends. As of January 2025, the city's retail vacancy rate stands at 12.1%, reflecting a slight increase over previous periods and continuing an upward trend from pre-pandemic levels when vacancy rates hovered around 9-10%. Currently, 725,069 square feet of vacant retail space (across a total market of about 6 million square feet) highlight ongoing shifts in retail demand, with larger vacancies persisting in legacy shopping centers that require repositioning to attract new tenants.

Comparatively, the Sacramento region retail market maintains a lower 6.4% vacancy rate as of January 2025, a figure that has remained relatively stable over the past few years. The region's limited new retail construction and resilient leasing market have contributed to this lower vacancy rate. Discount retailers, grocery stores, and quick-service restaurants have been among the most active tenants, while larger anchor spaces continue to pose leasing challenges. Rent growth in the region has been modest at 1.1% year-over-year, lagging behind the national average of 1.8%, signaling a softening in retail demand despite stable occupancy rates.

Looking at historical trends, Citrus Heights' retail sector has struggled with higher-than-average vacancy rates compared to the broader Sacramento region, reflecting the aging commercial inventory and the challenges of repositioning older retail centers. Adaptive reuse strategies and targeted business attraction efforts are increasingly necessary to fill larger spaces and revitalize underperforming retail corridors. Given the Sacramento market's tight retail space availability, Citrus Heights has an opportunity to attract businesses seeking expansion outside of the metro core.

A retail property's location and physical condition remain critical factors influencing occupancy and long-term success. Prominent destination centers like Citrus Town Center, Sunrise Village, and Marketplace at Birdcage benefit from prime locations, strong tenant mixes, and consistent property maintenance, allowing them to remain competitive. However, retail trends continue to evolve, emphasizing mixed-use integration, experiential shopping, and digital adaptation.

In contrast, neighborhood retail centers present a wider range of conditions, with some maintaining high occupancy while others struggle with vacancies and visible signs of neglect. For these underperforming properties, targeted reinvestment—such as façade updates, landscaping improvements, and enhanced pedestrian access—can play a crucial role in attracting tenants and revitalizing commercial activity.

Exploring opportunities to encourage higher property maintenance standards, including potential refinements to municipal code enforcement approaches, could further support efforts to improve underutilized centers. By recognizing the critical relationship between location, property upkeep, and occupancy, the city can better support strategies that sustain a thriving retail environment and ensure long-term economic vitality.

Quick Guide to Retail Recruitment

Retail recruitment is a strategic process that involves attracting businesses to a market while ensuring long-term viability. Successful recruitment requires understanding key factors that influence site selection, market demand, and business sustainability.

Key Retail Recruitment Factors:

- Trade Area Requirements: Retailers analyze trade areas—geographic regions from which they draw customers—based on population density, demographics, traffic patterns, and spending power. The size of the trade area depends on the business type; for example, convenience stores need smaller trade areas than regional shopping centers.
- Cannibalization: When a retailer considers opening a new location, they assess whether it will take away sales from an existing store. Companies aim to expand their footprint without oversaturating a market, which can reduce profitability for all locations.
- Co-Tenancy & Complementary Retail Mix: Retailers prefer locations with strong anchor tenants or complementary businesses that drive customer traffic. For example, a fitness center near a health food store creates synergy that benefits both businesses.
- Market Gap Analysis: Cities and developers use gap analyses to identify underserved retail categories, helping recruit businesses that fill consumer demand without excessive competition.
- Site Selection Criteria: Retailers evaluate visibility, accessibility, parking, zoning regulations, and infrastructure when choosing a location. Factors like major roadway access, traffic counts, and adjacent land uses impact site desirability.
- Retailer Expansion Strategies: National brands and franchises follow structured expansion plans based on growth potential, existing market performance, and corporate objectives. Cities that align incentives and regulatory processes with these strategies improve recruitment success.
- Local Incentives & Support: Competitive cities offer economic development tools such as grants, tax incentives, and infrastructure improvements to attract and retain retailers. Business-friendly permitting and zoning policies also enhance recruitment efforts.

Understanding these factors helps local governments and economic developers create effective strategies to attract and sustain retail businesses, ensuring a vibrant commercial environment that meets community needs.

2.b OFFICE REAL ESTATE

Over the past decade, the Citrus Heights office market has evolved in response to economic cycles, business trends, and broader shifts in workplace behavior. Historically, the market maintained moderate but steady demand, with vacancy rates averaging between 8% and 10% from 2013 to 2019. During this period, leasing activity was driven largely by local professional services, medical offices, and small businesses seeking cost-effective alternatives to downtown Sacramento. Rental rates followed a gradual upward trend, with average asking rents increasing from approximately $1.50 per square foot in 2015 to $1.75 by late 2019, reflecting steady market confidence.

However, the onset of the COVID-19 pandemic in 2020 fundamentally altered the office landscape, leading to an abrupt decline in occupancy across the region. Citrus Heights, like many suburban markets, experienced a surge in office vacancies, rising to nearly 15% by early 2021, as businesses restructured their work environments, embraced hybrid work models, or downsized their office footprints. Despite these challenges, the impact in Citrus Heights was comparatively less severe than in downtown Sacramento, where vacancy rates surpassed 20% amid widespread corporate downsizing and a shift away from large-scale office leases.

Post-pandemic, the Citrus Heights office market has remained in a period of adjustment. While some businesses have returned to physical offices, demand patterns have changed, favoring smaller, flexible spaces over traditional large office footprints. Over the past year, vacancy rates have increased modestly from 12.8% in early 2024 to 14.2% in early 2025, a reflection of ongoing hybrid work adoption and a measured pace of office space absorption. The Citrus Heights-Orangevale submarket has seen a slightly higher vacancy rate of 15.1%, signaling some softening in demand, though still more favorable compared to the Sacramento metro area's 18.7% vacancy rate.

Leasing activity remains selective but steady, with demand concentrated in professional services, healthcare, and small-to-mid-sized businesses seeking cost-effective suburban office locations. Larger office spaces, particularly those exceeding 10,000 square feet, remain more difficult to lease, aligning with national trends as companies reassess their long-term office needs. To maintain competitiveness, landlords are offering flexible lease terms, tenant improvement packages, and attractive rental incentives, ensuring that Citrus Heights continues to present an affordable and accessible alternative within the region.

The comparison between pre- and post-pandemic conditions highlights a key structural shift: while Citrus Heights historically benefited from steady occupancy and rising rental rates pre-2020, the market today is shaped by tenant preferences for flexibility, increased remote work adoption, and a slower overall recovery in office demand. The pre-pandemic vacancy rate of 8-10% may not return in the near term, but the market's adaptability and affordability provide stability in contrast to the downtown Sacramento office sector, which continues to experience deeper challenges.

Looking ahead, the Citrus Heights office market is expected to remain resilient but evolving. Medical office space has been a strong performer, with sustained demand from healthcare providers. There is growing interest in adaptive reuse strategies, such as repurposing traditional office spaces into mixed-use, medical, or flex-office configurations. While leasing activity is not accelerating at a rapid pace, Citrus Heights remains well-positioned within the regional office landscape, offering cost-effective options for tenants prioritizing affordability and convenience.

As the broader office market continues to adjust to long-term workplace trends, Citrus Heights' suburban appeal, competitive pricing, and adaptable office spaces will remain key strengths. With a tenant base focused on flexibility and affordability, the market is likely to see stabilization in vacancy rates over the next two years, with potential declines to the 10-12% range if economic conditions strengthen. While the long-term trajectory of office demand remains uncertain, the city's suburban character and cost advantages will continue to support steady levels of interest from tenants navigating the evolving workplace landscape.

Quick Guide to Office User Recruitment

Recruiting office tenants requires a strategic approach that aligns market demand with site selection criteria, workforce availability, and real estate conditions. The quality and readiness of available office space significantly impact tenant attraction, influencing which businesses choose to locate in a given area.

Key Office Recruitment Factors:

- Workforce Availability & Labor Market Fit: Employers prioritize locations with access to a skilled workforce aligned with their industry needs. Cities with strong talent pools in key sectors—such as healthcare, finance, or professional services—are more attractive to office users.
- Trade Area & Market Demand: Office users analyze trade areas based on employee commute patterns, client access, and business clustering. Proximity to transit, major highways, and workforce hubs significantly impacts location decisions.
- Office Space Condition & Classifications: Office spaces are categorized based on quality, amenities, and infrastructure, which directly influence the types of tenants they attract:
    - Class A: High-end, modern buildings in prime locations with premium amenities, advanced infrastructure, and strong property management. These spaces appeal to corporate headquarters, financial firms, and professional service providers.
    - Class B: Well-maintained buildings with functional layouts, though they may lack high-end finishes or prime locations. These spaces attract mid-sized businesses, growing firms, and back-office operations.
    - Class C: Older buildings with minimal updates, lower lease rates, and limited amenities. These often require renovations and typically attract startups, nonprofits, and cost-sensitive tenants.

- Hybrid Work & Office Space Demand: The rise of remote and hybrid work models has shifted office leasing trends. Many businesses now seek smaller, high-quality spaces with flexible layouts, collaboration areas, and enhanced amenities rather than large, traditional office footprints.
- Co-Tenancy & Industry Clustering: Office tenants prefer locations near complementary businesses or industry hubs that provide networking, collaboration, and talent-sharing opportunities. For instance, medical offices benefit from proximity to hospitals and clinics.
- Local Incentives & Business Support: Competitive cities offer economic development tools such as tax incentives, relocation grants, and workforce training programs to attract office tenants. A business-friendly permitting and entitlement process can further enhance recruitment success.

By understanding these factors and ensuring a strong mix of high-quality office spaces, local governments, and property owners can create targeted strategies to attract office users, fill vacancies, and drive commercial growth.

2.c INDUSTRIAL REAL ESTATE

The industrial real estate market in Citrus Heights is exceptionally small, with only 11 industrial properties in the entire city. Unlike larger industrial hubs in the Sacramento region, Citrus Heights has historically been a suburban retail and residential community with minimal industrial activity. Over time, the industrial sector has remained stable but highly constrained, as the city has little available land for expansion.

As of early 2025, the Citrus Heights industrial market continues to be one of the smallest in the region. The limited supply has led to extremely low vacancy rates and steady rental growth as businesses compete for the few available spaces. The market primarily serves local and regional businesses needing small-scale industrial or flex space rather than large warehouse or logistics operations. Rent growth has been consistent due to persistent demand, but the lack of new development options means businesses requiring more space often have to relocate elsewhere. The constrained inventory also limits Citrus Heights' ability to participate in regional business attraction efforts for key industry clusters such as mobility, advanced manufacturing, agriculture, and ag tech, which require larger-scale industrial facilities and specialized infrastructure.

Looking ahead, the lack of industrial space will continue to constrain economic opportunities in the sector. While adaptive reuse of commercial or retail properties could help address some demand, traditional industrial expansion remains highly unlikely. Nearby submarkets such as McClellan, West Sacramento, and Rancho Cordova—which offer significantly more industrial space—will continue to absorb businesses looking for larger facilities, leaving Citrus Heights with a niche role in the broader regional industrial market.

Source for all commercial real estate information and data: CoStar

Quick Guide to Industrial User Recruitment

Recruiting industrial tenants requires a strategic approach that aligns market demand with site selection criteria, logistics needs, and infrastructure capabilities. Industrial users—manufacturers,

logistics firms, and warehouse operators—prioritize locations supporting efficient operations, workforce availability, and long-term growth potential.

Key Industrial Recruitment Factors:

- Site Selection & Infrastructure Readiness: Industrial users evaluate access to major highways, rail lines, ports, and airports for efficient distribution. Sites must also accommodate large truck traffic, offer ample loading dock space, and have the necessary utilities (power, water, gas, broadband) to support operations.
- Zoning & Land Use Compatibility: Industrial businesses require properly zoned land that permits manufacturing, distribution, and warehousing activities. Cities that streamline industrial zoning approvals and offer flexibility in land use attract more investment.
- Building Classifications & Suitability:
    - Class A: Newer, state-of-the-art facilities with modern amenities, high ceilings (32+ feet), energy-efficient features, and strong connectivity. These spaces appeal to large-scale logistics, e-commerce, and advanced manufacturing users.
    - Class B: Functional but older industrial spaces with lower ceiling heights, fewer modern features, and some deferred maintenance. Often suitable for smaller manufacturers, suppliers, and local distributors.
    - Class C: Outdated facilities with limited infrastructure that require significant upgrades. These attract cost-sensitive users or businesses with less intensive operational needs.
- Workforce Availability & Labor Market Fit: Industrial users prioritize locations with a strong blue-collar workforce skilled in manufacturing, logistics, and supply chain management. Workforce training programs and partnerships with trade schools enhance recruitment appeal.
- Supply Chain & Logistics Access: Proximity to suppliers, customers, and transportation hubs is a key factor in industrial site selection. Cities with robust logistics infrastructure can attract large-scale distribution centers and manufacturers.
- Industrial Market Demand & Competition: Cities must assess vacancy rates, absorption trends, and rental pricing to position themselves competitively. A lack of available industrial space may require investment in new developments or repurposing underutilized properties.
- Sustainability & Energy Efficiency: Green industrial development, including solar energy integration, LED lighting, and water conservation measures, is increasingly attractive to tenants with corporate sustainability goals. LEED-certified industrial facilities have a competitive edge.
- Building Size & Customization Options: Industrial users require flexibility in space configurations, including the ability to expand operations. High-clearance ceilings, large bay spacing, and adaptable floor plans make properties more attractive.

- Incentives & Business-Friendly Policies: Competitive cities offer tax incentives, infrastructure support, and workforce development assistance to attract industrial tenants. Fast-tracking permitting processes and reducing regulatory burdens also enhance recruitment efforts.

By addressing these key factors, local governments and economic developers can position their communities as prime destinations for industrial investment, job creation, and economic growth.

3. STAKEHOLDER INPUT

The economic development work plan is informed by input from the City Council, business community, and residents to reflect shared priorities. Ongoing outreach helps ensure the plan supports local businesses, economic growth, and community objectives.

3.a DEVELOPMENT & BUSINESS COMMUNITY FEEDBACK

In late 2024, the Community Development and Economic Development and Community Engagement Departments conducted extensive stakeholder outreach to property owners, managers, brokers, and prospective business representatives to identify challenges and opportunities within Citrus Heights' regulatory and development processes. Engagement included surveys, interviews, and tracking inquiries from prospective businesses to better understand barriers to filling vacancies and streamlining development.

Key Insights from Stakeholders:

- Evolving Retail Landscape: Stakeholders emphasized the challenges posed by aging retail spaces, which require significant investment to adapt to modern retail demands or alternative uses. Building and fire code compliance, especially the cost of retrofitting fire sprinklers for non-retail uses, was noted as the most significant obstacle to repurposing retail spaces.
- Responsive City Staff: Stakeholders praised City staff for being problem-solvers and responsive to development concerns, often working creatively within regulations to facilitate projects while maintaining community standards.
- Emerging Uses: Innovative uses, such as immersive entertainment and axe-throwing venues, present opportunities but often face zoning and regulatory hurdles due to their unconventional nature.
- Increased Demand for Drive-Thrus: Stakeholders highlighted a need for greater flexibility in approving drive-through uses, reflecting changing consumer behaviors since the pandemic.

Challenges Identified:

- Permitting Complexity: Many new business owners struggle with navigating building and fire codes, often due to low budgets or unfamiliarity with permitting processes, which can delay or deter projects.
- Zoning Thresholds: Rigid thresholds in the Zoning Code, such as square footage limits requiring Use Permits, were cited as unnecessarily burdensome for minor overages.

- Flat-Rate Fees: Current flat-rate planning entitlement fees were seen as disproportionately high for simpler projects, creating cost barriers for smaller businesses.
- Limited Light Industrial Opportunities: While growth potential exists for light industrial and manufacturing sectors, the city's built out, suburban character limits compatible locations for such uses.

This outreach underscores the need for nimble, proactive approaches to address evolving market demands, streamline regulatory processes, and enhance Citrus Heights' ability to attract and retain diverse business uses.

3.b RESIDENT FEEDBACK

Resident sentiment data gathered through a recent FlashVote survey (January 2025) provides valuable feedback and insights into residents' perspectives on economic development in Citrus Heights. The survey revealed a generally neutral sentiment toward current shopping and dining options, with an average satisfaction rating of 3.04 out of 5. Younger residents, particularly those aged 35 and under, expressed a slightly higher satisfaction level than other age groups.

When asked about barriers to shopping and dining more frequently within the city, respondents highlighted two primary concerns: the lack of higher-end stores and restaurants and the need for renovations to shopping centers and storefronts. These findings indicate that addressing aesthetic and quality issues in commercial areas could significantly improve local engagement with businesses.

Residents also voiced a strong desire for additional restaurants, cafes, entertainment, and recreational options. This preference underscores the community's interest in diversifying and enhancing the local retail and dining landscape. To attract these desired businesses, respondents identified three key priorities: improving the appearance and cleanliness of commercial areas, upgrading infrastructure, and enhancing safety in these spaces.

This feedback provides a clear mandate for targeted economic development efforts that focus on revitalizing commercial areas, addressing community needs for modern amenities, and creating an inviting and safe environment to attract both businesses and customers.

3.c CITY COUNCIL FEEDBACK

The City Council's feedback on economic development priorities for Citrus Heights aligns with a strategic approach centered on business attraction and retention, infrastructure and zoning improvements, community engagement, and overall economic vitality. Their collective input highlights several key focus areas that will shape the City's Economic Development Work Plan, ensuring a strong and resilient local economy.

A primary focus is fostering a thriving business environment that attracts and retains businesses aligned with the City's long-term vision. Councilmembers expressed a strong interest in proactively recruiting businesses that enhance the City's economic landscape, rather than waiting for opportunities to emerge. There is a desire to support a diverse range of businesses, from small, neighborhood-serving enterprises to larger commercial investments that contribute to a vibrant and sustainable economy. Expanding business incentive programs, streamlining permitting

processes, and enhancing marketing efforts to showcase Citrus Heights as a prime business destination were identified as key strategies to improve the overall business climate.

Another critical priority is commercial corridor revitalization and infrastructure investment to enhance the aesthetic appeal, functionality, and long-term viability of the City's business districts. Councilmembers highlighted the need for targeted improvements to key corridors, including upgrading streetscapes, enhancing public spaces, and ensuring commercial areas remain competitive and attractive for both businesses and consumers. There is strong support for policies that encourage mixed-use development, allowing for more dynamic and pedestrian-friendly environments that blend retail, office, and residential uses. Additionally, modernizing zoning regulations to support business growth and increasing investment in transportation and mobility solutions, such as public transit and walkability enhancements, were identified as long-term strategies for economic sustainability.

Enhancing community engagement and business collaboration emerged as a key theme, with an emphasis on strengthening relationships between the City, business owners, and residents. Councilmembers underscored the importance of regular dialogue with local businesses through structured engagement opportunities, such as business roundtables and partnerships with economic development organizations. Increasing outreach efforts to better understand why businesses choose Citrus Heights or opt for other locations will help refine attraction strategies and ensure business retention. Additionally, fostering a strong local business network, supporting entrepreneurs, and encouraging collaboration between the public and private sectors will contribute to a more resilient and interconnected economy.

A focus on industry diversification and workforce development was also emphasized as a pathway to long-term economic stability. Councilmembers highlighted the importance of attracting a mix of industries that align with regional trends, such as technology, education, healthcare, and creative industries. Investing in workforce development programs, including trade schools, job training initiatives, and partnerships with educational institutions, will help prepare residents for emerging job opportunities while strengthening the local talent pipeline. Supporting entrepreneurs and home-based businesses through mentorship programs and business resource networks was also identified as a strategy to cultivate economic growth and innovation.

Finally, quality of life and economic resilience remain central to the City's economic development approach. Ensuring that economic initiatives benefit the broader community by enhancing safety, accessibility, and public spaces is a priority. This includes maintaining clean and well-lit commercial areas, activating vacant properties for temporary community-oriented uses, and integrating sustainable development practices into the City's economic strategy. Encouraging businesses to engage in community-oriented initiatives and supporting economic equity through targeted development efforts will help ensure that all residents benefit from economic growth.

The City Council's input underscores a comprehensive approach to economic development, balancing business attraction, infrastructure investment, community engagement, industry diversification, and quality of life improvements. These priorities will serve as guiding principles in the development of the Economic Development Work Plan, ensuring that Citrus Heights remains a competitive, vibrant, and economically resilient city.

Community feedback played a critical role in shaping the priorities and recommendations outlined in the Economic Development Workplan. Input from residents, businesses, and stakeholders helped identify key challenges, opportunities, and areas for investment, ensuring that the plan reflected the community's needs and aspirations.

A note on the Sunrise Tomorrow Specific Plan: The Sunrise Tomorrow Specific Plan represents a transformative economic development opportunity for Citrus Heights, positioning the former mall site as a catalyst for revitalization and long-term growth. Given the scale and significance of this project, specific actions and direction for its advancement will take place through the City Council's annual strategic planning process and other public meetings. This ensures a nimble and rapid response to emerging opportunities, allowing for timely decision-making, resource allocation, and policy adjustments that drive efficient project implementation, rather than confining progress within the broader three-year Economic Development Work Plan framework. It is also important to note that much of the analysis and initiatives outlined in this work plan are aligned with and will naturally benefit the Sunrise Tomorrow project, supporting business attraction efforts, infrastructure investments, and workforce development that align with the vision for the site. For more information and updates on the Sunrise Tomorrow Specific Plan, visit www.sunrisetomorrow.net

ECONOMIC DEVELOPMENT WORK PLAN: IMPLEMENTATION FRAMEWORK

The Citrus Heights Economic Development Work Plan (EDWP) implementation framework provides a strategic approach to strengthening the local economy through business growth, investment, and community vitality. Informed by demographic and economic data, real estate assessments, and community feedback, the plan aligns economic initiatives with the city's unique market conditions and opportunities.

With input from stakeholders and industry best practices, the EDWP builds on ongoing efforts to attract and retain businesses, foster entrepreneurship, and streamline development processes. It prioritizes practical, data-driven strategies to support economic growth, enhance business opportunities, and create a welcoming environment for investment.

The plan is organized around five key focus areas: Business Attraction and Development Services, Business Retention and Expansion, Small Business Support and Innovation, Marketing and Placemaking, and Organizational Culture. Each area includes clear implementation steps and measurable outcomes to ensure accountability, track progress, and drive long-term economic success in Citrus Heights.

1. BUSINESS ATTRACTION & DEVELOPMENT SERVICES

Citrus Heights hosts various commercial real estate opportunities, ranging from prime retail corridors and neighborhood service centers to adaptable office spaces. By aligning available properties with high-demand industry segments—such as dining, breweries and nightlife, entertainment, healthcare, and professional services—the city can enhance its economic base and meet the community's evolving needs.

The following are recommended actions to advance business attraction in Citrus Heights:

I. Improve Regulatory Processes to Support Business Development

Efficient regulations are key to attracting and retaining businesses. Burdensome processes can delay projects, drive up costs, and discourage investment. By reducing red tape, clarifying requirements, and streamlining approvals, Citrus Heights can create an even more business-friendly environment that supports growth and development.

a. Streamline City Zoning and Permit Processes to Support Business Recruitment and Retail-Compatible Uses

The City of Citrus Heights offers simple and low-barrier zoning and permit processes but always seeks improvement. The Community Development and Economic Development departments have gathered feedback from the development community and conducted analysis, leading to new recommendations for improvement. By streamlining approvals, increasing flexibility, and clarifying guidelines, the city can further attract diverse businesses, repurpose existing spaces, and enhance economic growth while reducing barriers for developers and property owners.

Implementation steps (as detailed in Attachment 1):

- **Allow Minor Use Permits (staff level) for uses that currently need Use Permits** (Planning Commission level), especially for uses that fit well in retail areas, particularly within existing buildings.
- **Update the Zoning Code to allow the Community Development Director to approve uses that exceed current use Permit thresholds,** as long as the use is compatible with its surroundings and won't negatively impact the community (up to a 75% increase from the threshold).
- **Update the Land Use Table in the Zoning Code** to include non-retail uses suitable for retail areas but not currently listed.

Recommendation: To streamline the approval process and better align the Zoning Code with current retail trends, it is recommended that Community Development staff bring forward the above implementation steps for City Council consideration and approval.

b. Partner and Advocate to Streamline Third Party Agency Regulations and Processes

Collaboration with partner agencies is essential to creating a business-friendly environment and fostering economic growth in Citrus Heights. By identifying and addressing burdensome or unnecessary regulations and processes, the city can remove barriers to investment, encourage development, and support the success of local businesses. Reform efforts improve efficiency and demonstrate the city's commitment to being a proactive and supportive partner. Citrus Heights can ensure its regulatory environment aligns with modern business needs and community priorities through partnerships with regional agencies and stakeholders.

Implementation Steps

- **Perform an inventory of third-party agency regulations** that currently guide development processes and collaborate to review and reform regulations that impact businesses and development projects, focusing on eliminating unnecessary steps or duplicative requirements.
    - **Work with Sacramento Metro Fire District** to simplify and clarify fire code compliance for infill and redevelopment projects (background information for this item is included in Attachment 1)
    - **Collaborate with the Sacramento County Health Department** to identify opportunities to streamline health permitting and inspection processes, reducing delays and minimizing barriers for food-related businesses and other health-regulated developments.
- **Advocate for state or regional policy changes** that promote economic development while maintaining safety and environmental standards.

II. Implement Refreshed Business Recruitment Strategy

A comprehensive business recruitment strategy focuses on preparing target sites for development, fostering strong partnerships with property owners, and increasing outreach efforts to attract businesses in target industries. By enhancing marketing efforts, participating in trade shows, and conducting direct outreach, the city can connect with prospective businesses and showcase Citrus Heights as a desirable location. Cultivating a referral network of brokers, industry professionals, and regional partners further amplifies recruitment efforts, ensuring vacancies are filled strategically to align with economic development goals and community needs.

Implementation steps:

- **Identify high-priority target sites** for reuse and **perform an assessment** of property needs to attract target industry businesses
- **Coordinate with property owners** to maximize the use of available City incentives and resources (including façade improvement grants and other financial support of retail building reinvestment) and along with other potential regional, state, and federal tools
- **Source and implement market intelligence software** to enhance data-driven prospecting and gain access to insights on market demand to strengthen recruitment efforts and improve engagement with prospective businesses.
- Conduct targeted, **proactive outreach** to attract tenants and fill vacancies efficiently
- **Cultivate third-party referral network** through marketing, communications, and relationship management
- Continually **promote Citrus Heights** and its business opportunities at events and trade shows that allow connections and relationships to be built in the targeted industries

III. Adopt additional tools to incentivize near-term investment in Citrus Heights

Local governments can differentiate themselves in competitive markets by leveraging strategic tools and incentives that attract and retain businesses. Financial incentives, tailored support programs, and targeted resources create a business-friendly environment, making investment more appealing and driving long-term economic growth.

a. Reestablish the Business Attraction Incentive Program

Building on the proven success of the Business Attraction Incentive Program, Citrus Heights will continue leveraging financial tools to attract targeted industries and activate key commercial spaces. The program has already helped bring new business to the city, boosting economic growth and revitalizing underutilized properties. The city will further position itself as a competitive destination for business investment by reestablishing this initiative.

Implementation Steps:

- **Actively recruit businesses** in high-priority sectors, such as restaurants, breweries, and entertainment, by offering grants and other financial incentives
- **Identify and promote vacant or underutilized commercial properties**, using economic development marketing and direct outreach to maximize visibility and engagement
- **Strengthen partnerships with property owners and brokers** to align incentives with market demand and accelerate business attraction efforts

Recommendation: Staff recommends reinstatement of the Citrus Heights Business Attraction Incentive Program Guidelines (Attachment 2)

b. Launch a Small Business Design Support Program

Provide technical assistance to small businesses to navigate design and permitting challenges, particularly for projects requiring minimal or no structural modifications.

Implementation Steps:

- **Offer subsidized consultations with identified design professionals** to help businesses comply with zoning and safety requirements.
- **Develop clear guidelines** for the "no-work" certificate of occupancy process, reducing delays for businesses making no structural changes.
- Assign a liaison from Development Services **to guide small business applicants through requirements and approvals**.

Recommendation: Staff recommends City Council approve the Small Business Design Support Program Guidelines (Attachment 3)

c. Incorporate Economic Development Tools in Banking RFP

To strengthen business attraction efforts, it is recommended that the upcoming banking RFP include a section focused on economic development tools and services. This section should seek innovative banking solutions such as tailored small business loan programs, public-private partnership financing options, and resources to support entrepreneurs. By integrating these tools into the city's financial services, Citrus Heights can better attract and support new businesses, fostering economic growth and reinforcing its commitment to creating a business-friendly environment.

Implementation Steps:

- Work with the Administrative Services Department to add an Economic Development tools section to the RFP.

IV. Enhance Development Services Support

Improve the experience of businesses navigating the City's development processes by offering tailored assistance, streamlined guidance, and technical support to encourage

timely openings and successful operations. The following are recommendations to enhance development services support:

a. **Establish Development Process Liaison Services**
The City will assign a dedicated representative to assist businesses through the development and permitting process. Serving as a single point of contact, the Development Services ombudsman will guide businesses through zoning, permitting, and regulatory steps while coordinating interdepartmental reviews to streamline approvals.

An existing full-time employee in the Economic Development and Community Engagement Department will cover this role. A management analyst position will shift from primarily community engagement to a stronger focus on economic development. The ombudsman will also proactively reach out to new business applicants to identify and address potential roadblocks early.

Implementation Steps:

- Designate staff for ombudsman responsibilities and **provide necessary training**
- **Launch an awareness campaign** for support services targeting brokers, property owners, and prospective business owners.

b. **Develop Comprehensive Support Materials**
Provide clear and accessible resources to help businesses understand and complete City requirements.

Implementation Steps:

- Conduct a **review of existing materials** to identify gaps and areas for improvement.
- **Create user-friendly checklists** for common application processes, such as certificates of occupancy, tenant improvements, and business licenses.
- **Collaborate with stakeholders**, including brokers and small business owners, to ensure materials are practical and comprehensive.
- **Enhance the City's website** with interactive tools and updated content for development services.
- **Regularly update materials** based on policy changes and user feedback.

Goals & Metrics – Business Attraction & Development Services:

- Increase business occupancy by reducing retail vacancy from 12.1% to 9% and office vacancy from 14.2% to 10% by 2027.
- Enhance recruitment efforts and secure 5 new business commitments in priority industry sectors annually
- Improve coordination with third-party agencies to simplify development processes and reduce barriers to investment.

BUSINESS RETENTION AND EXPANSION

Business retention is critical in fostering economic stability and growth by identifying businesses at risk of closure or relocation and those primed for expansion. Retaining and supporting existing businesses preserves local jobs and sales tax revenues and strengthens Citrus Heights' reputation as a city committed to its business community. A proactive approach ensures that growing businesses remain within the city and continue to thrive.

Following are recommended actions to advance Business Retention and Expansion:

I. **Keep and Grow Critical Business Anchors**

A business retention program will codify and facilitate proactive engagement with local businesses to identify challenges, provide support, and strengthen their connection to Citrus Heights.

Implementation Steps:

- Reintroduce **welcome kits** to help new businesses navigate local resources and processes, ensuring they feel supported and connected from day one.
- **Conduct annual business surveys** to identify trends, challenges, and opportunities for support.
- **Implement formal direct outreach program**, including site visits to small and mid-sized businesses, will also be implemented. Staff will schedule annual meetings with the City's top 25 sales tax producers and top 25 employers to understand their needs and ensure satisfaction with City services.
- Develop a **database of businesses** to track outreach, support requests, and follow-ups.
- **Train staff** to conduct effective site visits and collect actionable feedback.
- **Use survey results** and meeting insights to solve programs, assist growth, and inform City programs and policies.

II. Strengthen Partnerships and Resource Sharing

Strengthening partnerships and resource sharing is essential for fostering a collaborative and thriving business environment in Citrus Heights. By building stronger connections with local business organizations, chambers of commerce, and economic development stakeholders, the city can leverage shared resources and knowledge to support businesses better. These partnerships will provide valuable opportunities for businesses to access networking, training, and funding resources while also helping the city stay informed about emerging trends and needs in the local economy. Collaborative efforts will enable more effective problem-solving, create synergies between public and private sectors, and ensure businesses have the support they need to succeed and grow. Ultimately, this approach will help attract new businesses, retain existing ones, and position Citrus Heights as a dynamic and business-friendly community.

Implementation Steps:

- Develop a **business resource hub** on the City's economic development website to centralize information on local/state/federal/private funding opportunities, training programs, and other resources.
- Partner with neighboring jurisdictions on **regional initiatives** such as workforce mobility and infrastructure improvements.

III. Create a Business Safety Hub & CHPD Business Liaison Program

The **Business Safety Hub & Liaison Program** will strengthen partnerships between the City, Police Department, and business community to enhance public safety. Building on the strong support already provided by the Citrus Heights Police Department, this initiative will provide businesses with crime prevention resources, security guidance, and direct assistance with public safety concerns. The **Business Safety Hub** will serve as an online resource center with crime prevention strategies, CPTED best practices, trespassing enforcement, illegal dumping mitigation, and retail theft prevention. The **Business Safety Liaison** will act as a dedicated contact, helping businesses address safety concerns such as graffiti, loitering, and security enhancements while facilitating direct coordination with public safety personnel.

Implementation Steps:

- Launch the **Business Safety Hub** as a centralized online resource for business safety tools and reporting
- Designate a CHPD **Business Safety Liaison** as a direct point of contact for business safety concerns
- Promote the program through **outreach** to business owners and property managers and all economic development **communications**
- **Streamline reporting and response processes** for business-related safety issues
- Maintain an updated business contact list for emergency communication
- Provide CPTED consultations and access to security tools through the **Crime Prevention Library of Things**
- Regularly **share safety updates** and gather feedback

IV. Increase Visibility Through Marketing and Recognition

The recommendation to increase marketing and recognition efforts will provide significant value to businesses in Citrus Heights by enhancing their visibility and showcasing their contributions to the local economy. By establishing a business recognition program and promoting success stories through targeted communications, businesses will gain increased exposure to potential customers, investors, and the broader community. These initiatives will not only build pride and loyalty among local residents but also create opportunities for business growth and expansion by drawing attention to Citrus Heights as a thriving place to do business. Additionally, campaigns like "Love Local" will drive more foot traffic and support the long-term success of businesses throughout the city.

Implementation Steps:

- Launch a **quarterly business recognition program** to highlight local success stories and contributions to the community.
- Share **business success stories** through economic development communications to inspire confidence and attract investment.
- Organize a **shop local campaigns** to encourage community support for Citrus Heights businesses.

V. Support Workforce Development and Job Retention

Workforce development is a key driver of economic success, ensuring that residents have access to training and career opportunities aligned with the evolving needs of local businesses. By equipping the community with the skills needed for high-demand industries, Citrus Heights can attract and retain businesses while enhancing the quality of life for residents. Effective workforce development helps businesses meet staffing needs, fosters career growth, and supports economic sustainability across all sectors.

Implementation Steps:

- **Collaborate with educational institutions** to offer training in earlier identified top and target industry clusters
- Use city communications channels **to promote available skills-based programs** to meet the needs of local employers
- **Enhance career pathways and apprenticeship opportunities** in growing fields

Goals & Metrics – Business Retention & Expansion:

- Maintain a strong local business base, achieving a 95% retention rate for the top 50 employers.
- Measure, benchmark, and increase business satisfaction, targeting a 4.5/5 rating in annual surveys.
- Conduct proactive outreach, including 50 business retention visits annually, to identify growth opportunities and challenges.
- Enhance business safety and engagement by launching Business Safety Hub

SMALL BUSINESS SUPPORT & INNOVATION

Small businesses are the backbone of the Citrus Heights economy, providing jobs, fostering innovation, and contributing to the community's unique character. Supporting small businesses ensures they have the resources, tools, and environment necessary to thrive in an increasingly competitive landscape. By investing in small business success, the city enhances its economic resilience, creates a stronger sense of community, and drives local spending. Small businesses also serve as incubators for entrepreneurship and innovation, attracting talent and fostering pride in the community. To ensure Citrus Heights remains a hub for small business growth, the city must focus on addressing its unique needs and challenges.

Citrus Heights will support entrepreneurs and small businesses with the right tools to start, stay, grow, adapt, and flourish by working with technical assistance partners and trusted messengers to

preserve and increase the number of local establishments. Key external partners include but are not limited to the Small Business Development Center (SBDC), California Capital, Citrus Heights Chamber of Commerce, Sunrise MarketPlace, Greater Sacramento Economic Council (GSEC), and Sacramento Metro Chamber of Commerce.

Implementation Steps:

- **Explore partnerships** with Small Business Development Center and other business support organizations to host technical assistance workshops, office hours, and other business resource programming in Citrus Heights
- **Explore potential business incubation/acceleration programs** focused on packaging startup assistance resources offered by other entities within region
- **Support Small Business Participation in Community Events**
  Ensure that small businesses have access to vendor opportunities, sponsorship roles, and promotional partnerships at community events. This provides visibility, connects them with customers, and reinforces their role as part of the community fabric.

Goals & Metrics – Small Business Support & Innovation:

- Expand technical assistance, supporting 100+ businesses annually through workshops and consultations.
- Encourage entrepreneurship, launching at least one new business incubation partnerships with regional organizations.
- Increase small business participation in local events, ensuring at least 50% representation at major city events.

MARKETING AND PLACEMAKING

Effective marketing and placemaking are vital tools for fostering economic growth and community engagement in Citrus Heights. By investing in tailored economic development communications and creating vibrant, inviting spaces, the City can strengthen its identity as a business-friendly and community-centered destination. These efforts create significant value by attracting new businesses, retaining existing ones, and driving consumer activity. Through strategic messaging and dynamic public spaces, the City can cultivate a thriving local economy, enhance the quality of life for residents, and solidify Citrus Heights as a regional hub for commerce and connection.

I. **Expanded Focus on Economic Development Communications**
Effective marketing and communication are essential to economic development, helping to attract investment, support local businesses, and strengthen Citrus Heights' brand. This expanded focus ensures outreach is tailored to key audiences, including residents, visitors, business owners, and investors. By maintaining consistent, targeted messaging, the City can enhance engagement, promote economic opportunities, and showcase the advantages of doing business in Citrus Heights.

   a. **Consumer-Facing Communications**
   Engaging directly with residents, visitors, and potential customers is vital for supporting local businesses and enhancing Citrus Heights' brand.

Implementation Steps

- Launch social media campaigns highlighting business success stories and unique local experiences.
- Develop seasonal campaigns to promote Citrus Heights shopping, dining, and events.
- Partner with influencers and local media outlets to amplify reach.
- Refresh and expand the "Love Local" initiative, including digital and print marketing materials.
- Regularly feature business spotlights in City newsletters and on social platforms.

b. **Stakeholder-Facing Communications**
Targeted outreach to property owners, brokers, developers, and investors is critical for attracting and retaining businesses.

Implementation Steps

- Create tailored marketing materials such as investment prospectuses and market analysis reports
- Enhance the City's economic development webpage with up-to-date data, property listings, and success stories
- Launch a quarterly e-newsletter for economic development stakeholders (property owners, property manager, brokers, etc.), including updates on projects, incentives, and market trends.
- Develop a toolkit for brokers and property owners to help market Citrus Heights to prospective tenants and investors.

II. Initiate Transformation through Placemaking

Placemaking initiatives aim to transform public spaces and commercial areas into dynamic, engaging environments that enhance community identity and economic vitality. By prioritizing these efforts, the City can boost consumer engagement, increase property values, and attract businesses.

a. Enliven and Add Vibrancy to Commercial Corridors
Collaborate with the Planning and Code Enforcement Divisions to align code enforcement efforts focused on commercial center improvement. Efforts should address issues including but not limited to property maintenance (landscaping, debris, building maintenance, etc.), illegal outdoor storage, trash and refuse containment, overnight parking and other performance metrics identified within the municipal code.

Implementation Steps

- Collaborate with Planning and Code Enforcement **to identify and prioritize recurring issues in commercial centers**, such as property maintenance and illegal outdoor storage.

- **Increase the effectiveness of code enforcement efforts** aligned with municipal code to improve compliance and blighted commercial property conditions.
- **Educate property owners and tenants** on code requirements through materials and informational sessions.
- **Partner with business organizations** to promote compliance and encourage self-reporting of issues.
- **Enhance community reporting tools** and ensure timely response and follow-up on violations.

b. Establish Micro geography-specific Placemaking and Marketing Partnerships

Partner with local business owners in micro geographies (such as Sylvan Corners) to co-develop and implement targeted placemaking and marketing campaigns. This will involve engaging business owners within specific neighborhoods to collaboratively enhance the area's visual appeal, promote local businesses, and create a unique, cohesive brand identity for micro geographies. The partnership will focus on co-financing marketing initiatives tailored to the character of each district, such as local events, signage, and digital campaigns while leveraging business networks to increase visibility and attract new customers. These campaigns will be designed to celebrate the unique attributes of each micro geography, strengthen community connections, and drive economic activity in those areas

Implementation Steps

- **Identify high priority site and business owner** for potential partnership
- **Empower and cocreate marketing and placemaking campaign** to drive awareness and visitor traffic

c. Reimagining Spaces for Community and Commerce

Strategic placemaking efforts have the potential to reshape how residents and visitors experience Citrus Heights. By enhancing navigation, activating underutilized spaces, and creating vibrant public areas, the city can encourage local spending, strengthen community ties, and support economic development.

Implementation Steps

- **Install cohesive, branded wayfinding signage** to improve navigation, highlight local attractions, and reinforce Citrus Heights' identity, supporting businesses and community pride.
- **Partner with property owners and business districts** to activate underutilized spaces, supporting pop-up shops, outdoor dining, public art, and cultural events.

Recommendation: Scope wayfinding signage needs and collect at least three proposals and present to Council

Goals & Metrics – Marketing & Placemaking:

- Strengthen Citrus Heights' brand, launching a quarterly business recognition program and promoting 12+ businesses per year.
- Expand digital engagement, increasing business-focused social media and online interactions by 30% within two years.
- Enhance commercial corridor aesthetics, completing 3+ placemaking projects annually and implementing wayfinding signage.
- Drive local shopping activity, rolling out 5+ targeted marketing campaigns like “Love Local.”

ORGANIZATIONAL CULTURE

An organizational culture that prioritizes economic development is essential for achieving the city's economic goals. By creating a responsive, knowledgeable, and customer-centric environment, we can effectively facilitate growth, streamline development processes, and ensure the city remains a welcoming destination for new businesses. Building a culture of collaboration, innovation, and customer service will allow the City of Citrus Heights to support local businesses, attract new ones, and foster community pride.

Implementation Steps

- **Launch an internal training program** to train staff on their roles in Economic Development, including a City tour for all new staff to understand how they influence resident and business satisfaction.

Goals & Metrics – Organizational Culture:

- Foster an economic development mindset, training 100% of new city staff on economic development within their first year.
- Enhance internal capacity, conducting quarterly workshops on business-friendly processes.
- Improve business service responsiveness, resolving 75% of business inquiries within 30 days through the development ombudsman program.
- Keep resources up-to-date, ensuring all business-facing materials are reviewed and refreshed annually.

CONCLUSION

Citrus Heights is at an exciting turning point, where thoughtful investment, business-friendly policies, and strong community partnerships can drive long-term economic success. This plan lays out a clear path to revitalize commercial corridors, support local businesses, and attract new industries, all while maintaining the city's unique character. By focusing on smart growth, streamlined processes, and placemaking, we can fill vacant spaces, enhance our business climate, and create opportunities that benefit both residents and entrepreneurs.

Economic development is not just a function of government—it’s a collective effort where every business owner, property manager, community leader, and resident plays a role in shaping the future of Citrus Heights. Every new storefront opening, every business expansion, and every public space improvement moves us closer to a more vibrant, welcoming, and prosperous city. With a

commitment to adaptability and responsiveness, we will track progress, adjust strategies as needed, and ensure our actions align with long-term goals. Regular reporting will demonstrate our shared commitment to economic growth and community engagement, reinforcing that everyone has a hand in building a stronger local economy.

With the framework in place, it's time to turn plans into progress. By working together, investing in our community, and championing a thriving local economy, we can make Citrus Heights a premier destination for businesses and a place where opportunity flourishes for all.

ATTACHMENTS:

1. City of Citrus Heights Development Process Analysis
2. Business Attraction Incentive Program
3. Small Business Design Support Program

ECON DEV WORKPLAN DASHBOARD

TOPLINE PERFORMANCE								
Metric	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
Reduce retail vacancy from 12.1% to 9%	Plan period	9%	On Track		On Track	10.8% Retail Vacancy Q1 2026 16.9% Retail Vacany Q3 2026		
Reduce office vacancy office vacancy from 14.2% to 10%	Plan period	10%	On Track		On Track	9.5% Office Vacancy Q1 2026 10.7% Office Vacancy Q3 2026		
Achieve 95% retention rate for top 50 employers	Plan period	95%	On Track		On Track			
Business satisfaction rating (survey)	Plan period	4.5/5	On Track	3.5/ 5 Y1 (benchmark)	In Progress	Will send out another survey Q4 2026		
Conduct 50 business retention visits annually	Annually	50 visits	Completed	(20 through Love Local) (4 through Auburn Blvd Plaza) (1 CPTED visit) (25 Chamber Business Walk)	On Track	30/50 Visits complete		
Technical assistance (100 businesses)	Annually	100 businesses assisted	Incomplete	Love Local (20 businesses) SBDC referral (2 businesses)	In Progress	Love Local Marketing Workshops launching end of Q3 early Q4 2026		
Small business incubation partership	Plan period	1 launched	In Progress		In Progress			
Small business participation in events	Plan Period	50% representation	On Track	Economic Development Support Grant to SMASH Sacramento supported participation of 25+ small business food and craft vendors at the fall event.	On Track	Tools of the Trade April 2026; Local Restaurants in Auburn Boulevard Ribbon Cutting;		
Placemaking / Wayfinding projects	Annually	3 projects	On Track	1. Patio Expansion 2. Art District Murals (2)	In Progress	Love local, shop local, placemaking pole banners along Auburn Boulevard Q4 2026		
Launch 5 marketing campaigns	Plan period	5 campaigns	In Progress	1- Love loal Auburn Blvd 2-Shop local winter holiday	On Track	Love Local 2.0; highligting 20 small business in Citrus Heights, launched in July 2026		
Business spotlights (12/yr)	Annually	12 features	Completed	25+ Business Spotlights on Social media in 2025	On Track	February Valentines Day Shopping Highlight Scheduled (9 businesses)		

BUSINESS ATTRACTION & DEVELOPMENT SERVICES								
Metric	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
I. Improve Regulatory Processess to Support Business Development								
Streamline zoning/permit process	Q2 2025		Completed	Zoning code updates adopted, effective July 11, 2025.		Zoning Code Updates adopted July 2026.		
Partner and Advocate to Streamline Third Party Agency Reg	Plan Period		On Track	Fire Code recommendations accepted, adding flexibility for existing buildings.	On Track	Efforts to streamline regulations are ongoing through practices like project coordination meetings.		
II. Implement Refreshed Business Recruitment Strategy								
Identify high-priority vacant sites	Q1 2025		Completed	High-priority sites identified and tracked for prospects.	Completed	High-priority sites identified and tracked for prospects. Additionally this research was used to support Opportunity Zone 2.0 recomendation.		
Recruit 5 businesses in priority sectors annually	Annually		In Progress	Attending ICSC, actively outreaching to potential tenants.	On Track	Attending ICSC Monterrrey in March Launched Broker Communications for business attraction pipeline		
III. Adopt additional tools to incentivize near-term investment in Citrus Heights								
Reestablish Business Attraction Incentive	Q1 2025		Completed	Attraction incentive established Feb 12.	Completed			
Launch a Small Business Design Support Program	Q1 2025		Completed	Small business design support established Feb 12.	Completed			
Incorporate Economic Development Tools in Banking RFP	Q 3 2025		Completed	RFP is open, with econ dev tools section.	Completed			
IV. Enhance Development Services Support								

Establish Development Process Liaison Services	Q 2 2025		Completed	Management Analyst started June 2, 2025.	Completed			
Develop Comprehensive Support Materials	Plan period		On Track	“Priority Sector Highlights" on website. "Data Portal" available on website.	On Track	"How to open a business in Citrus Heights" on the website and shared with resource partners.		

BUSINESS RETENTION & EXPANSION								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
I. Keep and Grow Critical Business Anchors								
Reintroduce welcome kits	Q 2 2025		Completed	160 + kits mailed to date.	Completed	250+ kits mailed to date		
Conduct annual business surveys	Q4 2025		Completed	Benchmark survey calendared for Sept 31, 2025. Plan to send another in 2026 Q4	In Progress	Survey planned for October 2026.		
II. Strengthen Partnerships and Resource Sharing								
Develop a business resource hub	Plan period		On Track	"Business Toolkit" on website	On Track	"Business Toolkit" on website		
Partner with neighboring jurisdictions on regional initiatives such as workforce mobility/infrastructure improvements	Plan period		Not Started		In Progress			
III. Create a Business Safety Hub & CHPD Business Liaison Program								
Launch the business safety hub	Q2 2025		Completed	Business Safety Hub launched July 2025.	Completed			
Designate a CHPD liasion	Q3 2025		Completed	Desingated liason + POP team corrdination.	Completed			
IV. Increase Visibility Through Marketing and Recognition								
Launch a quarterly business recognition program	Q 4 2025		Completed	Launched BOD on October 2025, with recognition at 20225 SOTC.	Completed			
Share business success stories	Plan period		On Track	Continuing to share grand openings, milestones, and highlights on socials & newsletter.	On Track	Business Highlight Interest Form Sharing New Businesses through community newsletter and business bulletin Business of Distinction Q1 will highlight a business wihtin Citrus Heights over 15+ years		
Organize a shop local campaign	Plan period		On Track	Love Local Summer 2025 Holiday Gift Guides Winter 2025	On Track	Shop Local Campaigns Upcoming: Valentine's Day, Spring Break, and Small Business Week		
V. Support Workforce Development and Job Retention								
Collaborate with educational institutions to offer training in earlier identified top and target industry clusters	Plan period		On Track		On Track	Youth and Civic Gov		
Use city communications channels to promote available skills-based programs to meet the needs of local employers	Plan period		On Track	The Business Retention Survey was one of several ways we gathered baseline information to better understand employer needs and workforce skill gaps.	On Track			

SMALL BUSINESS SUPPORT & INNOVATION								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
Explore partnerships with Small Business Development Center to host programming	Plan period		In Progress	Met with SBDC; timing not aligned for programming	On Track	Exploring programming for SBDC Office hours to be hosted at Citrus Heights City Hall		

Explore potential business incubation/acceleration programs	Q2 2026		Not Started		On Track	Food entrepreneurship and incubation resources are available on the City's website and promoted through business communications. Entrepreneurs are referred to regional incubation programs based on their business needs and existing infrastructure.		
Support Small Business Participation in Community Events	Plan period		In Progress	Economic Development Support Grant to SMASH Sacramento supported participation of 25+ small business food and craft vendors at the fall event.	On Track	Tools of the Trade 2026, Auburn Boulevard Ribbon Cutting with corridor restaurants as caterers, Local Health adjacent businesses participation in the Helath and Benefits Fair		

MARKETING & PLACEMAKING								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
I.Expanded Focus on Economic Development Communications								
Develop seasonal campaigns to promote shopping, dining, and events	Plan period		On Track	Love Local Summer 2025 Holiday Gift Guides Winter 2025	On Track	Shop Local Valentines Day Campaign		
Partner with influencers and local media outlets to amplify reach	Plan period		On Track	Holiday Gift Guides for December were picked up by the Sentinel	In Progress			
II. Initiate Transformation through Placemaking								
a. Enliven and Add Vibrancy to Commercial Corridors								
Collaborate with Planning and Code Enforcement to identify and prioritize recurring issues in commercial centers	Q3 & 4 2025		On Track	Public Workshp on Commercial Property Reoccupancy Orinance August 11, 2025.	On Track	Collaboration with Code Enforcement on the Commercial Property Reoccupancy Ordinaince Business Safety Hub CPTED Assesments		
Increase the effectiveness of code enforcement efforts aligned with municipal code to improve compliance and blighted commercial property conditions.	Q1 2026		On Track		On Track			
Educate property owners and tenants on code requirements through materials and informational sessions.	Q1 2026		In Progress		On Track			
Partner with business organizations to promote compliance and encourage self-reporting of issues.	Plan period		In Progress		On Track			
Enhance community reporting tools and ensure timely response and follow-up on violations.	Plan period		In Progress		In Progress			
b. Establish Micro geography-specific Placemaking and Marketing Partnerships								
Identify high priority site and business owner for potential partnership	Q 3 2025		On Track	Sylvan Corners murals and expanded patio supported with Activate Auburn and Arts History Grants.	On Track			
Empower and cocreate marketing and placemaking campaign to drive awareness and visitor traffic	Plan period		In Progress		On Track	Love Local: Launched a shop-local pole banner campaign highlighting Citrus Heights businesses and the community character of the Auburn Boulevard commercial corridor.		
c. Reimagining Spaces for Community and Commerce								
Installing cohesive. branded wayfinding signange	Plan period		In Progress		In Progress			
Partner with property owners and business districts to activate underutlilized spaces	Plan period		On Track		On Track			

ORGANIZATIONAL CULTURE								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
Train 100% of staff in economic development	Plan period	5 events	On Track	Placer AI Training	On Track			
Business service inquiries resolved in 30 days	Plan period	3 projects	On Track		On Track			

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: August 26, 2026

TO: Mayor and City Council Members
Ashley Feeney, City Manager

FROM: Meghan Huber, Economic Development & Community Engagement Director
Alicia Aguirre, Management Analyst II, Economic Development & Community Engagement

SUBJECT: **Approval of Economic Development Support Fund grant request by the Citrus Heights Chamber of Commerce**

Recommendation

The Economic Development Support Fund is designed to strengthen Citrus Heights' business environment through strategic sponsorships and grants that promote commerce, attract new shoppers, and reinforce the City's reputation as business-friendly.

The Citrus Heights Chamber of Commerce has submitted a request for $30,000, comprised of:

- $10,000 – Chairman's Circle Diamond Sponsorship
- $7,000 – Citrus Heights Event Center room rental support for Chamber luncheons
- $8,000 – Presenting Sponsorship of Leadership Citrus Heights (discounted from $10,000)
- $5,000 – Kids Commerce Entrepreneur Program Sponsorship

Staff reviewed the application and determined that $25,000 of the request is consistent with Economic Development Support Fund guidelines and priorities identified in the Economic Development Work Plan 2025–2027. These established sponsorship components represent a balanced investment in business visibility, placemaking and leadership development while advancing the City's broader goal of diversifying and strengthening the local economy. The additional $5,000 Kids Commerce request supports youth entrepreneurship and aligns more closely with the Community Projects Grant Fund.

Following its review, the City Council Quality of Life Committee recommended awarding $25,000 from the Economic Development Support Fund and $5,000 from the Community Projects Grant Fund.

Strategic Plan Alignment

This item is in alignmentwith the followingCity Council prioritiess:
Goal: Diversify for a vibrant economy
Economic Development Work Plan: Small Business Support and Innovation section

Fiscal Impact

Approval of this request would allocate $30,000 from the Economic Development & Community Engagement grant funds for FY 2026–27.

Background and Analysis

For more than a decade, the City of Citrus Heights has partnered with the Citrus Heights Chamber of Commerce to promote the City's business-friendly approach, strengthen local commerce and expand opportunities for business and civic engagement. For FY 2026–27, the Chamber requested $30,000 for four sponsorship components supporting business visibility, local events, leadership development and youth entrepreneurship.

The request includes $10,000 for the annual Chairman's Circle Diamond Sponsorship, $7,000 for Citrus Heights Event Center room rentals, $8,000 for Leadership Citrus Heights and $5,000 for the new Kids Commerce Entrepreneur Program. The Quality of Life Committee reviewed the request and recommended approval of the $25,000 supporting the City's established Chamber partnership, as well as the separate $5,000 request for Kids Commerce.

The $25,000 annual sponsorship aligns closely with the Economic Development Support Fund and the City's Economic Development Work Plan 2025–2027:

- The Chairman's Circle Diamond Sponsorship provides year-round visibility across Chamber programs and events, reinforcing Citrus Heights as a business-friendly community and the City as a proactive partner in local commerce.
- Event Center rental support keeps monthly Chamber luncheons within the City's civic core, strengthens the Event Center's role as a community gathering place and brings business activity to the surrounding area.
- Leadership Citrus Heights develops informed civic and business leaders through training, scholarships and exposure to local businesses, institutions and economic development efforts. The program also advances the Work Plan's Small Business Support and Innovation goals by connecting entrepreneurs and business leaders with valuable resources and relationships.

The additional $5,000 would support the Chamber's Kids Commerce Entrepreneur Program, serving 30 Citrus Heights students from Mesa Verde High School. Over approximately 12 weeks, students will participate in six instructional sessions using Junior Achievement curriculum to develop skills in business planning, marketing, budgeting, financial literacy and public speaking. Students will also attend the Chamber Business Expo and present their business concepts at a culminating Student Expo at Citrus Heights City Hall. SMUD and Bank of Marin have committed additional sponsorship support.

Together, these investments build on a productive partnership that promotes Citrus Heights, supports local businesses, develops future community leaders and introduces students to entrepreneurship. The Chamber also continues to support and promote City programs through its broader mission, Community Affairs Committee and collaborative work with local businesses and business associations.

Attachments:

1. Resolution No. 2026-___: A Resolution of the City Council of the City of Citrus Heights, California, approving a $30,000 grant to the Citrus Heights Chamber of Commerce from Economic Development and Community Engagement grant funds
2. Chamber of Commerce FY 2026 Economic Development Support Fund Application

RESOLUTION NO. 2026- ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING A $30,000 GRANT TO THE CITRUS HEIGHTS CHAMBER OF COMMERCE

WHEREAS, the City of Citrus Heights has a Strategic Goal to "Diversify for a vibrant economy";

WHEREAS, the City of Citrus Heights offers the Economic Development Support Program to provide funding for special events, marketing activities, or other economic development-related activities that provide a public benefit to the City;

WHEREAS, the Citrus Heights Chamber of Commerce has submitted an application for $30,000; and

WHEREAS, the Quality of Life Committee reviewed the application and recommended to the City Council that the application be approved in the amount of $30,000;
WHERAS, the recommended award consists of $25,000 from the Economic Development Support Fund and $5,000 from the Community Projects and Grant Fund;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve a grant in the amount of $30,000 for the Citrus Heights Chamber of Commerce from the Economic Development and Community Engagement grant funds

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 26th day of August 2026 by the following vote, to wit:

AYES: Council Members:
NOES: Council Members:
ABSTAIN: Council Members:
ABSENT: Council Members:

Mary Jane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

Citrus Heights Regional Chamber of Commerce
Economic Development Fund Grant Request
Submitted to: City of Citrus Heights
Requested Amount: $30,000

Executive Summary

The Citrus Heights Regional Chamber of Commerce respectfully requests a $30,000 grant from the City of Citrus Heights Economic Development Support Program to enhance three key initiatives that align directly with the City's economic development goals.

As the City's leading business advocacy organization, the Citrus Heights Chamber of Commerce serves as a catalyst for economic development by connecting businesses with resources, developing future leaders, attracting visitors, supporting entrepreneurship, and creating events that increase commerce throughout Citrus Heights.

Funding will support four strategic initiatives:

- **$10,000 – Chairman's Circle Diamond Sponsorship**
- **$7,000 – Citrus Heights Event Center Room Rental**
- **$8,000 – Presenting Sponsorship of Leadership Citrus Heights Program** (discounted from $10,000)
- **$5,000 – Kids Commerce Entrepreneur Program**

  These initiatives promote the City as a business-friendly environment, enhance community engagement, support workforce development, and improve the visibility and vitality of our commercial areas.

Project Purpose & Alignment with Program Goals

1. Chairman's Circle Diamond Sponsorship – $10,000

The Chairman's Circle program recognizes the Chamber's top-tier business supporters and ensures year-round branding and partnership with the Chamber. As a **Diamond Sponsor**, the City of Citrus Heights would receive:

- Logo with link on Chamber website recognized as Diamond level
- Community Awards Dinner – Presenting Sponsorship
- Best of Citrus Heights – SuperStar Sponsorship
- Two Access Citrus Heights Luncheon Sponsorships with 3 mins to speak
- 4 Tickets to Access Citrus Heights Luncheon
- Logo recognition on all luncheon presentations
- Logo with link on all newsletters
- Highlighted monthly in our newsletters
- Logo with link on all eblasts
- 12 social posts
- Six tickets to Elected Officials Reception
- 4 featured articles in weekly newsletter
- Lobby advertising recognition

Alignment with Program Goals:

- Promotes and markets the City of Citrus Heights as a supportive partner to businesses
- Enhances perception and practice of the City as business-friendly
- Attracts new shoppers and supports the local tax base by strengthening local events
- Partnership with CHPD to bring a Business Watch program to our community

2. Citrus Heights Event Center Room Rental – $7,000

The Chamber hosts over a dozen events annually at the Citrus Heights Event Center, including luncheons, and the annual Best of Citrus Heights Celebration. This funding supports room rental fees, helping ensure accessibility and continued community programming in a central and professional venue.

Alignment with Program Goals:

- Creates a consistent "sense of place" within the city's civic core
- Promotes the Event Center as a hub for commerce, engagement, and growth
- Increases local spending
- Helps promote local commercial areas to both businesses and residents

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3. Presenting Sponsor – Leadership Citrus Heights – $10,000 (discounted to $8,000)

Leadership Citrus Heights is a program focused on cultivating the next generation of civic and business leaders. Running from September 2026 to May 2027, this immersive program connects participants with local government, economic development efforts, and leadership training.

As Presenting Sponsor, the City of Citrus Heights would receive:

- **3 Leadership Citrus Heights tuition scholarships** (value: $2,385)
- Premier logo placement on all program materials, flyers, and signage
- Featured sponsor recognition at the Orientation and Graduation Ceremony
- Opportunity to speak at Orientation or Graduation (5-minute spotlight)
- Logo and link featured on Leadership Citrus Heights landing page
- Recognition in all press releases and newsletters (pre- and post-program)
- Dedicated social media post acknowledging sponsorship
- Opportunity to provide branded materials at each monthly session
- Recognition plaque presented at graduation
- 2 tickets to Leadership Graduation Ceremony

Alignment with Program Goals:

- Builds a stronger local workforce and potential future elected and civic leaders
- Supports long-term economic development by strengthening leadership capacity
- Positions Citrus Heights as an active investor in the city's future
- Enhances perception of the City as forward-thinking and growth-minded

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4. Kids Commerce Entrepreneurship Program - $5,000 Presenting Sponsor

Kids Commerce is an innovative youth entrepreneurship program developed in partnership with local schools and business leaders to inspire the next generation of entrepreneurs. We are incredibly excited to continue building upon the success of Kids Commerce and provide Citrus Heights students with meaningful, hands-on exposure to entrepreneurship, business development, and our local business community.

This year, we plan to continue with six instructional sessions but expand the program across approximately 12 weeks, with the Chamber and our partners engaging with students every other week. This will give students additional time between sessions to work through the curriculum, develop their business concepts, and more thoughtfully apply what they are learning. We will be working with approximately 30 juniors at Mesa Verde High School, all of whom are Citrus Heights students. We made the decision to focus on the junior class this year because last year's participating seniors are now heavily engaged in internships, which, in many ways, reinforces exactly what we hope programs like Kids Commerce will inspire: students gaining real-world experience and preparing for their futures.

We are also hoping to add an exciting new component this year. Midway through the program, we would like to bring the students to the Citrus Heights Chamber Business Expo on October 14. This would give them the opportunity to see firsthand how real businesses market themselves, interact with potential customers, build relationships, and communicate their value. I believe connecting the classroom curriculum to an actual business environment will make the experience even more impactful. Our instructional sessions will take place on Wednesdays this year, and we are tentatively planning the Kids Commerce Student Expo for Wednesday, December 2, from 4:00–5:30 p.m. in the Community Room at Citrus Heights City Hall. This will once again give the students the opportunity to showcase their business concepts and everything they have learned to members of our business community, City leadership, families, and community partners.

I have attached our sponsorship opportunities and am pleased to share that we are already receiving support from the business community. SMUD has committed at the Entrepreneurial Advocate level, and Bank of Marin has committed at the Friend of Kids Commerce level. I also met with the new CEO of Junior Achievement this week and confirmed that we will have access to their curriculum and resources for the program.

The Chamber is committed to continuing to grow Kids Commerce into a program that connects our students, businesses, and City in a meaningful way. The City's Presenting Sponsor investment would be an important part of making this year's program possible and would directly support our ability to provide these Citrus Heights students with an experience that goes beyond the classroom and introduces them to entrepreneurship, career opportunities, and the business community in their own city.

Students participate in a multi-week curriculum focused on:

- **Business planning**
- **Marketing**
- **Budgeting**
- **Customer service**
- **Financial literacy**
- **Public speaking**
- **Innovation**
- **Entrepreneurship**

The program culminates in a public Business Expo where students present their business concepts to local business leaders, community members, and judges alongside the business community so they can learn even more about success in business.

This initiative aligns directly with the City's goals of increasing the future job base, encouraging business creation, and fostering long-term economic growth.

Conclusion

The Citrus Heights Regional Chamber of Commerce plays a critical role in advancing the City's economic development goals. Through this $30,000 investment, the City will receive high-impact visibility, foster meaningful community engagement, and support leadership development, all while enhancing the perception and practice of Citrus Heights as a vibrant, business-friendly community.

We thank you for your consideration and continued partnership in building a stronger Citrus Heights.

Respectfully,



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CITRUS HEIGHTS CHAMBER
CONNECTING ■ BUSINESS ■ EDUCATION ■ COMMUNITY

CITRUS HEIGHTS CHAMBER

"KIDS COMMERCE"

ENTREPRENEURIAL PROGRAM



Presenting Sponsor – $5,000

Exclusive Sponsorship only one available

- Prominent logo placement on event materials and signage
- Logo on event website
- Logo on event presentation
- Verbal recognition at the event
- Featured in email marketing and social media shout-outs
- Exhibitor table at the Expo & Job Fair
- Event Judging opportunity
- 8 complimentary event tickets

Visionary Sponsor – $3,500

Champion bold ideas and local youth leadership

- Prominent logo placement on event materials and signage
- Logo on event website
- Logo on event presentation
- Verbal recognition at the event
- Featured in email marketing and social media shout-outs
- Exhibitor table at the Expo & Job Fair
- 6 complimentary event tickets

Entrepreneurial Advocate – $2,000

Support our future business owners on their journey

- Logo on event website
- Logo on event presentation
- Verbal recognition at the event
- Exhibitor table at the Expo & Job Fair
- 4 complimentary event tickets

Business Navigator – $1,000

Invest in the foundational tools for tomorrow's workforce

- Business name listed event website
- Business name listed on event presentation
- Verbal recognition at the event
- Shared exhibitor space at the Expo & Job Fair
- 2 complimentary event tickets

Friend of Kid's Commerce – $500

Help ignite a spark of entrepreneurship

- Business name listed on website
- Group recognition on social media