

## 2012 Council Study Issue

**OCM 12-01 Consider the viability of developing a financial/economic based sister city relationship with an overseas entity**

**Lead Department** Office of the City Manager

**History** 1 year ago None 2 years ago None

**1. What are the key elements of the issue? What precipitated it?**

Councilmember Meyering and Councilmember Moylan asked staff to explore the viability of forming a financial/economic based sister city relationship with an overseas city. The idea being that the City could participate with other business groups such as the chamber to build the Sunnyvale brand to attract companies to the City.

**2. How does this relate to the General Plan or existing City Policy?**

**Council Policy 7.3.24 International Friendly Exchange Relations**

The purpose of Sunnyvale's friendly exchange relations with foreign cities is to:

- Create opportunities for community members to experience and learn from other cultures;
- Strengthen Sunnyvale's economic development
- Stimulate a culturally aware environment in which Sunnyvale and its partner city(ies) can creatively learn, work, and solve problems;
- Collaborate with municipalities in other countries with similar goals; and
- Promote information exchanges on the economy, trade, science and technology, culture, education, health, environmental protection, etc, in order to promote common prosperity and quality of life.

**3. Origin of issue**

**Council Member(s)** Meyering/Moylan

**4. Staff effort required to conduct study** Moderate

**Briefly explain the level of staff effort required**

To determine the viability of a sister city relationship, staff would work closely with existing businesses to assess the countries that would be the best strategic partners. Staff would also work with the San Jose office of the U.S. Department of Commerce, a federal government agency dedicated to helping small-to-medium sized companies develop international markets. In addition to the U.S. Department of Commerce and existing businesses, staff would work with different non-profits working to strengthen the Silicon Valley international trade. These non-profits could include the Chinese Chamber of Commerce--Silicon Valley, Japanese American Chamber of Commerce--Silicon Valley, Silicon Valley Chinese Engineer Association, and the Silicon Valley Indian Professionals Association.

**5. Multiple Year Project?** No **Planned Completion Year**

**6. Expected participation involved in the study issue process?**

Does Council need to approve a work plan? No  
 Does this issue require review by a Board/Commission? No  
 If so, which? none  
 Is a Council Study Session anticipated? No

**7. Briefly explain if a budget modification will be required to study this issue**

**Amount of budget modification required**

**Explanation**

No Budget modification will be needed for this study issue.

**8. Briefly explain potential costs of implementing study results, note estimated capital and operating costs, as well as estimated revenue/savings, include dollar amounts**

**Are there costs of implementation? Yes**

**Explanation**

The total cost of the program would be determined based on the location of the sister city and type of partnership developed. The start up costs for most sister city relationships range from \$50,000 to \$100,000. In addition, the potential costs for this type of program can range from \$20,000 to \$60,000 for marketing and materials.

**9. Staff Recommendation**

**Staff Recommendation Drop**

**If 'Support', 'Drop' or 'Defer', explain**

Staff recommends that Council drop this issue, because the private sector is already doing this type of work. Sunnyvale is home to numerous international businesses and these businesses, as well as their employees, already act as the City's trade ambassadors to numerous countries.

In addition, Sunnyvale has Plug and Play TechCenter. Plug and Play TechCenter is a thriving Sunnyvale incubator with over 300 start ups from all over the world. Plug and Play TechCenter has spent a significant amount of time and money developing several international financial/economic partnerships. Some of their international partners that already have a presence in Sunnyvale are:

- Austria --Austrian Trade Commission
- Australia--State Government of Victoria
- Belgium--Flanders Investment & Trade
- Chile--innovChile
- Czech Republic--Czechinvest
- Egypt--Rising Tide Fund
- Estonia--Enterprise Estonia
- Greece--Ministry of Education
- Malaysia--Selangor State Development Corporation
- New Zealand--new Zealand Trade and Enterprise
- Norway--innovation Norway
- Portugal--Leadership Business Consulting
- Singapore--National Research Foundation
- Slovakia--Slovak Investment and Trade Development Agency

■ Spain--Barcelona Chamber of Commerce and Barcelona Activa

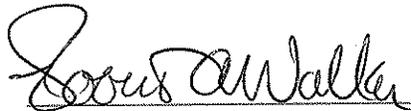
Last year, Plug and Play TechCenter hosted about 60-90 companies from the above countries and about 10 of the hosted companies established some form of presence in Silicon Valley.

City staff works closely with Plug and Play TechCenter in supporting these international partnerships and staff recommends that we not establish a new program, but instead continue working with the private sector to support these relationships.

Furthermore, the policy framework already exists to support "friendly exchange relations with foreign cities to strengthen Sunnyvale's economic development" (see #2 on page 1).

Given the sizeable financial commitment necessary to fund a Sister City Program (see #8 on page 2), the fact that City policy supporting friendly exchanges with foreign cities already exists, and the positive results of existing efforts in this area, staff recommends this study issue be dropped.

Reviewed by



Department Director

1-17-12

Date

Approved by



City Manager

1-16-12

Date