LAST MINUTE AGENDA INFORMATION II
4/4/12 Regular Meeting

(Agenda Related Writings/Documents provided to a majority of the City Council after distribution of the Agenda Packet for the April 4, 2012 Regular meeting.)

ITEM NO.	DESCRIPTION
6.2	**SHORT TERM BUDGET IDEAS AND LONGER TERM VISION. (0330-30)** a. Information from the California Association for Economic Development (For consideration under longer term actions for promoting the local economy).

The California Association for Economic Development

2012 APR -3 PM 3:33

CITY MANAGER &
CITY CLERK OFFICES

CALED

Economic Development Leadership Forum: Charting Your Way to Prosperity

The California Association for Local Economic Development

Your Greatest Resource

CALED

The California Association for Local Economic Development

California Association for Local Economic Development

- ✓Founded in 1980
- ✓900 Members
- ✓Dedicated to Community Economic Development

The California Association for Local Economic Development

4/4/12 Item No. 6.2
Last Minute Agenda Info

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CALED Members

- ✓Cities (45%) and Counties (9%)
- ✓Nonprofit E.D. Organizations (9%)
- ✓Chambers of Commerce (2%)
- ✓Education and Training Agencies (7%)
- ✓Private Sector (14%)
- ✓State and Federal Agencies (3%)
- ✓Other (11%)

Local Economic Development

Economic Development Conundrum

"There are few subjects about which so little is understood and of which so much is expected."

What?
Why?
Who?

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√ Economic Means Household

√ Development Means Better

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Economic + Development =

Better Households

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Distinctions

- COMMUNITY DEVELOPMENT is a capacity building process for making a community a better place to live and work.
- ECONOMIC DEVELOPMENT is purely and simply the creation of wealth in which community benefits are created.

MOTIVES

BOTH Business & Government are part of this process,
and BOTH have Profit as a Motive

Business Role

- √ Mobilize
  - Human,
  - Financial,
  - Physical, and
  - Natural Resources
- √ To Create Marketable Goods and Services

A Business's Primary Motive is

Profit!

Government Role:

To Influence
Business Investment and Location Decisions with:

- Taxes
- Spending
- Investment
- Regulations
- Incentives
- Marketing
- Quality Service
- Adding Value to Community Assets

Governments' Motives

Revenues (Profit)
to Support Local Services

Better Households

Local (Public) Economic Development

- ✓ An Investment Program
- ✓ Leveraging Private Sector Capital
- ✓ Inducing Actions that:
  - * Improve Business Activity
  - * Increase Employment
  - * Increase Wages

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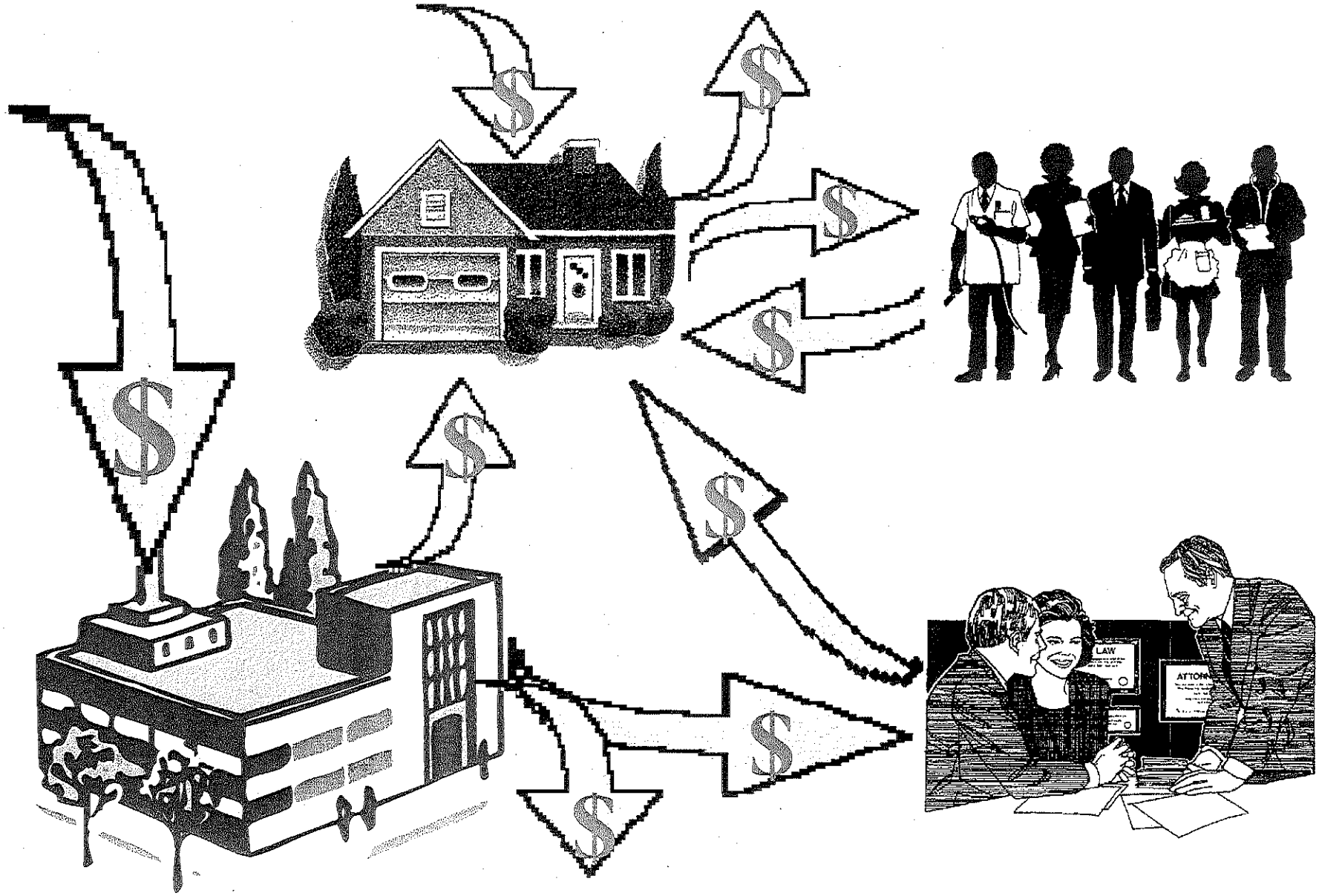

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CALED

Setting Priorities for Economic Focus

- Community-Serving Businesses:
  - Provide goods and services to local population or business
  - Many generate revenue for city
  - Provide jobs
  - Move money around the community

Setting Priorities for Economic Focus

- "Exporting" Businesses:
  - Sell their goods & services to users outside the community, bringing new money into the local economy
  - The more of these, the more successful community-serving businesses
  - The predominant focus of economic development efforts

Some Examples

- Companies manufacturing products to sell to outside domestic and foreign markets
- Companies providing services to outside markets
- Visitors & tourism
- Agriculture
- Region-serving retail

Emphasis: Create New Wealth

- Support the growth of "exporting" businesses
- Support the creation of new "exporting" companies
- Attract "exporting" businesses
- Reduce outside purchases – buy local
- Increase business productivity

REMEMBER

Government Can Only Be as Healthy as the Economy!

Economic Development Strategies and Fundamental Forms

1) Existing Business

Typical Activities

- ✓Backward Linkages
- ✓Economic Gardening
- ✓Network Existing Business
- ✓Business Visitation
- ✓Export Assistance
- ✓Government Purchasing
- ✓Revolving Loan
- ✓Business Recognition

2) Start Up of New Business

Typical Activities

- ✓ Grow Your Own.Providing Exceptional Business Assistance
- ✓ Venture Capital
- ✓ Incubators
- ✓ Business Training
- ✓ Home-based Businesses

3) Attraction of New Business

Typical Activities

- ✓ Targeted Industry Study
- ✓ Labor Market Survey
- ✓ Marketing Strategy
- ✓ Community Profile
- ✓ Vacant Industrial Site & Facilities Inventory
- ✓ One-stop Permit
- ✓ Ambassador's Program
- ✓ Business Familiarization Tours

Create the future you want!

Don't just settle
for whatever outside forces
bring to your community.

Winners
make things happen!
Losers let things happen.

What Comes First!

Strategy

**"Having a strategy
means making choices"**

"The Art of the General"

A Strategy

WHY?

- ✓ Provides Direction – Which exports do we target?
- ✓ Sets Framework – How will we target them?
- ✓ Builds Consensus – Getting everyone with the program

- ✓ Action vs. Reaction – We are in charge of our fate
- ✓ Focus on the Right Things – Spend resources wisely

A Strategy

RESULTS

- ✓Set of Investments
- ✓Shift From One-shot Project Orientation
- ✓Shift to Search for Permanent Influence
- ✓Understand Key Location Factors

Create the future
you want
instead of the
future you get!

Strategy only as good as the money invested to implement

Top 10 City Economic Development Activities (2008 Survey)	Number Ranking Activity Important	Average Rating for Each Activity
1. Assuring consistency in development rules	196	4.2
2. Streamlining review of all applications for permits	190	4.1
3. Working with private promotional groups	178	4.1
4. Improving local amenities	193	4.1
5. Contracting/networking with businesses	184	4.0
6. Property site referrals	182	3.8
7. Joint collaboration with other jurisdictions	159	3.7
8. Public improvement to declining areas to stimulate investment	174	3.6
9. Working with area's COGs/regional governments	153	3.6
10. Participating in state funded grant programs	156	3.6

Who Can Help? And What are the Tools

Some Partners

- ✓Small Business Development Centers
- ✓Workforce Agencies
- ✓Welfare-to-Work (Job Development)
- ✓Community Colleges
- ✓California Manufacturing Technology Centers
- ✓Your Cities
- ✓Non-profits
- ✓Businesses

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"TOOLS"

- ✓Enterprise Zones
- ✓Recycling Zones
- ✓Workforce Training
- ✓One-stop Permits Fast-tracking
- ✓Permit Financing
- ✓Public Asset
- ✓Federal Funds
- ✓Revolving Loan Funds
- ✓Incubators
- ✓Business Improvement Districts
- ✓Tax Incentives

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Economic Developers

"A catalyst…They are strategists who establish relationships, build networks, and generate resources to meet the needs of businesses."

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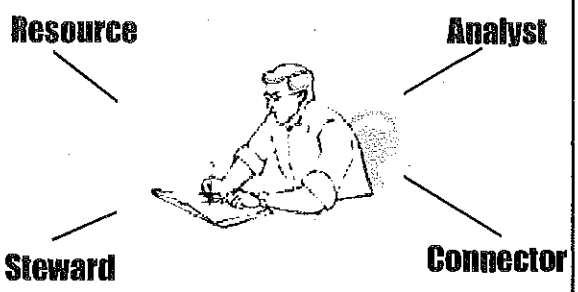
Role of ED Practitioner



Remember

Economic Developers
Do Not Create Jobs…

BUSINESSES DO!

We Are Facilitators

Community Apathy is Your Harshest Criticism!

i.e.

"I'm okay if I don't hear anything"

POLICY LEADER ACTIONS

- ✓Adopt a Jobs First Resolution
- ✓Adopt Vision, Goals, Strategies.
- ✓Expect Short Term Action Plan with measurable reasonable achievements.
- ✓Explain to community why important.
- ✓Commit to Long-Term investment
- ✓Place a high priority on Customer Service.

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Over 300 Fulltime Programs with over 1,000 economic development practitioners

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Secrets For Success

1) Leadership Drives Economic Development And The Local Business Climate.

2) Develop A 'Business' Plan...Strategy, I.E. A 'Road Map'. Know Your Product Before You Go Out And Sell It.. Develop Your Tools...i.E. Your Resources, Your Process, Your Products, Your Prices.

3) Pass A Resolution Adopting This Strategy As Policy.

4) The Business Of Economic Development. Localities Have To Decide They Are In It For The Long Haul, Three To Five Years Or Longer. It Takes Time To Create A Business.

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5) Fund The 'Business'...Minimum Five Year Commitment...You Must Invest To Get.

6) Staff The Business With Professionals...no Business Can Be Run On A Volunteer Basis.

7) Swim Together. Partnerships Good Ones Are Worth The Effort. Above All Communicate And Cooperate.

8) Less Attraction, More Retention, Retention Equals Attraction.

9) Customer Service Is Essential.

10) Results Are Essential...A Long Term Process With Short Term Results.

11) Consequences/outcomes...measure Success.

12) Public Relations...communicate Your Success To The Community.

Where is Economic Development Going?

Trends in E. D.

- Clusters Strategies
- Retention = Attraction
- Community Developers
- The Socializing of Economic Developers
- Merging of Workforce and Economic Development
- Global Investing/Networking

Issues in ED

- Vocational Education
- Perceptions of California
- Local Government Finance
- State Role in Economic Development
- Continuity of Local Funding
- State Legislature (Anti-Investment)
- One Stop Financing

- Policy Leader Knowledge
- Unions as Partners
- Infrastructure
- Incentives vs Investments/ROI
- Universities Not Connected
- Entrepreneurial Growth

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Discussion

What are your thoughts?

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