

ECONOMIC PROSPERITY:

Private Economic Development and Public Financial Planning.

The City's Economic and Financial System.

Sustainable urbanism requires that there be money in the economic sphere to productively collaborate with the physical and social spheres. The economic sphere has two components: privately lead economic development and publicly lead long-range comprehensive finance planning for local government. The purpose of the Economic Development Plan is to create jobs that pay a living wage to all who want or need to work. The long-range comprehensive finance plan for local government anticipates its sources and uses of funds specifically to generate taxes and fees needed to provide public goods and services. The subject of this paper is the Privately Lead Economic Development Plan.

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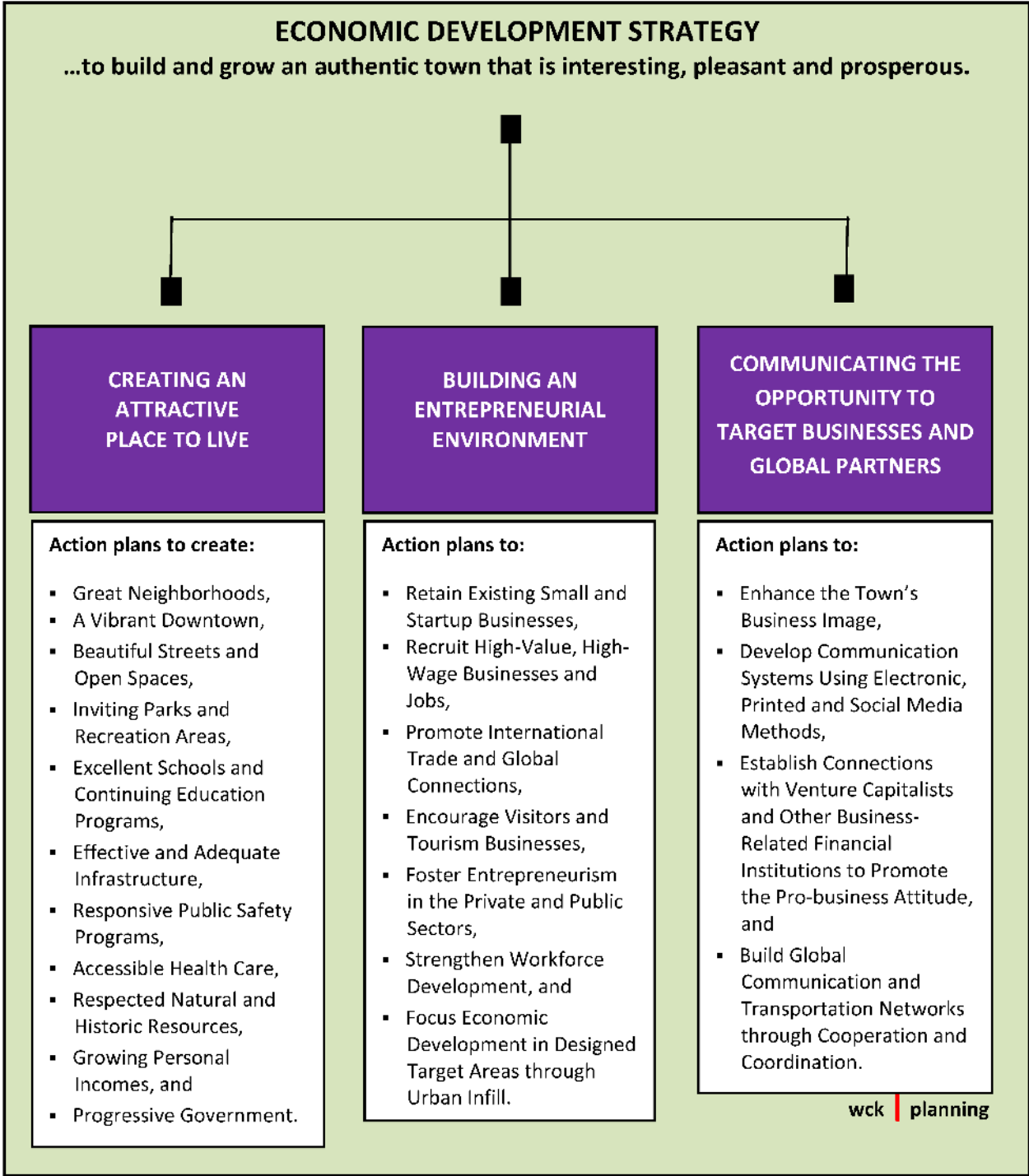
The Economic Development Plan identifies the city's path to increased wealth and income for the town's residents and businesses. The prize is the retention, expansion and recruitment of increasingly profitable businesses with jobs that pay above-average wages.

The Fundamental Ideas underlying the economics of the city are:

- 1. The success of the community depends on sustainable flow of money through the private sector.**
As the community builds its capital foundation it secures a stream of business income that supports the lifestyle of residents, businesses and governments. The city's economic base consists of: the businesses that provide jobs and incomes for residents; the economic base that generates taxes and fees required for public goods and services; and the education system that trains the workforce for businesses and organizations, private and public.
- 2. Retaining and recruiting employees depends on the city's quality of life.** Job descriptions, personal growth potentials and salaries are primary factors in an employee's mind when deciding to stay in a current job or take another opportunity. In addition, the employee assesses the quality of life in the town. The quality of the neighborhoods, the transportation system, public safety resources, schools, parks and shopping areas are important in the decision making. Taking or staying in a good job in a bad town is a tough decision to ask of people; better to offer a good job in a nice town.
- 3. Blighted areas must be improved.** Blighted neighborhoods and sections of town are perhaps the major beneficiaries of an economic development plan. Jobs and incomes are foundational to future success of blighted communities. Plans are useful when they focus the sources and uses of funds in blighted neighborhoods for physical and social infrastructure, identify training tied to job opportunities and foster communication within the city.
- 4. Business plans for private and institutional enterprises depend on a reliable City Finance Plan.** Enterprises, large and small, have plans for their future success. Some are elaborate, some are intuitive, but every enterprise has an idea about its role in the economy and what it must do to survive and prosper. Private businesses rely on information about the market for their goods or services, the infrastructure provided by the public sector and their projected tax and fee expenses.

The Strategic Concept.

To be successful, the city can leverage its social and physical assets to enhance the local economy. A business friendly atmosphere in an attractive and well served city helps retain and recruit businesses. The city’s business leadership is a tremendous asset as leaders of economic development councils and chambers of commerce designed to balance personal well-being with the public good. The strategy for *The Economic Development Plan* has three strategic objectives with action plans underpinning each:



Contents of the Economic Development Plan.

1. A Strong Data Base.

The city and other public agencies collect and track development data, building permits, utility connections, wage data by industry and occupation, and other information that reflects the existing growth and prosperity of the city. This is useful to the private sector but it is also essential to the city as it prepares budgets and bond documents.

2. A Livability Enhancement Plan.

Create an attractive place for people to live since people with choices will choose to live in nice places; places where they find comfort for their families and their businesses.

- Richard Florida's work, *The Rise of the Creative Class*, best describes the community qualities sought by people with high-value skills that can locate anywhere.
- Since employers are perpetually searching for skilled employees, businesses are locating in places that appeal to their necessary "talent".
- The national media designations of the "best places to live" are serious matters to business location experts. Find ways to be designated the "best" of something.

3. A Business Retention and Recruiting Plan.

The retention and recruiting program of a character town is essential to keeping and expanding a strong business base. Adding jobs to existing businesses and adding new businesses through start-ups and relocations enables community growth and prosperity.

4. A Workforce Development Plan.

Developing a trained workforce is the second part of a strong local business environment. Trained workforces are critical to retaining and attracting businesses.

- Special organizations, colleges, high schools, incubators, mentoring programs and apprentice jobs help develop the skills and knowledge required by local economic base industries.
- They are components of the city plan that require studies to determine current and projected skills by occupation. Once determined, this plan can be incorporated into other city, school system and private sector plans for employer recruiting and retention.
- Job training programs tailored specifically for local employers is a great way to keep other towns from poaching local businesses.

5. A Business Opportunity Communication Plan.

Since recruiting new businesses is a fundamental activity of every community, the Communication Plan must work full-time to present the opportunities in the local economy to out-of-town businesses considering relocations and expansions.

6. Roles for all players.

The identification of roles for every local organization with an economic development function is critical. The responsible party for specific tasks may be the chamber of commerce, the economic development office, the airport authority or a department of the city. Collaboration and multi-party participation is critical; and appealing to relocation prospects. Periodically evaluating the performance of each player is important.

Evaluate Options.

The amount of time and effort spent to retain existing businesses and recruit new businesses is limited. Budgets for economic development departments are under pressure. As is always done when resources are limited, priorities must be set. In the economic development field, trade-offs are confronted almost daily between serving existing and prospective employers.

While the policy making board is the decision-maker, the bias seems to sway to the retention of existing businesses that are consistent with and supportive of the city's vision; hence the importance of a vision that has a broad consensus of support.

Pre-determining criteria and priorities make the day-to-day choices clearer. A strong, clear economic development plan communicated effectively to the decision-making board is imperative in order to avoid daily decision-making inconsistent with the city's vision and strategy.

Conclusions.

1. **Integrate business and city plans.** Fully inter-connect the business community's *Economic Development Plan* with the city's *Finance Plan*. Use public capital improvements and public finance tools to support private economic development objectives.
2. **Leverage everything.** Use all city physical improvements and social infrastructure plans to support the economic development plan to create private jobs and incomes, taxes and fees. Cross-leverage every civic and private asset at every opportunity.
3. **Be vision driven.** Connect every economic and financial action of the city to its vision and strategy.
4. **Think and act comprehensively and long-term.** Embrace the full range of the city's reach and think about issues and opportunities over decades, not just years.
5. **Partner.** Consider every vision-consistent opportunity to partner and collaborate with others to advance the city's strategic objectives.
6. **Be Transparent and Accountable.** Establish and maintain a system of accountability to ensure that public efforts to support private activities are fully understood, well-founded and effective.

