

City of Gainesville

Strategic/Action Plan for Economic Development

August 23, 2004

Introduction

During the course of Spring/Summer 2004, several complimentary initiatives were undertaken to chart the future course of the City regarding Economic Development. These included: (1) the convening of the Mayor's Transition teams, principally the Business Friendliness/Economic Development team; (2) the request from Commissioner Braddy for staff to develop a Peer City and Benchmarking system tied to performance in Economic Development; (3) information compiled and reported to elected officials from various citizen led teams associated with the Inter-City trip to Norfolk/New Haven; (4) the Economic Development Summit sponsored by the City of Gainesville and Gainesville Area Chamber of Commerce; and, (5) goals and budget priorities established by the City Commission in the context of the FY 2005-2006 budget review.

This Strategic/Action Plan for Economic Development is informed by all of the above and does not necessarily blaze new trails with respect to Economic Development initiatives in the community, but instead, attempts to succinctly summarize and prioritize the wisdom of all of these past, and on-going efforts. Importantly, the emphasis of this document is to structure concisely some long-term Economic Development efforts based upon the Peer City and Benchmarking system reviewed within the context of the newly established Economic Development University Community Committee. Shorter-term efforts will be pursued on an annual basis by staff utilizing adopted budget guidelines as direction.

The Peer City and Benchmarking system's structure defines five (5) Economic Development attributes deemed as being important to business decision makers and thus, the economic health of the City. These five (5) Economic Development attributes are defined by various indices that are to be tracked on an annual basis in order to measure performance. These indices can be tracked utilizing fairly common sources of federal and local data including that provided by the US Census, the US Department of Commerce and the University of Florida's Bureau of Economic and Business Research for example. (*See Exhibit A*)

The fifteen (15) peer cities are established in order to serve as a relative basis for comparison in the measurement of economic performance on an annual basis. These peer cities have been initially selected based upon six (6) factors shared somewhat in common to all. They include: (1) the existence of a large public university with similar attraction of research dollars serving as the area's major economic engine; (2) a consistent student population; (3) a consistent City population; (4) a consistent per capita and personal wage/salary income; (5) a consistent sector breakdown relative to economic base; and, (6) a consistent Policom (Economic Development Summit Speaker's firm) "Economic Strength" grade based upon eighteen (18) categories including per capita income; earnings; proprietor characteristics; retail trade earnings; construction earnings; transfer payments; etc. as measured by the US Department of Commerce Bureau of Economic Analysis. (*See Exhibit B*)

This Plan then, is strongly informed and shaped by the structure of the Peer City and Benchmarking system described above. The overall strategic objective of this document then is to improve performance in the context of each of the five (5) Economic Development attributes as measured by each of the attributes indices. By so doing, the City of Gainesville, over a period

of years, should consistently move in the direction of quantitatively and qualitatively improving its prospects for development of the local economy.

With respect to achieving successes, individual Economic Development accomplishments will no doubt come on a varied basis. However, what ultimately is important is a consistent movement towards improvement with respect to the various attributes on an annual basis as measured by the various indices.

Finally, this Peer City, Benchmarking and Strategic/Action Plan system is designed to be flexible over time. Although the structure should remain in tact, in future years, individual components such as the attributes, indices and/or peer cities may need to be refined based upon evolving community circumstances.

Infrastructure

Provision of adequate infrastructure capacity is important in order to facilitate prospects for future economic development and growth. This includes provisions made for adequate transportation facilities, provision of utilities and land/building inventory. A deficit in any of these factors may inhibit consistent development potential by the private sector. In addition, the importance of location cannot be underestimated. Therefore, the following objectives and performance measurements are proposed:

- (1) Ensure adequate transportation (roads, air, other) capacity in terms of maintenance and level of service.

Performance Measure: Annual assessment of roadway resurfacing (roadway miles) and repair (asphalt roads – square yards) projects; construction of new lane miles; development and implementation of Airport Master Plan regarding airport enhancements, passenger service and air cargo business development

- (2) Ensure adequate provision of utilities (water/sewer, electric, gas) to the community.

Performance Measure: Inventory and availability of utility capacity available to meet the needs of the private sector (water, sewer, electric, gas, broadband)

- (3) Provide adequate building/land inventory to assist facilitation of private development opportunities.

Performance Measure: Inventory and provision of available vacant buildings and land properly served via utilities and developable regarding land use/zoning regimen

Business Environment

This attribute is crucial to prospects for consistent Economic Development over time. Business environment chiefly is concerned with long term and operating costs confronted by business concerns as well as the more subjective issue of community attitude. In the interest of economic development, the public sector can provide a more or less conducive posture by facilitating a more or less hospitable business environment. Business environment is a rather all-inclusive attribute in many respects however, the following objectives and performance measurements are proposed:

- (1) Ensure a competitive cost environment regarding community tax/utility rates and permitting structure.

Performance Measure: Ad valorem and utility rates; permitting regimen/costs

- (2) Ensure a business environment conducive to the growth of new business firms.

Performance Measure: Growth in firms measured by occupational licenses and non-farm proprietors, capital availability environment

- (3) Provide for a business environment leading to consistent job growth.

Performance Measure: Growth in jobs measured by worker employment data

- (4) Project a pro-active image to the business community regarding interaction with City government.

Performance Measure: Annual business satisfaction survey

Workforce

Labor, along with land, capital and technology, is typically considered a major factor of production. A very important issue is whether or not the business firm can be assured of a technically competent and reliable workforce with respect to a specific location. The City of Gainesville is blessed to have a quantitatively large pool of labor prospectively available for employment and the educational institutions to support this circumstance, however, there is a question as to the qualitative improvement in employment opportunities for the City's labor pool. In order to move forward on the community Workforce front, the following objectives and performance measurements are proposed:

- (1) Maintain and/or improve upon the quantitative measurement of employability.

Performance Measure: Unemployment rate

- (2) Maintain and/or improve upon the technical/community training programs offered by Santa Fe Community College and others.

Performance Measure: Implementation of community training programs (Santa Fe and School Board) and graduates, high school graduation rates (# satisfactorily passing competency test

- (3) Maintain/Improve the earning capacity of workers in order to move towards a less severe underemployment situation.

Performance Measure: Earnings per capita and average wage per job

Diversified Economy

As made abundantly clear by William Fruth at the joint 2004 City/Chamber Economic Development Summit, the City's economy is structurally overly reliant on the State of Florida for its economic well being. This is primarily due to the enormous role the University of Florida represents as the area's primary economic driver. The retail and services sectors of the local economy are similarly important to the local economy but in large measure fluctuate with the ebb and flow of government expenditures and employment. It will be crucial for the community to diversify its economy over a longer time horizon and the University will play a critical role in this transformation. Therefore, the following objectives and performance measurements are proposed:

- (1) The City will work to diversify its economic base over time

Performance Measure: Percentage of individuals employed in various sectors

- (2) The City will work to develop and expand its taxable property base.

Performance Measure: Percentage of tax base off rolls; total taxable value of property Citywide and per Community Redevelopment Area (residential, commercial, industrial value breakdown)

- (3) The City will work cooperatively with the University of Florida to capitalize on and capture technology transfer and commercialization opportunities.

Performance Measure: Number of spin-offs captured at incubators; number of spin-offs absorbed by community

Quality of Life

As a consequence of improvements in telecommunications and various production technologies, quality of life considerations are increasingly important in business/economic development calculations. This is particularly true with respect to the knowledge and related targeted industries (pharmaceutical/biotechnology; medical/dental instruments; electronic and telecommunication equipment) that are being pursued by the community. Quality of life, in similar fashion to business environment, can include a wide variety of factors but the following objectives and performance measurements are proposed:

- (1) The City will strive to raise standards of living and through economic development activities.

Performance Measure: Poverty rate, Cost of living

- (2) Facilitate an environment conducive to development of arts/cultural and recreation activities.

Performance Measure: Per capita spending on community arts/cultural/recreation activities

- (3) The City will provide a safe and secure environment in which economic development activities can be pursued.

Performance Measure: Crime rate statistics (crime/1,000 residents), per capita provision of police officers