

City of Gainesville
Strategic/Action Plan for Economic Development
March 18, 2010

Preamble

Over the course of the last decade, the City of Gainesville has endorsed a program of economic development that stresses a qualitative improvement in the standard of living of its citizens. This program focuses upon policies that promote business development, diversified employment opportunities and an expanding tax base within the context of a sustainable physical development pattern. Recently, with the rise of the Innovative Economy, the City has attempted to ramp up its efforts at capitalizing on the competitive advantage that the City enjoys as host community to a major research institution and the associated intellectual capital that can drive community economic improvement.

The City has adopted this program of economic development through various policy vehicles inclusive of: 1) its *Comprehensive Plan* (Innovative Economy principles and application of Urban Mixed Use and Business Industrial Land Use and Zoning designations); 2) its *Economic Development programmatic activities* (GTEC, GEZDA, Airport Industrial Park, Economic Development Finance platform and project facilitation); 3) its *Partnerships* with private industry, educational, non-profit and economic development entities as effectuated through the efforts of the EDUCC.

Partnerships are vital to the future of economic development efforts in Gainesville and the surrounding area. EDUCC is the City's attempt to create a forum for the coordination of City, University, College, Private Industry and other partners in an active and responsive approach to these matters.

Vision Statement for Economic Development in Gainesville and its Region

This Strategic Action Plan for Economic Development is designed to guide City efforts in providing for a materially beneficial and productive means of earning a living for its citizens while concurrently fostering a nurturing and dynamic living environment.

Introduction

Since the national recession began in December, 2007, the nation and the State of Florida have confronted major economic, employment and demographic challenges. As in other areas of the nation and state, the residential market in Gainesville has suffered due to underlying financial fundamentals and a slow down in the rate of growth (and net loss in 2009) of the State's overall population. The poor performance of the residential market has impacted the overall economy and in Gainesville, the downturn in housing has been most conspicuous with respect to the multi-family and apartment sector.

Although signs indicate that the macro-economy is beginning to turn around and post signs of moderate growth, the work out of the "great recession" will likely take several more years. The City of Gainesville is fortunate as it has been somewhat insulated from more prevalent macro and state trends due to its institutionally based local economy.

This institutional foundation, represented by a strong education and government employment sector, and the strides that have been made over the past five years in building a critical mass for local capture of budding innovative economy opportunities, positions the community well for the ensuing five years.

This is particularly true as the State will likely see more moderate population growth in future years and thus, focusing on building diversity in the local economy from within is critical to the future success of the State of Florida and the City of Gainesville. A strategy that focuses on development rather than simply growth is the key.

As a consequence, this Strategic/Action Plan for Economic Development attempts to succinctly summarize and prioritize the wisdom of all past, and on-going economic development 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 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 and action steps that are to be tracked on a quarterly and semi-annual basis by the EDUCC 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)*

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 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 is set on firmer ground, 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: *Expansion of multi-modal transportation opportunities (inclusive of Bus Rapid Transit and other transit options and Pedestrian/Bicycle Improvements; Annual assessment of roadway resurfacing and maintenance; Development and implementation of Airport Master Plan regarding airport enhancements, passenger service and air cargo business development*

Action Steps: Semi-annual status report on transit initiatives; roadway resurfacing and maintenance activities; Gainesville Regional Airport Enhancements to EDUCC.

- (2) Ensure adequate provision of utilities (water/sewer, electric, gas, broadband) 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) and effect on areas of targeted growth and those with existing deficiencies)*

Action Steps: Semi-annual status report to EDUCC on utility capacity available generally and to specific areas of deficiency within the City.

- (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*

Action Steps: On a semi-annual basis report the status of needs and available inventory to EDUCC.

Business Environment

This attribute is crucial to prospects for consistent Economic Development over time. Business environment chiefly is concerned with long and short 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 and pro-active approach to problem

solving. 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

Action Steps: Analyze budget/financial policy and permitting regimen in the context of peer cities.

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

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

Action Steps: Semi-annually perform quantitative/qualitative analysis of City firms utilizing Business Tax Data; assess capital availability in community and participate in efforts to enhance capital resources and various economic development finance tools.

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

Performance Measure: Growth in jobs measured by worker employment data

Action Steps: On an on-going basis, work with community economic development partners and private industry to enhance job growth prospects in the community (particularly in the context of the Innovative Economy).

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

Performance Measure: Annual business satisfaction survey/citizen satisfaction survey with business

Action Steps: Solicit comments from private industry on permitting process concerns; conduct citizen satisfaction survey with business opportunities/choices offered within the City at the time of the Citizen Survey.

Workforce

Labor, along with land, capital and technology, is considered a major economic 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

Action Steps: On an on-going basis work with private industry, workforce partners and the areas major employers to increase employment opportunities for residents.

- (2) Coordinate with partners to 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).

Action Steps: Work with education/workforce partners to perform needs analysis of area economy and manner in which the City can assist in improving workforce preparation continuum to serve the needs of the Innovative Economy.

- (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

Action Steps: Work with economic development partners to facilitate Innovative Economy Opportunities; analyze earnings keeping in mind impacts of the student population; define the nature of work.

Diversified/Innovative Economy

The City of Gainesville, unlike many other areas of the State, has a predominant Institutional economy. In light of the national recession over the past two years, this status has served the local economy well by insulating it from the greater downturn experienced by other areas of the State that have relied solely on growth to drive local economic expansion. The challenge for the community is to gain greater returns from the institutional economy which seems to be happening but is in need of acceleration. 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. Further diversity will be generated by chief institutional drivers of the local economy, primarily the University of Florida and Santa Fe College and in the long term, will assist Gainesville in achieving an Innovative economy that will drive business and employment development. Therefore, the following objectives and performance measurements are proposed:

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

Performance Measure: Percentage of individuals employed in various sectors

Action Steps: On an on-going basis, work with ED partners in the community to foster the Innovative Economy.

- (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)

Action Steps: Continue to develop the Airport Industrial Park asset; encourage annexation of properties within the Urban Reserve particularly those that could have Innovative Economy implications.

- (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*

Action Steps: Work to capture GTEC spin-offs and to foster other opportunities such as the Innovation Hub; develop the appropriate strategic approach to achieving this action step.

- (4) Develop Master Plan specifying: 1) areas targeted for commercial growth and development; and; 2) steps designed to incentivize said growth and development of targeted areas.

Performance Measures: *Identification of Innovation Zones*

Action Steps: Identify and analyze additional Innovation Zones within City limits similar to that adopted by the City Commission in the Comprehensive Plan; ensure appropriate land use and zoning (Business Industrial) is in place.

Quality of Life

As a consequence of improvements in telecommunications and various production technologies, and their importance to the Creative Class, 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*

Action Steps: Work with the Equal Opportunity Office to determine those activities/partnerships in the community that can best assist those in the community who suffer from poverty; develop the appropriate strategic approach to achieving this action step.

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

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

Action Steps: Work with Parks and Cultural Affairs and other community partners to inventory and market area culture and recreation activities/organizations.

- 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

Action Steps: Work with GPD to report out on crime statistics relative to providing a secure community and marketplace; work with GPD on CPTED measures through planning process.

Conclusion

This strategic/action plan regarding economic development represents a broad approach to improving Gainesville's local economy in the context of a peer city and benchmarking approach to tracking performance on an annual basis. Improvement in the five (5) key economic development attributes are seen as being crucial to growing and developing the local economy. The performance measures identified will be utilized to track progress and peer cities will be utilized as a relative basis of comparison.

This strategic/action plan has a certain defined structure based upon the peer city and benchmarking system, however, it should be seen as a work in progress. Over time, community attitudes regarding the five (5) key economic development attributes or the indices that define them, may be modified as conditions warrant. In addition, this strategic/action plan is informed by other efforts taking place currently and in the future.

This strategic/action plan is not designed to be overly cumbersome in terms of narrative or content. Instead, it is intended to be a concise statement of the community's key economic attributes, the objectives designed to improve on the attributes over time and the performance measures/action steps that will be utilized to gauge the community's progress.

Exhibit A - Key Economic Development Attributes and Defining Indices*

Infrastructure

- Expansion of multi-modal opportunities; implementation of Airport Master Plan
- Inventory and availability of utility capacity (water, sewer, electric, gas, broadband)
- Inventory and availability of vacant buildings and land served and properly zoned

Business Environment

- Ad valorem and utility rates; permitting regimen/costs
- Growth in firms measured by Business Taxes and non-farm proprietors, capital availability
- Growth in jobs measured by worker employment data
- Annual business /citizen satisfaction survey

Workforce

- Unemployment rate
- Implementation of community training programs and graduates; high school graduation rates
- Earnings per capita/Average wage per job

Diversified Economy

- Percentage of individuals employed in various sectors
- Percentage of tax base off rolls; total taxable value of property Citywide and per CRA districts
- Number of spin-offs captured at incubators and absorbed by community
- Develop master plan to define areas of Innovation Economy business development

Quality of Life

- Poverty rate, Cost of Living
- Per capita spending on community arts/cultural and recreation activities
- Crime rate statistics (crime/1,000 residents); per capita provision of police officers

* These attributes and indices will be measured in absolute terms regarding the community's progress and relative to the fifteen (15) peer cities indicated in Exhibit B on an annual basis

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Exhibit B - Peer Cities

Public Universities/Location	Enrollment	Population	% College Students	Research \$ **	Median Age	Household Size	Owner/Renter %
Univ. of Fla./Gainesville, FL *	47,373	217,955	21.74%	\$359,312.00	29	2.34	55/45
Michigan State/East Lansing/Lansing, MI *	44,937	382,975	11.73%	\$265,946.00	33	2.48	67/33
Univ. of Wisconsin/Madison, WI *	40,884	426,526	9.59%	\$664,143.00	33	2.37	58/42
Univ. of Illinois at Urbana-Champaign/Champaign, IL *	39,999	179,669	22.26%	\$390,863.00	29	2.33	56/44
Univ. of Michigan/Ann Arbor, MI *	38,972	322,895	12.07%	\$600,523.00	31	2.41	59/41
Indiana University-Bloomington/Bloomington, IN	38,903	120,563	32.27%	\$265,922.00	28	2.48	54/46
University of South Fla./Tampa, FL	38,854	998,948	3.89%	\$254,748.00	40	2.33	70/20
Univ. of Central Fla./Orlando, FL	38,501	896,344	4.30%	\$588,000.00	33	2.61	60/40
Florida State Univ./Tallahassee, FL	36,210	239,452	15.12%	\$161,774.00	29	2.34	57/43
Univ. of Georgia/Athens-Clarke County, GA *	32,941	101,489	32.46%	\$272,298.00	25	2.35	42/58
Louisiana State/Baton Rouge, LA	32,228	412,852	7.81%	\$122,000.00	31	2.55	61/39
North Carolina State at Raleigh/Raleigh, NC	29,637	627,846	4.72%	\$169,543.00	32	2.51	65/35
Colorado State Univ./Ft. Collins, CO	29,255	251,494	11.63%	\$156,723.00	33	2.52	67/33
Univ. of North Carolina at Chapel Hill, Chapel Hill, NC *	26,028	118,227	22.02%	\$303,576.00	30	2.36	57/43
University of Arizona, Tucson *	36,847	843,746	4.37%	\$367,128.00	35	2.47	64/36
University of Texas, Austin *	52,261	812,280	6.43%	\$295,104.00	30	2.47	51/49
University of Virginia, Charlottesville *	23,144	79,236	29.21%	\$149,547.00	37	2.44	65/35

* Association of American Universities (AAU)

** Association of American Universities designation indicates 2001 research dollars

Exhibit B - Peer Cities

Public Universities/Location	Pollcom	** % Below Poverty	Per Capita Income	Per Capita Income Rank	Personal Income***	% change 2001-02	Wages Salaries***
Univ. of Fla./Gainesville, FL *	119-B	23%	\$25,033	261	5934	3.7	3572
Michigan State/East Lansing/Lansing, MI *	176-C+	11	\$27,806	154	12614	2.8	8193
Univ. of Wisconsin/Madison, WI *	11-A+	9%	\$34,650	32	18001	4.7	11433
Univ. of Illinois at Urbana-Champaign/Champaign, IL *	248-D+	16.1	\$27,294	171	5862	3.1	3400
Univ. of Michigan/Ann Arbor, MI *	80-A-	11.1	\$35,282	27	11801	3	8483
Indiana University-Bloomington/Bloomington, IN	177-C+	18.9	\$23,633	313	4182	3.3	2130
University of South Fla./Tampa, FL	50-A	11.2	\$29,728	108	73986	3.4	41070
Univ. of Central Fla./Orlando, FL	27-A	10.7	\$27,587	163	48431	4.5	30527
Florida State Univ./Tallahassee, FL	72-A-	18.5	\$26,302	202	8547	3.1	5306
Univ. of Georgia/Athens-Clarke County, GA *	96-B+	21.4	\$24,171	297	4109	3.8	2357
Louisiana State/Baton Rouge, LA	148-B-	16.2	\$25,841	222	18494	3.7	10943
North Carolina State at Raleigh/Raleigh, NC	6-A+	10.2	\$33,293	41	28613	1.2	16580
Colorado State Univ./Ft. Collins, CO	8-A+	9.2	\$31,420	77	8296	2.4	4416
Univ. of North Carolina at Chapel Hill, Chapel Hill, NC *	6-A+	10.2	\$33,293	41	28613	1.2	16580
University of Arizona, Tucson, AZ *	87-B+	14.7	\$25,278	246	22213	4.6	11325
University of Texas, Austin *	1-A+	11.1	\$31,677	72	42671	-1.1	26981
University of Virginia, Charlottesville *	65-A-	11.5	\$32,053	60	5755	3.2	3078

* Association of American Universities (AAU)

** Grade is determined based upon the annual growth rate and the average annual deviation calculated for eighteen categories for time periods 1976-1990 and 1991-2000; eighteen categories include per capita income, worker earnings, retail trade, etc.

*** Millions of dollars

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601

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Meeting Minutes

Thursday, January 28, 2010

1:00 PM

Room 016, City Hall

Economic Development/University Community Com

*Commissioner Jack Donovan, Chair
Commissioner Lauren Poe, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

040247 **EDUCC Information (B)**

The EDUCC heard staff discuss the incorporated member suggestions into the City of Gainesville Strategic/Action Plan for Economic Development.

*Upon review, the EDUCC members directed staff to make the final edits as follows.
Commissioner Poe*

Infrastructure under Performance Measure: Based on our significant maintenance and reconstruction deficit within the city, I would like a little stronger wording here. It is apparent to me that we need either a dedicated funding source (i.e. a sales tax or special assessment) or a much greater line item in the Public Workforce budget just to catch up to our anticipated needs. This topic needs to be discussed by the entire commission.

Workforce under (2) Action Steps: I would like to see the city develop a mechanism, perhaps as a partnership with the school board, to facilitate service learning opportunities with local business for our students. Another discussion item. This is one of the Chamber's priorities.

Workforce under (3) Performance Measure: Exclude students? Will students skewed the jobs growth per capita measures?

Commissioner Donovan

Preamble-page one-second paragraph: Scratch the first word Mechanically. Sentences 2, 3, and 4 are difficult to read, revise. Insert comma in #3.

Preamble-page one-third paragraph: Scratch the second word latter and replace with partnership.

Vision Statement for Economic Development in Gainesville and its Region: First sentence scratch balancing of and replace with intention to or focus on.

IDENTIFY.....-page two-last paragraph-second sentence: The word in tact is one word.

Infrastructure-page three-under Action Steps: (1) Insert and specify an accountable deadline date. (2) Insert and specify an accountable deadline date. (3) Expand to include an annual analysis of what the needs are and quarterly report as to track the needs. (Commissioner Poe commented to submit a quarterly update of the strategic plan.)

Diversified Economy-page six-under Action Steps: (3) Include and define what the work is.

Quality Of Life-page six-under Action Steps: (1) Include a list of ways we would work with the Equal Opportunity Office.

MOTION: The Strategic Plan for Economic Development will be forwarded as amended to the full City Commission.

*Commissioner Poe Moved
Chair Donovan Seconded*

The motion passed 2-0.

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RECOMMENDATION *The EDUCC hear a status review from Staff and the EDUCC approve the Economic Development (ED) Strategic Plan.*