

TO: EDUCC Members

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SUBJECT: Proposal to Enhance Development of the Entrepreneurial Ecosystem



At its strategic planning session on February 9th, the City Commission directed staff to evaluate and report back on any resources needed to assist the City in achieving its economic development goals. Accordingly, staff developed this proposal, outlining plans for an ecosystem that will foster entrepreneurial activity. This proposal describes the framework, infrastructure and data sources required for successful implementation of this ecosystem. It reflects activities that are already being pursued to some degree and that are consistent with City Commission Strategic Initiatives regarding Economic Development.

Framework

The fostering of an entrepreneurial ecosystem has been a staff priority for several years. Two factors that have recently emerged, re-emphasize and frame the need for such a system: 1) the Backyard Economics Campaign; and, 2) an Economic Gardening initiative. An entrepreneurial ecosystem can be a platform for building sustainable local businesses throughout the community.

Backyard Economics

In February 2009, Mayor Hanrahan helped launch the statewide Backyard Economics campaign. The campaign is a grassroots push to urge Florida citizens to “plant the seeds of economic recovery in their own backyards – by spending money close to home.” Essentially, the program is a marketing push aimed at increasing the amount of money spent locally. As part of the campaign, the State launched the Backyard Card which offers discounts to local businesses. The Gainesville Area Chamber of Commerce is the lead agency for the Backyard Card program.

Economic Gardening

Economic Gardening is a way of looking at economic development that fits with Gainesville’s priorities and competitive advantage. Traditional models focus on recruiting companies to a community. While recruitment is still important, Economic Gardening focuses on growing and developing local businesses. Local businesses not only have close ties to the community, they also keep profits in town. Economic Gardening was developed by the Town of Littleton, Colorado and is now being successfully implemented by economic development organizations across the nation.

Infrastructure

A successful entrepreneurial ecosystem requires a solid infrastructure. The infrastructure is what ties the system together and provides the necessary tools that can build entrepreneurial capacity. Staff is proposing the development of such an infrastructure called Enterprise Gainesville.

Enterprise Gainesville

Enterprise Gainesville is a model developed by staff and community members. The principles are based on best-practices from successful entrepreneurial programs across the country. Enterprise Gainesville will be the backbone for entrepreneurial capacity-building in Gainesville. The approach is four-pronged:

1. Community Empowerment – Building a culture that celebrates entrepreneurial creativity and encourages entrepreneurship as something that one should strive towards.
2. Networking – Helping entrepreneurs build synergistic relationships by connecting them through networking events and other forums.
3. Business Assistance – Connecting entrepreneurs to the technical assistance they need to be successful.
4. Capitalization – Connecting entrepreneurs to the capital resources they need to start and grow their businesses.

Specific activities, such as the creation of a master calendar of events and the launch of an entrepreneurial speaker series are defined to further the goals of each prong in the approach. The purpose of Enterprise Gainesville is not to replace existing service providers but rather to be the link that connects them together. Accordingly, in order for it to be successful, Enterprise Gainesville will need to be a community-wide system. The City's role will be to bring partners together, initiate the process and provide the support necessary to get the system up and operational.

Data Sources

An entrepreneurial ecosystem requires high-quality data sources. Business decisions should be based on accurate facts and pertinent market data. As such, it is critical for entrepreneurs to have current and readily accessible information on demographics and industry trends. Staff is proposing a retail study of East Gainesville and a renewal of the Decision Data Resources system subscription.

East Gainesville Retail Study

Currently, the spatial area east of Main Street is perceived as having lack of viable retail outlets to serve the community. The proposal calls for a study to investigate retail opportunities in East Gainesville. Specifically, a study will help identify:

- Potential sites for retail development
- Types of retail businesses that would be a good fit for East Gainesville
- Current barriers to development and steps needed to minimize them

Staff is aware of private consultants that specialize in this type of investigation and will explore a potential partnership with the University of Florida and other partners to conduct the study.

Decision Data Resources

Decision Data Resources is an online service that provides access to current and past US Census data. The Decision Data Resources system allows:

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- Unlimited access to demographic maps and reports for all U.S. geographies and addresses
- Quick and accurate market and site location analysis
- Analysis of geographies based on custom radii or drive times, counties, census tracts, block groups, cities, zip codes, or custom geographies

The Economic Development Division has been using Decision Data Resources for the last few years. In FY 2009, the subscription was not renewed due to budget constraints. Staff is proposing that the subscription to Decision Data Resources be reinstated and that relevant data be linked to the City's webpage for easy access.

Next Steps

Staff has identified a potential funding source to move forward with the various components of this project. The City's Small Business Loan Fund has a balance of approximately \$70,000. The fund was established in fiscal year 2005 with funds received through an insurance settlement associated with the United Gainesville Community Development Corporation. The funds have been placed in the Small Business Loan fund for a number of years. Staff would like to investigate the efficacy of accessing and ultimately utilizing these funds for the program outlined in this memo.

With appropriate direction from EDUCC and the City Commission, staff is prepared to assess the feasibility of the ecosystem outlined in this proposal and begin to move forward on its implementation.