

Memo

To: The Honorable Mayor & Members of the City Commission
From: Erik A. Bredfeldt, Economic Development and Innovation Director
VIA: Anthony Lyons, City Manager
Wendy Thomas, Director, Department of Doing Director
Date: October 11, 2018
Re: Economic Development Activities: Now and What's Next

Economic Development and Innovation staff pursues economic development priorities of the City in keeping with the Commission Citywide Strategic Framework "Supporting a Strong Economy" inclusive of catalyzing job diversity, entrepreneurship and small business vitality, (and in sync with City's adopted Economic Development Strategic Action Plan), through collaboration with community economic development partners and ED project management and within the context of the Department of Doing.

Building the innovation/entrepreneurial economy is an underlying theme as it represents the City's competitive advantage and staff has been involved in building the community's capacity in this regard in past years through its own efforts and in collaboration with partners. Staff has been working on various facets of this approach and an attempt to reach the continuum of individuals that can benefit from it.

In the coming years, and due to current economic (tight labor market) circumstances, an emphasis will be placed on building human capital capacity and workforce preparedness in order to better address issues of disparity and inclusion recently documented in UF BEBR's study, "Understanding Racial Inequality in Alachua County" and to address the needs of employers struggling with the demands of hiring in a tight labor market.

Currently, staff works on economic development through the following activities:

(1) Economic Development and Innovation (Now) – Strategic Framework Implementation

Work to develop and support a strong local economy through provisions of the City's Strategic Planning Framework

- Work with partners throughout the organization to facilitate private industry development opportunities
- Work with partners throughout the organization on Citizen Centered approaches to economic development (Grow Yourself Kit, Basecamp)
- Implement research grant proposals in sync with City-UF Strategic Planning efforts
- Build a data centric approach to provision of Support a Strong Economy Initiatives
- Work with community economic development partners on inclusive approaches to these initiatives

(2) Economic Development and Innovation (Now) – Collaboration with Community ED Partners

Work collaboratively with community economic development partners in public, private and non-profit sectors to transform approaches to local economic development

- Joint work on incentives and regional ED efforts (QTI (3 firms in pipeline, 182 jobs incented at approx.. \$500-\$900/job), Enterprise Zone (fee waivers totaling approximately \$1M per year and more robust platform), Opportunity Zone)
- Collaboration with partners through existing committee/board structure (UF, Santa Fe-CIED, Alachua County, Chamber of Commerce, Builder's Association, Career Source, GACRAA)
- Work with non-profits seeking to build various sectors of the economy (Working Food (FY 18 Grant Expended), GEAP, CIED)
- Work with internal partners on community economic development efforts (City Job Fair, EO; EZ Energy Incentive, GRU; Planning/Building Facilitation, DOD)
- Attend 1st Step/GRU Project meetings (2-3 per week); provide follow up and take ownership stake in projects to bring them to fruition
- Field business start-up/regulatory inquiries

(3) Economic Development (Now) – Project Management

Facilitate restructured approach to project management designed to grow/develop the local economy

- Managing partner GTEC facility (21 tenants, \$2.5M private investment (6-30-18)
- Reposition Enterprise Zone to strategically enhance East Gainesville prospects
- Manage Airport Industrial Park (Contracts, Real Estate Assets, Environmental Mediation)
- Participate in implementation of development projects involving City resources (Lot #10, Catalyst Building, Working Food, EZ Energy Efficiency Program)
- Manage City of Gainesville Micro-Credit Program

Staff's intent is to move forward by emphasizing the following activities:

Future Direction (What's Next) – Inclusive Community Economic Development

Meet the coalescing of interests of employers seeking a secure talent pipeline and existing, as well as prospective, talent within the community.

- Work to position City to better integrate data collection/analytics into economic development priorities/activities
- Focus on building the talent development pipeline in alignment with established and growing clusters of the local economy
- Work through new partnerships (Alachua County Compact, Gainesville Housing Authority, Youth Build, startup GNV, private industry) to address the talent/workforce pipeline
- Re-position and enhance existing community economic development partnerships (CIED Management of GTEC to be reassessed in FY 19) in order to further grow and develop the local economy
- Refine outreach to entrepreneurial/small business community through Department of Doing efforts (GYK enhancements, Small Business Survey)

The City's practice of Economic Development is heavily influenced by collaboration with various institutions/entities within the community and the outline of those relationships with staff is as follows:

University of Florida

The City partners with the University of Florida on pre-empting issues that may arise regarding the build out of Innovation Square. In addition, the City is collaborating with the University on establishing a Smart Cities platform at the Catalyst Building, on joint research efforts regarding data analysis in the service of business development and in an effort to address the access to capital gap in the community via establishment of a local micro-credit program.

Santa Fe College

Santa Fe College currently manages the Gainesville Technology Entrepreneurship Center (GTEC) and a future amendment to the existing management agreement will be sought extending that relationship. City staff partners with Santa Fe on addressing workforce training issues in the community when necessary and on the horizon will be assistance in facilitation of the Santa Fe Downtown Campus improvement project.

Gainesville Community Redevelopment Agency (CRA)

The Gainesville CRA works in four (4) redevelopment districts located proximate to the urban core and eastern side of the City. Within these geographic areas, the CRA constructs infrastructure which can provide the foundation for economic development and then can provide a menu of incentives for projects that provide job creation and/or result in capital improvements. Examples of projects completed or underway are Depot Park, the Power District, the Standard, Cornerstone and Heartwood. Staff partners CRA staff when there is overlap in project assignments (the Catalyst Building and then GTEC as part of the larger Cornerstone project are examples of this interaction).

Gainesville Area Chamber of Commerce

City EDI staff participates on a few Chamber Committees (Regional Partners and International) and normally coordinates economic development efforts particularly as it concerns the attraction of private industry to the community.

Alachua County

City EDI staff participates with Alachua County staff when necessary on joint development projects (area around Resource Recovery Park and current Fairgrounds site) and partners with the County when pursuing limited State incentives for attracted private industry principally the Qualified Target Industry (QTI) program.

GACRAA

The City has an ex-officio seat on the GACRAA Board (the Economic Development and Innovation Director currently serves the City in this role) and assists the Airport with the facilitation of development projects, the occasional management/modification of the applicable regulatory regime and the securing of Federal funding for Airport projects which the City has a role in approving.

Private Industry

City EDI staff assists private industry with securing development permits when sought and then provides assistance depending on the circumstances confronting a particular business development opportunity. This can run the gamut from simply advising local business on securing appropriate licensing from the City, to, as mentioned, seeking a development approval, to receiving services on securing a binding relationship with the City via either lease or contract on City property, to obtaining various local or state incentives for a project.

Currently, staff is fielding approximately a 3-5 inquiries a week from private industry regarding pursuit of business development opportunities in the City at some level.

Building/Development Community

City EDI staff attends 1st Step and GRU project meetings and when necessary, takes an ownership stake in projects moving forward. In addition, when necessary, the EDI staff acts in an ombudsman posture to work through regulatory challenges that may confront a project.