

040247

City of Gainesville
Strategic/Action Plan for Economic Development
August 23, 2004
February 1, 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.

Mechanically, the City has adopted this program of economic development through various policy vehicles inclusive of: 1) its Comprehensive Plan (endorsement of consistency between the City's Future Land Use and the County's Strategic Plan for Economic Development, principles of Innovative Economy contained in the Intergovernmental Element, and recently, enactment and application of Business Industrial Land Use/Zoning); 2) its Economic Development activities (GTEC, GEZDA, Airport Industrial Park and project facilitation); 3) its routine interaction with private industry and the environment the City has established within which the values of community interact with the fluidity of the market; and 4) its Partnerships as reflected in participation in the EDUCC.

The latter is 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 an expression of the City's balancing of community and market interests in an effort to provide for a materially beneficial and productive means of earning a living for its citizens while concurrently fostering a nurturing and dynamic living environment.

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.

IDENTIFY BIG AREAS OF ED CONCERN OVER THE NEXT 3-5 YEARS (HOUSING MARKET, NECESSITY OF DIVERSIFYING, NO NET POPULATION GROWTH)

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 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 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. The include: (1) the existence of a large public university with similar attraction of research dollars serving as the areas 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: 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 [LP1](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

Action Steps: Annual status report on transit initiatives; roadway resurfacing and maintenance activities; Gainesville Regional Airport Enhancements.

- (2) Ensure adequate provision of utilities (water/sewer, electric, gas[LP2]) 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: Annual status report 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 an on-going basis, meet the needs of entities interested in expanding current operations or seeking out new facilities.

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 ~~occupational licenses~~ business tax and non-farm proprietors, capital availability environment

Action Steps: Annually (August/September) perform quantitative/qualitative analysis of City firms utilizing Business Tax Data. Annually assess capital availability in community and participate in efforts to enhance capital resources.

- (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 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

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

- (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):*

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.[LP3]

- (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[LP4]*

Action Steps: Work with economic development partners to facilitate Innovative Economy Opportunities.

- (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.

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. 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. 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. Further diversity will be generated by chief institutional drivers of the local economy, primarily the University and Santa Fe 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 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.

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.

- (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.

- (4) 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 includes direction provided by the various Inter-City tour Committees and the on-going, and future, budget adoption process.

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 that will be utilized to gauge the community's progress.

Exhibit A - Key Economic Development Attributes and Defining Indices*

Infrastructure

- Assessment roadway resurfacing/repair; new lane miles; 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 occupational licenses and non-farm proprietors
- Growth in jobs measured by worker employment data
- Annual business 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

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