



# **OPEN GOVERNMENT WORKSHOP SERIES**

**ADDRESSING CHALLENGES TO  
ECONOMIC DEVELOPMENT  
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**Addressing Challenges to  
Economic Development**



**CALED**

**Economic Development  
Leadership Since 1980**

# CALIFORNIA ASSOCIATION FOR LOCAL ECONOMIC DEVELOPMENT

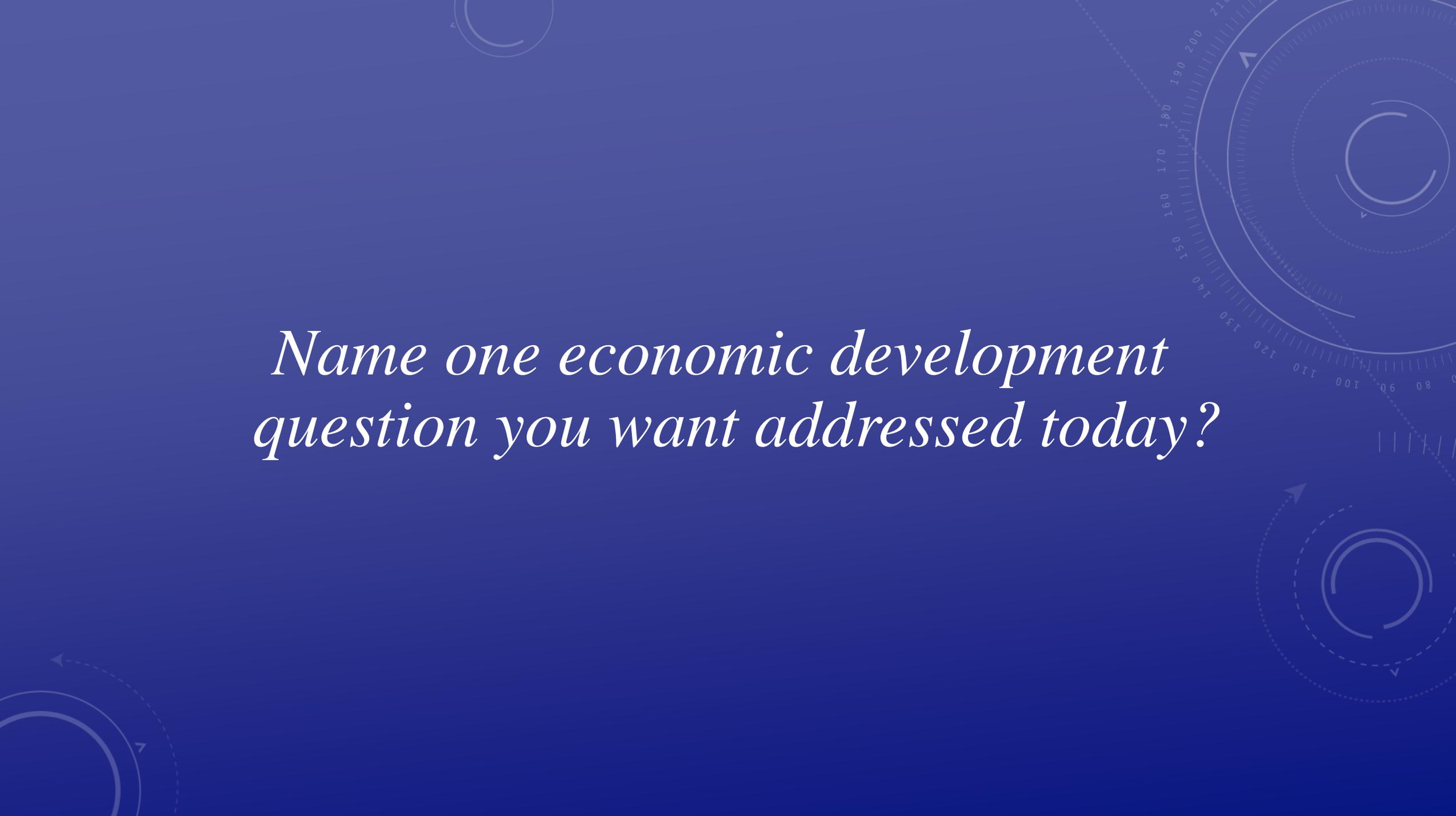
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- ✓ Founded in 1980
- ✓ 700 Members – 75% cities & counties
- ✓ Dedicated to Economic Development – helping businesses thrive and create vibrant economies
- ✓ Unique connection to Upland

# CITY OF UPLAND

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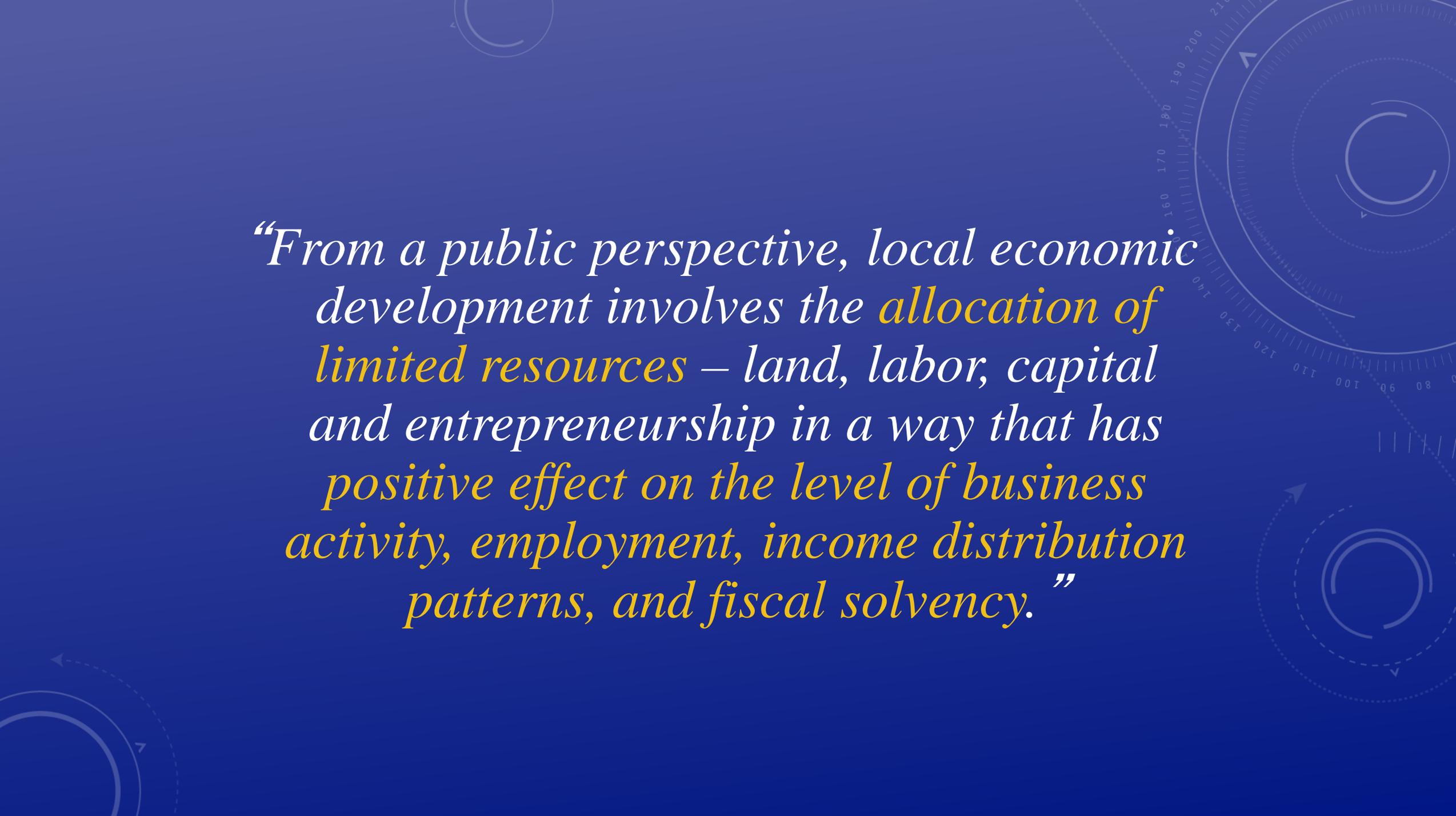
- ✓ Defining Economic Development & Your Role
- ✓ Programs, Projects/Transactions, and Examples
- ✓ Partners and Resources
- ✓ Where to Begin
- ✓ Measuring & Communicating Success
- ✓ Q&A

The background is a solid blue color with several faint, light blue circular patterns. These patterns include concentric circles, dashed lines, and arrows, suggesting a technical or scientific theme. The text is centered in the middle of the image.

*Name one economic development question you want addressed today?*



*Economic Development is the creation  
of wealth through which community  
benefits are realized.*



*“From a public perspective, local economic development involves the **allocation of limited resources** – land, labor, capital and entrepreneurship in a way that has **positive effect on the level of business activity, employment, income distribution patterns, and fiscal solvency.**”*

# DISTINCTIONS

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- **COMMUNITY DEVELOPMENT** is a capacity building process for making a community a better place to live and work.
- **ECONOMIC DEVELOPMENT** the creation of wealth in which community benefits are realized. It is more than a jobs program, its an investment in growing your economy and enhancing the quality of life for all residents.

# Benefits of Economic Development

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- ✓ **Increased Revenue Base**

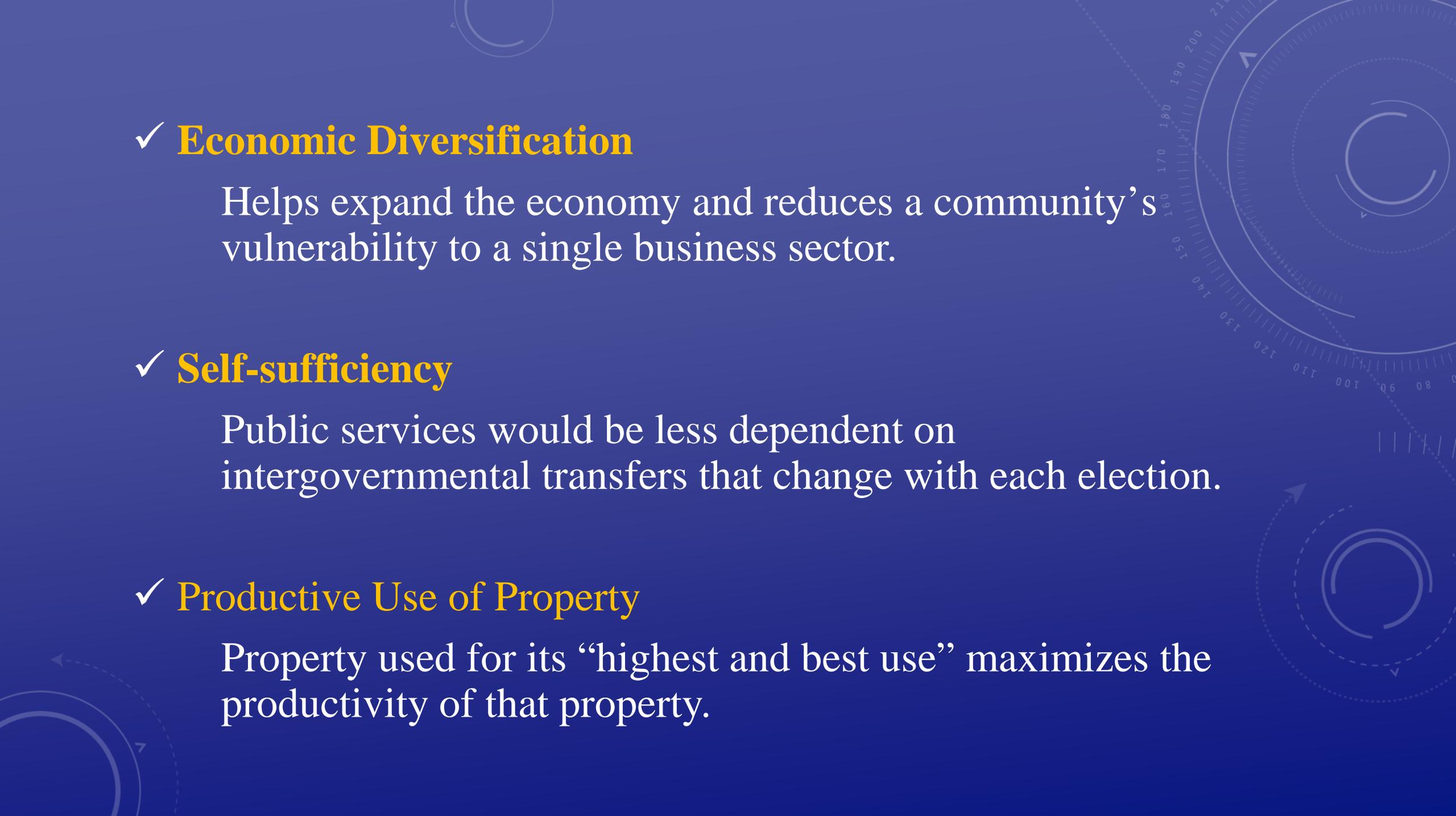
Additional revenue to support, maintain, and improve local services such as roads, parks, libraries, and emergency medical services.

- ✓ **Job Development**

To provide better wages, benefits, and opportunities for advancement.

- ✓ **Business Retention**

Businesses that feel appreciated by community, and in turn feel as if they are contributing to the economy, will stay in town.



✓ **Economic Diversification**

Helps expand the economy and reduces a community's vulnerability to a single business sector.

✓ **Self-sufficiency**

Public services would be less dependent on intergovernmental transfers that change with each election.

✓ **Productive Use of Property**

Property used for its “highest and best use” maximizes the productivity of that property.

# Business Case

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- ✓ Rising Costs for Municipal Services
  - Population Growth
  - Rising Employee Costs
    - Pension Costs, Salaries and Benefits, Health Care Insurance, Workers compensation
  - Rising Expectations for Municipal Services
    - Quality of Life Issues
    - Public Safety
- ✓ Negative Impact of State Budget Actions

# QUALITY OF LIFE

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More local tax dollars and jobs raise the economic tide for the community, which generally increases the overall standard of living of the residents.

# PERSPECTIVES on Economic Development

## COMMUNITY

Local economic development translates the community vision into reality by integrating the needs of residents and business with municipal goals.

## ELECTED OFFICIALS

Local economic development is more than a jobs program - it focuses the community on a shared, long-term vision and creates policies to enhance business vitality and increase the standard of living.

## GOVERNMENT

Local economic development involves the allocation of resources that positively affect business activity, job creation, income generation, and fiscal sustainability.

## BUSINESS

Local economic development includes public and private sector stakeholders that work with existing and potential employers to help them thrive.

# **PUBLIC SECTOR ROLE**

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To create certainty and foster a business-friendly environment to influence business investment and location decisions through:

- Taxes
- Spending
- Investment
- Regulations
- Incentives
- Marketing
- Quality Service
- Improving Community Assets

<b>Top 10 City Economic Development Activities (2008 Survey)</b>	<b>Number Ranking Activity Important</b>	<b>Average Rating for Each Activity</b>
1. Assuring consistency in development rules	196	4.2
2. Streamlining review of all applications for permits	190	4.1
3. Working with private promotional groups	178	4.1
4. Improving local amenities	193	4.1
5. Contracting/networking with businesses	184	4.0
6. Property site referrals	182	3.8
7. Joint collaboration with other jurisdictions	159	3.7
8. Public improvement to declining areas to stimulate investment	174	3.6
9. Working with area's COGs/regional governments	153	3.6
10. Participating in state funded grant programs	156	3.6



To ensure a good business climate,  
local governments should establish  
and maintain efficient, timely,  
transparent, and objective  
entitlement and permit processes.

# Permit Streamlining Tips

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1. Early consultation meetings
2. Interdepartmental red teams
3. Customer service
4. Permit ombudsperson & expediter
5. Publish process, documents, timeline, etc.
6. Publish fees
7. Continuous process improvement
8. Update zoning and permitting
9. Accurate use of CEQA and NEPA
10. Track permits through entire process

# Projects/Transactions (Sometimes, formerly covered by RDA)

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- ✓ Opportunity Zones
- ✓ Revitalizing the downtown – BIDs/PBIDs, PBIA
- ✓ Providing infrastructure to a new area
- ✓ Working with private partners to complete commercial or residential projects (New Market Tax Credits)
- ✓ Creating TIF districts (EIFD, CRIA, etc.)
- ✓ Developing industrial parks, buildings, retail, etc.
- ✓ EB-5
- ✓ PACE financing
- ✓ Brownfield financing and remediation
- ✓ Private Activity Bonds
- ✓ Public asset inventory
- ✓ Zoning for highest/best use

# 3 FORMS OF ECONOMIC DEVELOPMENT (PROGRAMS)

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1. Retain & Expand Existing Business
2. Create Business
3. Attract New Business

80:20 Example

## Existing Business – 80% net new job growth

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- ✓ Backward Linkages
- ✓ Sources of Capital
- ✓ Regulatory Issues
- ✓ Workforce Training
- ✓ Export Assistance
- ✓ Government Purchasing
- ✓ Revolving Loan

Appreciate those that have already invested in Upland

# Start Up of New Business

- ✓ Grow Your Own Providing Exceptional Business Assistance
- ✓ Venture Capital – Crowd funding, Local Crowd
- ✓ Incubators – have a graduation plan
- ✓ Business Training – SBDCs, SCORE
- ✓ Home-based Businesses

# Attraction of New Business

- ✓ Know your competitive advantages and disadvantages - You are unique
- ✓ Have data - Targeted Industry Study
- ✓ Marketing Strategy – Local, Regional, State,
- ✓ Community Profile
- ✓ Vacant Industrial Site & Facilities Inventory
- ✓ Business Familiarization Tours



*What's unique about your community?  
Your region?*

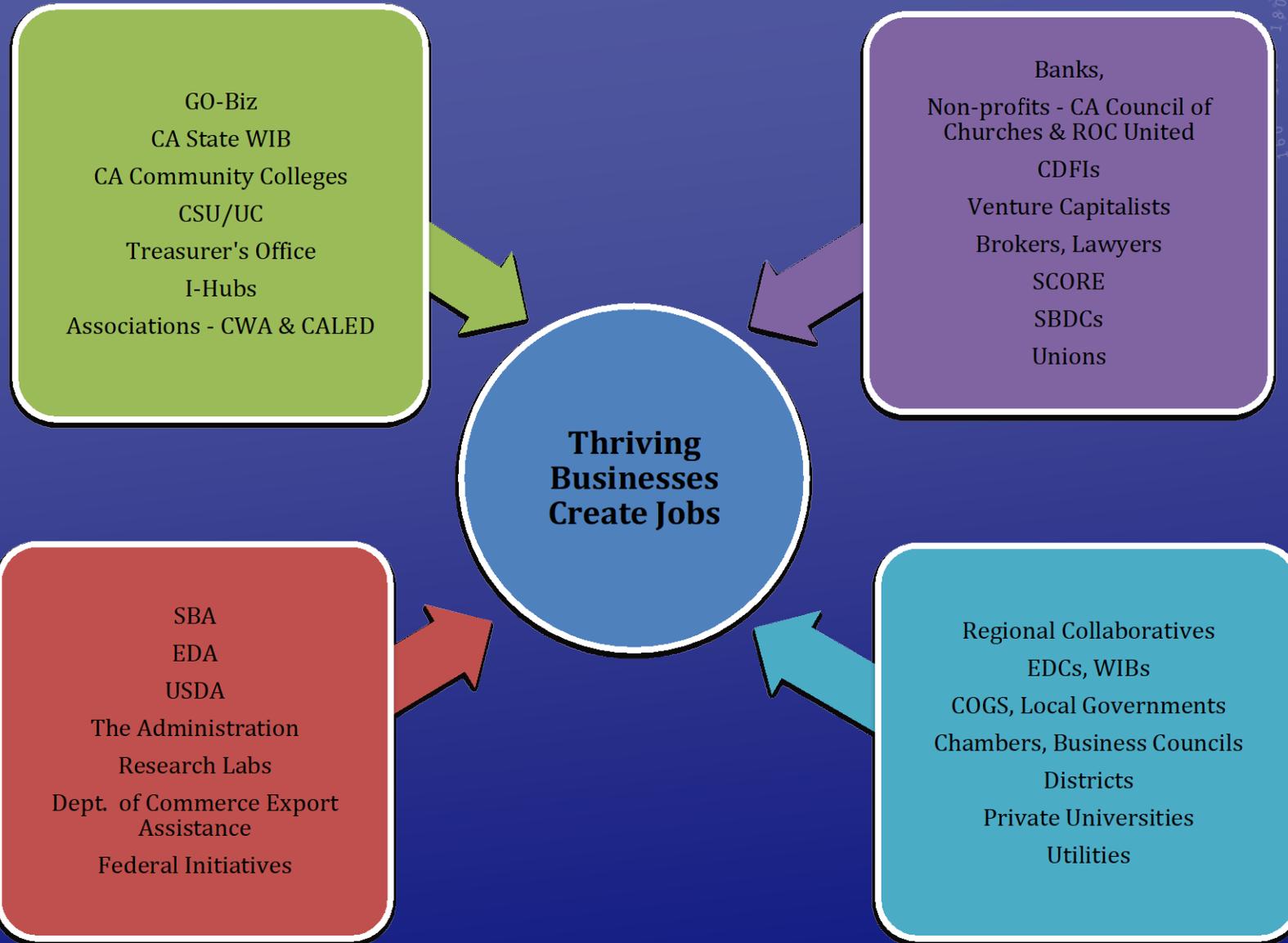
# Attracting Retail

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- ✓ What is your value proposition? Do you have data to support it? Does it match what retailers are looking for? **Know who you are**
- ✓ Population in 7-min. drive time radius – not city boundary?
- ✓ Population by income level?
- ✓ Willingness to grow population to support retail?
- ✓ Community preferences? SWOT analysis
- ✓ Do you have shovel-ready real estate already in place?



# Economic Development Partners



# WHERE TO BEGIN

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What do you already have?  
plan, strategy, element, resolutions

Who is on your team? What do they think is going well?  
staff, county, EDC, chamber, business council,

What industries are already thriving?  
WDBs, Community Colleges, EDCs

What industries/retail can you support?

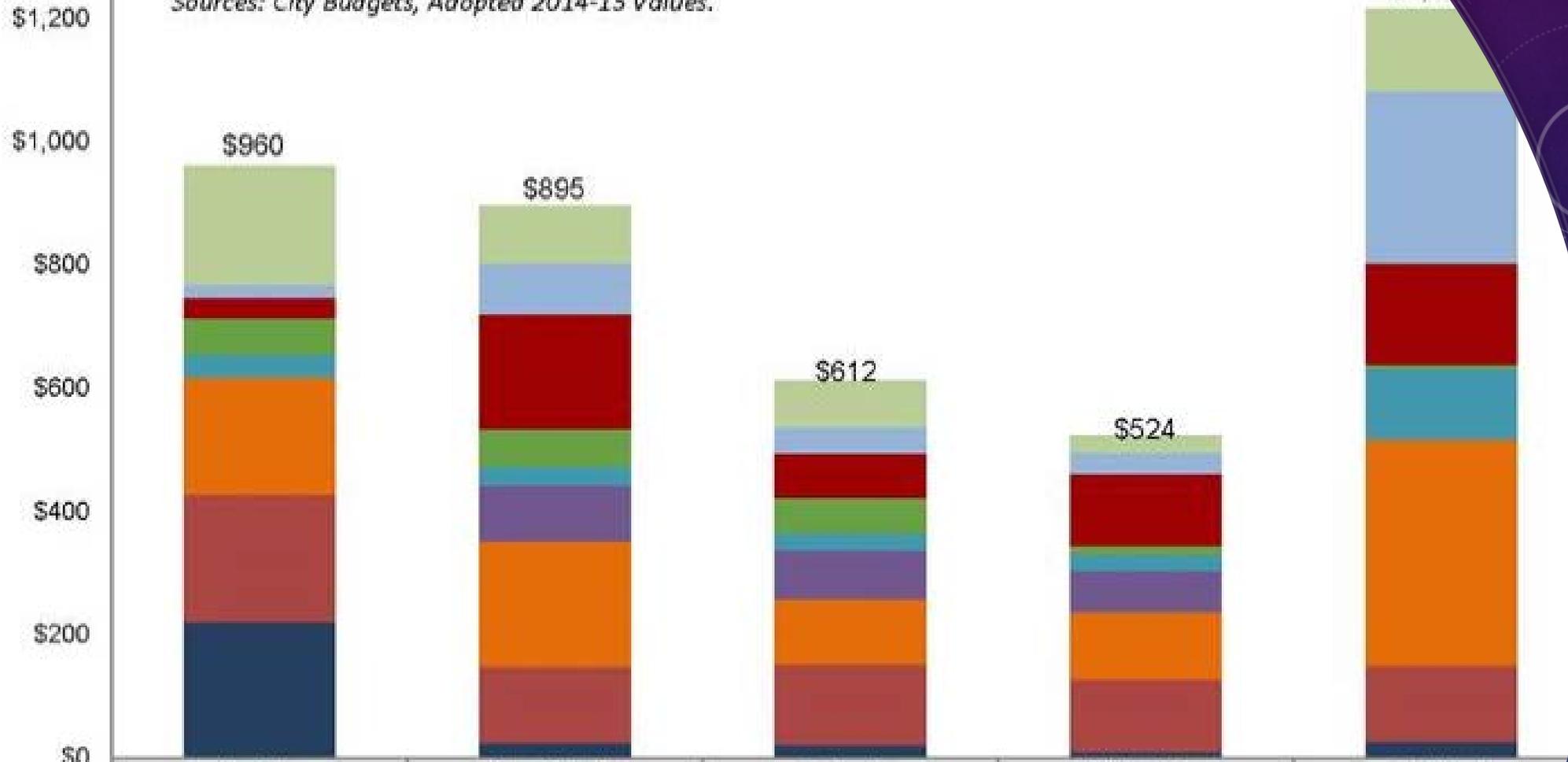
# WHERE TO BEGIN

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- Where does your revenue come from?
  - Think long-term
- Ask the right budget questions?
  - Are you cutting revenue generators?
- Connect with businesses that have significant impact in your community – thank them.

# General Fund Revenue Per Resident

Sources: City Budgets, Adopted 2014-15 Values.



	Anaheim	Long Beach	Santa Ana	Chula Vista	Oakland
Revenue Enhancement	\$193	\$93	\$74	\$28	\$134
Other Taxes	\$21	\$82	\$44	\$35	\$280
Miscellaneous	\$33	\$187	\$71	\$116	\$163
Use of Money & Property	\$59	\$60	\$56	\$14	\$7
Fees for Services	\$36	\$29	\$28	\$26	\$116
Property Tax In-Lieu of VLF	\$0	\$93	\$80	\$68	\$0
Income Tax	\$189	\$203	\$106	\$109	\$39
Other Taxes	\$207	\$124	\$130	\$119	\$5

# Measuring & Communicating Success

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- ✓ Monitor the metrics of your economic development programs – tracking your investment
- ✓ Economic development is an investment in your community. It's more than a “Jobs Program”

# SMART

A simple device to remember the characteristics of an effective performance measure

- Specific:** performance measures need to be as specific as possible
- Measurable:** a performance measurement is only useful if you can actually measure it
- Achievable:** do not set goals that are impossible to achieve
- Relevant:** performance measurements need to be relevant to the organization's mission and the program's strategic objectives
- Time-based:** make sure that performance measures are achieved within a specific period

# Metrics Beyond Jobs

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- Community Development
- Real Estate
- Labor & Workforce
- Economic Measures
- Business Measures

# Metrics Beyond Jobs

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## Community Development

- Percent of organizations that have adopted sustainable development goals
- Government subsidies as percent of gross income
- Annual capital dollars invested in municipal infrastructure
- Percent of sustainable development compatible legislation
- Number % of projects meeting objectives
- Number of communities aided
- Number aided water/wastewater systems achieving goals
- Number of communities improving their telecommunications connectivity

# Metrics Beyond Jobs

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## Community Development

- Percent of cities desiring industrial development that have marketable industrial sites
- Investments in community facilities by type of facility
- Number of communities with strategic plans
- Percent of department investment in distressed areas
- Change in distress level of aided communities
- Percent of department investments in rural communities
- Percent of small businesses assisted
- Percent of minority and women owned businesses assisted
- Total housing units permitted,
- Change in percentage of rent burden households,
- Affordable housing units developed or preserved

# Metrics Beyond Jobs

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## Labor & Workforce

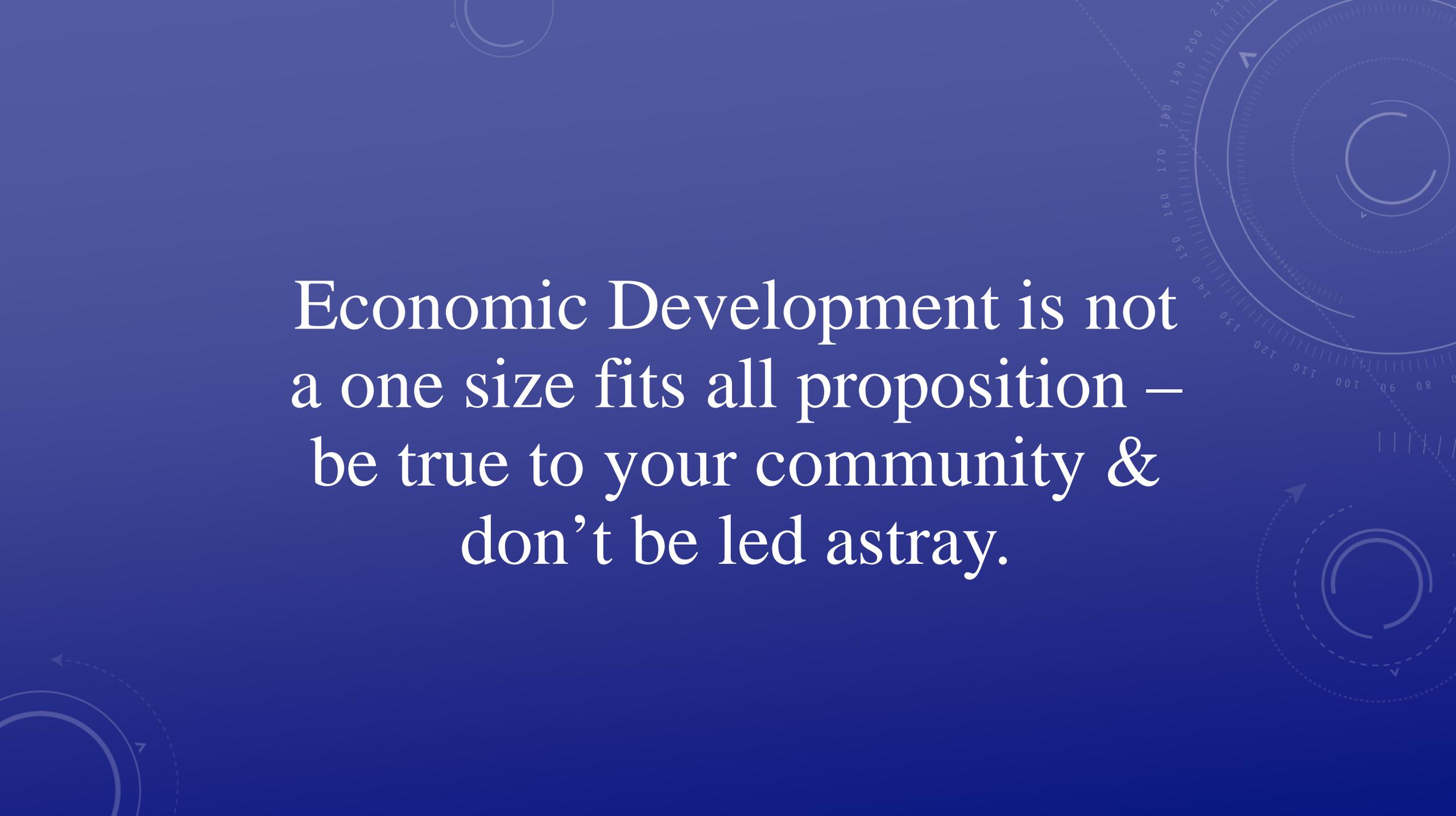
- Total wage and salary jobs per employed resident
- Number of jobs in value-added manufacturing
- Net job growth
- Percent of jobs created/retained above county average wage
- Average Salaries
- Manufacturing wage and salary jobs as a percent of total jobs
- Wages/benefits as compared to state levels or area with similar industry mix
- Number of job candidates with certifiable skills or college degrees

# Metrics Beyond Jobs

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## Labor & Workforce

- Occupational distribution of women and minorities
- Unemployment rate
- Average earning per job
- Employment in hotel and lodging industry
- Employment by sector
- Jobs created/retained per FTE
- Number of commitments per FTE
- Average weekly initial claims for unemployment insurance



Economic Development is not  
a one size fits all proposition –  
be true to your community &  
don't be led astray.

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