

Economic Development Office:

A STUDY TO EVALUATE THE CAPACITY FOR REALIGNMENT OF ITS ORGANIZATIONAL MISSION

(Project No. 2006-M-03)



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<i>Executive Summary</i>	1
<i>Background</i>	3
<i>Introduction</i>	
Overview: Economic Development Office	4
Strategic Focus Area 1 Research	7
Strategic Focus Area 2 Research	15
Strategic Focus Area 3 Research	23
Strategic Focus Area 4 Research	28
Strategic Focus Area 5 Research	32
<i>Benchmarking and Performance Measurement</i>	38
<i>Summary of Research Observations and Epilogue</i>	41
<i>Appendix</i>	47

Executive Summary

The Palm Beach County Economic Development Office was created by the County Commission at the recommendation of the 1993 Economic Summit. Since that time the county’s Economic Development Office (EDO) has been responsible for administering various programs on behalf of the Board of County Commissioners. The participants at the November 2005 Economic Summit reached a consensus agreement that an update to the county’s economic vision was required. This decision was based on the years of explosive growth and a constantly evolving economic landscape in Palm Beach County. This potentially represents what amounts to a broadening of the EDO’s strategic mission to proactively secure and develop the county’s economic condition into the next decade and beyond.

In response to a request from the Economic Development Director, the Management and Program Analysis Section (MPA) conducted a study to assess the capacity of the Economic Development Office to transition from its current economic development role into expanded focus areas. Historically, the EDO was primarily responsible for county grant programs, state and county tax incentive programs, loan programs, and the small business incubation program. The expanded mission of the Office would include the specific strategic focus areas identified as follows:

Strategic Focus Area 1	Strategic Planning, Regional Coordination, Branding
Strategic Focus Area 2	(Re) designing EDO incentives
Strategic Focus Area 3	Biotech/university partnership, Alternative Energy, Business incubators
Strategic Focus Area 4	Global Economic Strategy, International Finance Focus
Strategic Focus Area 5	Development/Promotion of Intermodal Transportation, Agri-Business, Poverty Reversal

The MPA Consultant’s research found that there are programs around the world that exhibit proven success in the areas targeted for expansion by the PBC EDO. However, it is difficult to find single entities excelling in every area envisioned by the EDO. The ability of the existing EDO resources to successfully take on all of the areas of the researched focus areas is in question. Almost certainly, the Office must expand its resources or partnerships to fully realize the expanded vision of the EDO.

Conversely, the EDO may have to prioritize or phase in via a strategic planning tool, the full course of a broadened mission. The EDO reference listing in the appendix of the report is provided to enable the EDO to further research the listed organizations. This will promote the development of realistic transition timetables and EDO resource requirements allowing the EDO to successfully

Report Highlights . . .

A review of the expanded mission and EDO staffing level reveals the following:

- Expanding the EDO mission will take careful planning and likely require additional staffing and technology - depending on the new responsibilities performed by the EDO versus the EDO acting in a coordination capacity with local partners.***
 - Based on the research of successful EDO’s around the world, the five focus areas targeted for mission expansion are well within the purview of the county’s EDO.***
 - A sufficient number of EDO entities exist to model the expansion of the county’s EDO mission. Utilizing proven organizational structures, technology, benchmarking and partnerships will increase the likelihood of a successful transition.***
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transition into the new or expanded focus areas. This input would be beneficial in developing accurate long-term, strategic planning, and near term action planning. It is likely that the organizations researched as best practice sites can provide the insight to guide the implementation of the EDO's new strategic plan, including development of economic justifications for new or expanded service areas.

After reviewing the best practices research, it is clear that although there are common elements in the economic development entities surveyed, there is no set organization model, structure or even level of service that is replicated from one practitioner to another. Perhaps this is indicative of the very customized, and sometimes politicized function of economic development. So, perhaps more so than most government service functions, economic development is a function of the prioritization of the public and private leadership of the municipal area under evaluation.

This report attempts to guide and suggest possible transition resources required to successfully provide the EDO function per focus area defined by the EDO Director. The report analysis does not recommend the prioritization of any one focus area over another, and the report should not be viewed as a staffing recommendation study or as offering commentary on the efficiency or productivity of the current EDO staff. The report examines city, county, and state EDO's that have established a level of expertise in the five focus areas that the EDO Director has targeted to either start anew or expand. The report research clarifies what may be involved in expanding or developing a new program focus in these fields. Reported are staff sizes, technologies in use, and where applicable, the results of a MPA developed EDO Director survey.

Economic Development Office: Realignment and Transition Review

A study to assess the capacity of the Economic Development Office to assume a new mission of expanded or new service offerings

The Economic Summit held November 9-10, 2005 was the first of its kind since the 1993 summit established the Economic Development Office of Palm Beach County (EDO). The Economic Summit brought together citizens, representatives from across Palm Beach County's business community, governmental agencies and environmental organizations. Also participating were community stakeholders, educators, the cultural arts community, and experts from the County's "cluster" industries, namely, biotech, maritime, equestrian, aerospace, finance, information technology, and film & television. All participants collaborated to develop an economic vision for the future of Palm Beach County.

By virtue of the recommendations contained in the Palm Beach County 2005 Economic Summit Final Report, the EDO director requested that the Management & Program Analysis section of the Financial Management Division (MPA) conduct a transition study to identify the organizational changes that are required to incorporate new or expanded focus areas into the county's Economic Development Office. The purpose of this report is to provide the Economic Development Director with insights into the capacity of the EDO to transition from its past mission of focusing primarily on grant programs, incentive programs, loan programs, and the small business incubation program old mission statement areas.

This was not an efficiency study; it did not set out to evaluate the efficiency or effectiveness of existing programs or staff. It sought only to evaluate the adequacy of existing resources to accomplish the proposed new mission, should the Board decide to aggressively move in that direction. The EDO Director identified the strategic focus areas that the "new vision" EDO would operate. The MPA Consultant then researched leading economic development organizations from around the world to provide an overview understanding of the activities in practice for each of the focus areas. Where available, program, staff and technology requirements are presented for each focus area.

In order to successfully reach the study objectives, the MPA Consultant formulated five principal steps to guide the research:

Step 1, Define the organization structure that currently exists within the Economic Development Office and how EDO program duties and responsibilities are currently allocated among staff members.

Step 2, Based on best practices research, for each expanded or new economic development strategic focus area, document the organizational structure and technology employed by the entities researched.

Step 3, Are the responsibilities and interests of the current EDO staff compatible with the requirements of the new or expanded service areas?

Step 4, Document any resource gaps in the existing EDO organization based upon the best practices sites researched, per EDO focus area.

Step 5, Document whether the organizational structure of the EDO needs to be changed in light of proposed changes to the EDO mission, namely the proposed expansion into the new focus areas.

The process used in this transition study included the following review procedures:

- Obtain the new mission and vision of the Palm Beach County Economic Development Office from the EDO director.
- Review the existing EDO organizational structure, and conduct interviews with the staff of the Economic Development Office obtain a general appreciation of existing areas of expertise and responsibilities.
- Review the current budget of the Economic Development Office.
- Perform research to identify city, county, state or federal leaders in the economic development field. Target the research at the strategic focus areas recommended by the Economic Summit, as defined by the EDO Director.

Introduction

OVERVIEW: ECONOMIC DEVELOPMENT OFFICE

The Economic Development Office manages, implements, and monitors the County's economic development program pursuant to the direction and priorities of the Board of County Commissioners. The EDO coordinates requests for economic assistance and processes grant applications (contingent on available funds). The current mission of the Economic Development Office, as stated in the Palm Beach County *Fiscal Year 2007 Proposed Annual Budget*, is as follows:

“To stimulate economic growth in Palm Beach County. The Economic Development Office is a catalyst for business energy focused on creating sustainable economic growth and improving the community's quality of life.”

As Palm Beach County's EDO expands its focus the director describes the major broadening of focus as coordinating the design and implementation of the 21st century Palm Beach County Strategic Economic Plan, a 5 year capital improvement budget and tasks and actions for the same. This is a larger mandate than monitoring contract performance, providing incentives, grants and loans. The new EDO vision is for Palm Beach County to become the leading county among its peers in America in both prosperity and quality of life; and be perceived in the top five in the World as a prototype for sustainable economic growth. The EDO Director's aspirations are that Palm Beach County be recognized by its peers as anchoring a prosperous South Florida region as the place to work, live and enjoy a vibrant quality of place.

Palm Beach County Economic Development Programs

The Office implements, manages and monitors the Board of County Commissioners' economic development programs. EDO directly manages strategic economic development planning, and provides coordination on economic development programs and projects that are countywide in scope, specifically focused on designated cluster industries and industry needs or target designated geographic areas: Attraction and Incentives, Job Growth, Development Region, State Enterprise Zone, Bio-technology, Aerospace, Internet Technology and Communications, Medicine Science, Logistics, Film & Television, Marine Technology, Industrial and Office Land Use Development, Agribusiness, Equestrian Enterprises, Tax Exemptions, Commerce Park Development, State Urban Job Tax Credit Program, Glades Strategic Business Development Initiative, World Trade Center, and the Section 108 Business Loan Program.

EDO manages grants for Black Business Investment Corp., Business Loan Fund, and Business Incubation Program consisting of four geographically dispersed incubators: Enterprise Development for Glades Entrepreneurs (EDGE), Business for Economic Development and Revitalization Corp. (BEDR), Technology Enterprise and Development Center (TED), and the Enterprise Development Corporation (EDC).

On a case-by-case basis, EDO provides support and/or funding to the cluster industries and related private, government and non-government business development organizations. This includes the agriculture, equine, and marine industries. EDO supports small business advocacy and countywide community revitalization initiatives.

The staff of the Economic Development Office administers a variety of programs over fairly well defined program areas. With the exception of the Director and the Senior Secretary, the staff is, for the most part, assigned along program areas or lines of responsibility/interest. While some clerical activities overlap due to the need for backup, and there exists collegial assistance, generally the four professional staff work in individual economic development responsibility areas. All of the current staff is actively engaged in other local economic development organizations through participation on boards or membership in such organizations. Each employee has developed a primary responsibility or expertise within the EDO.

Interviews with each of the EDO staff yielded some general information about areas of responsibilities and interest areas. The Economic Development Loan Manager has a financial focus which stresses a traditional, local loan / incentives focus. The Economic Development Analyst has a budget, financial contract focus, as well as providing incubator and grant program oversight. One Economic Development Specialist interviewed indicated that job responsibilities include monitoring contracts, researching federal loan programs and insurance certifications, as well as program development and researching the areas of strategic planning, and film/TV/and marine industry topics related to the education system program development. In addition, the Specialist has achieved proficiency in web design. A second Economic Development Specialist interviewed indicated a specialization in the area of program development and grant monitoring (related to grant programs), project management of the Overall Economic Development Planning Committee, and promoting incentives programs. There is no EDO-specific software in routine use by staff. Most monitoring and report writing is performed through Microsoft Office programs.

At the direction of County Administration, the EDO Director has indicated intent to explore expanding the service areas, or strategic focus areas, of the Economic Development Office based on the recommendations of the Economic Summit. If endorsed by the Board of County Commissioners, the proposed changes in focus areas would be transforming by calling for the EDO to play an important leadership and organizational role in the economic development of Palm Beach County. Depending on the vigor with which the new service responsibilities are supported, the EDO could be faced with the need to expand its resources to become a regional coordinating agency of economic development.

The report sections that follow describe the five strategic focus areas that the EDO Director has defined as being possible new or expanded service areas. For each area, a brief description is given to provide a general idea of the topical service or focus area. This is followed by the results of the research identifying what is currently in place at economic development agencies around the world. The research results are provided as a way to communicate the varying degrees each of the five focus areas can be developed. Secondly, parts of the research presented can be used to benchmark current EDO program structures and performance levels; and lastly, the research can be used to identify specific government entities, non-profit organizations, and private organizations that the EDO can use to model Palm Beach County EDO mission expansion.

Strategic Focus Areas Descriptions and Best Practices Research

The EDO director and his staff identified recognized leaders in economic development. The MPA consultant used staff's leads and also conducted independent research to document best practices related to the five focus areas under consideration for expansion. The information presented for each of the economic development entities is paraphrased from information gathered through Internet, and personal interviews or written surveys conducted by the consultant. The appendix to the report references web addresses and Internet links to enable the EDO to further research topics of interest.

Following the descriptions and best practices research of the five focus areas, the report focuses on benchmarking and performance measurement examples, then the final section of the report contains a Summary of Research Observations and Epilogue. The organizational structure, technology and program descriptions researched at each of the best practices locations are compared and contrasted with the organization structure, technology, and program definition that currently exist in Palm Beach County's Economic Development Office.

STRATEGIC FOCUS AREA 1

Strategic Focus Area 1 includes the topics of a) capital improvement initiatives, b) project management with a master planning focus, c) proactive strategic planning focus, d) film, TV and entertainment industry for branding purposes, and e) a regional communication and partnerships focus.

City of Austin, Texas

The Economic Growth and Redevelopment Services Office (EGRSO) administers ten programs that range from Downtown Redevelopment, to Cultural Contracts / Cultural Funding, to Music, Film and Technology Industries Development. Altogether Austin has 10 defined economic growth and redevelopment programs, each lead by a different person. **Staff** performing work in these programs either already hold, or are encouraged to obtain, economic development certification in the various aspects of economic development staff functions.

In addition to conducting traditional economic development activities, the Office provides a Small Business Development and Help section that includes providing resources for lending to the "creative industries" of **music, film and television** (primarily working with banks for one or two projects per year). The Office also provides redevelopment services (**capital projects**), such as converting an old airport into a large mixed use property.

The city estimates the economic impact of **film** and **visual media** projects to be \$300 million annually. The city of Austin's Creative Industries Development Manager (located in the EGRSO) is the dedicated point person for promoting economic development through the film and visual media industries.

State of Colorado

The State of Colorado Economic Development Office relies heavily on private entities such as Metro Denver (metrodenverEDC.org) as well as entities like Colorado Springs Economic Development Corporation, and Pueblo Economic Development Corporation to fulfill the state's economic development mission. Listed below is an excerpt of the economic development activities listed on the State of Colorado website. Expanded descriptions and resource information are included in the appendix to this report.

The Governor's Office of Economic Development and International Trade (OEDIT) is spearheading a **branding program** that will

create a stronger **strategic alliance** between the public and private sectors, across various industries and within every region of the state.

OEDIT's **branding program** is not simply about a logo or a tag line. It is about the images and emotion that are evoked when the word "Colorado" is spoken or heard. "Colorado" is the brand and it has been integrated into the State Portal (www.Colorado.gov). OEDIT is also working with other state agencies to integrate the Colorado brand. This **partnership** includes the State of Colorado, the US Small Business Administration, Colorado's institutions of higher education, the Colorado International Trade Office, local economic development organizations, SBIR Colorado, and local chambers of commerce.

The first component of the **branding program** was the launch of a new **communications outreach** initiative on August 17, 2004, consisting of a series of seven monthly eNewsletters that educated, engaged and informed the groups that OEDIT works with on the services that are available to businesses through the office as well as trends and other pertinent business information. The number of eNewsletters has since grown to 9 and each issue explores topics such as:

- Biosciences and Emerging Industries
- Business Finance News
- Business Opportunities
- Communications and Information Technology News
- Economic Development News
- Inside Colorado Tourism
- International Trade Resources
- Minority and Women Business Resources Small Business Resources

Economic Development Software:

The state of Colorado utilizes business retention software from an Illinois company called Blane Canada. The Synchronist System is a software tool used to organize, analyze and report company information, giving community decision-makers insight into the dynamics of the local economy. The Office also reports that it utilizes GIS databases created by the state's information technology resources.

City of Spokane, Washington

The U.S. Department of Commerce, Economic Development Administration (EDA) designated Spokane County as an Economic Development District in 2002. A prerequisite of this competitive funding is the completion of a Comprehensive **Economic Development Strategy** (CEDS).

The City's Division of Economic Development relies heavily on the Spokane Area Economic Development Council (EDC) which is lead by thirteen people. **Staff** positions include a Manufacturing Industry Manager, an Industry Manager, a Technology Industry Manager, a Director of Funding & Community Projects, a Director Investor Relations, a Marketing Communications Manager,

a Marketing Development Coordinator, Operations Manager, a Business Development Coordinator, Project Coordinator, and a representative from Port of Seattle.

As the second largest city in Washington State, Spokane is a key to the economic growth of both the region and the state. Spokane's Economic Development Administration (EDA) lists the area's signature natural features as a contributing influence in attracting interest to Spokane, and spurring new investment to revitalize the city. Examples of natural features used by the EDA to promote revitalization are the 100-acre Riverfront Park, the Spokane River and Falls, the recently renovated Davenport Hotel and abundant mountains, lakes and near-by golf courses. New shopping, dining, lodging, entertainment facilities and a host of family-friendly activities are attracting not only tourists, but also businesses looking to build or relocate existing organizations. Many of the attributes listed to describe Spokane also exist in Palm Beach County.

The City of Spokane, in **partnership** with the Spokane Regional Convention and Visitors Bureau and the Washington State Film Office, promotes the region as one of the most **film-friendly** areas in the U.S. Promotional incentives include:

- Single stop for film permitting
- Collaboration with Spokane Regional Convention and Visitors Bureau on regional film support and coordination
- Film-friendly environment
- Environmental incentives - four seasons, multitude of landscape and geographic variations and mix of traditional and modern architecture
- Experienced, award-winning local production resources
- Lodging and transportation incentives in partnership with local merchants

There are two **staff** people in the Division of Economic Development who work on film related economic development at the City of Spokane.

Scotland, United Kingdom

From Scotland's website, the similarities to South Florida become apparent. Scotland's major population densities are along coastal regions. Scotland's population (5,094,800) is about the size of South Florida, and most striking, the fastest growing industries in Scotland are similar to those represented in the five focus areas of this report, namely, life sciences, financial services, microelectronic, and the creative sciences. Scotland is also a primary partner in the comprehensive economic sustainability programs being implemented in the United Kingdom. These programs could serve as blueprints for coordinated economic development efforts in South Florida cities and counties. In March 2005 the Scottish Executive signed on to the new UK-framework for **sustainable development**, One Future - Different Paths, which identifies a set of principles to help achieve the United Kingdom's economic development goals.

England, Scotland, Wales and Northern Ireland have common challenges and goals in sustainable development. The framework document sets out what

those are, and is an affirmation that, although devolved government exists, they must work toward common goals without compromising the strengths which our diversity of approach offers. The framework demonstrates the participants' commitment to work together wherever they live in the UK to meet the region's shared goals.

The One Future – Different Paths approach could be an approach that would work to achieve successful economic development for South Florida's various government entities. The Palm Beach County EDO Director has indicated that the county must seek to align its strategic direction with that of the state; this is analogous to the way Scotland is aligning its economic development planning with Britain's economic plan.

City of San Diego, California

The cities of San Diego and Tijuana, Mexico have entered into a **partnership** to facilitate the development of new relationships and the exchange of important program information. A bi-national Planning and Coordination Committee coordinates the partnership. As part of this alliance, the cities of San Diego and Tijuana are coordinating with the Otay Mesa Chamber of Commerce and the San Diego-Tijuana Economic Development Corporation to form specific marketing and business expansion and retention initiatives. The Palm Beach County EDO could explore expanding its global partnerships in a focused manner guided by the Office's Strategic Plan and the recommendations from the 2005 Economic Summit.

San Diego has one of the largest staff sizes of the economic development sites researched. The **staff** size of San Diego's Economic Development Division (provided from a September 2006 Budget Control document supplied by the City of San Diego) is:

- Development Coordinator, one staff person,
- Development Specialist II, seven staff persons
- Development Specialist IV, six staff persons
- Information Systems Analyst IV, one staff person
- Deputy Director, one staff person
- Administrative Aide, one staff person
- Senior Clerk / Typist, one staff person

City of Jacksonville, Florida

The Palm Beach County EDO Director has indicated that economic development and revitalization along the county's inter-coastal waterway will be an area to explore. The City of Jacksonville has specifically developed a **Downtown Master Plan**, "Celebrating the River: A Plan for Downtown Jacksonville," approved by City Council in May 2000. The Jacksonville Plan could be something to use in developing strategies and action plans for this focus area.

Also incorporated into the Jacksonville Plan are elements related to the city's thriving **film** community made up of film crew technicians and dedicated support businesses. Centrally located to four neighboring counties, each with a

unique flavor and appeal, Jacksonville promotes itself as offering a variety of locations and an outstanding production value. The Jacksonville Economic Development Commission (JEDC) Film & Television office works with local **film, digital media** and related businesses to enhance job creation and economic development by attracting new film and video production to the area. In addition, the office streamlines the production process by acting as the liaison between the government, the production company and the local community.

The City of Jacksonville indicates that the economic impact of shooting a feature film can be significant. The City defines the regional impact in the following table.

TABLE 1

Regional Economic Impact by a Feature Film

Based on a 14-week period (partial list)

Housing (including Hotels, Apartments, and Homes)	\$480,920
Technicians and Local Crew (labor)	\$13,000,000
Actors (extras, local hires)	\$53,179
Catering (Food Distribution Companies)	\$50,033
Set construction costs	\$239,441
Studio/Stage Rental	\$33,148
Special Heavy Equipment Rentals	\$161,168
Film Processing	\$7,000
Location Fees	\$9,600
Miscellaneous (includes gas, utilities, cleaning services, waste management)	\$9,600

Source: Official website of the City of Jacksonville, Florida;
<http://www.coj.net/Departments/Jacksonville+Economic+Development+Commission/Film+and+Television/The+Economic+Impact.htm>

The Business Development Chief at the JEDC supplied the following **staff** roster in Jacksonville: Targeted Industries Coordinator, Due Diligence Specialist, Loan Specialist, Small Business Development Manager, Cecil Commerce Center Coordinator, Administrative Support, and a Business Recruitment and Retention Coordinator. Each economic development area is lead by a different member of staff.

Franklin County, Ohio

Franklin County and the City of Columbus have a unified vision for economic development. The 2007 Consolidated Action Plan analyzes the entire community and builds action items based on local assets to coordinate local responses to economic development issues. The county’s Economic Development Division manages the following two programs: the Incentive Programs and the **Cooperative Economic Strategy Program**. The purpose of the Cooperative Economic Strategy Program is to provide Franklin County and its local suburban jurisdictions with economic development grants and

inducements that are designed to leverage other public sector incentives and private investment. Additionally, this program provides technical assistance to help municipalities strengthen their local tax base.

The county (population 1,068,978, based on the 2000 U.S. Census) has supplied the following **staff** positions based on the September 2006 Organizational Chart.

- Small Business Development, nine staff
- Redevelopment, six staff
- Economic Development, three staff
- Financial Management, 4 staff

City of Woodland, California

The City of Woodland (population 52,000) is located in a large agricultural county northwest of Sacramento, California. Due to its proximity to major transportation nodes, Woodland has become an important distribution center. In this regard it is analogous in that Palm Beach County has both a large city and large agricultural areas in similar proximity. The City of Woodland's **Economic Development Strategic Plan**, adopted by the City Council on September 30, 2002, focuses on the long-term goals of enhancing the quality of the local economic base, improving community "infrastructure" for economic development, promoting Woodland with a positive image, and **developing leadership and cooperation for local economic development**. Woodland's Strategic Plan encompasses several goals, including developing the city's leadership role for obtaining **cooperation** among adjoining **local partners** to promote economic development and to create an infrastructure for future economic development. Included as part of Woodland's Strategic Plan is defining the roles of key local economic development partners.

The city of Woodland's experiences in creating a strategic plan that encompasses agriculture, manufacturing, and distribution centers could prove to be useful case studies for the Palm Beach County EDO. The elements of promoting cooperation among partners and defining roles can provide valuable guidance to Palm Beach County's Economic Development Office as it strives to take on a strategic leadership role in South Florida. A World Wide Web link to the strategic plan is listed in the appendix to this report.

City of Vancouver, Washington

The City's Economic Development Services works to enhance Vancouver's economic base through port expansion, industrial land use expansion, business creation, and expansion and retention efforts in **partnership** with the Columbia River Economic Development Council. The city provides technical assistance and works to identify and "package" appropriate private and public resources so Vancouver develops a diverse family-supporting wage job base. In addition, the city is diversifying and rebuilding the downtown's economy by partnering in \$200 million of mixed-use, residential and retail development as well as public art and public spaces.

Recognizing the challenges facing the community, the City engaged the community in an extensive strategic planning process and developed its first **Strategic Plan** in 1998. The Strategic Plan is developed for a continuing five-year period and identifies the most important commitments that will help achieve the community vision. Key elements of the City's planning framework include:

- Providing the community with the means to participate in establishing the vision and direction of the City.
- Establishing a process for review of and improvement in services managed by the City of Vancouver.
- Establishing the foundation for budgeting appropriate resources for specific outcomes.

The city of Vancouver has a total of three **staff** (including the director). Backgrounds and competencies of staff personnel were defined under direction of city management with extensive public involvement and outreach. The director of Vancouver's Economic Development Services recommends that staff overseeing contract development and monitoring have at least two years of public purchasing and/or contract administration; and the ability to navigate through the Local, State and/or Federal legal and risk requirements.

Economic Development Software:

The city uses Oracle Financials to monitor most contracts, along with standardized template documents. The Oracle Contracts module will be fully implemented in year 2007 to build a complete contract library which will then become the primary program in developing and monitoring contracts (with the exception of some Federal agreements).

City of Savannah, Georgia

In the city of Savannah, the Economic Development Department operates the Savannah Entrepreneurial Center, Minority and Women-Owned Business Enterprise Program, Weed and Seed Program, and is responsible for the revitalization of 16 targeted corridors. Other activities within the department include financial literacy training, **partnership** in an individual Development Account Program with the Economic Opportunities Authority, and participation in a **collaboration** to provide a Volunteer Income Tax Assistance program to maximize tax refunds for persons with low to moderate incomes through the Earned Income Tax Credit.

Collaboration with other economic development organizations includes the Savannah Development & Renewal Authority (SDRA), Savannah Economic Development Authority (SEDA) and its The Creative Coast technology initiative, and Savannah-area Chamber of Commerce.

The following are among the tenets that guide the department:

- Develop realistic **strategies** that build local capacity to carry forward economic development activities in the absence of government funding. In order to help residents empower themselves, they must be provided

with information and access to resources that will assist them to be self-sustaining.

- Collaborate with **public** and **private sector partners** to ensure that the approach to economic development is a holistic one and that it integrates the needs of all segments of the community.

The Director of Savannah’s Economic Development Department offered the following comments and competency requirements of her **staff**: one Planner (MPA in Planning), duties include neighborhood and streetscape improvement tasks; three program coordinators (MPA, MSUS, and an MBA in Accounting), duties include overseeing programs with the assistance of Community Project Technicians; and two Community Project Technicians.

The department estimates that the two Program Coordinators each allot 30% of their time to **Strategic Economic Planning / Capital Budgeting**. In addition, the two Program Coordinators and a Community Projects Coordinator allot 30% of their time to developing and monitoring contracts.

The survey results also offered the following breakdown of **staff** operating at least 30% of their time in each of the five strategic focus areas reported on:

Area 1, Capital Improvement, Strategic Planning, Utilizing Film and TV for branding purposes, and developing partnerships, one staff person.

Area 2, Redesign of incentives, tax incentive focus, one staff person

Area 3, Incubator creation/monitoring, bio-tech research, two staff persons

Area 4, Global economic strategy, international banking alliance, none.

Area 5, Poverty reversal, utilizing airports or ports for revitalization, developing agri-business, expanding minority involvement, two staff people.

The department director recommends knowledge of purchasing and bidding procedures, as well as knowledge of asset building for staff operating in these areas.

Economic Development Software:

The city uses Word and Microsoft Office to manage the responsibilities of the department. No specialized EDO software is utilized.

City of Atlanta, Georgia

The City’s website refers to Atlanta (population 400,000) as the anchor to a regional population of 4.3 million. The Mayor’s Office worked with several departments to create a New Century Economic Development Plan for the city, including an overall strategy to address issues such as, a) which parts of the city are targeted for growth and b) what types of industry Atlanta should aim to attract. Originally adopted in December 2004, The New Century Economic Development Plan for the City of Atlanta was updated on July 14, 2005 after the completion of a mid-year review. Some of the changes in economic development responsibilities and partnerships were made in areas in which Palm Beach County’s Director has expressed an interest. This may be an indication that these areas will require special attention, foresight and follow-up. It is also good

to research what other municipalities have experienced so as to avoid pitfalls if possible. All areas of a strategic plan will need to be periodic reviewed.

Significant changes in the Atlanta plan following a mid year review included:

- The **Brand Atlanta** Campaign became a city-wide initiative
- Universities was replaced with the term higher education to clarify the inclusion of Atlanta’s colleges and technical schools.

The New Century Economic Development Plan is a multi-pronged, coordinated effort to attract and expand business, and to increase the tax base. The Plan uses benchmarks from Boston, Denver, Seattle, and Sacramento to include goals such as, growing property values by \$26 billion and leased commercial space by 62%; and create 24,000 new jobs related to airport expansion. The web site links to the New Century Economic Development Plan can be found in the appendix to this report.

City of Toronto, Ontario

Toronto’s *Economic Readiness Plan* won the International Economic Development Council (IEDC) award for best economic plan. On Toronto’s website the Plan is described as having a prosperity, global culture, branding, knowledge industries, and quality of place focus. Toronto’s Economic Development Office is organizationally divided into twelve distinct programs or facets of economic development. There are 20 staff positions that lead these 12 strategic focus areas. The City of Toronto Economic Development Office acts as business advocates and experts. Toronto's Economic Development Office supports and assists existing businesses, potential investors and business associations. The office includes the following sections:

- Business Development & Retention - Field Services
- Business Improvement Areas
- Economic Research
- Employment Area Revitalization
- Film & Television Office
- Investment Services
- Key sector partnerships
- Small business centers

Toronto’s *Economic Readiness Plan*, as well as the economic development plans of San Diego, California; Spokane, Washington; Boulder, Colorado; Vancouver, Washington; Franklin County, Ohio; and Scotland, United Kingdom are all referenced in the appendix. These economic development organizations have developed excellent economic development **strategic plans**, easily available for review and comparison via the Internet.

STRATEGIC FOCUS AREA 2

Strategic Focus Area 2 includes the topics of developing tax incentives, and (re)designing general incentives. In the following section, incentive examples are provided as a way for the Palm Beach County EDO to benchmark the incentives currently provided by the county. As another means of benchmarking the

county’s current EDO incentives programs, the MPA Consultant also defines the partnerships and organizational responsibilities of the incentive programs researched.

City of Denver, Colorado

To assist businesses, the Office of Economic Development (OED) for the City of Denver offers several business **incentives**, to not only recruit businesses to Denver, but to nurture existing businesses, allowing for growth and expansion.

Denver participates in the Colorado Enterprise Zone program, which provides **state income tax credits** for companies investing within certain geographic boundaries. The main point of the following examples is to show different areas where incentives have been defined (for example incentives for equipment investment). Examples of these include:

- Investment Tax Credits: A state tax credit equal to 3% of the investment in equipment, computers, furniture etc. (Section 38 Property),
- Business Facility Jobs Credit: Up to \$500 tax credit for each new job created.
- Employer sponsored Health Insurance Tax Credit: Up to \$200.00/employee
- Job Training Tax Credit: Credit for 10% of an employer’s eligible training expense
- Manufacturing Equipment State Sales Tax Exemption: Exemption from state sales tax on machinery, tools and parts used in the Zone.
- Rehab of Vacant Buildings: 25% tax credit (up to \$50,000) on the cost of rehabilitating a vacant building (vacant for 2 years) and that is at least 20 years old.
- **New Business Agricultural Processing credit:** An additional \$500 state tax credit for each new employee in businesses that manufacture or process agricultural commodities.
- R&D Tax Credit: A 3% credit for private expenditures on research and experimental activity as defined by Federal tax law.

For businesses that locate or expand in targeted industrial or commercial business areas within the City, the Denver Office of Economic Development Small Business Lending Group offers “gap” financing to eligible start-up and/or expanding businesses. “Gap” financing is used when the banks and business owners are unable to secure all the funds necessary to complete the total project amount, leaving a gap between the two. In these situations, OED is able to provide the remaining funds. There are two gap financing programs available to businesses depending on the business location: Denver’s Revolving Loan Fund (RLF) program, and the Neighborhood Business Revitalization (NBR) loan program. The goals of the RLF and NBR programs are to create jobs in Denver’s targeted industrial and commercial business areas and stimulate the revitalization of neighborhood retail districts. To be eligible for a loan, a business must:

- Be located in either the RLF and/or NBR target area;
- Secure at least 50% (NBR) or 75% (RLF) of the equity and private financing needed for the project;
- Submit a complete business plan to a Small Business Economic Development Specialist.

The Denver Office of Economic Development works to explain and review the various **economic development-financing** programs available, (ex. SBA, Industrial Revenue Bonds, etc.) and helps determine what makes the most sense based on individual situations and needs.

In certain situations, **tax rebates** of specific business taxes paid to the City and County of Denver may be rebated based on the project investment and the types and numbers of jobs created. This type of incentive is decided on a case-by-case basis and typically requires the creation of at least 100 new jobs. No more than 50% of a specific tax can be rebated within a given year.

City of Spokane, Washington

The U.S. Department of Commerce Economic Development Administration (EDA) designated Spokane County as an Economic Development District in 2002. A prerequisite of this competitive funding is the completion of a **Comprehensive Economic Development Strategy** (CEDS). The CEDS provides a regional template for future economic development; it describes the economic challenges and potential of Spokane County and prioritizes economic development projects.

The Spokane Community Empowerment Zone program (CEZ) is intended to stimulate economic development throughout Spokane County by offering qualified businesses **special tax incentives**. For example, to qualify for tax incentives, businesses must:

1. Be engaged in manufacturing, research & development or software development;
2. Apply for tax credits prior to ground breaking or hiring;
3. Locate or expand within the designated geographic area;
4. Locate in a designated zone and hire employees who are residents of the zone.

The City of Spokane has established an emphasis on developing and promoting economic initiatives that strengthen the local tax base and improve the standard of living of City residents. With input from public and private partners and in alignment with the City's Comprehensive Plan the economic development activities are undertaken by the city's Economic Development Committee. Municipal investors and venture partners play a major role in the activities undertaken at the EDC. EDC municipal investors include: County of Spokane; City of Spokane, City of Spokane Valley, Washington Department of Community, Trade, and Economic Development, City of Cheney, City of Liberty Lake, and City of Medical Lake. EDC venture partners are Avista Corporation, Itron, Premera Blue Cross, Sacred Heart Medical Center, The

Spokesman-Review, Spokane Airports, Sterling Savings Bank, Washington Trust Bank, and Wells Fargo Bank.

The following table illustrates the types of funding and financing available through Spokane’s Economic Development Committee.

TABLE 2

Economic Development Funding and Financing

Economic Development Revenue Bonds:	Tax-exempt revenue bond financing for credit-worthy industrial/manufacturing projects, solid waste disposal and others categorized as "exempt facilities" in the IRS code can also be financed. Washington Economic Development
Finance Authority (WEDFA):	The state-level issuing authority for tax-exempt and taxable industrial revenue and exempt facilities bonds. WEDFA is the predominant bond issuing authority in the state; issuing more than \$94 million in bonds for 22 projects with 1,800 jobs created or retained in the last four years.
Spokane Small Loan Program:	Funds may be used for expansion of existing businesses or start-up of new businesses.
Small Business Administration 7A Loan Program:	Provides short and long term loans to eligible, creditworthy start-ups and existing businesses that cannot obtain financing through normal lending channels.
Small Business Administration Pre-Qual: (WaFAST):	Program is designed to assist/reach the following target groups: women and minorities, veterans, rural business, and exporters. Washington State Federal and State Technology Partnership Program WaFAST helps small businesses and entrepreneurs compete for federal funding provided by the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs. Visit their web site at www.wafast.org .
Other funding programs may be available. Please contact the City of Spokane Economic Development Advisor for more information.	

Source: Spokane Area EDC website; <http://www.spokaneedc.org/PR.php?n=358>

City of Jacksonville, Florida

The following is an example of the manner in which the City of Jacksonville has structured its **Enterprise Zone Jobs Tax Credit**. Businesses located in the Enterprise Zone can take a monthly credit against their Florida sales and use tax (due on wages paid to new, full-time employees.) The credit is equal to 20 percent of wages paid to new eligible employees who are residents of the Enterprise Zone (and/or are Welfare Transition Program participants residing anywhere). If 20 percent or more of the employees are residents of the Enterprise Zone, the credit is 30 percent of wages paid to new eligible employees.

Other incentives offered at the City of Jacksonville include, Enterprise Zone Jobs Tax Credit (Corporate Income Tax), Business Machinery and Equipment Sales Tax Refund, Building Materials Sales Tax Refund, Enterprise Zone Property Tax Credit, Sales Tax Exemption for Electrical Energy, Community

Contribution Tax Credit, and Empowerment Zone Incentives (there are several incentives available under the Empowerment Zone Incentives; programs include wage credits, tax deductions, bond financing, capital gains liability reduction, and others).

State of Washington

The State of Washington has developed incentives in the form of **sales tax exemptions** known as the Machinery and Equipment Tax Exemption for companies purchasing equipment for certain university research and development activities. The exemption may be applied toward purchases of new fixtures, equipment, and support facilities that are an integral and necessary part of pilot scale manufacturing or used directly in university manufacturing or qualified research and development activities. Items with a total cost of \$1,000 or more may qualify for this exemption.

Qualifying research and development activities are those performed to discover technological information, and technical and non-routine activities concerned with translating technology information into new and improved products, processes, techniques, formulas, inventions, or software. The term includes exploration of a new use for an existing drug, or biological product if the new use requires separate licensing by the federal Food and Drug Administration. According to state law the program is limited to the fields of advanced computing, advanced materials, **biotechnology**, electronic device technology, and environment technology.

The Palm Beach County EDO may find this approach to be applicable in promoting and supporting **university collaborations** with targeted industries, such as **Bio-Tech industries**.

City of San Diego, California

The website for San Diego's Economic Development Division describes the city's business **incentives** and **benefits**. The City of San Diego provides 18 business improvement districts, 15 redevelopment project areas, three enterprise zones, a foreign trade zone, recycling market development zones and a renewal community. The City is simply "**zoned for incentives**."

Referencing the city's website, San Diego boasts significant economic advantages for businesses in comparison with other large cities in California. The city claims that it has the lowest Business License Fees of the nine largest California cities. The city charges no Utility Users' Taxes. The City's Economic Development Division has a proactive Business Expansion, Attraction and Retention (BEAR) Team that works directly with key businesses in targeted industries to provide assistance and incentives with the goals of business retention, job creation, and investment in San Diego. The city has developed what it calls aggressive programs to recruit and retain businesses, among them, Business and Industry Incentive Program, Business Cooperation Program, and the Guaranteed Water for Industry Program.

The Business & Industry **Incentive** program serves as the City's primary economic development platform, and its incentives may be combined with those from other city economic development programs such as the Business Cooperation Program, the Guaranteed Water for Industry Program, the Business Finance Program and with other incentives offered through the Office of Small Business, the Renewal Community Program, the Enterprise Zone Program, the Foreign Trade Zone and the City's Redevelopment Agency.

Businesses that are consistent with the City's Community & Economic Development Strategy, meaning those that provide a) significant revenues and/or jobs, b) promote the stability and growth of City taxes and other revenue; c) construct appropriate development in older parts of the City; or d) are being induced by other jurisdictions to relocate from San Diego can receive ministerial "**off-the-shelf**" **incentives** approved at the staff level such as:

- Assistance in determining the density entitlements or development requirements for real property ("due diligence") and in obtaining any necessary permits required for land developments or to modify an existing building or other structure; and/or
- A 40% reduction in water capacity fees and a 60% reduction in sewer capacity fees.

City of Louisville, Kentucky

The City of Louisville's Business Development and Financing Division exists to develop thriving neighborhood businesses, support job creation and foster a vibrant economy through programs that increase value and improve quality of life in Metro Louisville. This mission is facilitated by programs that assist with start-up capital, capital improvements to commercial and public properties, and tax incentives.

Examples of Louisville's Local Tax Incentives include offering a **Manufacturing Tax Moratorium**, whereby manufacturers save money by locating or expanding a facility in Louisville. The Manufacturing Tax Moratorium allows property taxes to be abated for five years for:

- A new manufacturing company locating in Louisville Metro;
- The increased value of a building/equipment for an existing manufacturing company that is expanding its operations for a new product line in Louisville Metro;

Other incentives include the **Property Tax Assessment and Reassessment Moratorium**, where the moratorium waives the incremental tax value for added improvements from the assessment of a structure. Some of the program's details follow:

- Structures older than 25 years are eligible if improvements are at least 25% of the property's value ;
- Structures older than 25 years and in a qualifying target area are eligible if improvements are at least 10% of the property's value ;
- Moratorium is valid for 5 years.

City of Charleston, South Carolina

The City of Charleston’s Department of Economic Development facilitates a mix of retail and office development. The City works with real estate developers, representatives of private enterprise, and community leaders to redevelop property and recruit retail and general business to both downtown and outlying city areas. The City operates Building C of Charleston's historic public market, offering space to over 50 vendors for the operation of small businesses.

Charleston’s Minority Business Development Office provides assistance to both new and experienced business owners to promote the creation and development of minority and women-owned enterprises in the community. The City’s primary resource for business loans is the Local Development Corporation (LDC). The LDC offers financial assistance to new and existing businesses through a variety of loan programs. The LDC can also provide business owners access to tax incentives and credits available through the city’s Renewal Community designation. The LDC offers and manages loan programs including the following:

- SBA Microloan – Up to \$35,000 to a small business owner or prospective owner for the operation of a for-profit business;
- Facade Loan – A maximum loan of \$20,000 for the rehabilitation of the historic façade of a commercial or mixed-use building located on King Street (between Broad and Line), Spring Street, or Cannon Street;
- Corner Store Program – Up to \$30,000 for the purpose of restoring the façades of mixed-use corner stores that are located on the list of eligible properties in the Department of Economic Development;
- Small Business Incentive Loan – Up to \$50,000 for qualifying woman-owned, minority-owned, or other disadvantaged businesses for start up or expansion within Charleston County;
- Revolving Loan Fund (RLF) – Up to \$75,000 at an interest rate tied to the prime rate for up to 10 years for fixed assets and working capital; and
- SBA Section 504 – Fixed asset financing for a “user” business requiring substantial funding for expansion or relocation.

At the Local Development Corporation, **staff** fills the following positions, LDC Director, a Department Secretary, a Minority Business Enterprise Manager, a Project Manager, a Grants Manager, and a Business Recruitment & Redevelopment Manager.

Fairfax County, Virginia

The Fairfax County government prides itself on being one of the best run governments in the country. The county was one of only two jurisdictions in the U.S. to earn top marks in all measures of quality local government in the Pew Charitable Trust’s most recent Government Performance Project. In addition, Fairfax County has a AAA bond rating from Standard & Poor’s, Moody’s and Fitch Investors Service. Only 23 counties in the U.S., including

both Palm Beach and Fairfax counties, currently hold AAA ratings from all three bond rating agencies. As an indicator of the County’s size, of the county’s \$3.2 billion budget (Fiscal Year 2007) slightly more than \$1.53 billion goes to the Fairfax County Public Schools.

The Fairfax County Economic Development Authority (FCEDA) is an independent authority chartered by the Commonwealth of Virginia. A seven member commission of Fairfax County business leaders oversees the work of the authority. All funding for the FCEDA comes from the Fairfax County General Fund. In addition to its Fairfax County location, the FCEDA has permanent offices in Silicon Valley, Bangalore, Frankfurt, London, Seoul and Tel Aviv to assist with the marketing effort and handle the increasing number of international companies interested in establishing operations on the east coast of the U.S. The FCEDA also retains a public relations firm in the U.K.

The following table, found on the Fairfax County website, is an example of how the **county benchmarks** its economic development efforts against leading municipal governments around the country.

TABLE 3

Technology Industry Base

County/Area	Tech Companies		Tech Jobs	
	Number	Share of all firms in county	Number	Share of all jobs in county
Santa Clara County, CA (Silicon Valley)	5,708	13%	258,778	25%
Middlesex County, MA (Boston area)	4,045	9%	146,5030	17%
Fairfax County, VA	3,589	14%	115,059	22%
Fulton County, GA (Atlanta)	2,154	7%	44,105	6%
King County, WA (Seattle)	3,496	6%	102,316	10%
DuPage County, IL (Chicago)	2,400	7%	37,707	6%

Source: U.S. Census Bureau, Fairfax County Economic Development Authority; <http://www.fairfaxcountyeconomicdevelopmentauthority.org/tech#tech>

The Fairfax County Economic Development Authority contains the following **staff**: President's Office (2 staff), International Marketing (11 staff), National Marketing (11 staff), Small, Minority and Women-Owned Businesses (2 staff), Communications (3 staff), Market Research and Real Estate (5 staff), Administration (6 staff).

Corporation for Enterprise Development

During the course of research into incentives programs, the MPA Consultant located information on the **Corporation for Enterprise Development** (CFED). The **CFED** is a nonprofit organization that expands economic

opportunity for clients. Established in 1979 as the **Corporation for Enterprise Development**, CFED works to ensure that every person can participate in, contribute to, and benefit from the economy by bringing together community practice, public policy, and private markets. In the appendix to this report, under the incentives section, the web reference to an informative incentives case study at the state of North Carolina is listed. The North Carolina case study contains the following sections:

- Recruiting New Businesses: Pros and Cons
- Myths vs. Realities
- Making North Carolina Business Incentives More Effective
- Fixing an Out-of-Date Tax Code
- Investments in Education are Investments in Economic Development
- Print Resources for North Carolina Policymakers
- Organizational Resources for North Carolina Policymakers

STRATEGIC FOCUS AREA 3

Strategic Focus Area 3 includes the topics of a) business incubator creation and monitoring, b) developing Bio-Tech research incubators through partnerships and university collaborations, and c) creating an alternative energy focus for economic development.

City of Fairfax, Virginia

The City of Fairfax Economic Development Division (EDD) has been in operation since 1990. The primary mission of the EDD is to ensure that the city's economic base is strong and producing at maximum levels. To that end, the division assists businesses in their relocation decisions and as they navigate the city's administrative procedures; and acts as ombudsman for existing businesses in understanding and working through issues with city ordinances and policies. The division has also become active in the redevelopment projects in Old Town Fairfax and has taken the lead in the revitalization of the Route 50/29 corridor, the city's primary economic location.

The EDD provides staff support to the Economic Development Authority (EDA) and the Fairfax Boulevard Business Improvement District (BID). Additionally, in cooperation with the Small Business Development Center and George Mason University, the EDD operates a business incubator known as the Fairfax Innovation Center (FIC). The center is home to several GMU programs and 20 private start-up businesses. Businesses "graduate" from the incubator and then occupy commercial space in the city. Due to the success and demand of the FIC, the center has undertaken a recent expansion of its operations. Additional space has been built for 13 new offices and a new, state-of-the-art conference facility.

State of North Carolina

The North Carolina **Biotechnology Center** is promoted by the state as the world's first government-sponsored organization dedicated to developing the biotechnology industry. The Center's mission is to provide long-term economic

and societal benefits to North Carolina through support of biotechnology research, business and education statewide.

The Center utilizes two small regional offices; each consists of a director and an assistant, and they help institutions, schools and agencies to identify area needs, goals, and niche capabilities; draw on the programs and activities of the North Carolina Biotechnology Center; and develop regional Advisory Committees. These activities work to increase the number of biotechnology companies and jobs locating to the state.

State of Colorado

Colorado's Office of Energy Management and Conservation (OEMC) partners with public and private organizations, looking at alternative fuels, such as biofuels, that have the potential to provide revenue for rural agribusinesses and to promote alternative energy that keeps the state's urban skies cleaner. Additionally, OEMC partners with the Department of Energy's Clean Cities Campaign to promote rideshare, energy efficient and alternative powered vehicles.

The State of Colorado currently operates the following transportation and alternative fuel programs: Department of Energy Clean Cities Program, Energy Emergency Response Plan, E-85 Coalition, and the Plug-in Hybrid Electric Vehicle (PHEV). Renewable energy programs using non-fossil fuel energy sources, such as biomass, biofuels, geothermal, wind, and solar are thought to have considerable potential to supply energy that is clean and energy-efficient. OEMC enters into public-private partnerships to promote Colorado's renewable energy potential, such as biomass and wind.

City of San Diego, California

The San Diego website states that the southern California region has one of the highest concentrations of high-tech companies in the United States, and the third highest concentration of **biotech companies** in the nation. To support these high concentrations of companies, several organizations have been formed to assist companies with various issues. The programs or agencies listed below were jump-started by the City, and the City works closely with all the organizations.

- BIOCUM San Diego is a regional association devoted to the many biotechnology, medical device and **bio-agriculture** companies in San Diego County. BIOCUM is actively engaged in ensuring that the **life science industry** remains a strong and growing part of the region's economy. The organization addresses significant business and legislative issues, educates the general public, and develops programs to help these companies operate efficiently and economically.
- The Center for Applied Competitive Technologies-San Diego, located at **San Diego City College**, is one of 12 regional advanced technology centers designated by the state of California to assist regional manufacturers in modernizing manufacturing and production

technologies, thus enhancing their competitiveness in the global economy.

- The San Diego Technology Fund is a revolving loan fund that helps finance promising small businesses' efforts to raise working capital to accelerate growth. The program is funded by both the City and County of San Diego.

The California State Legislature also commissioned the Pasadena Bioscience Innovation and Training Center to promote science and technology in the region. Aspects of this organization could be used to model similar efforts in Palm Beach County and the greater South Florida region.

City of Norfolk, Virginia

The city of Norfolk's website describes the Hampton Roads Technology Incubator (HRTI) as being authorized and funded, in part, by NASA to facilitate the commercialization of technology at nearby Langley Research Center in Hampton, Virginia. Since opening in October 1998, the incubator has expanded its mission to include space and support for technology businesses that are not associated with NASA. The incubator provides assistance to startup high-tech firms by tapping into technical and business-related resources, accessing small amounts of bridge funding, and providing facilities and equipment at below-market rates.

The Department of Development for the City of Norfolk, lists the following **staff** positions: Director, Assistant Director Development, Assistant Director Marketing, Arts & Humanities, Business Services, Commercial, Finance & EDA, Maritime & Transportation, Retail, Real Estate, Special Programs, Special Projects, Research & Planning.

Fairfax County, Virginia

The Fairfax County Economic Development Authority (FCEDA) opened the Fairfax County BioAccelerator business incubator in 2002 to spur development of early-stage biotechnology, biomedical and bioinformatics companies. The BioAccelerator's purpose is to serve as a focal point and catalyst for the growth of the life-science industry in northern Virginia.

The 7,500-square foot BioAccelerator facility accommodates 10 to 12 companies at a time and is managed by the ANGLE Technology Group. It is located near the Franconia-Springfield Metro Station and the Northern Virginia Community College Medical Education Campus that opened in 2003. The Fairfax County BioAccelerator is a focal point and catalyst for the convergence of biosciences, public health technology and homeland defense in Fairfax County. The Fairfax County website attributes the development of a new employment base for the Springfield community, one that further diversifies the Fairfax County economic base to the BioAccelerator facility. Companies joining the BioAccelerator receive a range of customized business development services especially designed for early-stage bioscience and bioinformatics firms.

Fairfax County actively targets the following technologies for economic development within the county:

- Applications in the study and use of information science and software;
- Device and instrumentation development;
- Disease research and drug discovery;
- Drug development (pharmacognomics) and delivery;
- Clinical trials and research;
- Nanotechnology research and development.

Hennepin County, Minnesota

The website for Hennepin County lists the population of the county at 1.1 million, including the population for Minneapolis-St. Paul. Hennepin County and the University of Minnesota have launched an initiative to capture value for both organizations through a more strategic collaboration—connecting the two organizations where mutual benefit can be found. This includes collaboration on important community-based research, sharing of academic and practitioner expertise, and providing students with field experience.

The University holds an annual conference and invites leading economic development professionals from around the country and abroad to attend and share economic development innovations. The 2005 Annual Conference included the following speakers and topics:

- J. Ted Morris, Director, Wake County Economic Development, NC State University, "Building the Demand Side of University-Based Economic Development"
- Chris Buydos, Executive Dir. Government & Community Relations and Technology Collaborations, University of California Riverside, "Partnerships in Higher Education & Economic Development"
- Jack Gido, Director, and Fred Loomis, Assoc. Professor Pennsylvania Technical Assistance Program, Penn State "The Alignment of University-Based Assets with State-Supported Economic and Workforce Development Strategies"
- Rollin C. Richmond, President, Denice Helwig, President Assistant, & Margaret Gainer, Director of Office for Economic and Community Development, Humboldt State University, "Access and Partnerships: The First Two Steps on the Economic Development Path for Higher Education".

The above references are provided as examples of leading voices in university – economic development strategic partnerships.

City of Denver, Colorado

The Mayor of Denver created the Sustainable Development Initiative, termed Green Print Denver, which promotes the importance of sustainable development and ecologically-friendly practices throughout the community. With a comprehensive action plan, the city aims to integrate environmental impact considerations into its programs and policies. Energy efficiency and

environmental friendly companies, large and small, are being targeted by the City of Denver.

The world-renowned National Renewable Energy Laboratory (NREL) acts as the anchor tenant for Denver's burgeoning energy industry. The City of Denver's website reports that the City currently ranks 6th in the U.S. in renewable energy concentration with over 100 renewable energy firms. The Metro Denver renewable energy labor pool includes over 11,000 workers. The Sustainable Development Initiative in place at Denver could provide guidance as Palm Beach County pursues this same focus area.

British Columbia, Canada

With the objective of making British Columbia a world leader in alternative energy and power technology, the Premier's Technology Council reports that a strategy has been developed to a) develop solutions to B.C. power issues, b) show-case the solutions, c) brand B.C. as a place where these solutions are used and available for export, and then d) realize B.C.'s export potential in Asia and other high growth global markets.

In 2002, the government released Energy For Our Future — a plan for fully realizing the potential of B.C.'s great energy resources. The plan acknowledges the reality that to realize the alternative energy and power technology vision, the government and the private sectors must work together. In B.C. the Council recommended that economic development energies be focused on what the market needs ('market pull') rather than promotion of any particular technology ('technology push').

Accordingly, the B.C. government encourages the use and development of integrated solutions for the following five market opportunities — as identified by the Premier's Technology Council:

1. Remote power solutions for rural communities, including off-grid distributed generation from a variety of established and emerging alternative sources.
2. Sustainable urban practices, including building designs and urban planning to reduce energy consumption and grid-tied sustainable distributed power to help offset peak power needs.
3. Sustainable urban transport, including application of natural gas and electric hybrid engines, fuel cells and hydrogen – areas in which B.C. is already recognized as the global leader.
4. Sustainable grid solutions, including the use of software, hardware and electronics to increase the efficiency of power grids.
5. Large-scale clean power production to generate and deliver electricity to the western North American power market.

STRATEGIC FOCUS AREA 4

Strategic Focus Area 4 includes the topics of a) developing a Global Economic Strategy with the World Trade Center, b) creating a Business/Financial Services Focus, and c) creating a formal international banking/business alliance.

City of San Diego, California

San Diego occupies a strategic location in the United States, being both on the U.S.-Mexico border and on the Pacific Rim. This has made San Diego a multicultural city and geographically situated to explore **international business** opportunities. The cities of San Diego and Tijuana, Mexico comprise the largest metropolitan area on the U.S. southern border, making it an ideal area for taking advantage of the North American Free Trade Agreement (NAFTA).

The San Diego website describes the relationship between the two cities as two partners that share cultural, economic and physical ties. The two cities work together on many economic development projects and issues for the benefit of the entire **binational** region. Officials representing the cities of San Diego and Tijuana have entered into a partnership to facilitate the development of new relationships and the exchange of important program information on an array of vital civic issues impacting citizens of both cities.

Officials from local, state and federal governments, and business communities on both sides of the U.S.-Mexico border meet on a regular basis to discuss these plans. The Binational Economic Development Forum is conducted twice a year by the cities of San Diego and Tijuana to discuss and propose plans on binational economic development. The cities of San Diego and Tijuana are coordinating with the Otay Mesa Chamber of Commerce and the San Diego-Tijuana Economic Development Corp. to form specific **marketing** and **business expansion** and retention initiatives. The Cluster Development Plan promotes the development of binational enterprises in the core clusters of telecommunications, environmental sciences, electronics manufacturing and tourism.

The proposed **International Gateway** of the Americas redevelopment project has been developed by the two-city partnership. It seeks to improve transportation, image, land-use planning, and infrastructure development with community involvement in the area surrounding the San Ysidro border crossing. The plan includes the San Ysidro Gateway/Puerto Mexico project whose goal is to transform the border crossing with better customs services and improved access. The project is overseen by the City's Redevelopment Agency.

The City of San Diego's Foreign Trade Zone aids companies seeking solutions to the many challenges associated with conducting international trade. The Foreign Trade Zone is an area physically located within the United States, but deemed to be outside the U.S. Customs jurisdiction.

City of Denver, Colorado

The following description is an example of how Denver has developed an identity and what it sees as a marketing edge to access the global market based on the City's geographical location. Palm Beach County could implement similar branding and marketing initiatives based on the county's geographic and other desirable characteristics.

Based on Internet research at the City's website, Denver actively markets itself to international businesses. As a regional and national business center for both private and public organizations, the Mile High City sees itself as an important communication, transportation and distribution hub. Located midway between New York and Los Angeles, and between Europe and the Pacific Rim, Denver offers excellent access to the world. Denver's central location in the U.S. means that a local company can deal with businesses and customers in Asia or Europe in the same business day. Using its geography is one example of how Denver has developed a marketing niche for its global business strategic focus.

To take advantage of this strategic location, many local resources are available to Denver businesses. In addition to the city's trade office in Shanghai, the Colorado Office of Economic Development and International Trade, the US Export Assistance Center, and the World Trade Center provide resources to international businesses. Within the community, a variety of business, political and cultural resources are available for companies locating in Denver, including the Center for US-China Cooperation at the University of Denver, the Chamber of the Americas, the Rocky Mountain Regional Center of the Institute of International Education and the Asian Chamber of Commerce. Denver is home to six Consulates (Canada, Mexico, Japan, United Kingdom, Peru and Guatemala) and boasts an honorary consular corps of over 30 representatives. The City uses all of the resources mentioned above to promote the business environment of Denver.

Economic Development Software:

The City of Denver utilizes the business retention software from Blane Canada, called the Synchronist System. The Synchronist System is a software tool to organize, analyze and report company information, giving community decision-makers insight into the dynamics of the local economy.

City of Spokane, Washington

Like Denver, the City of Spokane has developed an identity and markets itself based on the City's geographic location. As the second largest city in Washington State, Spokane prides itself on being a key to the economic growth of both the region and the state. Spokane uses the City's signature features like the 100-acre Riverfront Park, the Spokane River and Falls, a recently renovated downtown Hotel and the region's mountains, lakes and golf courses attracting interest to Spokane, to spur new investment and revitalization throughout the city. New shopping dining, lodging, entertainment facilities and a host of family-friendly activities, attract not only tourists, but also businesses looking to build or relocate existing organizations.

Palm Beach County could look to implement similar branding and marketing initiatives based on the county's geographic or other desirable characteristics. The description of Spokane's attributes is not far removed from those of Palm Beach County.

City of Boston, Massachusetts

Established in 1998, the Office of Business Development provides entrepreneurs and existing businesses access to financial and technical resources. The Office also supports the Boston Business Assistance Center and the work of Boston Main Streets, a program devoted to revitalizing Boston's neighborhood commercial districts. The Boston Business Assistance Center offers small businesses access to City resources as well as to programs and services provided by City of Boston Technical Assistance partners, lending institutions, community organizations, and state and federal agencies.

Boston businesses are connected to capital through LifeTech Boston. LifeTech Boston is a resource to connect to a variety of financing assistance through federal, state and City of Boston tax incentives and credits, loan programs, and bond funds. LifeTech Boston is administered by the Boston Redevelopment Authority, Boston's comprehensive planning, economic development, and workforce development agency.

In 1957, the Boston Redevelopment Authority (BRA) was established by the Boston City Council and the Massachusetts Legislature. Staff is engaged in establishing new sources of financial capital, examining zoning opportunities, pre-permitting particular sites, developing and funding workforce training programs, and helping to shape transportation planning where it has implications for the LifeTech Boston sector.

The LifeTech Finance Program makes available a dedicated pool of \$1 million in low-interest loans for life science companies via two funds. The Innovation Fund provides funds for a wide range of early stage business creation activities. The LifeTech Build-Out Fund provides similar low-interest financing to later stage companies for their real estate needs. LifeTech Boston is an initiative dedicated to fostering the growth of Boston's life sciences sector. This strategic approach is designed to attract, retain, support, and strengthen Boston companies engaged in biotechnology, pharmaceuticals, medical devices, and other related industries.

City of Louisville, Kentucky

The City of Louisville utilizes the Sister Cities of Louisville (SCL) initiative to create a **global presence**. SCL is a non-profit membership organization dedicated to global friendship, multicultural understanding, and economic growth by developing lasting relationships between the Louisville area and Sister Cities around the world. Sister Cities of Louisville has been recognized as an international citizen diplomacy network leader for over forty years. At Sister Cities of Louisville, establishing people-to-people connections between the citizens of Louisville and those of a twin partner is emphasized.

In addition to the Sister Cities of Louisville initiative, the **Kentucky World Trade Center** (KWTC) is a nonprofit membership organization that helps Kentucky companies import, export, and to establish overseas operations. With offices in Louisville and Lexington, the KWTC offers counseling, market research services, translation assistance, trade education seminars, international events and programs, cross-cultural training, trade missions, and referrals to local international service providers. The Kentucky World Trade Center is affiliated with the World Trade Centers Association in New York, which administers more than 300 world trade centers in over 100 countries around world.

There are several international trade resources available in Louisville such as the Kentucky Cabinet for Economic Development, **International Trade Division** (ITD). The ITD provides information to businesses interested in expanding beyond U.S. borders. The ITD assists with export counseling, trade show, trade mission and catalogue show assistance, trade leads, and information concerning licensing and customs. The Cabinet's foreign offices in Brussels, Belgium; Guadalajara, Mexico; Tokyo, Japan; and Santiago, Chile offer services to Kentucky exporters.

The Business Development and Financing Division provides programs that can help businesses improve the bottom line. Its mission is to develop thriving neighborhood businesses, support job creation and foster a vibrant economy through innovative programs that continuously increase value and improve quality of life in Metro Louisville. This mission is supported through programs that assist with tax incentives, **start-up capital**, and capital improvements funding to commercial and public properties.

The City of Louisville markets itself as an ally of business. The Metro Development Agency (MDA) “one stop shop” for all business needs, from finding a good location to improving property to potential tax breaks and financial assistance. MDA's mission is to enhance the quality of life for Louisville Metro residents by encouraging high-caliber, sustainable development projects, and by supporting new and expanding businesses. MDA's loan programs support entrepreneurial and small business endeavors. Because metro government is not the primary lender, the loan program allows many public-private partnerships between government and private business ventures. Examples of MDA loans include: Micro Lending Program, Business Loan Program, Small and Disadvantaged Business Loan Program, Forgivable Retail Loan Program, Facade Loan Program, and the Accessibility Loan Program.

City of San Francisco, California

The San Francisco Mayor's Office of Workforce & Economic Development (MOWED) has developed three industry initiatives – **biotechnology**, digital media and **clean technology** – that offer economic development opportunities for San Francisco. As described on the City's website, these industry specific initiatives take an integrated approach to economic development. In each case government, business, education, and the community work together to create a vibrant local economy through a long-term strategy that:

- Capitalizes on the strengths of each partner;
- Encourages businesses to locate in San Francisco;
- Provides workforce development opportunities to San Francisco residents;
- Promotes stable employment and revenues by building on local competitive advantages;
- Is capable of succeeding in the global marketplace.

The Bay Area **World Trade Center** stands ready to help businesses address international trade issues. An international network of nearly 300 world trade centers means businesses have access to every corner of the world.

The Mayor's Office of International Trade and Commerce (MOITC) oversees the international commercial affairs of the City of San Francisco with a mission of increasing and enhancing international transactions and international business opportunities in the City of San Francisco. Additionally, MOITC works to ensure that the international reputation of San Francisco is enhanced through a personal liaison with the local diplomatic community, foreign businesses and nonprofit organizations involved in the international commercial arena. In addition, MOITC also has the mission of ensuring the success and efficiency of San Francisco's award winning **Sister City** program.

City of Jacksonville, Florida

As the sole economic development and community redevelopment agency for the City of Jacksonville, the Jacksonville Economic Development Commission aims to develop and execute policies that result in sustainable job growth, rising personal incomes and a broader tax base.

Jacksonville's new Public Investment Policy was created to maximize the taxpayers' return on investment by setting standards and eligibility criteria, guidelines for public investment, and a standardized project evaluation and approval process for all programs.

STRATEGIC FOCUS AREA 5

Strategic Focus Area 5 includes the topics of a) economic development through intermodal transportation mechanisms such as an International Cargo Airport, or an inland port; and through marine and waterway development, b) developing agri-business or equine business to revitalize targeted areas of the county, and c) economic development as a mechanism for poverty reversal and/or to expand minority involvement in development.

Intermodal transportation systems are those that link together highway, air and sea transport, port activities, rail systems, and truck transport in a way that promotes the efficient use of transportation resources, thereby facilitating and promoting economic development in the areas where they exist.

City of Wilmington, North Carolina

The City of Wilmington’s economic Development Office is augmented by the 501(c)3 organization, Partners for Economic Inclusion. Partners identifies and eliminates obstacles that impede inclusive business practices in the Cape Fear region of North Carolina (which includes Wilmington). The mission of Partners is to expand business opportunities for the African American community. Partners has worked with banks to ensure that loans are accessible to this target community. Five years ago only \$1 million in loans were made to African American businesses in the region; the loan amounts have increased to \$5.5 million. This is an example of the possible results that can be achieved when a region proactively promotes the expansion of minority business opportunities.

City of Savannah, Georgia

In the city of Savannah, the Economic Development Department operates the Savannah Entrepreneurial Center, Minority and Women-owned Business Enterprise Program, Weed and Seed Program, and is responsible for the revitalization of 16 targeted corridors. Other activities within the department include **Financial Literacy training**, partnering in an individual Development Account Program (with the Economic Opportunities Authority), and participation in a **collaboration** to provide a Volunteer Income Tax Assistance program to maximize tax refunds for persons with low to moderate incomes through the Earned Income Tax Credit.

The department also supports, in various ways, **Step up, Savannah Poverty Reduction Initiative**, Economic Opportunity Authority, Youth Futures Authority, Leadership Development Institute, City of Savannah Youth Build Program, and the **Savannah State University Youth Build** Program.

City of Norfolk, Virginia

The Central Business Center is the City of Norfolk's newest “flex park.” It offers what the city refers to as HUBZone location advantages. The flex park is so named because it is located on approximately 30 acres in a convenient commercial area. The office/warehouse flex park is in close proximity to the Norfolk International Airport, I-64 and Norfolk International Terminal port facilities. The advantage of intermodal alignment within the flex park is a major marketing point used by the City.

The City of Norfolk offers the following examples of economic development through intermodal alignment, and possible benchmarking, to use in assessing Palm Beach County’s intermodal elements. The examples are found on the City’s website and, although the examples are a few years old, they can provide insight into the types of statistics monitored and the types of projects undertaken at the City of Norfolk.

- The City of Norfolk’s Lake Wright Executive Center, is what the City refers to as a Premier Class A Office Park. It is conveniently located adjacent to the Norfolk International Airport, Interstate highway 64, Commerce Park and Military Highway.

- The City touts statistics such as the Norfolk International Airport achieved record high traffic volumes in 2002, a year when nationally, airport traffic fell 4.7 percent.
- Norfolk's cruise ship market is strong and has gained ground following the national travel downturn of 2001. Norfolk continues to reap the benefits as one of the fastest growing cruise ship ports on the East Coast. In 2003, the **NAUTICUS International Pier** played host to 20 ships and over 36,000 passengers. The latest industry figures indicate an average of \$102 per passenger spending, with pier facility revenues averaging \$10.00 per passenger.
- Norfolk notes that the city's tourism numbers increased across the board, bucking the national trend. This can be attributed, in part, to Norfolk being in a very strong "drive market," pulling from the Greater Washington-Baltimore and North Carolina markets.
- Port related business at the **Virginia International Terminal** drives new capital investment into the region. The **Virginia Port Authority** approved a \$335 million bond issue to pay for renovations to Norfolk International Terminals South, as well as enhanced security and safety measurements. In September 2002, construction began on the wharf to accommodate eight new cranes. The new cranes were installed in August 2003. The new Suez class cranes stand taller and reach out further in the water to handle larger container ships.

In the above examples, as with other best practices sites, the City markets its geographic location. The City of Norfolk is also launching a Light Rail Project. The line would run from near Eastern Virginia Medical Center to Kempsville Road near Sentara Leigh Memorial Hospital, a trip that would take 26 minutes. There would be 11 stations, including stops at three downtown locations, Harbor Park, Norfolk State and Military Highway. Four stations would have park-and-ride lots, and six would have bus drop-off areas. Two areas along the line would be eyed for redevelopment as part of the project.

Economic Development Software:

The City of Norfolk utilizes the GIS software Norfolknavigator along with the commercially available software Costar as a way to a) find real estate that matches the needs of potential business inquiries, and to b) present potential real estate sites to businesses seeking property. The web sites for these software products can be found in the appendix to this report.

City of Memphis, Tennessee

The City of Memphis website states that the Memphis International Airport is the world's busiest cargo airport; however, the Hong Kong International Airport is gaining ground on the Federal Express hub and could soon pass Memphis if the trends of the past several years continue. If Palm Beach County decides to explore the economic development opportunities that surround creating a cargo airport, Memphis and Hong Kong could be used to gather information on what it takes to be successful in that endeavor.

City of Boston, Massachusetts

Boston's Logan International Airport serves as the air cargo gateway to a six-state region with a population of 13.2 million and a gross regional product of \$350 billion. It is among America's busiest cargo airports, handling over 440,000 tons of cargo in 1997 in a land area of 2,500 acres.

Logan promotes itself as being distinguished by the large number of international carriers that service the airport, all offering direct cargo service to key cities in Europe, Canada, and Asia. Of the 42 airlines serving Logan, 18 offer service to international destinations. Because of this broad offering of international air cargo service, Logan International Airport ranks eleventh among U.S. airports in the value of exports and imports handled.

It is possible that the following types of advantages could be developed for Palm Beach County's air shipments to the Caribbean, and Central and South America, versus Logan's business to Europe. Boston's Logan Airport offers the following advantages to those making air shipments to or from the northeastern U.S.:

- The closest U.S. gateway to Europe
- Over 60 international flights every day, to 23 foreign markets
- Wheels-up clearance available for most import shipments
- Direct airport access to U.S. interstate highway system
- Excellent cargo security by Massachusetts State Police
- Over 150 freight forwarders and brokers with a 300-year tradition of trade and commerce.

City of Las Vegas, Nevada

The City of Las Vegas website reports that the Las Vegas **International Air Cargo** Center at McCarran International Airport and the air cargo facilities at Reno/Tahoe International Airport have positioned both cities as major West Coast air-truck distribution centers. Complete customs services are available at both McCarran and Reno/Tahoe. Both cities are considered "**inland ports of entry**" where efficient services allow foreign goods to quickly clear customs. In addition, regional airports in Elko, Ely and Laughlin also handle freight. This is an example of coordinated, regional, intermodal alignment for the purpose of economic development.

City of Louisville, Kentucky

The City of Louisville markets its central location and excellent transportation systems to industry. The city has built on this strength to become one of the country's leading centers for logistics, which is why Expansion Management gave Louisville a five-star logistics ranking and was rated the second-best city in the country for logistics. The intermodal transportation elements that Louisville has linked together are airports, general aviation, cargo handling, distance to market, inland ports, deep water ports, major highways, motor freight, public transportation, and rail service.

The City of Louisville lists the Inland Ports advantages and the benchmarks that it tracks at the **Port of Clark Maritime:**

- The port includes the Maritime Industrial Park
- All utilities are available at the property line; many sites have direct rail access
- Seven barges can currently work at the same time; plans to build an eighth dock
- Heavy lift dock capable of handling 450 tons per lift
- Travel time of eight days for a barge to reach New Orleans
- Tonnage has grown to 1,843,962 tons in 2002 - from 200,000 tons in 1985
- Barge traffic has increased to 1,198 barges in 2002 - from 148 barges worked in 1985
- Rail traffic has increased to 10,490 cars in 2002 - from 1,250 cars in 1985

The City's website reports that in the midst of a strong national economy and a global trade boom, maritime trade is expected to double or even triple in the next twenty years. According to a report published by Kiplinger Washington Editors, approximately \$7 billion will be spent to improve ports in the United States in the next four years alone.¹ Major improvements will focus on expanding existing ports, building new ports, and creating or upgrading **intermodal port facilities.**

If the improvement to inland intermodal ports assures timely deliveries, then the City of Louisville is hoping that companies will relocate to Louisville to gain access to the maritime facilities. Clark Maritime Centre is located on the northern bank of the Ohio River in Jeffersonville, Indiana directly across the river from Louisville. This river port offers 12-month ocean access to world markets through its connections to the Inland Waterway System and the Gulf of Mexico. The location of the Clark Maritime Centre allows shippers to transport their products to the manufacturing and agricultural markets of Indiana, Kentucky, Tennessee, Ohio and Illinois. Commodities handled by the port are generally focused towards these Midwestern markets, and include corn, soybeans, fertilizers, plastics, paper, iron, and steel. Offering storage facilities that can handle general cargo and bulk commodities and rail-to-barge coal capabilities, the Port can handle the needs of a variety of freight customers. The majority of commodities at the maritime center include fertilizers, grain, coal, and bulk materials.

City of Wilmington, North Carolina

Located on the east bank of the Cape Fear River, the Port of Wilmington offers facilities to handle containerized, bulk and break bulk cargoes. The Port's new 42-foot channel allows current container vessel customers an additional 15% vessel capacity. The port has direct access to Interstates 95 and 40 and daily train service from CSX Railways. Wilmington is one of the few South Atlantic ports with readily available berths and container storage areas and equipment.

¹ Source: http://www.mccog.net/pdf/intermodal_port.pdf

The City of Wilmington’s website promotes the City by reporting that the volume of international trade is expected to double by 2020, and forward-looking businesses and industries can get ahead of the curve by taking advantage of the services offered by the North Carolina State Ports Authority. North Carolina's Ports of Wilmington and Morehead City, plus inland terminals in Charlotte and in the Piedmont Triad at Greensboro, are ready to serve as competitive alternatives to ports in neighboring states.

The North Carolina Ports Authority promotes port activity in North Carolina by referencing the central Eastern seaboard location as the closest to the center of the southeast U.S. market -- the fastest growing region in the country. The Ports Authority, along with the North Carolina Department of Commerce, is actively recruiting retail distribution centers to the state. Sites are available for distribution center placement, as well as a labor pool suited to fill materials handling positions. The City of Wilmington’s website states that the North Carolina community college system has even developed a course of study specifically for retail distribution center training. Current and planned improvements in the regional transportation network provide a new platform for distribution when combined with upgraded capabilities at the Port of Wilmington to handle large quantities of imported goods. A unique NC Ports tax credit is also available to port users.

“Of all the economic activities a state can have, ports have the highest multiplier. Every dollar spent importing or exporting through a port adds \$12 to state income.”

North Carolina has designated two inland ports, Charlotte Inland Terminal (CIT), and the Piedmont Triad Inland Terminal (PTIT). Each inland port is designed to fit into an overall intermodal strategy. The inland ports have the following characteristics:

- Strategically located at the heart of manufacturing and distribution sites in the Southeast, serving the I-85 and I-77 distribution corridors.
- Provide professional “neutral” container yard operations to container carriers.
- Staging for empty and loaded containers - bonded by US Customs and Border Patrol.
- Maintenance and repair operations allowed on site.
- Real-time data management through Port of Wilmington Terminal Operating System.
- Grounding and mounting service supports operations at Norfolk Southern and CSX Charlotte ramps.

The State of North Carolina's website states that N.C. ports are an important driver for statewide economic prosperity, not only to the areas where port facilities are located, but to people and commerce, and economic development efforts statewide. In June 2005, Business North Carolina reported that, “Of all the economic activities a state can have, ports have the highest multiplier. Every dollar spent importing or exporting through a port adds \$12 to state income.”

Benchmarking & Performance Measurement

As the Economic Development Office expands its mission to cover new or expanded strategic focus areas, developing benchmarks and program performance measures will also provide the EDO's management and stakeholders input into the achievement of the Office's mission. It is common to see leading economic development organizations utilizing strategic planning, action planning, and performance measuring to guide efforts and to inform stakeholders. The director of the Palm Beach County Economic Development Office has expressed a desire to migrate the office from more of a reactive program to one that proactively provides regional leadership. As with most proactive organizations, development of a strategic plan, a detailed action plan and metrics of success are the basic building blocks for achieving the organization's mission.

The consultant's research has revealed examples taken from several economic development organizations considered leaders in program and innovation. These examples are provided below as a means of providing insight into the organizational and program possibilities surrounding action planning, benchmarking, and utilizing score cards or other performance measurement mechanisms to gauge the effectiveness of economic development programs. It is not uncommon for these organizations to have designated staff and technology resources assisting in these endeavors.

BENCHMARKING QUALITY MANAGEMENT AMONG ACCREDITED ECONOMIC DEVELOPMENT ORGANIZATIONS

The International Economic Development Council (IEDC) has worked with the Enterprise Innovation Institute at Georgia Institute of Technology to help economic development organizations identify key quality management challenges and opportunities for continual improvement. Joy Wilkins and Carol Aton of the Georgia Tech's Enterprise Innovation Institute offer the following:

Provided the appropriate structures, economic development organizations will operate more effectively, successfully track performance for programmatic improvements and yield a higher overall impact in the communities they serve. The Enterprise Innovation Institute created an economic development organization (EDO) assessment and benchmark system called the Calibration Program. Benchmarks for the Calibration Program are based on a nationwide survey of IEDC Accredited Economic Development Organization (AEDO) stakeholders. AEDOs are recognized as among the 'best of the best' in economic development. The quality management standards of the AEDO program are coupled with ISO 9000 quality indicators and the Baldrige Criteria for Performance Excellence.

The AEDO survey revealed several components of successful EDOs, as well as some common challenges these organizations confront:

- The best organizations place great emphasis on customer service and leveraging partnerships to complete their missions. Such emphasis likely has enabled AEDOs to significantly impact their communities and to be recognized by key stakeholders for their results-oriented achievements.
- Several AEDOs appear to operate in environments that do not support innovation. The assessment revealed a tendency for community leadership to be unlikely to embrace change and new ideas.
- Despite this apparent lack of support for innovation, AEDOs are recognized for being innovative themselves. This may be a testament to creative staff that possesses natural inclinations to create and apply new ideas.
- AEDOs effectively use many technology tools, yet stakeholders do not consider the AEDOs to be community leaders in the use of technology. Also, there is a need to increase staff training to learn and apply new technologies. Addressing these issues is important for several reasons: 1) To help organizations reach optimal productivity levels; 2) to best implement programs and to make good decisions; and 3) as the first and main point of contact for many current and future investors, an EDO's use of technology may help convince investors that the community can meet their technology needs.

The AEDO program is a comprehensive peer-review process that measures economic development organizations against commonly held standards in the profession. Nearly 30 premiere Economic Development Offices nationwide have achieved the accreditation. As the Palm Beach County Economic Development Office moves to broaden its mission expanding into new strategic focus areas, it will be well served to consider utilizing the resources obtained through organizations like the International Economic Development Council (IEDC), and Georgia Tech's Enterprise Innovation Institute. The contact information for the groups cited above is provided in the appendix to this report.

Organizations such as the IEDC and the Enterprise Innovative Institute can be beneficial to actively belong and participate, and to seek references for economic development benchmarking and performance measurement. The following are benchmarking and performance measurement examples of several city and county economic development offices. It is not uncommon to find performance measures that track economic development activity (perhaps "new jobs created") associated with new or redefined incentives – to measure the impact of the new incentives. In this way benchmarking or performance measures can be created and tracked by developing a cause and effect approach – institute new programs or expand existing programs with specific measurable purposes in mind. A common example of this approach might be to track the number of bio-tech companies relocating to Palm Beach County, or the percentage increase in number of jobs from companies expanding operations.

City of San Diego, California

On its website, the City of San Diego describes how current economic development strategy was adopted as a response to the economic downturn of

the early and mid-1990's, and provides for business development assistance to the six targeted industry clusters of telecommunications, biomedical/ biosciences, software, electronics manufacturing, financial and business services, and defense and aerospace manufacturing. Since that strategy's adoption, the regional economy has improved; however, San Diego's economy is increasingly threatened by such issues as traffic congestion, air and water pollution, the cost of energy, and neighborhood quality. Projected population increases will place further pressure on such "quality of life" issues.

The City of San Diego developed a Community and Economic Development Strategy with a number of goals associated with the various parts of the strategic plan. In conjunction with the goals of the plan, the San Diego Sustainable Community Program Indicators of success were developed to provide indication of the achievement of each of the plan's goals. In addition to performance measures linked to the strategic document, the Community and Economic Development Department tracks, on a regular basis among others, the following performance measures:

- New private sector capital attracted into the City per dollar invested in the Business Expansion Attraction and Retention (BEAR) Program
- Average cost per study/report/plan prepared
- Average cost per small individual business assisted
- Average administrative cost per project/contract

City of Atlanta, Georgia

The City of Atlanta's Economic Development Office, along with the City's Mayor, created the New Century Economic Development Plan that provides goals, action plans and performance measures for several of the city's departments. Note that the City's goal statements include benchmarks or quantifiable targets. Examples of these are:

- By 2009, create 60,000 new jobs in the City of Atlanta (this represented an increase of 14% overall, and 3% annually)
- By 2009, create 24,000 new metro jobs related to airport growth and expansion (an increase of 23%, 4% annually)
- Grow property value in the City by twenty-six billion dollars, by adding households and leased commercial space (an increase of 62%, 8% annually)

Atlanta has created Economic Development Dashboards whereby performance measures are monitored and then reported annually to ensure the success of the New Century Economic Development Plan. Every year the City publishes performance measures related to the Plan, specifying the economic opportunity area, the current status (or performance), the targeted performance for the year in question, and the goal or target to reach by 2009. By monitoring key performance measures and utilizing them as a key input into management decision making, the City of Atlanta makes it very easy to visualize the link between annual economic development initiatives, and the achievement of strategic goals.

City of Vancouver, British Columbia

The Vancouver Economic Development Commission is the prime economic development entity in the City of Vancouver, British Columbia. It provides a year ending report that highlights many elements of the area's economic development, including commentary on performance in the key strategic focus areas that it invests resources. Provided below are examples of such areas:

- **Small Business E-Office** – Accessible on the Commission's website, the E-Office was developed to offer free e-commerce tools, quick business guides, a financing directory, web casts, and other resources to help Vancouver entrepreneurs start and grow their small businesses. Since its launch in May, 2000, the website has attracted over 12,400 visitors from 60 countries, and now averages 120 visitors per day.
- **Business Development Events** – Since March 2000, the Commission has delivered over 40 workshops and seminars (on topics such as e-commerce and investing in Vancouver) to over 2,000 small business people in all parts of the city.

The Vancouver Economic Development Commission also periodically tracks the funding of its organization to that of competing Canadian and American cities. Benchmarking against the City's competition can be an effective way to evaluate an economic development entity's funding level and performance. One advantage in belonging to an organization such as the aforementioned International Economic Development Council's (IEDC) Accredited Economic Development Organization (AEDO) is that peer performance data are readily available.

Summary of Research Observations and Epilogue

Through a process that included interviewing Palm Beach County's EDO staff, internet research of best practices sites, and interviews with economic development directors, the MPA Consultant offers an assessment of the EDO's resource capability to transition into the focus areas of an expanded mission. Through the various research techniques employed, the project consultant sought to document leading organizations by reporting on their staffing, organization structure, and the technology in use for managing economic development. The experiences of these organizations form a pool from which the Palm Beach County EDO can learn.

The research has revealed that successful economic development is not done in a vacuum. Rather, there must be partnerships and alliances formed among government, non-profit organizations and private entities. Palm Beach County's EDO has indicated that it has existing alliances with such groups as the Business Development Board, Chambers of Commerce and the World Trade Center. The EDO works with many internal county departments as well, for example Housing and Community Development, Metropolitan Planning Organization, Office of Small Business Assistance, and others.

Most importantly, the research indicates that strategic planning and effective, periodic communication among all economic development partners is a key in developing long term economic development sustainability. Active communication is required to ensure there is no unintended duplication of effort, and to make sure organizations are not working at cross purposes. The United Nations, and the World Commission on Environment and Development defined a “sustainable society (as one that) meets the needs of the present generation without sacrificing the ability of future generations to meet their own needs.” This vision statement is also applicable to strategic planning for sustainable economic development in general.

The research presented throughout the report indicates that there is no one standard way of successfully expanding into the focus areas envisioned by the EDO Director. That is to say, some government economic development office’s implement economic development in the five focus areas by performing the program design, implementation and monitoring with internal staff; while some governments choose to take on a coordination role, organizing and partnering with a non-profit or private entity, that then implements the particular program of the focus area. In both instances the economic development public good is served. The report cites successful examples using both means of implementation.

The Palm Beach County EDO can incorporate the programs researched in this report into its rationale for proceeding with a particular focus area. To transition the Palm Beach County Economic Development Office from the current organization to the one outlined in the newly created EDO Strategic Plan, the following steps are recommended:

1. Prioritize the focus areas where new or expanded program activities will occur. It will be useful to contact the applicable best practices economic development agencies for specific best practices, achievable benefits, and appropriate benchmark and performance measurement examples.
2. Define the goals and targeted results for every focus area prioritized, then determine the mix of EDO staff and outside partner relationships required to successfully meet each. Define and document the roles and responsibilities of all participants in the economic development of the county (the county EDO, non-profit and public partnerships, etc.)
3. Equip the Office with the resources required to successfully expand operations into the focus areas. It will be useful to contact the applicable best practices economic development agencies to guide future EDO staff and technology expansion.

These steps are recommended based on the study research, recognizing that there are many different paths to EDO expansion, and that the EDO focus areas will continue to evolve over time. The direction in which Palm Beach County proceeds will ultimately depend on that which the EDO Director and County policy makers choose to pursue. These decision makers can draw guidance from the researched entities chronicled in this report.

To evaluate the adequacy of the existing EDO staff to transition into the expanded focus areas, the best practices research allows for comparisons

between the existing Palm Beach County EDO and those economic development entities surveyed. The most common comparisons can be drawn between staff positions, organization structures, and technology. A variety of other organizational characteristics such as attainment of national award honors, active use of strategic planning, development of partnerships, and design of innovative incentives seems to define the best practices organizations.

*Staff
Transition*

There are two things that the consultant reviewed to determine whether the existing staff can transition into the new focus areas, a) existing staff expertise, and b) staff size to handle the volume of work. One additional factor that the EDO Director will consider is whether in-house staff itself will need a level of expertise to perform the research, planning, implementation, and monitoring, or simply the level of expertise required to coordinate others—presumably non-profit organizations or private partners—doing those activities. The five strategic focus areas targeted for Palm Beach County EDO expansion are:

- Strategic Focus Area 1 Strategic Planning, Regional Coordination, Branding
- Strategic Focus Area 2 (Re)designing EDO incentives
- Strategic Focus Area 3 Biotech/university partnership, Alternative Energy, Business incubators
- Strategic Focus Area 4 Global Economic Strategy, International Finance Focus
- Strategic Focus Area 5 Development/Promotion of Intermodal Transportation, Agri-Business, Poverty Reversal

The Economic Development Loan Manager has a financial focus including economic benefit/tax implication analysis, as well as a traditional, local loan/incentives focus. It is the opinion of the consultant, based upon research conducted in the focus areas, that the loan manager either has or can attain a level of expertise to coordinate activities in the following:

- Strategic Focus Area 2 (Re)designing EDO incentives
- Strategic Focus Area 4 Global Economic Strategy, International Finance Focus

The Economic Development Analyst has a budget, financial contract focus, as well as providing incubator and grant program oversight. It is the opinion of the consultant, based upon research conducted in the focus areas, that the Analyst either has or can attain a level of expertise to coordinate activities in the following:

- Strategic Focus Area 3 Biotech/university partnership, Alternative Energy, Business incubators

One Economic Development Specialist interviewed indicated that job responsibilities include monitoring contracts, researching federal loan programs and insurance certifications, as well as program development and researching the areas of strategic planning, and film/TV/and marine industry topics related to the education system program development. In addition, the Specialist has achieved proficiency in web design. It is the opinion of the consultant, based upon research conducted in the focus areas, that the

Specialist either has or can attain a level of expertise to coordinate activities in the following:

Strategic Focus Area 1 Strategic Planning, Regional Coordination, Branding
Strategic Focus Area 2 (Re)designing EDO incentives

A second Economic Development Specialist interviewed indicated a specialization in the area of program development and grant monitoring (related to grant programs), incubator development and monitoring, and promoting incentives programs. It is the opinion of the consultant, based upon research conducted in the focus areas, that the Specialist either has or can attain a level of expertise to coordinate activities in the following:

Strategic Focus Area 2 (Re)designing EDO incentives
Strategic Focus Area 3 Biotech/university partnership, Alternative Energy, Business incubators

Based on the research and the interviews with current EDO staff, the largest gap between the researched best practices sites and the current staff of the Palm Beach County EDO appears to be the expertise in the strategic focus area 5. Based on staff interviews, there does not seem to be staff with a background in Strategic Focus Area 5 which includes the topics of, a) economic development through intermodal transportation mechanisms (such as an International Cargo Airport, or an inland port); and through marine and waterway development, b) developing agri-business or equine business to revitalize targeted areas of the county, and c) economic development as a mechanism for poverty reversal and/or to expand minority involvement in development.

Depending on the vigor and degree of expansion into each element of each focus area, the staff of the EDO will likely require training in the specialized area of expansion. Depending on the ratio of current activities being continued to the activity and time requirements of expanding into the new focus areas, additional staff to handle increased volume of work and/or experience level in the focus areas may very well be required.

*Organization
Structure*

The staff of Palm Beach County's EDO operates over a range of interests, capabilities, and defined economic development areas. As the EDO expands the mission of the Office (into the identified focus areas), it should be anticipated that job descriptions will be redefined with a specific, meaningful connection to the newly created Strategic Plan. The existing organization structure at the Palm Beach County EDO is relatively flat with each of the professional staff coordinating and overseeing specific areas of the county's economic development activities. While some cross training exists and colleagues do assist one another, for the most part each member of staff works independently. This organization structure seems to be commonplace in the economic development organizations surveyed.

As for the types of staff positions existing at leading economic development organizations, it appears that there are several specialized staff positions that do not exist in the Palm Beach County EDO. For example, in addition to Coordinator and Specialist positions, the City of San Diego also has a Systems

Analyst position, and a Deputy Director. The Jacksonville Economic Development Commission employs the following positions: Targeted Industries Coordinator, Due Diligence Specialist, Loan Specialist, Small Business Development Manager, Cecil Commerce Center Coordinator, Administrative Support, and a Business Recruitment and Retention Coordinator.

Organization chart positions and staff responsibilities are key factors in efficiently and effectively implementing the mission of an economic development office. The current PBC EDO staffing level is six, one director, one senior secretary, and four professional staff (there is one additional vacant position). On one side of the spectrum, a city such as San Diego that is considered to have a large economic development office has eighteen staff positions. In Jacksonville, a different member of staff heads up each of seven staff positions.

One of the practices in place at the City of Austin is to hire staff or encourage staff to obtain specific, applicable economic development certification in the various aspects of their staff functions. Vancouver, Washington's Director of Economic Development Services recommends that staff overseeing contract development and monitoring have at least two years of public purchasing and/or contract administration, and the ability to navigate through the Local, State and/or Federal legal and risk requirements.

It is recommended that the EDO Office carefully evaluate staffing requirements prior to committing to the internal expansion into a focus area. By knowing the extent that the transition focus areas will be directly controlled within the office, develop staff titles, work responsibilities and competencies required for EDO staff positions. The Palm Beach County Human Resources Department can assist in this regard.

Technology

The research indicates that technology is playing a larger role in managing economic development activities than ever before. The leading economic development organizations around the world are employing technology in a variety of activities. The Illinois company, Blane Canada, produces the business retention software the Synchronist System. It is a software tool used to organize, analyze and report company information, giving community decision-makers insight into the dynamics of the local economy. Economic Development Office's also utilize GIS databases to provide companies with information. Oracle Financials is being used to monitor most contracts, along with standardized template documents. There is an Oracle Contracts module that allows an EDO to build a complete contract library that serves as the primary program in developing and monitoring contracts.

The state of Colorado utilizes business retention software to organize, analyze and report company information, giving community decision-makers invaluable insight into the dynamics of the local economy. GIS databases created by the state's information technology resources are also in use. The City of Vancouver, Washington uses Oracle Financials to monitor most contracts. The Oracle Contracts module will be fully implemented in year 2007 to build a complete contract library which will then become the primary program in developing and monitoring contracts. There is no EDO-specific software in

routine use by Palm Beach County’s EDO staff. Most monitoring and report writing is performed through Microsoft Office programs.

It is recommended that as part of strategic planning, the EDO evaluate its current technology and determine at what points over the span of the strategic plan should technology investments be made to facilitate the implementation of the plan.

*Organization
Characteristics*

Recurring themes, or organization characteristics, observed throughout the best practices research, included economic development organizations that a) were awarded or recognized for achievements, b) actively use strategic planning, and c) emphasize results in developing innovative incentive programs. Economic development organizations like Spokane County has received federal funding after being certified as having a Comprehensive Economic Development Strategy (CEDS), and Fairfax County has received accolades for earning top marks in all areas of the recent Government Performance Report. The county is a leader in developing benchmarks and economic development performance indicators.

Strategic planning characteristics researched includes specifically documenting the roles of key local economic development partners within the Strategic Plan, including those same local partners in the development of the strategic plan, and focusing strategic initiatives around the concept of sustainability. Other recurring themes found throughout the researched sites include innovative ways of looking at and thinking about incentive programs. The City of San Diego prides itself on being “zoned for incentives.” The State of Washington has created incentive programs for private company equipment purchases linked to university research partnerships. Developing university partnerships in general appears to be a major emphasis of economic development organizations promoting incentives to the technology industry.

Appendix