



*Madison*

City of Madison  
3-5 Year Economic Development  
Implementation Strategy

**Retreat**

Dec. 12, 2007

# What Role should the City of Madison Play in Quality Job Creation?

- Directly
  - Systems
  - Staff
  - Policies
- As a convener/facilitator
- As an ally

# Session Overview

- Intro Framework
  - Key lessons
  - Opening thoughts on Key Focal Points
- **Your Input**
  - Breakout Groups
  - Report back/Group Discussion
  - Critical Wrap-up Issues

# Key Definitions

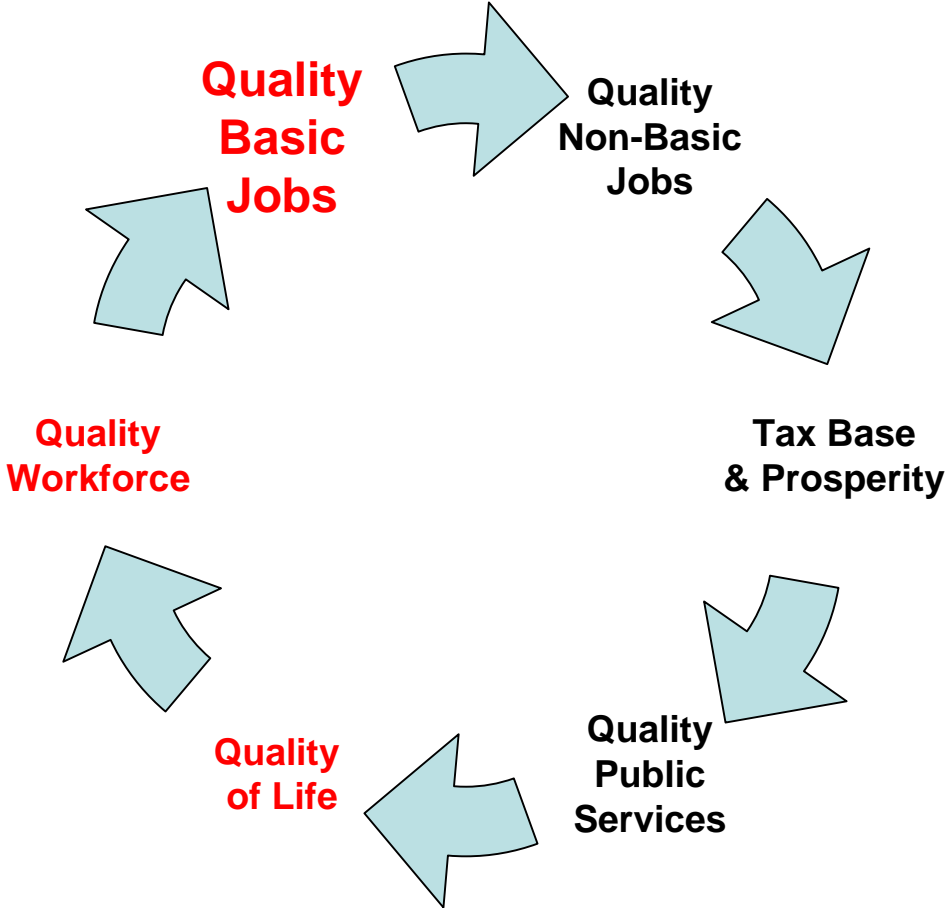
- Economic development
  - *Growing the pie (quality jobs and tax base) consistent with community values, needs*
- Community development
  - *Distributing the pie by neighborhood & targeted populations*
- Planning
  - *Creating the right environment to grow & enjoy the pie*

# Basic Sector Development Drives Economic Development

- The basic sector (export sector) generates wealth from outside expenditures
- “Tell me your economic base and I will tell you your fortune”

<b>Basic Sector</b>	<b>Non-Basic</b>
UW & State Govt.	Local Govt.
Technology companies	Local retail
National financial companies	Restaurants
Manufacturers	Housing
Regional Healthcare	
Conventions & Visitors	

# The Quality Development Cycle



# Major City ED Impacts

- Permitting & Regulation
- Infrastructure/Planning
  - East Washington/Capitol Gateway
  - Bio-Ag park, southeast industrial area
  - UW Research Park II
- Direct Tools
  - Tax Increment Financing\*
  - Land assembly
  - Small Business Loans (directly & through Madison Development Corp.)
- Indirect
  - Tax Increment Financing
  - Downtown Business Improvement District\*
  - Incubator support
  - Contract for small business/minority business support
  - \$17,500 annual investment in THRIVE
- Business Climate issues
  - Quality of City Govt.
  - Bond rating
  - City minimum wage/Sick leave policy/Inclusionary zoning

# Preliminary Observations Compared to Major Peers

- UW is a superior ED resource
- A very strong economy except average family income
- You target essentially the same clusters as other technology centers
- Conspicuous/highly detrimental absence of public/private ED partnership strongly involving the City
- Better at setting visions than implementing plans (who, how, what resources, what metrics)
- ED a lesser Council and Administrative priority
- Lower ED resources than the leaders (e.g. Austin)
- Business attraction is more important elsewhere (Ann Arbor, Austin, Des Moines, Raleigh)

# Why have more proactive ED?

- To ensure economic security and social justice
- To enable quality housing investment
- Because a strong center is environmentally important
- Social support for Madison school children
- Because state government employment is shrinking
- Because we compete internationally (and locally)
- To maximize good opportunities
- To support quality of life

# Best Opportunities

- Retaining and growing basic sector employers already here
  - Education
  - Technology
  - Health care
  - Financial services
  - Manufacturing
  - State government
- New entrepreneurial “gazelles”
- Modest business attraction
  - Fits with UW or key companies
- Recruiting key people

# What has City Government Done Well to encourage ED?

- Response to EDC recommendations to be more business friendly (in 2008 budget)
  - Business Assistance Center
  - Enterprise permitting software/tracking
  - Zoning update
- Success spinning off industrial land to private developers
- Some examples (e.g. Covance) of working very well with local business expansions

# Where Can the City Improve its ED Efforts?

## 5 Key Focus Areas

- 1) Seeing the Big Picture (growing the pie)
- 2) Regulation, Customer Service, Business Climate
- 3) Business Retention & Expansion
- 4) Key Physical Priorities
- 5) Expanding the City ED Toolkit

# What's Missing?

# What City Staff, Resources and Attitude are Required?

# What Leadership is Required? Who is in Charge of Implementation?

# What is Necessary to Implement Effectively?

# Is the City Ready for Greater Public/Private Partnership?