

DRAFT- October 4, 2006- DRAFT
City of Madison
3-5 Year Economic Development Strategy Implementation Plan Outline

Recommendations

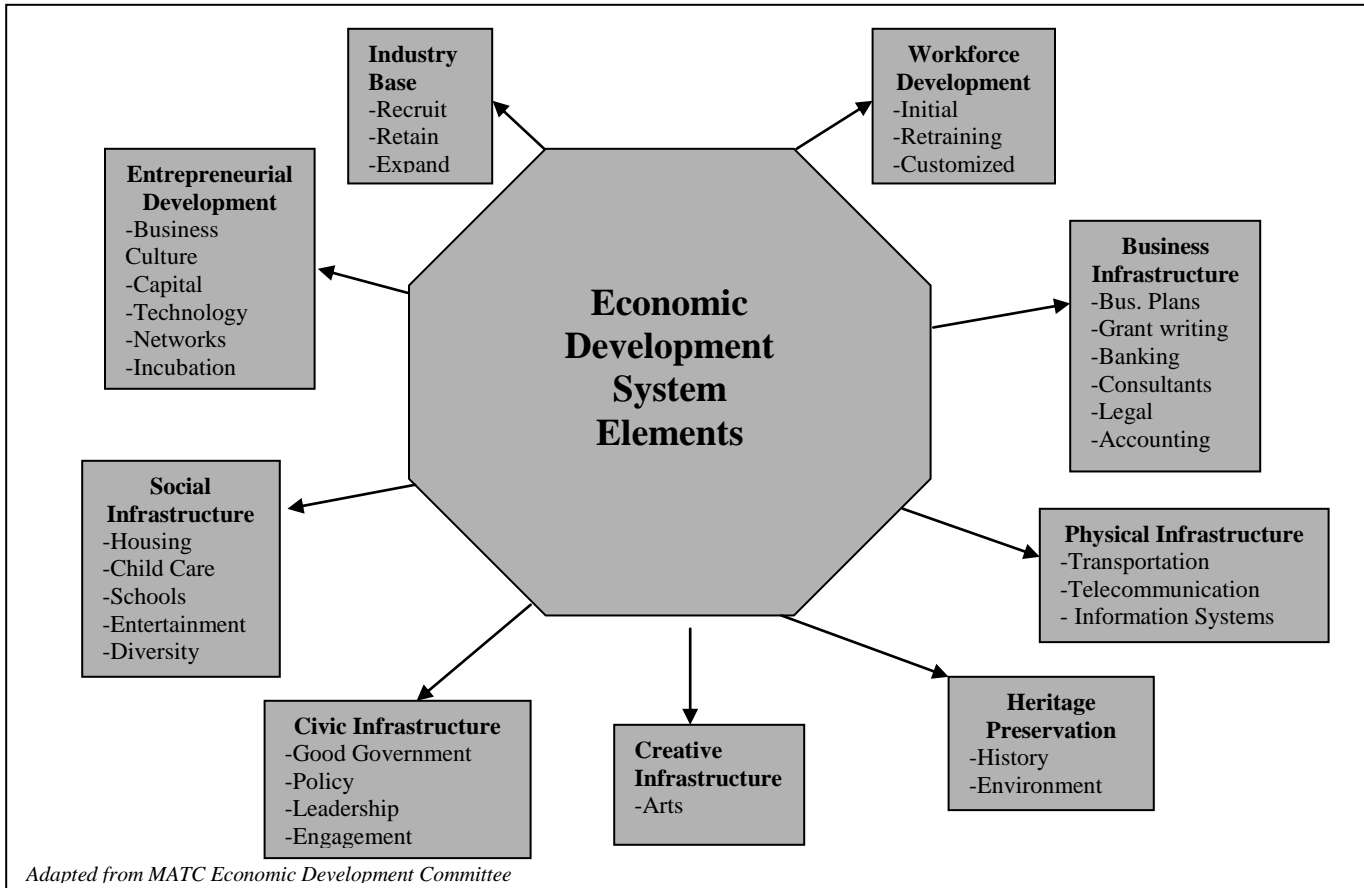
The Economic Development Commission (EDC) recommends that a 21st Century Economic Development Plan be developed for the City of Madison that includes:

1. A commitment to economic development in a more strategic way than in the past, which might include:
 - a. New structures
 - b. Changes in organizational charts
 - c. Additional positions
 - d. Dedicated funding, initially to complete this strategic plan process
2. Benchmarks/report cards to measure our progress (last done in 2000)
3. A robust “toolbox” for the City to use as it pursues economic development
4. Active engagement with regional bodies such as the Collaboration Council, South Central Wisconsin counties, municipalities and towns.
5. A plan to revisit and update this plan on a regular basis (i.e., possibly every 5 years)
6. Quality job creation

To begin this process, we further recommend that the following guiding principles are adopted and an initial environmental scan is completed.

A. Guiding Principles

1. Broadly defined, Economic Development has multiple facets



- a. We need to acknowledge this but as a community agree to strategically focus on a few elements at a time
 - b. We need to also accept change and build on strengths for the future
2. Our approach to economic development should be “asset based”
 - a. We cannot predict the future of the economy and therefore do not try to pick “winners or losers”
 - b. There is a high probability that our current strengths can be important parts of our economy of the future
3. Economic Development and the Quality of Life must go hand-in-hand
 - a. There are many groups focusing on quality of life issues - Our focus is on economic development that enhances the quality of life
 - b. Plans should ensure that all groups have improved quality of life
4. We should focus on what Madison honestly has that no other area communities have
 - a. Educational Strength: University, MATC, Edgewood, etc.
 - b. Health Care Providers
 - c. Downtown
 - d. Lakes
 - e. Midwestern funky “vibe”/unique quality of life
 - f. Other
5. We must recognize that Madison is part of a regional economy
 - a. Madison is the hub of the south central region
 - b. Other communities also have strengths to offer the regional economy
 - c. We can all benefit from regional growth in a global economy
6. We want to have our decisions based on data
 - a. We have limited access to City-based data due to reliance on basic federal data
 - b. We have limited capacity to collect, develop, or analyze data that is available
 - c. Some data tools are available but may have ongoing costs
7. Other

B. Economic Environment Scan

1. Transportation-See *City of Madison Comprehensive Plan Volume 1-Background Information-Chapter 3-Transportation*
2. Demographics-see *City of Madison Comprehensive Plan Volume 1-Background Information-Chapter 1-Population and Demographics*
3. Land availability/Land use shifts -see *City of Madison Comprehensive Plan Volume 1-Background Information-Chapter 2-Land Use*
4. Current economic development statistics - See *City of Madison Comprehensive Plan Volume 1-Background Information-Chapter 5-Economic Development*
 - a. Jobs
 - b. Businesses
 - c. Wages
 - d. Etc.

5. City Resources

Draft City of Madison Economic Development Financing Programs

Program Name	Description	Amount	Eligible Uses
Tax Increment Financing	Mechanism for paying eligible project costs for redevelopment or industrial development.	Depends on TID District.	Public improvements, site improvements, land write-down.
Industrial Revenue Bonds	Bonds sold under the name of the City of Madison but are not an obligation of the City.	No cost to City of Madison. None issued in 2004 and 2005.	
Capital Revolving Fund Loans	Loans to encourage new and existing business expansion, redeveloping blighted and underutilized properties, preserve and expand housing supply.	The budget for this program is \$600,000 in 2006.	Construction.
Façade Improvement Grants	Enhance façades of commercial buildings in target areas.	Grants of \$10,000 up to \$25,000 for Flatiron buildings. Must be matched by private, non-City funds. The budget for this program is \$125,000 in 2006.	Restoring historic façades, beautifying or enhancing street facing façades.
Brownfields – Program is currently being developed		The budget for this program is \$500,000 in 2006.	

The following programs are funded (not administered) by the City of Madison Community Development Office of the Department of Planning and Development, as part of a broader economic development strategy to increase the community's capacity to foster business development. Hence the CD Office funds non-profit groups that help businesses start, grow and create employment opportunities for lower income people.

Program Name	Description	Amount	Eligible Uses
Business Loan Program (Madison Development Corporation administers)	The City started MDC as an economic and housing development tool and capitalized the community-based organization with a business loan pool. MDC provides loans and some equity/asset investments to higher risk businesses that create jobs for lower income persons.	Loans range from \$25,000 up to \$400,000 per business. (Note: The City does not provide continuing funding but expects the program to leverage other funds and to operate as a revolving fund with new loans financed from repayments of earlier loans and investments.)	Loans are available for a range of uses, including working capital, plant expansion or equipment purchases.
Madison Enterprise Center Main Street Industries Common Wealth Development	Operates two business incubators for early stage businesses (Madison Enterprise Center) and for more mature businesses (Main Street Industries). Common Wealth also operates a small equity fund to help retain businesses within the near east side area.	The City helped Common Wealth rehab the Enterprise Center, and to purchase the Main Street Industries incubator building. The City does not provide continuing funding but expects Common Wealth to use other revenues to sustain the operations.	Space is available within the two facilities for small businesses.

Program Name	Description	Amount	Eligible Uses
Genesis Enterprise Center Genesis Development Corporation	Operates Genesis Enterprise Center, which provides space and associated support services to small businesses in the South Madison area..	The City helped Genesis purchase and later refinance the incubator building. The City does not provide continuing funding but expects Genesis to use other revenues to sustain the operation.	Space is available within the facility for businesses that will be creating jobs for neighborhood residents.
Workshops and Micro-Loan Program Wisconsin Women's Business Initiative Corporation	Provides workshops and technical assistance to entrepreneurs and small loans to micro-businesses.	The City provided WWBIC with \$140,000 in 2006, about half of which is for the loan pool. The maximum amount for the CDBG portion of the micro-loan is \$25,000.	Micro-loans are available for a range of uses, including technical assistance, marketing, equipment purchase or inventory.
Smarter Businesses African-American Black Business Association	For 2007-8, the CDBG Commission has recommended funding a pilot program to help this organization establish itself as a community-based business resource. The organization intends to arrange for technical assistance and mentor support for small businesses, and make referrals for micro-loans to WWBIC.	The CDBG Commission has recommended the provision of \$15,000 for 2007, and \$40,000 for 2008, with a set-aside within the WBBIC loan pool for businesses referred by AABBA.	Funds would be available for technical assistance, and purchase of equipment or supplies that would strengthen an existing small business, for activities that would help increase its gross sales and profitability.
Small Business Help Latino Chamber	Has recommended funding a pilot program to help this organization establish itself as a community-based business resource. The organization intends to arrange for technical assistance and mentor support for small businesses, and make referrals for micro-loans to WWBIC.	The CDBG Commission has recommended the provision of \$15,000 for 2007, and \$40,000 for 2008, with a set-aside within the WBBIC loan pool for businesses referred by AABBA.	Funds would be available for technical assistance, and purchase of equipment or supplies that would strengthen an existing small business, for activities that would help increase its gross sales and profitability.

6. What other Organizations are doing (Collaboration Council, Dane County and other groups)
7. Review "City of Madison Comprehensive Plan Volume II-Chapter 5 Economic Development: Objectives, Policies & Implementation Recommendations-Table 1" (see below)

Table 1 – Economic Development Implementation Actions

Priority	Action	Lead and Coordinating Agencies
1	Develop a specific economic development plan and 3-5 year strategy.	Economic Development Commission, Department of Planning & Development
1	Participate in the creation of a countywide economic development entity.	Regional Collaborative Council, EDC, Mayor's Office/Common Council, Office of Business Resources, Department of Planning & Development
1	Work with major educational, medical and governmental institutions on facilities master plans.	Department of Planning & Development, all related City agencies.
1	Designate areas for specific types of business location/expansion in yet to be developed areas of the City and in redevelopment areas.	Department of Planning & Development

	Investigate options for maintaining designated uses over long periods of time.	Plan Commission, Common Council, Private property owners and developers.
1	Provide infrastructure improvements as planned to existing and future employment centers.	Mayor's Office, Common Council, City Engineering
1	Complete redevelopment plans and master plan for high priority redevelopment opportunities such as East Washington BUILD Corridor, Wingra BUILD.	Department of Planning & Development/ all agencies.
1	Investigate opportunities for improving interstate access for airport and employment areas along Hwy 51, and I90/94.	Department of Planning & Development, Madison Area Metropolitan Planning Organization, County, State
1	Developed a telecommunications plan for the City and the County.	Information Services/Office of Business Resources and DPD.
1	Create at least two additional industrial TIDs to meet the needs for business relocation and expansion.	Department of Planning & Development/other City agencies, Mayor, Plan Commission, Board of Estimates, Common Council.
2	Begin collaboration with workforce development organizations and educational partners on comprehensive workforce strategy.	Workforce Development Board, Chamber of Commerce, Mayor, Office of Business Resources.
2	Develop analysis and strategy for additional business incubators.	Community Development Block Grant, Office of Business Retention, Area incubators
2	Develop strategy for development of for-profit and not for profit arts production industry.	Office of Business Retention and Arts Office

8. Other

C. Where are we now? Scan Hotspots/Strategic Issues

1. How do we keep older employment centers in the City competitive/attractive to new employment opportunities?
2. How will the changes in downtown housing for students (new dorms, new privately owned student housing) affect the downtown economy?
3. How does the increase in downtown housing units affect the work force and the retail and service mix of downtown business?
4. Will Madison have the "middle class" work force in the future given trends in high school graduation?
5. Given the changing composition of the workforce how do we provide them opportunities to acquire the education and skills for high quality jobs?
6. Other.