

Madison
ECONOMIC DEVELOPMENT

2010 ECONOMIC DEVELOPMENT WORK PLAN

COMMON COUNCIL ECONOMIC FORUM

JUNE 22, 2009

Tools & Calculators	<h2>Best Cities THE KIPLINGER RATINGS</h2> <hr/> <div data-bbox="739 414 1377 790"> <h3>BEST CITIES 2009: IT'S ALL ABOUT JOBS</h3> <p>Discover boomtowns offering new, stable careers. Our top choice this year? Huntsville, Ala.</p>  </div> <div data-bbox="739 813 1377 957"> <ul style="list-style-type: none"> ■ SLIDE SHOW: Our Top 10 at a Glance ■ TOOL: Find Your Best City ■ RANKINGS: See All 361 Metro Areas ■ READERS' CHOICE: Vote For Your Favorite City </div> <hr/> <div data-bbox="739 1005 1377 1428"> <h3>VIDEOS</h3> <h4>Take a Virtual Tour</h4> <p>Join us as we visit our 2009 Best Cities in search of opportunity and a high quality of life.</p> <ul style="list-style-type: none"> ■ Huntsville: Flying High ■ Albuquerque: Solar City ■ Washington DC: Talk About Stimulus ■ Charlottesville: Renaissance Town ■ Athens: Southern Comfort ■ Olympia: Northwest Jewel ■ Madison: Still on Track  </div>
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PODCAST: HOW WE CHOSE OUR 2009 BEST CITIES



Senior editor Bob Frick talks with our master demographer, Kevin Stolarick, about criteria we used to make our picks.

[See Our Methodology](#)

TOOL: FIND YOUR OWN BEST CITY



Our updated and revised city finder picks up to five metro areas that best match your criteria for the perfect place to live. Try it and see.

RANKINGS: SEE ALL 361 METRO AREAS



Find out how your hometown ranks compared to the 361 metro areas.



Kiplinger.com Video

Madison, WI

- POP: 548,154
- MEDIAN HOUSEHOLD INCOME: \$58,090
- % OF WORKFORCE IN CREATIVE CLASS: 35.1%

RANKED 7

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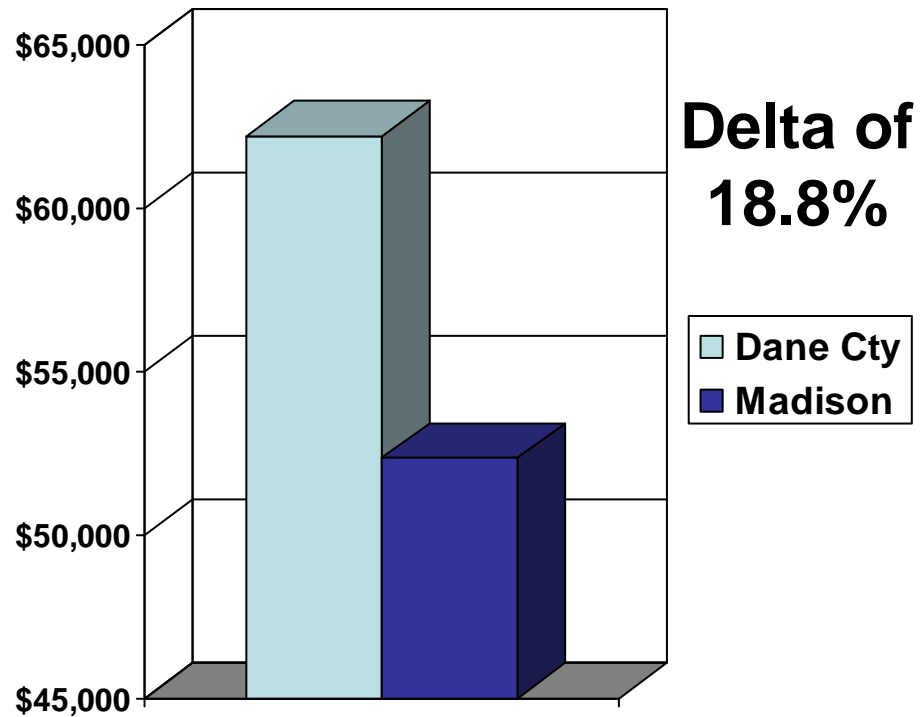
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YOU ARE WATCHING:
Madison: Still on Track

- Basics Investing **Best Cities** Tax Tips Real Estate Retirement Col...
- Washington DC: Talk About Stimulus**
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Median 2008 Household Income

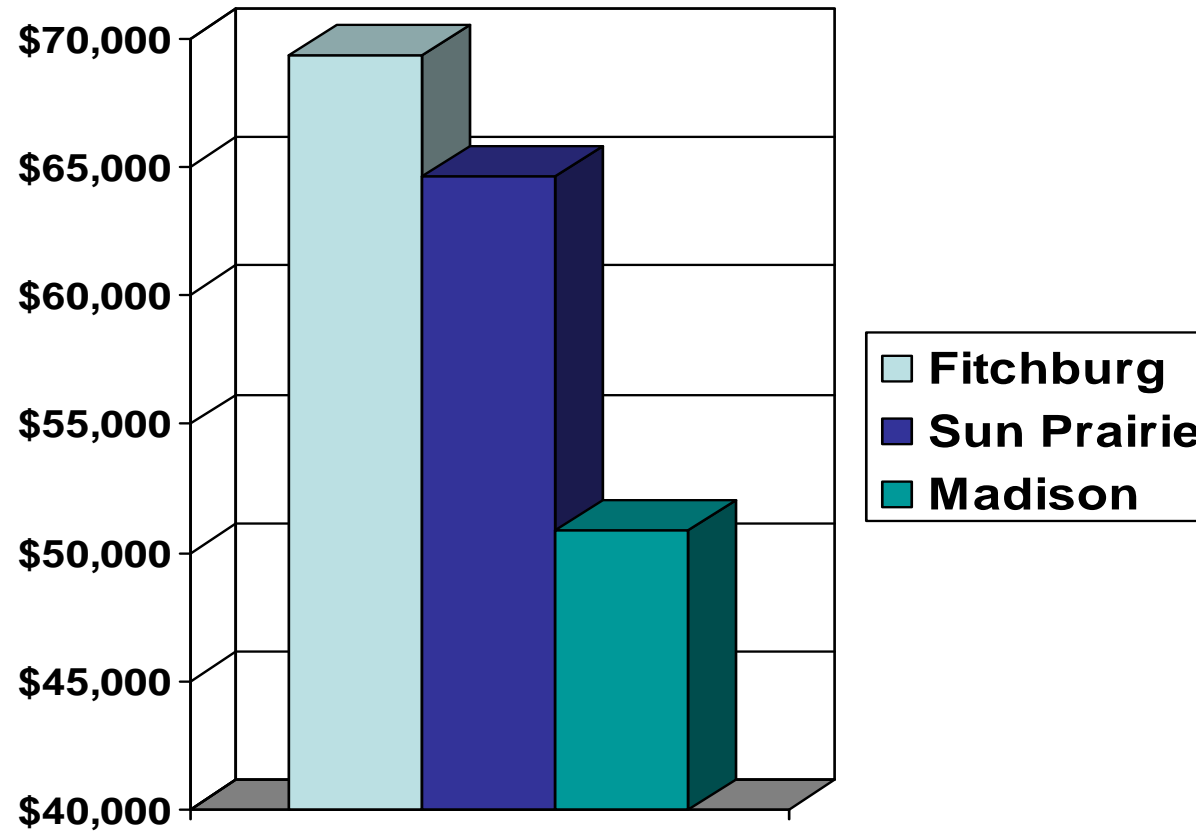


- **Madison is lagging rest of county.**
- **Wealth is moving to the suburbs.**
 - Added discretionary income
- **Commercial development is following**
 - Retail/service/office/industrial/hospitality



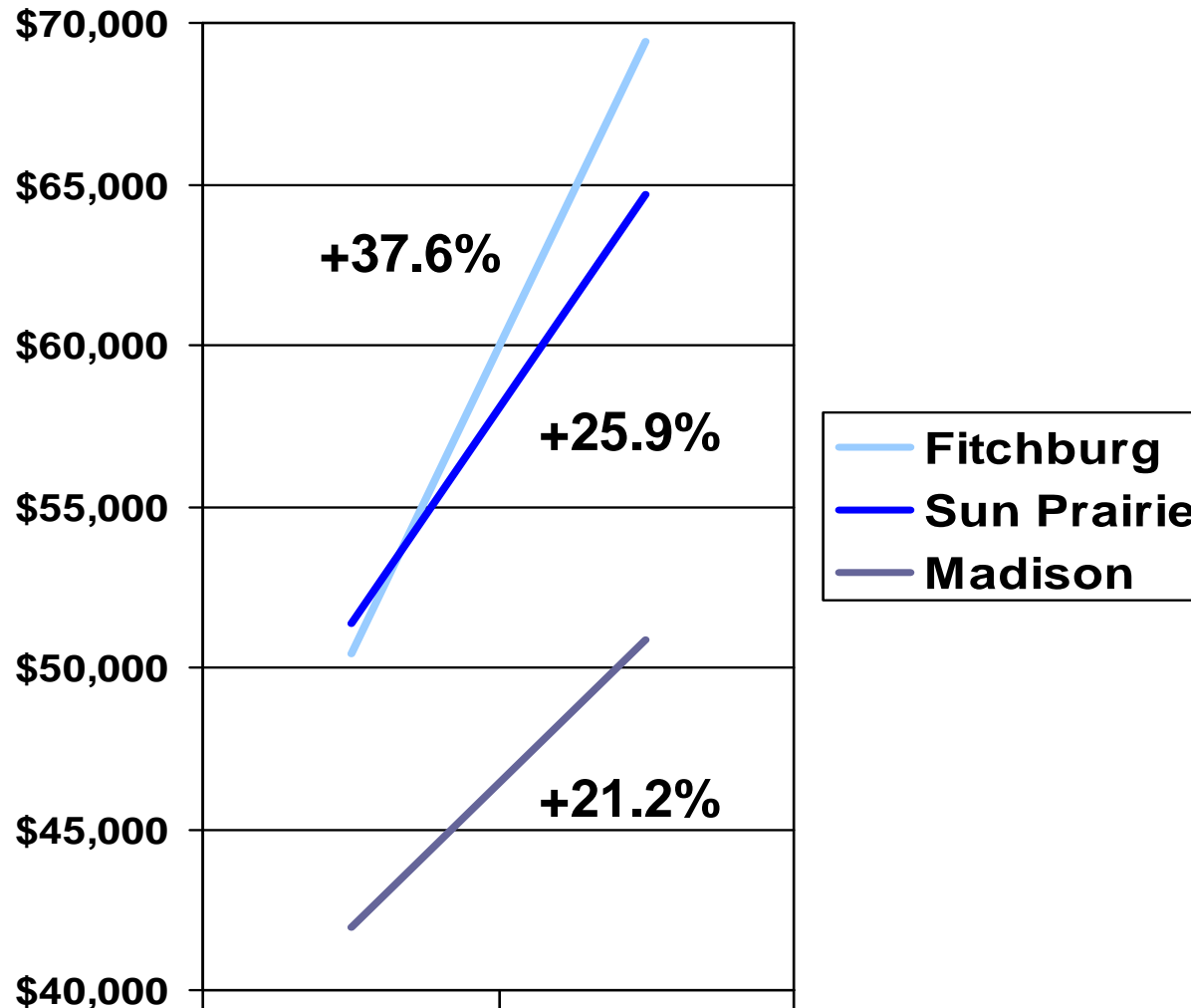
Larger Disparity with Immediate Suburbs

2008 Median Household Income

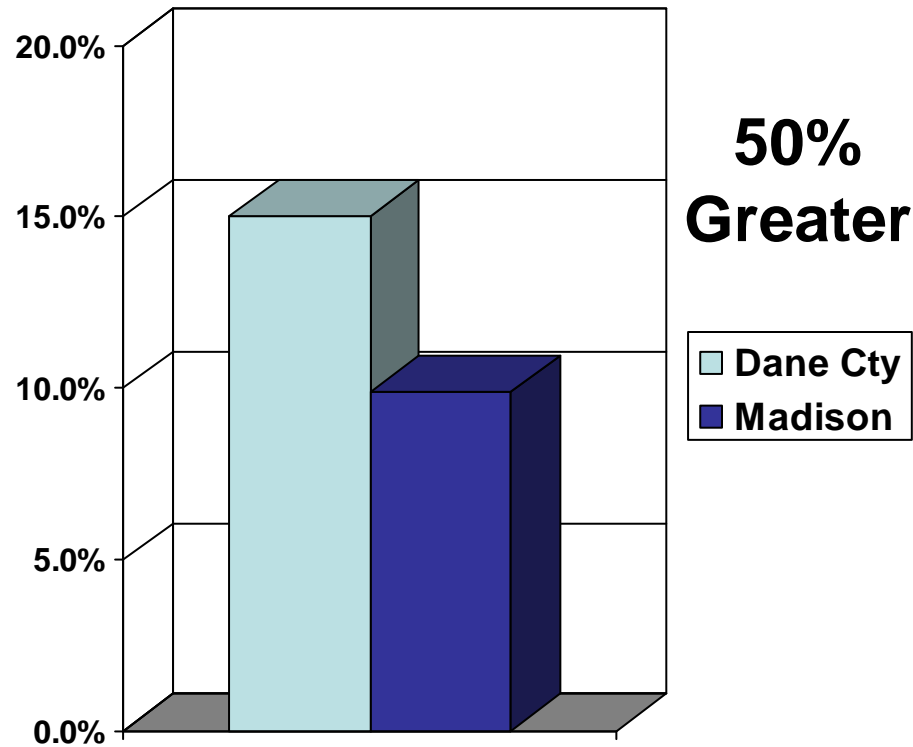


Madison Growth vs. Immediate Suburbs

2000 - 2008 Median Household Income



Job Growth Rate 2000-2008



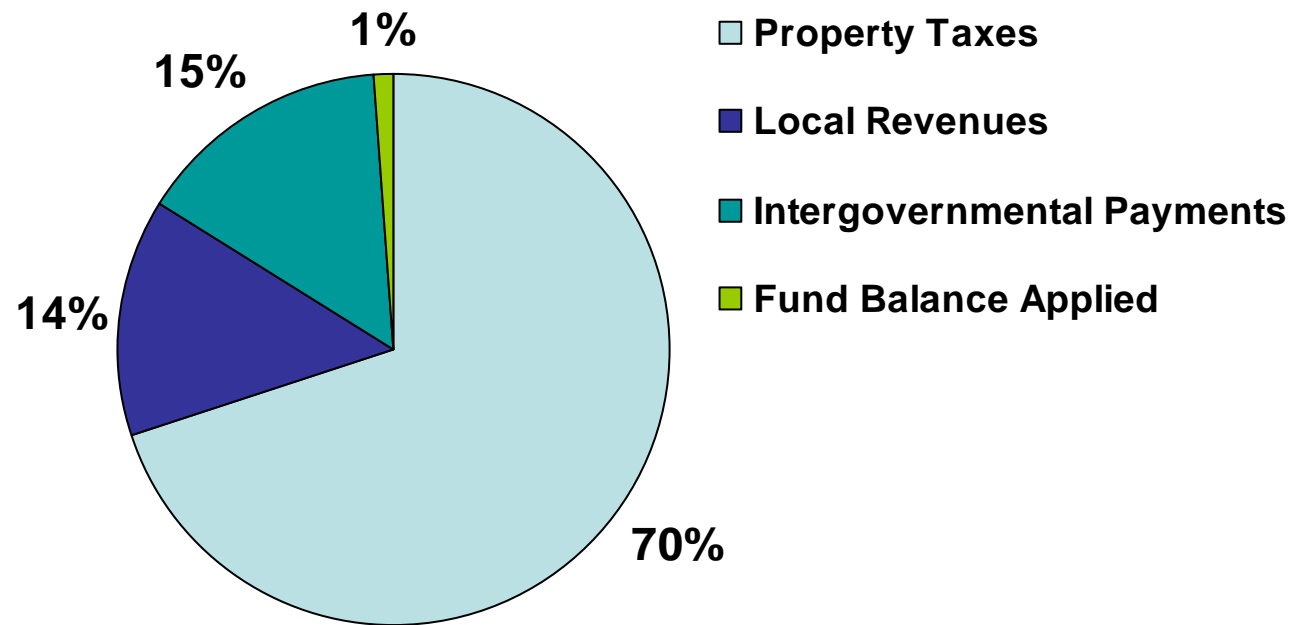
- Statistics are for location of the job vs. individual holding the job.
- As household and discretionary income moves, jobs follow.



One of the most important functions that a city can provide is an environment of stable, quality jobs for its citizens.

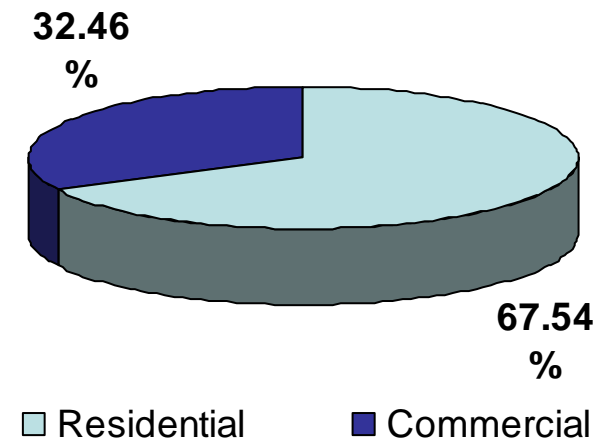


City of Madison Funding Sources by Major Category



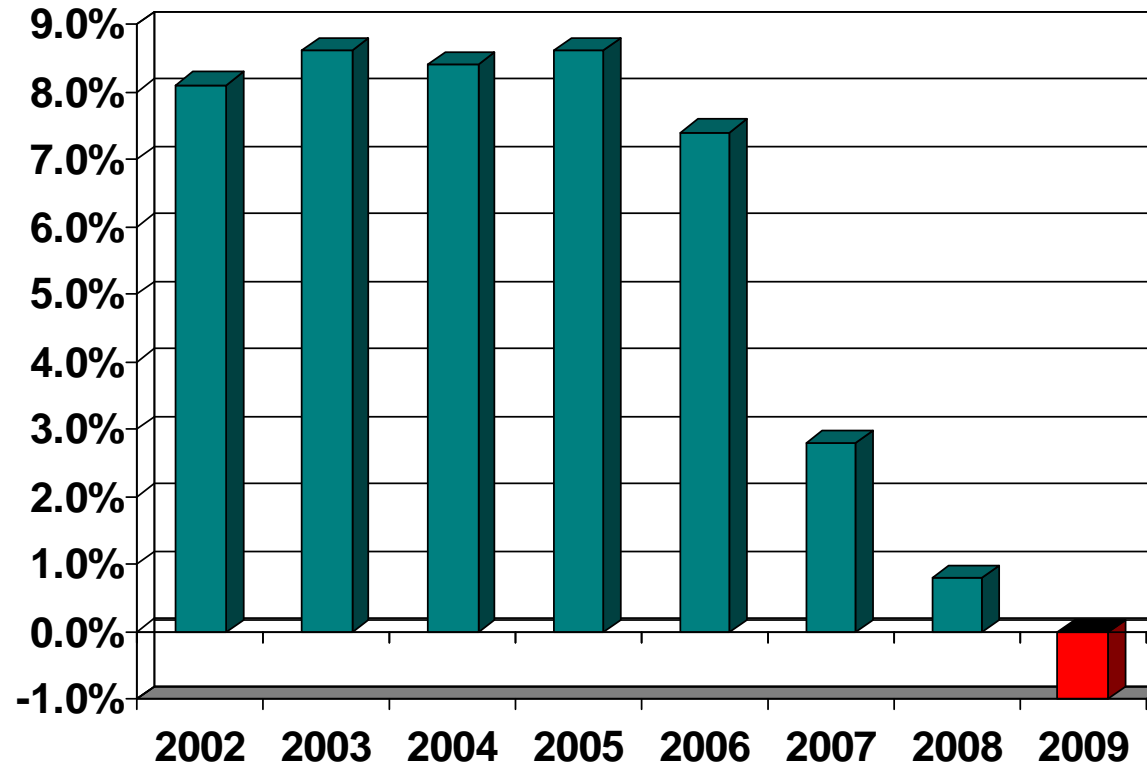
Most recent City of Madison Assessment Data

Breakdown of \$224.5 M increase over 2008	Change in \$ Millions
New Construction	377.8
Revaluations	(233.8)
Annexations	5.3
Real Estate Exemptions	(8.9)
Buildings Removed	(7.2)
Property Formerly Exempt, Now Assessed	12.3
Personal Property	79.0
TOTAL	224.5




On a \$23B base

Assessment Increase Over Previous Year *On average residential single-family home* 2002 - 2009



City of Madison

- **Ability to fund services is determined by revenue.**
 - Assessed value
 - Property tax rate

70%
of total city revenue
- **Revenue is dependent on ability to maintain and grow property values**
- **Goal is to optimize value of property**
 - Residential
 - Commercial
 - Industrial
 - Agricultural



Third Wave of Economic Development

	1st Wave 1930s-1970s	2nd Wave 1980s-early 2000s	3rd Wave <i>Going Forward...</i>
Problem	Lagging regions	Structural change	Declining competitiveness
Extent of Problem	Firm specific	Episodic, firm specific	General, systemic
Goal	Attract plants	Create jobs	Improve competitiveness Increase regional wealth
Targets of Policy	Relocating or new plants of large corp.	New or expanding business (often small businesses)	Groups or clusters of mutually reinforcing, high value-added globally-focused firms & enabling infrastructure
Means	Market the area, give subsidies	Disjointed programs (training, capital, etc.)	Integrated provision of support services & infrastructure
Tactics	“Smokestack chasing”	Respond to requests that firms define	Lead firms in new direction Map the future
Organization	State departments of commerce	Multiple state organizations	Business-led, public/private, locally / regionally operated
Measurement	Number of firms attracted	Number of jobs attracted/retained	Increased firm competitiveness (productivity, new products, etc)

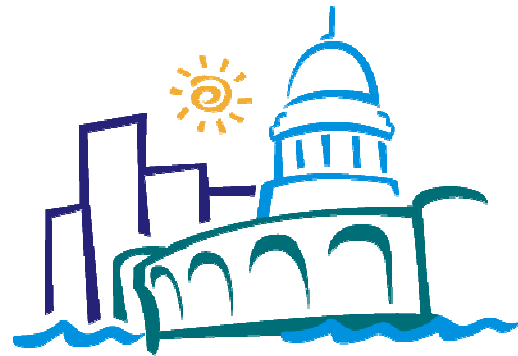




Strategic Overview

STRENGTHS Innovation Existing clusters Workforce Culture/Character Quality of Life	WEAKNESSES Core perceived as inhospitable to business Lack of risk capital State business environment Lack of awareness
OPPORTUNITIES Outperform region/state/nation Emerging clusters Build awareness	THREATS Lingering recession/ paralysis Anti-growth contingent - "BANANA" Core asset values Status quo attitude Competition





Madison
ECONOMIC DEVELOPMENT

2010 Economic Development Workplan

DRAFT

PROJECTS, PROGRAMS, & PRIORITIES

- **2010 Work Plan Ideas**

Based on 3-5 Year Strategic Economic Development Implementation Plan.

Adjustment for current economy.

Guidance needed from Common Council and EDC.

- **Economic Development Division Focus**

Touches on projects elsewhere in DPCED and City, but not a comprehensive list of all City efforts.

- **Funding and Staffing**

Must prioritize with limited resources.



RECOMMENDATION # 1

CUSTOMER SERVICE

- **Zoning Code Modernization**

Complete re-write of the City's Zoning Code.

- **Development Services Center**

Development Services Center website, implementation of ELAM permitting software, and physical space development of a center.

- **Dept. of Planning & Community & Economic Development website**

Complete re-design of the DPCED website.



RECOMMENDATION # 1

CUSTOMER SERVICE

- **Road Construction Information/Assistance**

Continued partnership between the Office of Business Resources, City Engineering, the Chamber Small Business Advisory Council, and Central Business Improvement District to use the Road Construction Survival Guide and Road Works website developed in 2009 to outreach to and help prepare business owners who will be impacted by road construction in 2010.



RECOMMENDATION # 1

CUSTOMER SERVICE

- **Streamlining Process**

This effort would include a closer look at the City's current development review process in concert with the new ELAM permitting software and proposed Development Services Center to see if further efforts can be made to streamline approval processes within the City of Madison.

- **Monitoring/Benchmarking Customer Service**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, this recommendation calls for a formalized approach to gather and measure customer feedback (such as through a Baldrige or similar process).



RECOMMENDATION # 1

CUSTOMER SERVICE

- **Communication/Collaboration/Attitude**

Work with existing business organizations (region/City/district) to participate in implementation of the work plan objectives, develop and communicate an overall regional/city competitiveness vision, and develop/evangelize with internal/external markets the “why” and necessity of the vision, strategy, and action plans.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Proactive retention/expansion**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, this project would include the purchase of retention/expansion software to manage a proactive effort on the part of City staff and other economic development partners to reach-out to businesses in a proactive manner to determine their future retention/expansion needs.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Proactive retention/expansion (revised)**

The approach above requires allocation of financial resources to purchase software, additional staff capacity (as outlined in the 3-5 Strategic Economic Development Implementation Plan), and availability of volunteers in the private sector to assist with the effort. The current economic recession puts the likelihood of all three of these components in jeopardy.

One of the goals of this effort is to determine what business needs are at the moment, and where there may be opportunities for expansion. Given that all businesses have unique needs at the moment, an alternative approach in lieu of purchasing software and starting a new effort at this time, is to do more to promote the resources that are already available to businesses within the community, while working with those businesses that contact us.



RECOMMENDATION # 2 QUALITY JOB CREATION / RETENTION / EXPANSION

- **Small Business Conference**

If the City wishes to host a fourth bi-annual small business conference in 2011, planning will need to be during the second half of 2010.

- **Workforce Summit**

The 2009 Economic Development Work Plan called for a Workforce Summit in 2009. Given staffing demands, we will not be able to host this event in 2009.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Workforce Development**

In lieu of, or in addition to, a Workforce Summit continue the work of the Workforce Development Sub-Committee of the EDC to further explore the role the City should play relative to workforce development throughout the community.

- **Business Requests/Prospects**

City staff receives numerous unsolicited requests on a weekly basis from businesses, site selectors, developers, the Department of Commerce, etc. with ideas for businesses interested in expanding within Madison or re-locating to Madison. Economic Development Division staff serves as a lead on these prospects by providing information about available space, demographic information, and financial assistance.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Business Creation/Talent Portal**

Major economic recessions, such as the one we are currently facing, result in a significant number of highly skilled unemployed/underemployed individuals along with opportunities for new business development. The City could foster the connection of individuals with opportunities through the development of an online business creation/talent portal.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Product Beta-testing in Appropriate Clusters (such as “Green Industries”)**

Businesses often require beta-testing of new products with potential customers. Madison is already recognized as a “green community,” taking a lead in new efforts for sustainability. There may be opportunities to reach-out to companies in the growing “green” business cluster to complete their beta-testing here. Especially in cases where are firms are not already familiar with Madison, this could be an effective way to introduce them to Madison, with the goal of accommodating their future expansions here.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Common Council – Business Relations**

Arrange additional opportunities for Alders to tour and meet with employers within their Districts.

- **Economic Development Impacts of Projects/Policies**

Greater utilization of the EDC for review/input of projects and policies from an economic development standpoint.



RECOMMENDATION # 2

QUALITY JOB CREATION / RETENTION / EXPANSION

- **Demographic Shift**

Further explore the impact that shifting demographics will have on the Madison economy.

- **Small Business Assistance**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, continue/strengthen outreach/cooperation with organizations that provide small business planning assistance.



RECOMMENDATION # 3

PHYSICAL DEVELOPMENT

- **Community Infrastructure (roads, facilities, etc.), including related real estate transactions**
- *Continued investment in City infrastructure (roads, facilities, etc.), including the necessary real estate transactions for said projects. Small Business Assistance.*
- **Physical Development Projects**

Implementation of physical development projects, including but not limited to: UW Research Park II, Capitol Gateway, BioAg Gateway (including BioLink), Truman Olson, Royster Clark, Garver, Union Corners, Edgewater Hotel, Public Market, Marcus Hotel (and related private development), and the Downtown Library (and related private development), the Villager, Allied Drive, Badger/Ann/Park projects, Truax, and the Lake Point redevelopment.



RECOMMENDATION # 3 PHYSICAL DEVELOPMENT

- **“Green” Workforce and Business “Homesteading”**

Given its central location, available transit, mixed-use neighborhoods, etc. living or locating a business within the City of Madison provides individuals with a greater opportunity to live or run their businesses in a more sustainable manner than most other locations within the region. As a way to retain/attract a quality workforce within the community and employers who consciously wish to be more “green,” promoting the concept of “green” workforce and business “homesteading” could be further explored.



RECOMMENDATION # 3 PHYSICAL DEVELOPMENT

- **Business Incubator Study**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, study the demand/appropriateness of additional business incubators within the City of Madison. The concept of a “green business” incubator and free incubator space could be included.

- **Job Creation – Physical Development Connection**

On a more formalized level, consider the strategic connection between physical development projects within the City of Madison and their ability to provide space for quality job creation.



RECOMMENDATION # 3 PHYSICAL DEVELOPMENT

- **Neighborhood (including downtown) reinvestment**

Continued investment in older housing stock and older neighborhood commercial areas (including downtown).



RECOMMENDATION # 4

ECONOMIC DEVELOPMENT TOOLKIT

- **Promotion of Available City Financial Assistance**

Continued promotion of financial assistance available through the City of Madison, including BREWD, TIF, Capital Revolving Fund, Facade Improvement Grant, Housing Revenue Bonds, Home Ownership loans, Energy Efficiency Stimulus Funds, and other CDA-sponsored economic and neighborhood revitalization projects.

- **Federal, State, Foundation Funding Guide**

A more proactive review/promotion of federal, state, and foundation funding options available to the City or directly to businesses for economic development activities.



RECOMMENDATION # 4 ECONOMIC DEVELOPMENT TOOLKIT

- **Commercial Real Estate Database**

Collaboration with the local commercial brokerage community, and allied economic development partners, to enhance the type and accessibility of information about available commercial real estate.

- **Promotion of Business Improvement Districts (BIDs)**

In partnership with neighborhood business districts, promote the use of Business Improvement Districts (BIDs) to enhance and capture opportunities within those corridors.



RECOMMENDATION # 4 ECONOMIC DEVELOPMENT TOOLKIT

- **Economic/City Financial Metrics**

In coordination with the Madison Measures project, develop additional metrics to measure the state of the Madison economy.

- **“Madison” Branding Campaign**

Develop a campaign for branding Madison as a preferred/competitive location for business.



RECOMMENDATION # 4 ECONOMIC DEVELOPMENT TOOLKIT

- **Explore Future TIF Opportunities**

In the context of the economic development emphasis of the recently adopted TIF Policy, review and map opportunities where the use of TIF could leverage additional private investment over the next five-ten years.

- **Community Tours**

Meet/tour other Wisconsin/Midwest communities to learn more about their economic development approaches in an effort to gain additional ideas for Madison. This could also include tours of businesses within Madison.



RECOMMENDATION # 4 ECONOMIC DEVELOPMENT TOOLKIT

- **Business Appreciation**

Events/activities in recognition and appreciation of businesses located within the City. This could be in partnership with community organizations directly supported by the business sector.

- **Continued Partnership with the CDA for Economic Development Projects**

Per the 3-5 Year Strategic Economic Development Implementation Plan, further explore ways in which the Community Development Authority (CDA) can continue to promote economic development within the community.



RECOMMENDATION # 4

ECONOMIC DEVELOPMENT TOOLKIT

- **Home Ownership and Rehabilitation Programs**

Continued promotion of the home ownership and rehabilitation programs managed by the Office of Economic Revitalization.

- **Benefit/Cost Model**

As recommended in the 3-5 Year Strategic Economic Development Implementation Plan, develop and utilize a benefit/cost model to measure the fiscal impact of key development projects and to align TIF and other City economic development tools with the benefit received.



RECOMMENDATION # 4 ECONOMIC DEVELOPMENT TOOLKIT

- **Project Facilitation Fund**

As recommended in the 3-5 Year Strategic Economic Development Implementation Plan, capitalize a Project Facilitation Fund (beginning with \$1 million annually and adjusting as needed) to provide needed incentives to develop infrastructure or provide direct financial incentives to critically important high fiscal impact, high quality job-generating projects.



RECOMMENDATION # 5 PUBLIC/PRIVATE ECONOMIC DEVELOPMENT TEAM

- **Evangelism of Business Resources and Vision**

In partnership with other economic development and business organizations, do more to share the resources available in Madison with employers who are looking elsewhere for possible expansion/location, and the vision of a great business sector throughout the entire community.

- **City Partnerships**

Similar to the “Sister Cities” concept, develop relationships with U.S. cities in other regions of the Country for the purpose of generating leads of businesses looking for Midwest locations.



RECOMMENDATION # 5 PUBLIC/PRIVATE ECONOMIC DEVELOPMENT TEAM

- **Better utilization and partnerships with allied business and economic development organizations**

Promote better utilization and partnership with the City's allied business and economic development organizations, including: Chamber, CVB, THRIVE, MAGNET, BID, DMI, Smart Growth Greater Madison, Dane County, UW, MATC, Urban League, MMSD, business incubation facilities, Central BID, neighborhood business associations, neighborhood planning councils, etc.



RECOMMENDATION # 6 ORGANIZATIONAL CHANGES

- **Mission Statement**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, revise the DPCED mission statement to include “economic development in support of high quality of life” as a fundamental goal.

- **Staffing**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, fully staff the Economic Development Division.



RECOMMENDATION # 6 ORGANIZATIONAL CHANGES

- **Training**

As outlined in the 3-5 Year Strategic Economic Development Implementation Plan, expand funding for professional training of Economic Development Division staff.



NEXT STEPS

- **Economic Development Committee**

July 1, 2009 meeting

August 5, 2009 meeting

- **Common Council**

September introduction and action





QUESTIONS AND COMMENTS

