

# **CHANGES TO DRAFT “ED Plan6-30-08\_3columnlandscape.pdf” FROM TICKNOR & ASSOCIATES**

## **Executive Summary-to be inserted after “Acknowledgements” page**

### **Economic Development Goals**

“The City’s main economic development goal is improving the economic well being of the community through efforts that entail job creation tax base enhancements and quality of life enhancements.” (City of Madison Comprehensive Plan, January, 2006)

To enhance City efforts to meet this goal, the Common Council tasked the Economic Development Commission to work with an economic development consultant to prepare a 3-5 year economic development implementation plan. The plan mandate is to recommend the best ways to create quality jobs—those that pay at least a living wage, have competitive benefits, and have promotional and human growth opportunities. They include middle skills positions as well as knowledge-based jobs.

### **Does Madison Need a Proactive Economic Development Plan?**

Madison is not in economic crisis, so it has the luxury of launching proactive economic development initiatives from a position of fiscal strength. It can build from its highly educated population, diverse economy, low unemployment rates and high quality of life.

Plan participants have strongly recommended that there are important reasons for the City of Madison to take a more proactive approach. They reason that it would be a mistake to continue business as usual.

1. Madison competes with neighbor communities and regions around the world for quality jobs.
2. The private sector is playing a growing role in the Madison economy. Since 1981, jobs outside of education and government have grown from 66% to 80% of the city’s economy.
3. Madison’s median family income is only slightly above state and national levels. Within Wisconsin, it trails West Bend, Appleton, and Janesville as well as New Berlin and Brookfield.
4. Madison is losing economic ground compared to the balance of Dane County. Out-county families now enjoy median family income 34% higher than Madison families, and the gap is widening.
5. Madison and Dane County have the major disadvantage compared to other major Wisconsin communities and to competitor university cities such as Austin and Ann Arbor because they lack an effective local public/private economic development partnership.

### **Strategy Recommendations**

Stronger economic development will positively affect the quality of life of every Madison resident. Major implementation strategies to achieve this goal are:

#### **1. Fundamentally Improve the Madison Business Climate through Zoning Modernization and Customer Service Initiatives**

- 1) Revise the Department of Planning and Community and Economic Development mission statement to embrace economic development.
- 2) Complete the pending Zoning Code modernization.
- 3) Implement the Development Services Center (underway).
- 4) Monitor regulatory, permitting and economic development customer service.
- 5) Communicate City goals and accomplishments more effectively.
- 6) Develop and implement process metrics and customer comment techniques, including staff customer service training.

#### **2. Support Quality Job Creation by Existing Employers**

- 1) Partner with local economic development allies to conduct comprehensive proactive business retention and expansion services for key Madison employers.
- 2) Capitalize on these systematic contacts to convene employers for joint problem solving.

- 3) Recognizing that most programs and capabilities are outside of City government, leverage external organizations to enhance entrepreneurial and small business development.
- 4) Conduct a feasibility study for how to best further Madison's small business development incubation success.

### **3. Accelerate the Physical Development Necessary for Quality Job Creation**

- 1) Continue to work with property and business owners in existing employment centers to expand, upgrade and construct state-of-the-art facilities.
- 2) Because it is a world-class asset, continue to work with UW-Madison to make development of University Research Park II an utmost priority.
- 3) Restore the East Washington Capitol Gateway area as a major place of basic-sector employment.
- 4) Promote industrial and applied technology development in the Southeast Industrial Area, including the Bio-Ag Gateway.

### **4. Make the City Economic Development Toolkit More Strategic**

- 1) Develop and utilize a benefit/cost model to measure the municipal fiscal impact of key development projects and to align Tax Increment Financing (TIF) and other City economic development tools with the benefit received.
- 2) Revise TIF policies to give priority to basic sector projects generating quality jobs and positive fiscal impact and to those in which the City faces substantial external competition.
- 3) Utilize the Community Development Authority and/or investigate creating a new public/private venture to catalyze basic sector employer creation within key physical priority areas.
- 4) Capitalize a Project Facilitation Fund (beginning at \$1 million annually).
- 5) Develop staff capabilities and expertise to seek state and foundation grants more effectively.
- 6) Educate neighborhood organizations about opportunities to form Business Improvement Districts (BID's) to provide local funds neighborhood development.
- 7) Utilize the Madison Capital Budget to develop funding strategies to implement key physical priorities of this plan.

### **5. Build the Public/Private Economic Development Team**

- 1) Convene, energize and continuously utilize the Madison-based team of public and private economic development practitioners to help implement collaborative aspects of this plan.
- 2) Convene a public/private economic development leadership group so that top city leadership can meet more regularly with business and education leaders to address workforce development and business/education partnership opportunities.
- 3) Convene public/private/non-profit leadership support to implement key tasks within this plan.
- 4) Collaboratively develop a more aggressive business attraction strategy.
- 5) Build the public/private alliance to support UW-Madison as a center for basic sector economic development and employment growth.
- 6) Encourage the eventual formation of a countywide public/private development corporation.

### **6. Implement Necessary City Organizational Changes to Carry Out the Strategy**

- 1) Fully staff the newly formed Economic Development Division within the Department of Planning and Community and Economic Development.
- 2) Add capabilities to update the DPCED website regularly, enhance communications, pursue state/foundation grants, and support the small business assistance referral center.
- 3) Designate and train more individuals with project management skills to help implement key physical priorities outlined in this plan.
- 4) Develop Implementation Champions teams for each strategy area, including non-City partners as appropriate.
- 5) Expand funding for professional training and development.
- 6) Monitor implementation effectiveness and fine tune this implementation plan annually.
- 7) Fully update the Implementation Plan every two years.

### **Plan Benefit/Cost**

The 2008 City budget includes \$950,000 in operating costs for strategy initiatives, plus an additional \$4,500,000 in capital cost (\$2.9 million related to Research Park II infrastructure and \$1.6 million to make the physical changes to achieve the Development Services Center).

We propose operating cost initiatives of \$605,000 in 2009 and \$495,000 in 2010, the addition of a \$1 million project closing fund in 2009, and capital costs yet to be determined.

Initially the EDC, Mayor, Council and Director of the Department of Planning and Community and Economic Development and the Director of the Economic Development Division can monitor whether the City is making timely progress in adding the right staff and building the right initiatives. Most tactics will be part of building holistic capabilities to facilitate the retention and expansion of Madison employers and the modest attraction of outside firms. Hard results will not be immediate, and none of these initiatives should be expected to produce jobs and tax base overnight.

As soon as the programs are in place, however, it is time to start tracking intermediate outcomes that are precursors to final outcome success.

Finally, it is important to gauge the impact of the strategy in terms of facilitating quality job creation and positive fiscal impact. The target is to facilitate the creation or retention of 15,000 quality jobs over the next 10 years. The City will also develop a fiscal impact model to gauge the net tax benefit. This will be a cumulative impact from doing many things right.

### **The Need for Leadership**

Strategic implementation planning is as much about change management as much as it is about what to do. To significantly improve economic development practices, leaders must step up to advocate sustained economic development and to lead implementation:

- The Mayor
- Common Council
- The Economic Development Commission
- Department of Planning and Community and Economic Development (DPCED) Managers
- The newly formed Division of Economic Development within the DPCED
- Major economic development allies beyond City government, including UW-Madison, MATC, THRIVE, Greater Madison Chamber of Commerce, Madison Gas & Electric, Alliant Energy, Dane County, and the Wisconsin Department of Commerce, Greater Madison Convention and Visitors Bureau, and the Madison Metropolitan School District who can form Team Madison.
- Key local civic leaders who can participate with the City to form stronger public/partnerships.

Economic development is a collaborative process.

Done well, all of Madison's citizens benefit.

### **The following items are additional changes recommended by Mr. Ticknor:**

1. Combining all of the sub-bullets into one recommendation makes the plan much harder to read. I strongly urge you to separate them as in my text (e.g. 1-3-a should have three sub-examples). At minimum, and even if you follow my recommendation to split things up (you did so on 3-1-a), **putting the main recommendation in bold would help the reader.** Add executive summary at the beginning of the plan.
2. Despite the wisdom of the EDC, I still think it is highly confusing to list Target Dates/Priority under each recommendation, robbing the reader the chance to take this in easily. By separating text and Dates/Priorities, it makes both much easier to read.
3. Page 6-change "four" to "five" in first full sentence. Insert the following after that sentence "The vast majority of citizens who participated in the process believe that there are enough potential future economic concerns and potentially missed opportunities that the City is wise to act now before more serious problems set in."
4. Page 11 –delete second paragraph in second column (starts with "While some...")
5. P. 18, space between a and b in right column.
6. P. 37, change Recommendation Survey to Recommendation Summary.
7. p. 20, 1-c must be an amalgam of different recommendations—it is almost impossible to read at this length.
8. p. 20, column 2, 2-3.a *Text change to now read:* Establish and market an OBR Small Business Solutions Team to expertly refer businesses to allied small business service providers.
9. p. 38 chart, 3-a Change staff to team.
10. p. 23, 3-3-c, spell out Business Improvement District
11. p. 24, 4-2-a, adjust wording to read "..... and give priority to projects producing a substantial positive fiscal impact and to those in which the City faces substantial external competition."
12. p. 26, Rationale 2<sup>nd</sup> bullet, change themes to theme.

Recommendations 5-4 and 5-4a have been edited and are redundant, and then you have taken detail out of 5-4-a in the chart. Change to:

**“5-4. Develop a more aggressive business attraction strategy.**

All peer communities have business attraction strategies—in many cases very successful ones bringing divisions of such major companies as Google and Samsung as well as smaller technology companies fitting with their universities. Dane County is currently one of the least experience THRIVE members in terms of capabilities to respond to information requests from outside business investment prospects.

5-4-a. Reinstitute and develop the Madison business rapid response team, including the Mayor and key representatives from MATC, UW-Madison, the City Economic Development Division, Chamber of Commerce, Convention & Visitors Bureau, Workforce Development Board of South Central Wisconsin and other key Madison City Departments.

Work jointly with UW-Madison, THRIVE, and existing employers once the retention & expansion strategy is fully operational, establishing clear protocols for lead follow-up.

Commit to a joint marketing plan, including target industries and companies, supporting website information, utilization of existing industry and faculty contacts, and cooperation with the Convention & Visitors Bureau to recruit and connect to key scientific and technology meetings in Madison.

*Target Dates- etc as written*

5-5-a regarding cooperation with UW-Madison

“and look for other cooperative opportunities in the future, including joint participation in the State Science and Technology Institute, <http://www.ssti.org>, and the Association of University Research Parks, <http://www.aurp.net>. “

13. Recommendation 5-5(a)-the \$5,000 is for attending SST(State Science Technology) Conference and University Park Conferences and if appropriate some joint seed funding for project development.
14. p. 28, rationale 2, drop more from “additional more dedicated staff”
15. Recommendation 6-1b Hire *an* experienced
16. 6-1-d, change to “Expand OBR small business assistance staff training to implement the one-stop small business solutions referral center.”
17. Recommendation 6-6-a. I had recommended that you spend \$10,000 in 2009 for an outsider to help you monitor plan progress in addition to the \$60,000 in 2010 for a full update. I think you need an outsider in both cases.
18. p. 32 under The Importance of Leadership, **delete bold** “Strategic implementation planning is as much about change management **as much** as it is about what to do.
19. Appendix B, My firm is Ticknor & Associates, not Tom Ticknor & Associates. Mr. Ticknor is my father. I don’t think it is necessary to differentiate between Steve and me. A blanket statement that the consultant team, led by Tom Ticknor ..... would do.
20. Appendix C, far right line is unclear.
21. Appendix F-Cost Summary Charts, since there is lots of room, it would be helpful to put the 6 strategy headers in, each before the strategy sub-points.
22. Outcome Metrics Charts(2 of them) should be combined on one page.
23. Appendix A –Change title to “Ticknor & Associates Activities”
24. Move all of the recommendation tables from Appendix E to after each recommendation.