



**CITY OF MADISON
ECONOMIC DEVELOPMENT DIVISION**

Economic Development Strategy *Project Charter & Preliminary Work Plan*

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PROJECT CHARTER

CALL TO ACTION

This document is intended to enlist a commitment from Madison's public and private sector leaders to work together on creating a new, forward-looking Economic Development Strategy for the City of Madison.

Madison is a great City with a healthy economy. However, Madison's continued success is not preordained.

Throughout its history, Madison has benefited from a unique combination of assets that fuel our economy with young talent, research dollars, stable employers, and numerous visitors. As a result, at times Madison suffers from what economists call the "*Resource Curse*" – a paradox wherein our abundance limits our motivation, inclination, and ability to change and thereby stifles our potential for growth.

In the years and decades ahead, Madison will be transformed into a larger and more diverse City with an economy that is increasingly reliant on private sector innovation and small business growth. As this transition occurs, we need to be prepared to change the way we think about Madison and change the way we approach economic development choices.

If we neglect to acknowledge and respond to change, Madison's economy will weaken and our renowned quality of life will suffer. We are already seeing the stirrings of new challenges - key companies shedding jobs or moving, formerly-stable neighborhoods seeing disinvestment, pocket retail centers losing tenants, and shifting perceptions of Madison schools. These trends feed on each other. Moreover, they can erode our tax base creating a negative feedback loop toward more disinvestment and decline.

What We're Asking:

Madison can and will continue to be a great city with a thriving economy and first-rate quality of life. But, this won't happen on its own and we can't take it for granted. More than ever, Madison's public and private sector leaders need to unite behind a common economic vision for our future.

The City is launching the creation of a new Economic Development Strategy. You are receiving this *Project Charter* because the City is seeking your commitment to work with us, share your ideas, and ultimately embrace the results of this effort.

This brief document is intended to start the conversation and share a preliminary Work Plan for developing the strategy. Please get in touch with your thoughts, ideas, and questions.

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WHY NOW?

Madison's most recent economic development plan was created in 2008. Needless to say, the economy has changed since then. Madison needs an updated Strategy that challenges outdated assumptions, embraces new ideas, and charts a new path to long term economic success.

As our local and national economies continue to rebuild from a deep recession, Madison's economic foundation is shifting under our feet. We are no longer simply a mid-sized college and government town with a handful of stable employers. Madison is becoming more private-sector oriented, more innovative, more tech-driven, more globally-connected, and more self-reliant when it comes to growing businesses and creating tax base. Madison's population is getting larger, younger, more transient, more diverse, and more economically split between the haves and have nots.

Within this evolving context, the City needs to think strategically, look forward, and embrace a willingness to change the way we do things. On one hand, Madison's numerous core assets remain intact. Plus, we are seeing a renewing demand for real estate development, a new level of entrepreneurial energy, emerging opportunities to grow our region's food economy, and numerous technology-led high growth industries. On the other hand, we face gathering challenges and threats including shifting perceptions of our school system, increasing competition from neighboring communities, growing economic inequality, and continued hostility towards Madison among some state policymakers.

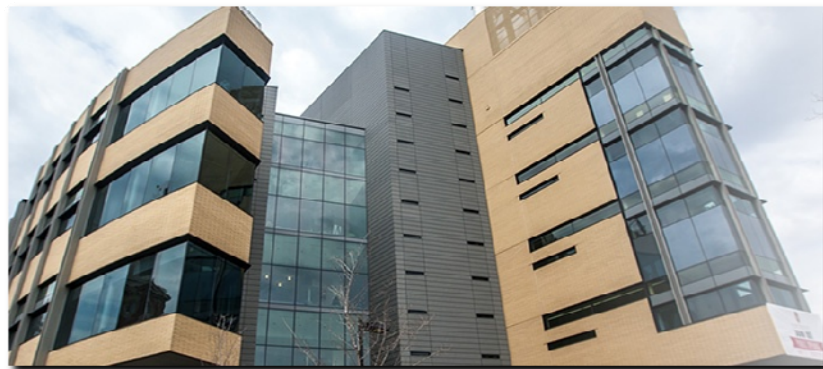
In short, this is a pivotal moment in Madison's evolution as a local economy. We need an Economic Development Strategy that is up to the task at hand.



DRAFT WORK PLAN

The Economic Development Division staff developed this **preliminary work plan** to start a conversation about how to maximize the impact of creating a new Economic Development Strategy. This draft approach is built on four overarching “Building Blocks” that we foresee becoming the foundation of a detailed scope of work for the Strategy.

- BUILDING BLOCK 1: **Deep Trends and Data Insights**
- BUILDING BLOCK 2: **Forward-Looking Economic Vision**
- BUILDING BLOCK 3: **Strategic Priorities and Projects**
- BUILDING BLOCK 4: **Clear Work Plan to Implement**



BUILDING BLOCK 1: DEEP TRENDS & DATA INSIGHTS

The first building block will focus on gaining a deeper understanding of where Madison is as an economy and where it is going.

The “Deep Trends and Data Insights” will go behind the typical “data dump” found in many economic development plans. Rather, it will focus on using a variety of unconventional data sources to gain a deeper understanding of Madison’s evolving economy. The analysis will emphasize using the data to uncover hidden challenges, foresee emerging opportunities, debunk myths, and truly understand what is driving Madison economy.

Among others, some of the questions we’re trying to answer in this process include:

- Where in the City can we support development and build our tax base?
- What is the fiscal impact on city services and schools of alternative development choices for corridors, redevelopment areas, and greenfields?
- What industry sectors are poised for growth?
- What neighborhoods are in danger of disinvestment and decline?
- How are schools and crime affecting housing and business location choices?
- How is Madison’s demographic profile changing?
- Where does Madison suffer from deepest poverty and chronic unemployment?
- How do we leverage our robust food economy and regional agricultural bounty to grow our economy and create jobs?
- Who is going to live in Madison in 10 years, 20 years, 30 years? What will they do for jobs? What do they want from their community?

Moving forward, we welcome additional thoughts on core data-driven questions we need to answer to get a better handle on the trends shaping our economy.

Stakeholder Engagement:

The City will reach out to a variety of businesses and organizations to gather information and share results from this analysis. This includes conducting surveys and focus groups with key stakeholders (e.g. health-tech, students, startups, schools, small biz, realtors, etc.) and sharing data with other economic development related groups such as MadREP and the Chamber.

Deliverables:

Building Block 1 will result in a summary document and dynamic presentation highlighting key findings, trends, and insights. The emphasis will be placed on insights that are particularly relevant to understanding Madison’s economy and shaping a vision for its future. Further, Building Block 1 will include a *fiscal impact model* that helps us understanding the tax base implications of development choices and of different development scenarios for city’s corridors, Greenfield sites, and redevelopment areas.



BUILDING BLOCK 2: ECONOMIC VISION

The Economic Vision will create a bold, powerful, and forward-looking declaration of where Madison is going as a local economy and how we will get there.

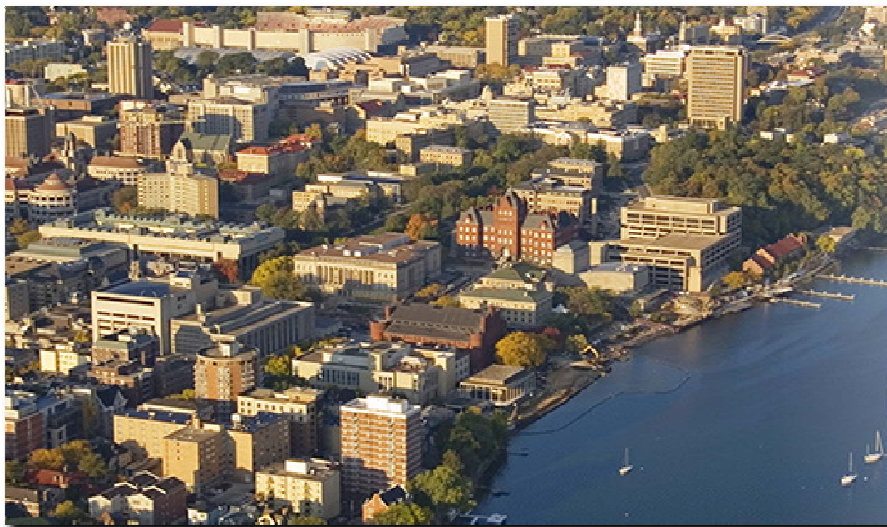
The vision will be rooted in Madison's existing assets while articulating an aspiration for the city's future. It will be something that public and private sector leaders in the city will stand behind and it will create the foundation for the more detailed strategies and recommendations. The Vision needs to be more than a statement of what makes Madison great. Rather, it needs to have the courage to start raising issues and guiding the City towards decisions reflecting a willingness to change the way Madison does things.

Stakeholder Engagement:

Not just a vision to guide municipal staff and elected officials, this will be a citywide Economic Vision that business leaders, the non-profit community, and citizens will embrace. The vision may change people's perceptions of the type of city Madison is and help people understand where Madison is going. If it's done well, the Vision will help build a foundation of support for the projects and action plan that are created later in the process.

Deliverables:

The key deliverables from Building Block 2 will be a concise and illustrative Vision document that can be usable as a stand-alone document as well as integrated with other parts of the Economic Development Strategy. Moreover, a key outcome from this process will be to educate residents and get key stakeholders aligned and rowing in the same direction when it comes to what the City's future economy looks like.



BUILDING BLOCK 3: STRATEGIC PROJECTS & PRIORITIES

Madison needs to identify a set of key projects and priorities that will lead the City's efforts to reshape our economy to meet 21st century challenges

The Strategic Priorities and Projects will translate the Economic Vision into a specific set of key projects, initiatives, and policies designed to move the city forward. These projects and priorities may cover a range topics related to economic development. **For example, some may be:**

- Real estate driven (i.e. target a specific area for redevelopment),
- Industry sector driven (i.e. focus on growing a key industry sector),
- Project driven (i.e. create a public market and food hub to augment the city's food economy), or
- Workforce driven (i.e. launch a new program to help high school grads gain employable skills)
- Policy driven (i.e. change frontline development review process).

The Projects and Priorities will help organize economic development actions and initiatives into a manageable and clear set of 5 to 10 items. **Then, the City needs to focus its economic development horsepower to aggressively pursue implementation of each project.** These items will be rooted in the vision and broad enough to have an impact while narrow enough to be achievable and clear.

Stakeholder Engagement:

The City will seek the involvement of business leaders, nonprofits, partnering economic development organizations, and key stakeholders in developing the projects/priorities. This will include the UW, MadREP, large companies, CVB, Chamber, DMI, workforce development organizations, etc. The public will have opportunities to respond to ideas and provide input as well.

Deliverables:

The primary deliverable from Building Block 3 will be a set of ~5 to 10 key projects, important priorities, and/or overarching strategies to drive economic development in Madison. Each will be presented in a document and the reasoning and data supporting why each was identified will be clearly articulated.



BUILDING BLOCK 4:

ACTION PLAN

The Action Plan is how things get done. It translates the broader Strategic Projects & Priorities into specific tasks, creates timelines, and assigns staff-level responsibilities.

With a small set of clear projects and priorities identified, the Action Plan will pinpoint clear, day-to-day tasks that EDD and other City staff will undertake to implement the broader vision. The Action Plan will clearly delineate timelines, assign responsibilities, and prioritize efforts. The Action Plan may involve creating cross-agency and public/private teams that include city staff and partnering organizations focused on individual task items in the Action Plan.

Deliverables:

The Deliverables for the Action Plan will be a straightforward matrix, tables, or charts that clearly layout detailed tasks, establish timelines, and assign responsibilities. It will be clear, flexible, and user-friendly. The Action Plan will be the yard stick that measures the City's success in implementing the City's Economic Development Strategy and moving Madison toward the vision.

Stakeholder Engagement:

Work with other *economic development implementers* to prioritize projects, assign staff responsibility, set timeframes, etc. Establish staff-level implementation teams to lead day-to-day efforts to take action on the priority projects and initiatives.





NEXT STEPS:

Over the next few weeks, the city will reach out to key economic development partners in Madison to discuss this approach and start gathering input and commitments to work with us to move forward. By early 2014, we will translate this broad project approach into a more detailed scope of work laying out specific tasks to move forward. From that scope of work, we will decide what consulting support is needed and engage a team. The hope is to formally launch the effort in early 2014.

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