

**Comments regarding the draft
Economic Development Plan
As of April 2, 2008**

Please consider the following comments regarding the proposed Economic Development Plan for the City of Madison,

1. I encourage the City of Madison to adopt a Comprehensive Economic Development plan. I believe that not adopting such a plan at this time, for whatever reason, will result in a reactive, piecemeal implementation of ideas from a variety of sources. This would result in chaotic and possibly damaging rather than healthy growth. Yet, the current draft plan still needs work (see below) before it is forwarded to the Common Council.
2. The major recommendations as outlined in Section II of the draft plan are *tactically* excellent, However...
3. The current draft plan is seriously flawed in several ways:
 - It lacks an overarching vision
 - While it emphasizes the creation of quality jobs for Madison residents, it fails to specify how to ensure that an adequate number of those quality jobs are at entry-level and provide career-ladder opportunities
 - It fails to describe with enough granularity the specific basic sector development that will be best for Madison
 - It fails to identify what other city priorities economic development must coordinate with and how that is to be done
 - It fails to lay out the mechanisms and guidelines for decision making and communicating, especially communicating with the public, when the city is partnering in economic development with other entities
 - It fails to identify specific metrics and methodologies by which the progress of Madison's economic development should be measured

Whatever the original guidance to the consultant regarding the scope of the economic plan to be developed, I believe these issues need to be resolved for completion of and before the adoption of a useful economic development plan.

The Vision Thing

The goals of economic development as stated in the draft plan are taken from the City of Madison's Comprehensive Plan and include such statements as:

- Improving the well being of the community
- Emphasizing the creation of quality jobs for Madison residents

A truly *Strategic* Economic Development Implementation Plan must redraft these lofty statements into something more concrete. And, as they say, the devil is in the details, details that need to be crafted from a discussion by the components of city government and the citizenry, details such as:

- What do we want Madison to look like in 5 years?
- How do we manage economic growth if we don't identify how fast we want to grow and in which parts of the city?
- How do we target economic development to particular sectors if we don't clearly identify them and the characteristics of the businesses we want in those sectors?
- How do we create quality jobs if we don't specify targets for the number and characteristics of the new jobs to be generated?

A successful plan must be constructed by “back casting” from the desired outcomes. We need better defined and more comprehensive outcomes than those stated in the current draft plan.

Ensuring entry-level jobs with career-ladder potential

It is a mistake to assume that activities such as creating 15,000 quality basic sector jobs will automatically “lift all boats”. There has been much discussion about how to solve the problem of getting low-skilled community residents into the job market and ensuring that they will have the opportunity for long term vocational and economic success. The Economic Development Plan must address how to accomplish this with appropriate specificity.

The Granularity of Basic Sector Development

This is very much related to “The Vision Thing”. Economic development should be targeted to particular types of basic sector business rather than to just any basic sector business. Methodologies and strategies such as leakage analysis and import substitution should be fundamental components of the plan

- Certain types of business development that are consistent with Madison's strengths, such as Health Care, should be targeted as the draft plan so correctly states. In addition,
- Businesses with certain characteristics, such as a business that will re-circulate dollars locally and re-invest profits locally, should be given preference over national and multinational companies that spend business service dollars and invest profits elsewhere (leakage analysis).
- The plan should identify and target economic development to business sectors where Madison currently spends (exports) the most money (import substitution).

Note: One of the “problems” identified in the draft plan presentations was a *supposed* distrust of business on the part of the Madison Community. That is simply not true. Madison residents tend to love their local businesses. What they don’t love are businesses that engage in predatory behavior. Any economic development plan should strongly encourage expansion and creation of businesses with strong ties to the community.

Ask any long-time Madison resident how they used to feel about local businesses such as Wisconsin Power and Light, Ray-O-Vac and Oscar Meyer before they were taken over by outside corporations. Ask them how that worked out. Likewise, why should we bring into the local community a business that will compete directly with established local business.

Coordinate with other city priorities

What goals does Madison have regarding such things as population density, reducing reliance on the automobile in favor of more efficient modes of transportation, population growth and its impact on infrastructure and natural resources (like the water table)? How do we make sure that economic development is properly coordinated with these goals?

Decision making and communicating when partnering with other entities

The recommendations for public/private partnerships, given the caveat that “private” includes any non-governmental entities such as non-profits, colleges, etc., seem very sensible. However, there must be mechanisms for ensuring that *everyone* has a place at the table. Also, it is critical that discussions be as inclusive of the public as possible and that the processes and decision making be fully transparent.

The economic development plan should clearly spell these out as goals to be pursued with vigor and creativity and they should be monitored and adjusted to ensure maximum success. It is difficult to make sure everyone in the community is aware of what is going on but because these partnerships are going to be making decisions that have a huge impact on public spending and the quality of life in the community, the need for extra effort must be emphasized.

Measuring Progress

The draft plan does a good job of identifying some metrics and outcomes. Still, there needs to be public discussion about what exactly we want to accomplish and how to measure that. For example, the draft plan identifies a target of 15,000 quality jobs over the next 10 years. How do we determine which of those jobs came from implementation of the plan and which would have occurred anyway? Should we also track growth in specific basic sectors? Should we track creation of entry-level jobs with career-ladder potential?

This all relates back to “The Vision Thing”. Once we are sure exactly what we are trying to accomplish we should identify how we are going to measure the progress towards those goals.

Thank you,

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