



Job Creation and Business Attraction

A City Practice Brief

Winter 2009

What can city leaders do to combat loss of jobs in a slow economy? Judging by the following city programs, you might provide city services to allow a major employer to stay in your city, develop a business “incubator” to nurture start-up businesses, upgrade and maintain infrastructure in the business districts of your community, or provide tax incentives to businesses that create new jobs. You might also collaborate with other cities in a regional approach to job attraction and job creation. Even in good times, some industries may wane as new ones emerge. Keep an eye on new technologies and emerging trends – target your marketing to growth industries, and your city could end up on the cutting edge of change.

The following programs are examples of job creation and business attraction from a variety of cities that can be adapted to fit the needs of your own community. For more examples, visit the City Practice database, at www.nlc.org → About Cities → City Practice Resources.

Economic Growth Initiative

City: **Canton, OH**

Population: 80,806

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To combat a decline of the manufacturing industry, the loss of living wage jobs, and a shrinking tax base, the City of Canton developed the Economic Growth Initiative (EGI). EGI is a cash-based incentive program that provides a dependable revenue stream to businesses that meet the goals of job creation and expansion of the city's tax base. To qualify for this incentive, a business must locate or expand within the city limits and must create 10 new jobs. The program can be considered a public/private tax sharing program; city income tax funds that are paid to the City of Canton are used as a basis for revenue sharing payment to the businesses in the program. In its first year the program the total estimated payout to participants is \$143,000. There have been 7 EGI agreements which have created 213 new jobs, \$9.1 million in new payroll, \$20 million in private sector investment, and expanded the tax base by \$304,000.

BioTech Recruitment and Retention Strategy

City: **Fremont, California**

Population: 203,413

For more information, contact: Lori Taylor, Economic Development Manager
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Fremont developed a BioTech Recruitment and Retention strategy to attract more biotechnology businesses into the area, thus building a strong economic base, providing jobs, and diversifying the business climate. The City offers many advantages to biotechnology companies, from its proximity to San Francisco to its abundance of vacant land and building sites. As part of its recruitment and retention strategy the City also developed a streamlined BioTech-friendly zoning and permitting process, held a BioTech breakfast to establish relationships and promote the City's attractiveness to companies, conducted regular corporate site visits to determine companies' needs, assisted with site selection for the expansion of existing businesses or development of new ones, and provided workforce assistance in partnership with the local community college and other government agencies. In the first two years of implementation, 130 new BioTech jobs were created and several companies have located in Fremont. In-house recruitment and retention operations kept the cost of the program relatively low.

iTeams

City: **Fort Wayne, Indiana**

Population: 205,727

For more information, contact: Contact Name
(260) 427-1127 / iTeams@cityoffortwayne.org

Fort Wayne established Innovation Teams (iTeams) to find innovative ways to use broadband technology throughout the city and create new jobs and new companies in the region. Fort Wayne hopes that iTeams will spur innovation, eliminate the digital divide, and challenge businesses and other organizations to think creatively about using high-speed internet. Teams will be established in health care information systems, intelligent transportation tools, public safety, learning technology, advanced manufacturing, library services, virtual medical services, and teaching. One example of a current iTeam is NetLiteracy, which works to increase computer access and internet literacy for underserved youth, families, and senior citizens in the community. NetLiteracy also runs a computer drive to collect used computers, recycle and refurbish them, and place them in community centers around the city. Find it on the Web at: http://www.cityoffortwayne.org/index.php?option=com_content&task=view&id=490&Itemid=658

Enhanced Fire Protection to Retain Local Business

City: **Nettleton, Mississippi**

Population: 1,932

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Nettleton enhanced fire protection for a local company by constructing a 200,000 gallon water storage tank, and installing an emergency generator on a city well to ensure water was always available. The city constructed one mile of 12-inch water lines and over 15 fire hydrants around the company's property. The advent of fire protection services allowed the company, the county's largest employer, to remain in the town. Until the system was constructed, the company was not provided with adequate water pressure by the rural water system, and thus could not meet insurance requirements. With a \$650,000 Community Development Block Grant, the city was able to provide fire protection to the company and its 900 employees, as well as other households in the area. In exchange, the company promised to create 100 new jobs and invest \$450,000 in the community.

Corridors of Opportunity in Louisville (COOL)

City: **Louisville, Kentucky**

Population: 256,231

For more information, contact: John Fischer
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The mission of in Louisville's Corridors of Opportunity (COOL) is to encourage and facilitate retail development along Louisville Metro's corridors and integrate retail development within the community's overall economic development efforts. COOL works with new, local, national, small, specialty, and big-box retailers, offering information including site selection assistance, demographic consultation, and 'on-the-ground' knowledge. COOL staff helps businesses and developers navigate the regulatory process to meet planning and design requirements. COOL administers a variety of loan programs and incentives for prospective clients. They include microloans ranging from \$10,000 to \$30,000 for start up businesses and small business loans of up to \$100,000 in gap financing.

Business License Tax Relief

City: **Alexandria, Virginia**

Population: 128,283

For more information, contact: James K. Hartmann, City Manager
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Alexandria has an ordinance (No. 4408) that provides business license tax relief, reform, and simplification for small- and medium-sized businesses during their first two years of operation in the city. The initiative reduces the tax burden to \$50 in the first year for businesses whose estimated gross receipts are between \$100,000 and \$2 million. In the second year, the tax burden on average is cut in half as businesses pay the license tax based on the first year's actual gross receipts instead of the second year estimated gross receipts. The businesses pay the license tax in the third year based on the second year's actual gross receipts. These reforms leave start-up businesses with more money in the initial years and serve as an incentive for businesses to locate in Alexandria.

Site Seeker

City: **Dayton, Ohio**

Population: 166,179

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The Downtown Dayton Partnership provides a free, confidential "Site Seeker" service to businesses interested in owning or leasing space in the downtown. Business owners or brokers can contact the organization by phone or by filling out an online form that provides basic information about their space needs and a timeline of when they will need the property. The program then prepares and sends a broadcast fax to about 50 downtown property owners, managers, and real estate agents. The partnership tracks responses and then sends all of the possible locations to the business or broker. It also coordinates space tours, on which a partnership representative acts as an escort.

Recruitment of Life Science Manufacturing Facilities

City: **Holly Springs, North Carolina**

Population: 17,425

For more information, contact: Jenny Mizelle, Economic Development Director
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In order to attract companies in the life science manufacturing industry, Holly Springs' marketing plan started with a branding study to determine whether the concept of positioning Holly Springs as a site for bio-manufacturing was valid. Results were positive and the town embarked on a mission to achieve name recognition in the biotechnology industry, accomplished through attendance at International BIO and state and regional conferences, where relationships were developed with key individuals and companies in the industry. The success of the marketing campaign culminated in July, 2006, when a major life science manufacturing company, Novartis Vaccines and Diagnostics, announced the construction of the only Flu Cell Culture Facility in the U.S., with an investment of at least \$300 million and employment totals expected to be above 400 by 2011.

Harrisonburg Downtown Technology Zone

City: **Harrisonburg, Virginia**

Population: 40,468

For more information, contact: Brian Shull
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Harrisonburg's Downtown Technology Zone (HDTZ) provides jobs and strengthens the local economy. The initial phase of HDTZ focused on integrating IT businesses within existing buildings, allowing the zone's members to collaborate, connect, and attract IT firms from outside Harrisonburg to relocate. Led by the City's economic development department, HDTZ's management team established a networking environment to facilitate collaboration on projects and technology development. In addition, the team organizes and hosts regular business assistance seminars and workshops. The management team also connects its members with other support organizations, universities, and technology companies from whom they could benefit. Partners and sponsors of the program gain greater exposure in the information technology market sector, while enjoying access to an entrepreneurial community, and the downtown benefits from a stronger economy and broad attention through the success of companies located there. Find it on the web at: <http://hdtz.org>.

Venture Communities Program

City: **Santa Rosa, California**

Population: 147,595

For more information, contact: Nancy Manchester, Economic Development Specialist
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The Venture Communities Program is a first-of-its-kind series of events in North Bay that partners the public and private sectors. The City of Santa Rosa took a leadership role in implementing the Venture Communities Program, which encourages greater interest in angel and venture capital investing with the goal of creating a larger pool of financing opportunities for entrepreneurs. This in turn supports a new economic infrastructure in the Santa Rosa area by providing economic stability and high paying jobs. The initial event attracted venture capitalists and angel investors from a wide geographic area, allowing diversification of knowledge and resources and creating a sustainable network. The program has allowed Santa Rosa to be perceived as a city oriented to and supportive of global business values.

TREO Signature Brochure/Website

City: **Tucson, Arizona**

Population: 486,699

For more information, contact: Laura Shaw, Senior Vice President of
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To meet the needs of a rapidly growing region, Tucson Regional Economic Opportunities, Inc. (TREO) was formed to serve as the lead economic development agency for the greater Tucson area and its surrounding community partners. TREO offers programs and services to support the creation of new businesses, expansion of existing businesses, and attraction of companies that offer high impact jobs and share the community's values. In addition to a marketing brochure, TREO has an award winning website that offers potential business site selectors a Community Report Card that measures the region's economic health compared to similar cities; Site Selection Services such as incentive programs, property searches, maps, and quick facts; a Data Center featuring demographics, workforce data, and infrastructure; as well as information about key industries and regional employers, business resources, and lifestyle, arts, recreation, and climate. Find it on the web at www.treoaz.org

CONTACT Marketing Campaign

City: **Brevard County, Florida**

Population: 500,000

For more information, contact: Kimberly Agee, Managing Director
Economic Development Commission
of Florida's Space Coast (EDC)
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In 2006, the EDC launched an aggressive, two-year marketing campaign, entitled CONTACT, to attract and retain business and industry. Dedicated to making CONTACT with community partners and business leaders, the campaign permeates every EDC program and initiative, including advertisements, billboards, trade show materials, website graphics, posters and banners, publications, and a wide variety of event related items. The artfully designed marketing materials display a futuristic feel and compliment the powerful thinking behind the campaign, which is to MAKE CONTACT. The creation of this marketing campaign and the strategic placement of marketing materials resulted in an 89% increase in the number of expansion projects managed by the EDC. Additionally, the number of leads increased 33% from 2005 to 2006. For more information, visit www.SpaceCoastEDC.org.

This Brief was developed by Cheryl Glaubinger, Library Assistant, and Timothy Davis, Intern, National League of Cities.

City Practice Briefs contain examples from NLC's City Practice database, available at www.nlc.org. Series Editors: Bruce Calvin and Larry Foxman. For more information contact the NLC Municipal Reference Service at (202) 626-3130 or email mrs@nlc.org.