The California Association for Economic Development

Yolo County Small Business Resource Summit 2013

- What is Economic Development
  - Connection to Small Business
- Economic Development Partners & Activities
- Resources for Small Businesses & How You Connect

The California Association for Local Economic Development
California Association for Local Economic Development

- Founded in 1980
- 750 Members
- Dedicated to Economic Development – helping businesses thrive and create vibrant economies
- Non profit, working with public-sector, to help private-sector

CALED Members

- Cities and Counties (75%)
- Nonprofit E.D. Organizations
- Chambers of Commerce
- Education and Training Agencies
- Private Sector
- State and Federal Agencies
- Other
What is Economic Development?

“From a public perspective, local economic development involves the allocation of limited resources – land, labor, capital and entrepreneurship in a way that has positive effect on the level of business activity, employment, income distribution patterns, and fiscal solvency.”

Distinctions

• COMMUNITY DEVELOPMENT is a capacity building process for making a community a better place to live and work.

• ECONOMIC DEVELOPMENT is purely and simply the creation of wealth in which community benefits are created.
MOTIVES

BOTH Business & Government play a role in economic development and BOTH have Profit as a Motive.

Business Role

- √ Mobilize
  - Human,
  - Financial,
  - Physical, and
  - Natural Resources
- √ To Create Marketable Goods and Services
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Public Sector Role

To Influence Business Investment and Location Decisions with:

- Taxes
- Spending
- Investment
- Regulations

- Incentives
- Marketing
- Quality Service
- Adding Value to Community Assets

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Public Profit Motive

- Maintain, increase & diversify tax base
- Increase revenues faster than cost of municipal services increase
- Economic vitality for commercial and industrial areas
- Maximize property through highest & best use
- Create and retain jobs, increase per capita income

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Why?

- Rising Costs for Municipal Services
  - A $300,000 house provides $420 in property taxes to the city
  - Population Growth
  - Rising Employee Costs
    - Salaries and Benefits
    - Health Care
    - Insurance
    - Workers compensation
  - Rising Expectations for Municipal Services
    - Quality of Life Issues
    - Public Safety
- Negative Impact of State Budget Actions

Increased Revenue Base
Additional revenue to support, maintain, and improve local services such as roads, parks, libraries, and emergency medical services.

Job Development
To provide better wages, benefits, and opportunities for advancement.

Business Retention
Businesses that feel appreciated by community, and in turn feel as if they are contributing to the economy, will stay in town.
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- **Economic Diversification**
  Helps expand the economy and reduces a community’s vulnerability to a single business sector.

- **Self-sufficiency**
  Public services would be less dependent on intergovernmental transfers that change with each election.

- **Productive Use of Property**
  Property used for its “highest and best use” maximizes the productivity of that property.

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- **Quality of Life**
  More local tax dollars and jobs raise the economic tide for the community, which generally increases the overall standard of living of the residents.

*80:20 rule*
3 Forms of Economic Development

1. Retain & Expand Existing Business
2. Create Business
3. Attract New Business

Economic Development Partners

Thriving Businesses Create Jobs

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Program Examples

- Economic Gardening or Incubation
- Network Existing Business
- Business Visitation
- Revolving Loan
- Government Purchasing
- One-stop Permitting
- Market Local Business Environment
- Trade Show Participation

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Program Examples

- Business Assistance

- Yolo & Solano County have a Farmbudsman:
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**Project Examples**

- Revitalizing the downtown – BIDs
- Providing infrastructure to a new area
- Working with private partners to complete commercial or residential projects
- Developing a buildings, retail, etc.

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**Economic Development Partners**

- **Thriving Businesses Create Jobs**
  - SBA
  - USDA
  - The Administration Research Labs
  - Dept. of Commerce Export Assistance
  - Federal Initiatives
  - GO-Biz
  - CA State WIB
  - CA Community Colleges CSI/UC
  - Treasurer’s Office T-Hubs
  - Associations - CWA & CALED
- **Banks, Non-profits**
  - CDFIs
  - Venture Capitalists
  - Brokers, Lawyers
  - SCORE
  - SBDCs
  - Unions
- **Regional Collaboratives**
  - EDCs, WIBs, CC/EDC
  - CSOs, Local Governments
  - Chambers, Business Councils
  - Districts
  - Private Universities
  - Utilities

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Access to Capital

- Certified SBA Lenders
- Comm. Dev. Financial Institutions
- Non-Bank Lenders (RLFs)
- CA Treasurer’s Office/CA I-Bank
- Federal Partners: USDA & EDA
- CalFOR – Access to Capital Guidebook

Smallbusinesscalifornia.org
Electeds Should Focus on:

5. Reducing State Taxes

- Have an economic development plan that addresses revenue generation without raising taxes.
- Governor’s Office of Business & Economic Development. GO-Biz – create a State Economic Development Strategy: business.ca.gov

*19 Yolo County Businesses out of 1300+ responses
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Electeds Should Focus on:

4. Quality of Public Education

• Skilled/trained workforce
• Workforce Investment Boards, One-Stop Centers, Community Colleges Workforce and Economic Development, CSUs, UCs, SBDCs

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Electeds Should Focus on:

3. Affordable Healthcare

• Smallbusinesscalifornia.org
• Coveredcacom.com
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**Electeds Should Focus on:**

2. Reducing Regulation of Small Business

- Governor’s Office of Business & Economic Development: business.ca.gov
- CAL Gold: calgold.ca.gov
- Permit Streamlining

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**Electeds Should Focus on:**

1. The Economy

- Improving business climate
- Invest in economic development so businesses can thrive and create jobs
- Elected Officials at all levels

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Measuring Success

✓ Monitor the metrics of your economic development programs – tracking your investment

✓ Economic development is an investment in your community. It’s more than a “Jobs Program”.

SMART

A simple device to remember the characteristics of an effective performance measure

Specific: performance measures need to be as specific as possible

Measurable: a performance measurement is only useful if you can actually measure it

Achievable: do not set goals that are impossible to achieve

Relevant: performance measurements need to be relevant to the organization’s mission and the program’s strategic objectives

Time-based: make sure that performance measures are achieved within a specific period
Getting Connected

✔ Visit the booths
✔ Talk to your cities and counties
✔ Visit CALED.org
✔ Ask an elected official

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