

DATE: July 9, 2012

TO: GLUE Council

FROM: Darin Chidsey, Deputy Director, Policy, Strategy & Public Affairs

SUBJECT: Survey Results: Best Practices of Implementing Business Friendly Cities Resolution

SCAG is collecting the results of city and county efforts to date in finding ways to increase their “Business Friendly Practices” since adopting the resolution a year ago. Further collection information needs to be conducted to better quantify cost savings, certainty and job creation. However, based upon the information collected to date from 50 cities from the six counties surveyed (170 of 191 cities have signed the Business Friendly Resolution); the following summary best practices were identified.

Attracting and Retaining Businesses

A city or county’s ability to attract and retain business is directly related to its ability to foster an environment that is conducive to the business community’s needs. In California, where the regulatory environment is particularly burdensome, cities that can reduce barriers to entry into the local market will be more effective at attracting outside investment and driving economic growth. The following practices have been implemented in Southern California cities with demonstrated success:

- **Streamline city approval and permitting processes** by creating a “one-stop” shop (either virtual or physical) for business interests looking to relocate or expand. This may require implementing technology solutions for accepting, processing and expediting permit applications online. Include within this process, clarified delegating permitting authority to the lowest staff level to expedite approval process, provide certainty to business interests, and avoid permit approval coming to the Council where extra unnecessary months are added to the permit process.
- **Operate a Business Resource Center** (virtual or physical): that provides business with information regarding city permits, city incentives and resources, commercial space and vacancies, financing options local tax, regulations, and contracting and partnering opportunities
- **Provide demographic and market information to city officials** for utilization in economic development planning. Interview subjects repeatedly expressed an interest in expanded access to SCAG resources in this area.
- **Implement a Business Attraction Program** that offers discounts on city fees and provides other incentives in order to entice businesses to relocate.
- **Implement a Business Recognition Program** to commend long-standing business in the community.

- **Implement a Business Visitation Program**, with the purpose of soliciting feedback from businesses on city services and addressing their concerns in proactive and timely manner.
- **Establish an Economic Development Action Team (EDAT)**, a collaborative team consisting of staff members from different departments with the purpose of expediting the time it takes a business to open (from finding space to approval processes, etc.)
- **Establish an Economic Development Committee (EDC)**, or a city council subcommittee assigned to offer input on projects that impact the City's economic development efforts.
- **Develop and Implement Enhanced Customer Service Standards** and create opportunities to demonstrate the city's commitment to meeting the business community's needs.
- **Reduce Business Permitting and License fees** to lessen the costs to businesses.
- **Act like a broker** with help new businesses find vacant office space/property within the city/sub-region's boundaries
- **Expand Resources for Small Businesses** by providing access (via a website) to no or low cost services and resources and assistance with business planning, hiring, human resources, access to capital, permitting and regulations
- **Establish City as a "Community Open for Green Business"** to attract energy conscious businesses promote city's energy programs and sustainable growth opportunities.
- **Establish "Buy Local" or "Shop Local" Programs** to promote the value of supporting local businesses and driving economic growth in the city. This also provides the business community with an opportunity to advertise their products and services to consumers as well as other businesses.
- **Expand Film Program (or program catering to a specific industry)**
- **Create opportunities for businesses to market their products services**, such as a "Business Banner Program," where the local government displays banners throughout the city promoting its various businesses.

Leveraging Municipality Resources through Public Private Partnerships

Local governments' primary hurdle when seeking to implement economic development programs is a lack of resources, particularly for small to medium sized cities. Forming partnerships with other public and private agencies however, can serve as a key strategy for overcoming these challenges and facilitate the sharing of resources, expertise and the collective pursuit of economic development opportunities that are of mutual interest.

- **Form regional economic development partnerships with other cities.** For example, the North Orange County Economic Development group is a sub-regional partnership among 6 cities and their respective economic development staff. Each participating city has adopted a resolution to work together to retain and attract businesses to the sub-region. Additionally, the group has also entered into a "non-competitive" agreement, in which the participating cities refrain from competing with one another and instead strive to make the sub-region more competitive.
- **Partner with the local and regional Chambers of Commerce to host job fairs, workforce training sessions or other economic development related events or programs.**

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- **Partner with Workforce Investment Boards and Academic Institutions** on workforce development initiatives; to host training and career service related workshops and events.
- **Partner with Trade Associations** to reach out and engage with particular industries and trade groups.

Economic Development through Further Community Development Alternatives

This set of best practices require that local government agencies support the development and implementation of local and regional projects that provide the community, its businesses and their workforce with multiple benefits, such as access to housing, transportation and other economic generating activities.

- **Facilitate the development of mixed use projects** to address the various housing, transportation and retail needs of both businesses, consumers and residents
- **Establish Tourism Improvement Districts**
- **Facilitate the creation of Business Improvement Districts**
- **Apply and pursue designation for state enterprise zones** which provides special tax incentives to qualified businesses that locate within designated city zone, hires qualified employees, or make qualified purchases.
- **Prioritize the revitalization of blighted areas within the city or sub-region.**
- **Make necessary changes in zoning to accommodate increased commercial, retail, and manufacturing**
- **Encourage the development and preservation of arts and cultural based development**
- **Provide access to vital information via website**, such as the city’s demographic and market profile as well as housing stock, transportation infrastructure and other data pertinent to a business’ operational and workforce needs.

Next Steps

To further engage local governments and other economic development organizations in the implementation of its regional economic growth strategy it is necessary that SCAG:

- 1) **Prepare summary of business friendly practices for all 170 participating municipalities that document time savings, job creation and cost savings.**
- 2) **Prepare information for SCAG website the can be shared with other cities.**
- 3) **Prepare a draft Phase II Southern California Job Recovery and Economic Strategy fact sheet and message points that can be communicated to the 200 economic development organizations in the region asking for their support and partnership.**
- 4) **Create a draft E-Newsletter sharing regular updates economic benefit and job growth information with the cities, counties and 200 economic development organizations.**