

Economic Development Case Studies and Best Practices

In order to promote jobs that offer living wages, there are several strategies a community can employ that will attract, develop, and preserve these jobs. These strategies include:

- 1) Promote Key Industry Sectors
- 2) Anchor Institutions (colleges and hospitals)
- 3) Start and Expand Local Businesses/Entrepreneurs
- 4) Education/ Workforce Development
- 5) Clean/Efficient Energy Opportunities

Various programs and plans based on these strategies have been employed by communities and businesses throughout the country. Below are a few examples and case studies of successful programs.

1. Develop key industry sectors

Communities can promote existing key industry sectors that typically offer living wage jobs such as medical, technology, tourism or others into a regional “cluster” that attracts more businesses.

Examples:

Pittsburgh Central Keystone Innovation Zone (PCKIZ)- seeks to increase the number of high-growth startup businesses and relocated firms within the zone - initiative is a consortium of universities, community organizations, businesses, foundations, and government agencies started by Duquesne University- received a \$1.95 million federal Jobs and Innovation Accelerator competitive grant to continue this work, with a focus on the region’s energy and healthcare clusters (Urban Innovation21, 2012).
<http://www.urbaninnovation21.org/pittsburgh-central-kiz/>

Enterprise Florida Inc. (EFI)
EFI is a public-private partnership serving as Florida’s primary organization devoted to statewide economic development. EFI focuses on a wide range of industry sectors, including clean energy, life sciences, information technology, aviation/aerospace, homeland security/defense, financial/professional services, manufacturing, and beyond. There are a number of state incentives to encourage business growth and job creation including Rural and Urban incentives, Enterprise Zone Incentives and Jobs for the Unemployed Tax Credit Program.

The Greater Kent Committee: This nonprofit group of business and civic leaders propose building a regional sports complex in Kent County, an area that has seen a significant drop in jobs. The proposal calls for 15 fields, including 10 turf fields, four artificial surface fields, and a lighted turf field with 1,500 bleacher seats. The facility would host several sports tournaments each year, drawing thousands of people to Delaware and generating much-needed jobs and millions of dollars for the local economy <http://www.greaterkentcommittee.org/>

Agritourism: <http://sfp.ucdavis.edu/agritourism/>

Early Childhood Education

<http://www.upjohn.org/sites/default/files/WEfocus/FromPreschooltoProsperity.pdf>

<http://www.bigideasforjobs.org/wp-content/uploads/2011/09/10-Weiss.pdf>

<http://www.bigideasforjobs.org/wp-content/uploads/2011/09/Weiss-Herzenberg-Price-Full-Report-PDF1.pdf>

Louisiana Quality Start Program

Through the Quality Start program it launched in January 2008, Louisiana uses a range of tax credits to link resources for early childhood education with quality improvements. The state employs four concurrent tax incentive systems, three of them tied to program quality.

The first of these incentives, the School Readiness Tax Credit, provides sizeable bonuses for highly-rated centers that serve children in subsidized care. The state also provides School Readiness Tax Credits for individual teachers, which are based on qualifications and years of experience. The third type of credit provides parents a small, non-refundable supplement to the federal child care tax credit. The fourth tax incentive goes to businesses that donate to a center, provide child care on-site or provide a worker benefit to fund child care. Though not tied to quality, it builds support within the business community for the other tax incentives and for early childhood education generally.

The support provided by tax credits through the Louisiana Quality Start program, at its highest levels, increases pay for workers by roughly only \$3 an hour. Nonetheless, the program illustrates the potential

for a state with high rates of poverty and low resources to invest in quality

2. Leverage the opportunities of anchor institutions such as colleges and hospitals

Anchor institutions can spur economic development in three key ways, by using local businesses as part of the purchasing/manufacturing supply chain, creating workforce education opportunities, and public investment.

Examples:

Cleveland's Evergreen Cooperatives exemplifies how anchor institutions can orient their considerable spending power to spur business development in distressed communities and connect low-income residents to good careers that pay family supporting wages and enable the resident employees to build wealth through their ownership stake in the business. The community based enterprise development model launches new employee owned businesses (three to date: Evergreen Cooperative Laundry, Evergreen Energy Solutions, and Green City Growers Cooperative) to supply goods and services to the large anchor institutions in University Circle. <http://evergreencooperatives.com/>

Henry Ford Health System in Detroit has committed to purchasing more from Detroit businesses and runs a supplier development program to increase minority purchasing and contracting. To make it easier for small local businesses to contract with them, the hospital pays them a month in advance.

Henry Ford also has a “transparent sourcing policy” requiring that all bidding processes of \$20,000 or more involve minority- and women-owned businesses, and mentor minority-owned businesses. On the employment side, the hospital incentivizes local hiring and links 7 percent of executives’ bonuses to meeting diversity goals.

<http://www.henryford.com/body.cfm?id=48187>

3. Start and expand local businesses/entrepreneurs

Communities can promote local businesses and entrepreneurs through loans, incubation, and building or neighborhood improvement for retail businesses. Small firms, for example, must rely on private-debt financing, yet over the past decade, small-business lending has declined nearly 10 percent as a percentage of total business lending. Banks have increasingly moved their investments away from small commercial loans for other higher-return and shorter-term investments. This makes small-business lending a key opportunity area for economically targeted investment. Such lending identifies areas for profitable investments that markets have missed due to inconsistent time horizons or imperfect information. (Cities at Work: Progressive Local Policies to Rebuild the Middle Class, Joel Rogers and Satya Rhodes-Conway February 2014)

Examples:

The Community Store, Sarnac Lake, NY

Community stores are locally owned by community members in contrast to the distant, corporate shareholders of national retailers. Community-owned stores are designed by residents to meet specific local shopping needs at fair prices. Everyone in the community is given the opportunity to invest in the store by buying shares. Buying shares is voluntary and the store is open to everyone,

whether they are share holders or not.

<http://www.community-store.org/>

<http://www.nytimes.com/2011/11/13/business/a-town-in-new-york-creates-its-own-department-store.html?pagewanted=all& r=0>

Ventura, California, partnered with an outside venture capital firm rather than hiring in-house staff to manage the city's venture capital investment. The City put \$5 million in an investment pool as an equal partner, ensuring their funds would be highly leveraged. Part of the fund is solely dedicated to financing businesses located or locating in Ventura, including creation of a new business incubator in the city; the remainder of the fund will prioritize Ventura-based businesses but is not limited to them.

[https://www.ida-](https://www.ida-downtown.org/eweb/docs/2010%20Awards%20Docs/Economic%20&%20Business%20Development/Downtown%20Ventura%20Partners,%20Ventura%20Capital%20Fund.pdf)

[downtown.org/eweb/docs/2010%20Awards%20Docs/Economic%20&%20Business%20Development/Downtown%20Ventura%20Partners,%20Ventura%20Capital%20Fund.pdf](https://www.ida-downtown.org/eweb/docs/2010%20Awards%20Docs/Economic%20&%20Business%20Development/Downtown%20Ventura%20Partners,%20Ventura%20Capital%20Fund.pdf)

http://money.cnn.com/galleries/2010/smallbusiness/1011/gallery.cities_to_start_a_small_business.smb/7.html

<http://www.pacbiztimes.com/2014/02/07/ventura-backs-out-of-its-brief-adventure-in-venture-capital-funding/>

Detroit, MI New Economy Initiative - entrepreneur investment program that provides grants to programs meant to spur company growth and additional job creation over the next three to five years. (e.g., Tech start-ups, food entrepreneurs, business-to-business procurement.)

<http://neweconomyinitiative.org/about/>

Start-Up Colorado

Led by local entrepreneurs, the organization aims to build a sustainable and successful entrepreneurial community, focusing on grassroots connections. First year goals include:

- o Creating an entrepreneurial summer camp in Boulder;
- o Evaluating current barriers that entrepreneurs face, including an assessment of what best practices are in place at entrepreneurial communities around the U.S. and world;
- o Engaging larger companies in the entrepreneurial ecosystem through commitments to help entrepreneurs

<http://www.startupcolorado.com/about>

Community Economic Development Grant Program

The New Castle County, Delaware Office of Economic Development has made Community Economic Development Planning and Projects Grants available to help small businesses develop and expand in communities located in New Castle County. Up to \$50,000 in grants will be awarded through a competitive application process, with \$15,000 as the maximum grant per applicant. Those eligible to apply include non-profit 501c3 charitable organizations, business league and trade organizations, and New Castle county towns, villages and communities with

populations under 10,000. The grants will fund up to 50 percent of the project grants, with matching funds required. The program will emphasize job creation for low-income persons and will support long-standing smart growth. <http://nccde.org/DocumentCenter/Home/View/1169>

Building Opportunity on Main Street

The Georgia Main Street and Better Hometown programs help Georgia cities and neighborhoods develop their core commercial areas. A new initiative, “Building Opportunity on Main Street,” will work to further create jobs through “the active encouragement and better utilization of existing economic development resources.” Since 2003, Georgia’s 100 Main Street Cities have generated on average 3,200 net new downtown jobs. The program implements “creative use of local investment and cutting-edge redevelopment financing tools.”

<http://www.mainstreetgeorgia.org/Default.aspx?tabid=41>

Community Commercial Kitchen Incubator

Community kitchens are spaces where community members share knowledge, resources, and labor to prepare, cook, and consume food. Community kitchens often focus on developing nutrition education and food skills for low income participants experiencing food insecurity (Iacovou 2013). Such programs frequently use existing spaces that are not licensed or set up for entrepreneurial activities or commercial food processing. Community kitchens can be hosted by faith-based organizations, schools, community or senior centers, businesses or non-profit groups (Kitchen commons 2013). Implementation varies by community. Community kitchens can also serve as a venue for the USDA’s Supplemental Nutrition Assistance Program – Education (SNAP-Ed), which supports nutrition education for individuals and families with low incomes (USDA-SNAP-Ed).

Best Practices Guides:

[http://www.foodsecuritynews.com/Publications/Community Kitchen Best Practices Toolkit.pdf](http://www.foodsecuritynews.com/Publications/Community_Kitchen_Best_Practices_Toolkit.pdf)

<http://www.kitchencommons.net/sites/default/files/Kitchen%20Commons%20Resource%20Guide%20Jan%202013.pdf>

Map of Community Commercial Kitchens Nationwide <http://www.culinaryincubator.com/maps.php>

Watsonville <http://www.elpajarocdc.org/en/commercial-kitchen-incubator>

La Cocina (SF) <http://www.lacocinasf.org/about-la-cocina/>

L.A. Kitchen partners with regional farmers and produce suppliers to purchase or recover fresh fruits and vegetables, and transforms it into nutritious snacks and meals that strengthen the community. L.A. Kitchen’s job training program prepares unemployed individuals, particularly

youth aging out of foster care and older adults exiting the prison system, to build careers in the culinary industry. The meals prepared by staff, students, and an army of volunteers will be distributed to area social service agencies, concentrating on programs that support our aging population. <http://www.lakitchen.org/>

4. Education/ Workforce Development/ Entrepreneur training

An educated workforce with up-to-date skills is necessary to attract high-opportunity industries and to meet labor demand for living wage jobs.

Examples:

Baltimore developed a 240-hour “**BioSTART**” training program for highly motivated unemployed and underemployed high school graduates, which is followed by a nine- week “Lab Associates” program that culminates in a 100-hour paid internship.

<http://www.biotechmd.org/participants/bti-biostart-to-laboratory-associates-program/>

Chicago has created a **Business Information Center** as part of its **public library system**. Through the center, patrons can schedule one-on-one consultations with business librarians for research assistance. The library also provides sample business plans and free access to subscription business resources such as magazines and databases—including Standard & Poor’s, Crain’s, among others.

In **Los Angeles** the **Office of Small Business** maintains a business resource finder website, which links users to more than 150 local organizations that offer small-business assistance

http://laosb.org/Small_Business_Resources.htm

New York City’s Department of Small Business Services offers free courses in basic and advanced business topics. For new businesses, the department gives training in marketing, business planning, and finance. Advanced classes include corporate coaching, construction management, and strategic-growth planning. A survey of 123 entrepreneurs who completed the city’s strategic growth program found their businesses averaged a 41 percent increase in revenue, hired 100 new full-time and new part-time employees in total, and secured an aggregate \$1.6 million in new financing. Labor standards should be part of these business classes

<http://www.nyc.gov/html/sbs/html/about/about.shtml>

Business plan competitions: Many cities encourage potential business owners through business plan competitions, in which the winner or winners receive a cash award to use toward their business startup costs. Chicago’s Office of the City Treasurer holds an annual Business Plan Competition for businesses less than three years old; the top three finalists each receive \$10,000 in cash prizes

<http://www.chicagocitytreasurer.com/small-business-entrepreneurs/small-business-plan->

[competition/](#)

Liaison to city government: San Antonio’s Economic Development Department employs a small-business liaison who guides business owners through licensing and regulatory requirements and provides initial counseling on securing financing, developing a business plan, choosing a business entity form, and marketing.

<http://www.sanantonio.gov/SBO.aspx>

Seattle Jobs Initiative offers low-income individuals training that leads to college credentials in growing local industry sectors. We creatively align support services – intensive college navigation, housing, childcare and transportation – to provide participants the best opportunity to complete their career pathways and to secure and retain well-paying job

<http://www.seattlejobsinitiative.com/>

Successful Job Training Programs

http://www.bigideasforjobs.org/wp-content/uploads/2012/03/5b_Glickman-Semsar-Willifor_Fels-Brief_Sectoral-Industry.pdf

Children’s Savings Accounts

http://cfed.org/assets/documents/seed/piggy_banks_to_prosperity.pdf

CSAs are long-term asset-building accounts, established for children as early as birth and allowed to grow over their lifetime. Accounts are seeded with an initial deposit and built by contributions from family, friends and the children themselves. Accounts are augmented by savings matches and/or other incentives, and gain meaning as young accountholders and their families engage in age-appropriate financial education. At age 18, the savings in CSAs are used for an asset-building purpose – typically financing higher education. More information about CSAs is available in our Resource Directory.

<http://collegkickstart.nv.gov/families/Overview/>

http://cfed.org/blog/inclusiveeconomy/nevada_announces_groundbreaking_new_childrens_savings_initiative/

5. Clean/ efficient energy opportunities

Municipalities can help small businesses retain more of their earnings by educating owners on energy efficiency methods and government incentives. The U.S. Small Business Administration maintains a list of state and local efforts to help small businesses improve environmental sustainability and reduce energy costs.

Examples:

Portland's Clean Energy Works pilot project to help 500 local homeowners finance and install energy efficiency upgrades was guided by a landmark community workforce agreement requiring that 80 percent of the jobs go to local residents; 30 percent of the trades and technical work hours go to historically underrepresented groups; and wages equal to at least 180 percent of the state median.

People of color filled almost half of the work hours on the project (48 percent). The pilot's success led to a \$20 million award from the U.S. Department of Energy to support the Clean Energy Works Oregon project to retrofit 6,000 homes and create 1,300 jobs across the state by 2013. To date, people of color have completed 43 percent of the work hours (Clean Energy Works Oregon, 2012)

<http://www.cleanenergyworksoregon.org/>

The **Office of Sustainability in Austin, Texas**, in partnership with the local Small Business Development Program, hosts lectures by topic experts to help small businesses lower their energy consumption costs.

<http://www.austinsmallbiz.com/WebCOE/new-sbdp-calendar.htm>

<http://tinyurl.com/mvdqajd>

In **Seattle** business owners can receive financial incentives from the city for replacing inefficient lighting equipment; given that lighting expenses may account for up to 60 percent of a small business's energy costs, this upgrade can have a significant effect on a small businesses expenses.

http://www.seattle.gov/light/conserves/business/cv5_sbiz.htm

Building Healthy Communities Economic Development Element Priority Policies

- 1. Policies as a theme for BHC EDE engagement:** The City has taken an important step in including a policy which acknowledges the importance of *quality* jobs for Salinas residents. We see this as an overarching goal of the Economic Development Element (EDE) and its proposed policies. **It is important that the City Council keep this goal in mind with respect to implementing the EDE.**

Policy	Outcomes
ED-II-1.3	Promotion of jobs that offer living wages, paid sick days, and health care; convene and work with local stakeholders to identify a set of “responsible business practices”

- 2. Policies to push for inclusion in 5-Year Action Plan:** This policy was ranked as the highest priority for the BHC EDE Workgroup back in the spring, but did not make it into the City’s 5-Year Action Plan. **We ask that the Council make investment in parks, recreation, and the arts needs to be part of the 5-Year Action Plan.** There are many ongoing opportunities to act on this policy, such as the Soccer Complex, Acosta Plaza Basketball Park, and the Urban Greening Plan.

Policy	Outcomes
ED-QL-3.1	Improvement of existing parks; creation of new parks and open spaces, including tot lots, neighborhood parks, plazas, and greenways; joint and shared use agreements; pedestrian and bicycle connectivity to parks; space and investment for public art

- 3. Policies to Push for Implementation:** These policies are in the City’s 5-Year Action Plan. Already an economic engine for the City, the Alisal has incredible potential as a retail, entertainment, and tourism destination. Implementation of policy ED-RET-3.1 could further capitalize on that potential. Policies ED-IE-1.2 (see below) and ED-WF-1.1 (see below) should be implemented as support strategies for the success of ED-RET-3.1 efforts. Attached is a document with many case studies demonstrating successful implementation of programs consistent with ED-IE-1.2 (see below) and ED-WF-1.1 (see below).

Policy	Outcomes
ED-RET-3.1 (spec. Actions 3.1.4 & 3.1.5)	Promote E. Salinas as a destination with investment in infrastructure and encouragement of open air markets, family activities, entertainment, etc.; beautify and green streets to support retail, entertainment, and tourism
ED-IE-1.2	Increase opportunities for small business development: technical assistance, access to capital, business incubators, co-working hub, and community commercial kitchen
ED-WF-1.1	Partner with workforce training, educational, and financial institutions to support small business development; technical assistance; enhancing ways for residents to become childcare providers; capital accumulation programs, such as microloans and tandas, to support low-income entrepreneurs