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The City of Santa Fe's 2017 Economic Development Crossroads

A report submitted to the Santa Fe City Council
in fulfillment of Council Resolution 2016-75



CITY OF SANTA FE
**ECONOMIC
DEVELOPMENT**

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This report, submitted to the Santa Fe City Council in fulfillment of Council Resolution 2016-75, is designed to inform the Governing Body about the current state of Economic Development (ED) initiatives and to offer an outlook on what would be needed to generate a new ED strategy. It is based on an assessment of prior Santa Fe and regional Economic Development Strategies, starting with the “Angelou Plan” of 2004, as well as national research. The report is accompanied by a Literature Review that summarizes economic development trends and “best practices” nationally, as well as a brief overview of ED strategic plans from other U.S. regions.

The report sets the stage by describing the Office of Economic Development (OED), the main City department charged with advancing ED strategy. The Office, which reports to the Deputy City Manager, is budgeted to have a staff of 5 but currently has only 2 FTE economic development professionals and an interim Director. Its most recent budget was around \$1.5 million.

One of this report’s key findings was that there are systemic problems that have impeded the effectiveness of Santa Fe’s ED efforts and reduced the impact of prior ED plans. These obstacles—which are grouped broadly under the headings of policy, governance, and metrics—need to be addressed as part of any future ED strategy. This report also concluded that inattention to community-wide accountability for implementation and the assumption that a Santa Fe ED Plan is a “workplan” for a single City Department (OED) rather than a

broad community-supported vision, combined to ensure that prior ED strategies did not meet their full potential. Santa Fe’s economic development crossroads is that if these systemic disconnects are not addressed, even the best-designed strategic plan will fall short.

Because there is no common definition of “economic development” and since the field has many components, this report spends some time outlining the various facets of ED and describing Santa Fe’s approach to them, in an attempt to establish a common understanding, as well as to reinforce the point that the OED cannot be the only regional entity that leads and programs in all areas of Economic Development.

Ultimately, although there is a wealth of technical expertise that can help craft the specific strategies and tactics of a new economic agenda, there needs to be leadership around the central question of defining the vision and goals for Santa Fe’s economy, and this economic vision must be linked to the overall vision for the community as described in the General Plan.

This report’s main recommendation is that—due primarily to reduced staffing levels at OED and the lack of a permanent Director—rather than rushing into a new planning exercise, the process should start by engaging an economist to prepare a thorough assessment of Santa Fe’s economy. The resulting Santa Fe economic portrait could be used as the foundation for an Economic Summit. This convening would bring together community leaders and stakeholders (and even national economic

development experts) to work on establishing the overall goals for Santa Fe’s economy. The very process of agreeing on collective goals may help address some of the leadership and governance issues raised in the report. Here is the rationale for this recommendation.¹

Undertaking transformative economic change requires developing a sense of urgency and high visibility. That starts with an economic narrative grounded in hard data and clear-sighted assessment of the region’s competitive strengths and weaknesses—gauging how it really stacks up in the global economy and where there are challenges and market failures to address. Data can dispel illusions and overcome complacency. Lack of solid data and analytic capacity can stymie regions at this initial stage. Establishing a common economic narrative brings leaders and the community together to mobilize action.

After an economist has prepared a thorough assessment of Santa Fe’s economy, a more traditional strategic planning effort could proceed. This Angelou Plan strategic update could be managed either by a fully staffed OED team or by a consulting firm. The report concludes by summarizing some of the pros and cons of each of the past Santa Fe approaches, as well as listing some of the specific issues raised in this report that a new ED strategy will need to address.

¹ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nkmNq7>

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A robust local economy is important to everyone. Santa Fe has historically been overly dependent on government and tourism to provide employment and a tax base. A more diverse economy can increase regional prosperity, provide greater opportunity for citizens, and render the region less subject to economic fluctuations.

There are signs of renewed economic vitality, with expansions supported by State funding at firms including Santa Fe Spirits, Santa Fe Brewing, Star Cryoelectronics, and Wildflower International. Several local high technology companies have received equity funding in recent years. Santa Fe has been recognized as Forbes Magazine’s “Top City for Woman-Owned Businesses” and among cities with the highest percentage of employment from startups. The City, increasingly recognized as a center for innovation and creativity, is beginning to see an influx of both “boomerang millennials” (people who grew up here, left, and have returned) and transplants who have either brought their companies with them or started businesses once they got here.

However, the City continues to have wages that are significantly below national averages, a relatively low proportion of young people in its population, persistent economic inequality, and low high school graduation rates. Santa Fe is often seen as a place where it is difficult to start and operate a business, and companies can have a hard time finding employees with the right skills.

In order to capitalize on the positive trends

and continue to address the challenges, this is an optimal time for Santa Fe to revisit its Economic Development (ED) strategy. A recent City Council Resolution (2016-75) recognized this need and called on the City’s Office of Economic Development (OED) to prepare this initial report in order to define the scope of work necessary to develop an updated ED Strategy.

In addition to outlining a scope of work, the report identifies key issues and proposes ways of thinking about economic development (ED) in order to inform key stakeholders. It is aimed primarily at the Governing Body, City leaders, and organizations in the regional Economic Development community.

The report found that there are systemic and structural issues that have impeded the effectiveness of Santa Fe’s ED efforts and reduced the impact of prior ED plans. These issues of policy, governance, and metrics need to be addressed as part of any future ED strategy initiative. It also concluded that the lack of implementation plans that addressed roles, responsibilities, accountability, and budget ensured that prior ED strategies fell short of community aspirations. Santa Fe’s economic development crossroads is that if these problems are not addressed, even the best strategic plan will repeat the shortcomings of previous ED efforts.

Based on the internal assessments and the external research, the report identified some key concepts about the overall context in which ED occurs that will be useful to keep

in mind. The ideas below all point to the overarching notion that efforts to improve a regional economy are complex because they involve a wide variety of organizations working together for a common goal.

- Regions with successful economic development strategies have created high-level steering committees composed of corporate, political, and philanthropic leaders, joined with broadly representative community partners to develop the plan and to commit to its success.
- A Santa Fe Economic Development Strategy will develop goals and tactics that will be undertaken by a wide array of organizations and departments, both within and external to the City of Santa Fe.
- The Office of Economic Development (OED) is the City’s primary Department handling ED, but there are many other parts of City government that work on and impact ED.
- The City is part of a larger region and coordination with other ED entities is critical.

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The mission of Santa Fe’s Office of Economic Development (OED) as described on the City’s website is to achieve long-term sustainable economic growth by building a diverse, innovative economy with high-wage, high impact jobs that provide opportunity and prosperity for the City’s residents, businesses and entrepreneurs.

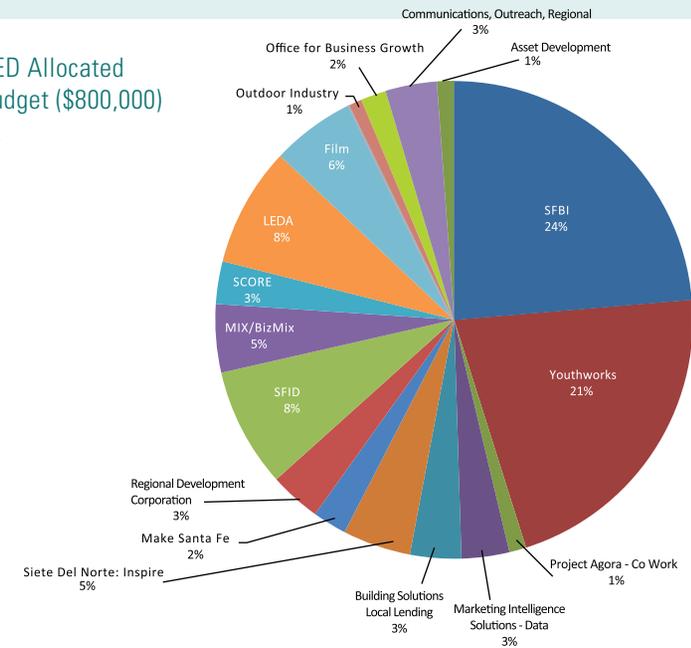
Although the OED is the only City Department focused exclusively on economic development, there are other City departments (and numerous organizations outside of the City government) that impact, oversee, or influence key elements of ED.

The Office, which reports to the Deputy City Manager, is budgeted to have a staff of 5 but currently has only 2 FTE economic developers and an interim Director. Much of its work is accomplished by issuing contracts to local Economic Development Organizations (EDOs) or contractors, and managing these contracts is a primary function that the department performs.

Committees that OED Participates in:

- City Business & Quality of Life (CBQL): Main committee of OED
- Economic Development Review Committee (EDRC): ad hoc committee for contract and legislative review
- Santa Fe Film and digital media commission
- Hospital study group
- Night Time economy task force (disbanded)
- Others, as directed by the Governing Body

Figure 1: OED Allocated Contracts Budget (\$800,000) By Recipient



OED Budget

The OED’s budget was approximately \$1.5 M in FY16-17.

Figure 1 shows how the OED’s contracts budget of approximately \$800,000 is currently allocated.

Because tactical and programmatic implementation of prior plans has ebbed and flowed over the years, the department has adapted to conditions on the ground by iterating on what has worked, learning from what hasn’t, and using national best practices to inform its work. As a result, OED currently operates by the following principles.

- Achieve ED goals by supporting organizations that carry out the day-to-day work.
- Be as entrepreneurial as the companies we support (stick to strategy but be prepared to pivot and adapt as required).

- Fund pilot programs to test new approaches.
- Embrace data driven decision-making.
- Focus on “what chose us” (bottom-up) rather than what we might choose (“top-down”) when looking to support industries or opportunities.
- Value the City’s role as convener and catalyst.
- Have a bias towards a “grow your own” approach to the economy rather than a reliance on recruiting businesses from outside the area.
- Support all local businesses, but prioritize “economic-base” businesses because they have a greater impact on the local economy.

The fact that the OED currently has several staff vacancies presents an opportunity to revisit how it operates, and the department is currently re-evaluating job descriptions.

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This economic development review began with a postmortem of prior ED Plans and a hard look at past activities of the OED. This assessment led to the conclusion that many worthwhile goals of past plans were never acted upon because of underlying structural or systemic factors. These roadblocks can be grouped under the general headings of policy, governance and metrics. If these are not addressed it is likely that an updated strategic ED plan will—like all its predecessors—fail to meet its full potential. This is Santa Fe’s economic development crossroads: confront systemic conditions that impede success or be doomed to repeat the past.

The problems of policy, governance, and metrics discussed below are intertwined. If they are addressed, it will be easier to make progress on strategic priorities in economic development and to resist the pressures of *ad hoc* distractions that can impede or derail the work of the OED and negatively impact outcomes.

Policy

The City of Santa Fe OED cannot be all things to all people, especially given limitations in budget and staff. This is a fundamental issue. It seems to be widely believed that OED is responsible for education, workforce development, infrastructure, training, business support, business recruitment, marketing, and providing staff as community liaisons for all issues that affect business. Although all of these are important aspects of economic development, not all of them can (or should) fall into the purview of OED. Many of these

critical issues span several City departments, or are better handled by external players. It is time to make hard decisions about where OED should focus its resources and efforts in order to have the greatest impact, especially given its modest budget of under \$1.5M. An underlying assumption is that it is smarter to do a few things well than many things badly.

Although a Santa Fe economic development strategy will provide a vision for the economy whose tactics are undertaken by a wide array of organizations, a key component of the plan is to prioritize and guide the work of the City OED. Once a new strategy is adopted, the OED must be empowered to allow these priorities to drive its work, rather than wasting scarce resources responding to requests relating to projects that do not advance the agreed-upon goals. Policy can help OED focus when *ad hoc* requests threaten to divert staff time, or when OED needs to make a decision to stop performing a certain function.

This need to focus was identified as early as the 2004 Angelou Plan, which noted:²

It starts with City leaders identifying and agreeing to long-term goals. All future City decisions should be checked against these aforementioned overarching goals. Only initiatives that work toward accomplishing the City’s long-term goals should be adopted.

A related policy issue is the need to find a

² Angelou Economics, *Cultivating Santa Fe’s Future Economy*, 2004. <http://bit.ly/2om4thU>

solution to a key organizational problem: how to manage vital ED work that spans City departments (such as OED and IT, zoning, licensing, etc.) or involves City departments working with external organizations. Too often there is not enough collaboration, no clear lines of authority, and no system that demands accountability if goals are not met. This is often true of ED elements that are absolutely critical, such as infrastructure, business climate, and workforce development. Traditional ED strategy methods will not solve this problem, which is a matter of organizational design, process improvement, and defining span of control.

Governance

A key aspect of governance is the need to develop a “smart civics” approach to creating and promoting a regional economic vision. The Brookings Institution, a thought-leader in economic development, believes that “smart civics” is one of the key requirements needed to craft strategies for economic growth. In fact, they note that:³

Inadequate attention to the civic nature of transformative change explains why so many economic development plans, as well as community visioning and goal-setting exercises, “end up in the graveyard,” as one regional business leader observed. Sustaining growth... has more to do with leadership, governance, and institutions. Regions that create high-level steering committees composed of corporate, political, and

³ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nkmNq7>

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philanthropic leaders, joined with broadly representative community partners, are better positioned to succeed—and to survive inevitable transitions in leadership. Without visible champions, such as prominent co-chairs, to reinforce the sense of urgency and centrality, even well designed plans can flounder or get lost amid other initiatives...

Research has suggested that regions with successful economic development strategies either used existing organizations or created new ones to provide the framework that allowed a wide range of businesses, community leaders, elected officials, and citizens to contribute to, endorse, and champion the plan.⁴

It is not sufficient to have a “broad tent” just to **create** the economic strategy; there needs to be **ongoing advocacy** so that all community leaders are on message about the vision for the economy and the City’s ongoing commitment to it. Such a structure can help ensure that there is accountability for the plan by setting up ways to regularly report on progress, and to convey a sense of urgency. This is related to internal marketing, as the Angelou Plan noted:⁵

4 An example of an existing organization that could take on the creation and championing of a plan might be an Economic Development Corporation (used in the Asheville, NC planning process) or a civic group with broad vision (e.g. Bend 2030, which advocates for ED efforts in Bend, OR). An ad hoc structure might be an ED Steering Committee created specifically to work on the plan (this is what was used in Ashland, OR). Summaries of and links to plans from these regions are included in the Literature Review document that accompanies this report.

5 AngelouEconomics, *Cultivating Santa Fe’s*

Internal marketing informs citizens and business leaders of the economic development vision and trains individuals to promote the community with a single message, rather than numerous ones that may dilute or confuse the core message. Internal marketing builds local awareness and buy-in.

A review of past Santa Fe ED strategies suggests that effectiveness may have been impeded by a lack of ongoing championing of the plan’s implementation, which resulted in a lack of awareness. For instance, although the 2004 Angelou Plan received input from over 1500 people when it was created, an article written in 2010 acknowledged that people often wondered “‘what ever happened with that Angelou Plan?’ A common perception is that the city has done little or nothing to complete it.”⁶ This quote also suggests that the public either didn’t know who was supposed to implement the plan, or that it assumed that implementation would be done by the City OED. The plan may have been viewed merely as a narrow, departmental work plan, rather than a broadly shared community economic vision implemented by a wide range of organizations.

A new strategic planning effort will need to

Future Economy, 2004 <http://bit.ly/2om4thU>

6 Kris Swedin, “Whatever Happened to the Angelou Plan: Do Economic Development Policies Matter?” *Greenfire Times*, November 2010. <http://bit.ly/2nklqaN> This article does go on to list a number of accomplishments of the plan, so lack of awareness should not be confused entirely with lack of impact, but clearly the plan did not have the broad resonance it might have.

propose mechanisms that can increase the likelihood of ongoing advocacy for the plan, as this may help ensure that there is a sense of urgency and community accountability around the plan’s implementation.

Metrics & Data

Metrics involve how to measure the outcomes of economic development efforts, while data refers to the information about inputs—or underlying conditions—that are used to inform ED efforts. Santa Fe is not unique in having difficulty determining the best ways of measuring performance. In the accompanying Literature Review there is a section on metrics that outlines some of the challenges that all ED organizations experience in this arena. As one study of ED measures has noted:⁷

Performance measurement is more complex and difficult in economic development than in many other fields. While economic developers play critical roles in the health of their communities’ economies, the results of their efforts often are not immediate or may appear disconnected from their efforts. Much of their high-value work involves building relationships and making connections, and this work may not pay off for months or even years. In addition, much of their impact is influenced by market, demographic, and other forces outside of

7 Economic Development Research Partners, *Making it Count: Metrics for High Performing EDOs*, February 2013. <http://bit.ly/2nED2lf>. See also: Brookings Institution, Performance measurement in economic development – even the standard can’t live up to the standard, August 2016. <http://brook.gs/2bRb78Y>

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their control. These are some reasons for continued use of old economic development metrics.

OED has often relied on ineffective performance metrics. One example of this is that, when looking at the job creation numbers of the ED organizations that OED supports, there is no way to account for duplication. So, if three different organizations assist a company that adds 10 jobs, each organization reports these jobs, skewing the data to make it seem as if 30 jobs were created. Santa Fe has to develop a better system of performance measures because the existing metrics drive a culture that incentivizes duplication of efforts and the delivery of general rather than customized economic development support for evolving business clusters.

Past ED strategies have often focused on aspirational priorities of policymakers, rather than capitalizing on what is organically maturing in our economy. One example of this is when prior plans recommended focusing on industries for which there was no critical mass or inherent advantage to build on. There were also no formal internal policies, driven by data-informed decision making, to adapt programming and support.

OED has already identified the fact that program improvement is hampered by lack of relevant knowledge and is taking steps to identify key data that can help drive decisions. As discussed in the accompanying Literature Review, there is a bias towards data championed by thought-leaders such as the Kauffman Foundation. In a recent

OED staff phone call about data, Rhett Morris, director of research for Endeavor Global and an expert in Kauffman methodology, noted that Santa Fe’s OED staff was already “90% ahead of other small municipalities and is on track to be a national leader in entrepreneurial programming.” OED believes that a priority moving forward must be to continue to implement data driven decision making.

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Background:

The goal of this report is to set the stage for a new ED strategic plan. A major part of the process will be facilitating conversations with elected officials, City leaders, the business community, regional Economic Development organizations, and others in order to establish the overall vision and goals of an economic development plan. A two-step process for accomplishing this is outlined in the section on Recommendations below.

As noted earlier, the City itself cannot undertake all aspects of economic development—from infrastructure to workforce to business support—so the plan will have implications for a wide array of organizations. One of the City’s most powerful roles, however, will be to bring together the people and organizations needed to set overarching goals and tactics for ED. This allows the OED to see catalytic opportunities, like the Railyard fiber optic buildout. According to the Kauffman Foundation:⁸

Government can both be part of the conversation and create a bridge to bring everyone in and start talking about solutions and strategies, as long as there is room for all parties to take action... Convening stakeholders and facilitating dialogue is an important role for local government. The best way for policy-makers to accomplish more is to bring in people—from biotech and unions, to corporate and university leaders.

Between staff expertise and key insights from prior plans there is a deep well of knowledge and community experience upon which a new planning effort can be based. The following section of the report is designed to introduce people who may not be familiar with economic development to key elements of ED and some regional strengths, weaknesses and opportunities and threats. It also includes an assessment of the shortcomings of prior plans that can be used to inform the new strategy process. These elements will all inform a new ED strategy. First, it might be helpful to summarize some best practices in ED planning.

WHAT DOES A GOOD ECONOMIC DEVELOPMENT STRATEGIC PLAN INCLUDE?

The following are some positive attributes that were identified in an assessment of the prior Santa Fe ED plans as well as “best practices” identified in the accompanying Literature Review. An updated Santa Fe ED strategy will need to incorporate these attributes, many of which address the previously identified problems of policy, governance, and metrics.

The most useful economic development plans do the following:

- Begin with an analysis of regional strengths, weaknesses, opportunities and threats (SWOT)

- Are designed and driven by data, rather than being “aspirational” (such as developing industries for which Santa Fe has no competitive advantage)
- Outline overall goals to which specific implementation tactics are aligned
- Outline roles, responsibilities and accountability for community implementation and delineate the capacity and resources for specific roles
- Outline specific measures/metrics of success and outcomes
- Outline budgets needed, identify funding streams, and acknowledge constraints
- Address the regional and multi-organizational nature of economic development
- Identify the specific need for partnerships with other ED entities
- Propose shared metrics to monitor success, adjust programming, or request more funding based on emerging needs
- Are spearheaded by civic champions, endorsed by a governing body, and widely embraced by stakeholders that are held accountable for performance
- Are flexible enough to allow for experimentation and innovation, but focused enough to prevent hijacking by frequent *ad hoc* requests

ASSESSMENT OF PRIOR ECONOMIC DEVELOPMENT PLANS

A key element of this project was to examine prior ED plans—both from the City and from other regional organizations—to see what lessons they could provide for the current planning effort. In fact, it was the disconnect between

⁸ Kauffman Foundation, 2015, *New Entrepreneurial Growth Agenda: Cities*; <http://bit.ly/2nBdiEy>

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the promise and the outcome of prior City plans that led this project to the conclusion that the structural issues outlined above, in policy, governance and metrics, were ones that would need to be addressed before a new plan could be successful. However, a lot of work went into all of these plans and their implementation, and there are many aspects of them that can be useful in informing a new planning process.

History of Prior City of Santa Fe and Local Economic Development Plans

In 2003, the City of Santa Fe began efforts to establish its priorities for economic development. In 2004, an 18-month process of stakeholder and community engagement and data analysis by an outside firm, Angelou Economics, resulted in the Economic Development plan known as the Angelou Plan. An article published in 2012 estimated that the plan cost just under \$95,000.⁹ The Angelou Plan was re-examined several times in the intervening years. The most recent planning effort was a draft plan created internally by OED in 2015 that was never formalized.

It was not feasible for this report to determine exactly what resulted from each plan, although clearly there was a flush of activity in the years immediately following the Angelou Plan.¹⁰

⁹ “Shadow Economy: Eight years ago, Santa Fe’s economic development plan was supposed to change the game. What happened?” *Santa Fe Reporter*, April 4, 2012. <http://bit.ly/2oDEce6>

¹⁰ A list of the plan’s outcomes can be found in: Kris Swedin, “Whatever Happened to the Angelou Plan: Do Economic Development Policies Matter?” *Greenfire Times*, November 2010. <http://bit.ly/2nklqaN>

Nonetheless, it is fair to say that there were missed opportunities, especially since so many of the key recommendations from multiple plans (such as beefing up marketing efforts and improving City operations relating to business climate) were never consistently implemented.

Several regional Economic Development entities have also produced strategic plans that have implications for Santa Fe, including:

- The North Central New Mexico Economic Development District (NCNMEDD) (2015)
- Santa Fe County (2014)
- Regional Economic Development Initiative (REDI) (2008)

Another effort that will inform a new Santa Fe ED strategy is the work of the New Mexico Jobs Council, a bipartisan body created by the NM Legislature in 2013.¹¹ The Council is charged with identifying strategies to help the entire State of New Mexico get back to pre-recession job levels. Its focus is on the creation, support, and attraction of economic-base jobs.¹² The Council advocates a two-pronged approach of helping existing business and startups grow and recruiting businesses in key industries. The Council has concluded that Santa Fe County would need to create 9,639 jobs over ten years to account for population growth, attrition and unemployment. The City’s new economic development planning process will need to look at the

¹¹ Various reports from the Jobs Council can be found at <http://bit.ly/2oDjKKq>

¹² Economic-base jobs are those that are created when a product or service is sold outside the community, bringing in “outside” money. Most economists believe that economic base jobs are one key to a healthy economy.

work of the Jobs Council in order to evaluate where it makes sense for Santa Fe to focus in order to take advantage of state policies, support, and funding relating to the Council’s recommendations.

Shortcomings of one or more of the Prior City ED Plans

A chart summarizing some key strengths and weaknesses of prior plans is included in Appendix A. One conclusion from a postmortem on the plans was that—in many cases—they did not:

- Include implementation plans that assigned roles and responsibilities
- Address accountability or define who would do what
- Address issues of how the structure of and communication between City departments (or between the City and external organizations) needs to be organized in order to ensure goals are met
- Tackle budget issues or try to understand the various sources of funds that support economic development
- Define industry clusters based on inherent strengths, but on “aspirations”

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ENVIRONMENT FOR ECONOMIC DEVELOPMENT STRATEGIC PLANNING: SWOT

This brief assessment of Santa Fe’s strengths, weaknesses, opportunities, and threats is not meant to be comprehensive, but to provide a quick overview of the environment in which economic development in Santa Fe occurs. A full ED strategy will need to fully evaluate these and other factors in order to recommend how Santa Fe can leverage its strengths, maximize its opportunities, and mitigate its weaknesses.

Strengths

Brand/reputation
Quality of life
Diversity
Environment
Business support infrastructure
Creative/smart residents
Tourism
Growing nexus of innovative businesses
Educational institutions

Weaknesses

Lack of diversity in economy
Low educational attainment
High cost of living
Low wages
Lack of critical mass in business sector
Business climate
Demographic trends
Mismatch of worker skills/business needs
Lack of widespread hi-speed broadband
Status quo thinking
No sense of urgency
NIMBYism

Economic Divide
Lack of focus
Lack of accountability
Silo-ed ED community
Lack of access to appropriate capital
Lack of budget for ED
No history of working as a community on shared goals

Opportunities

Improve marketing
Leveraging buzz, tourism, recent successes
Talent recruitment/development
Systemic solutions to ED
Improvement in governance for ED can help make efforts more unified
Accountable implementation
New financing mechanisms for business
Focus on inclusion

Threats

Economic downturn
Change in Federal or state policy
Reliance on traditional tourism

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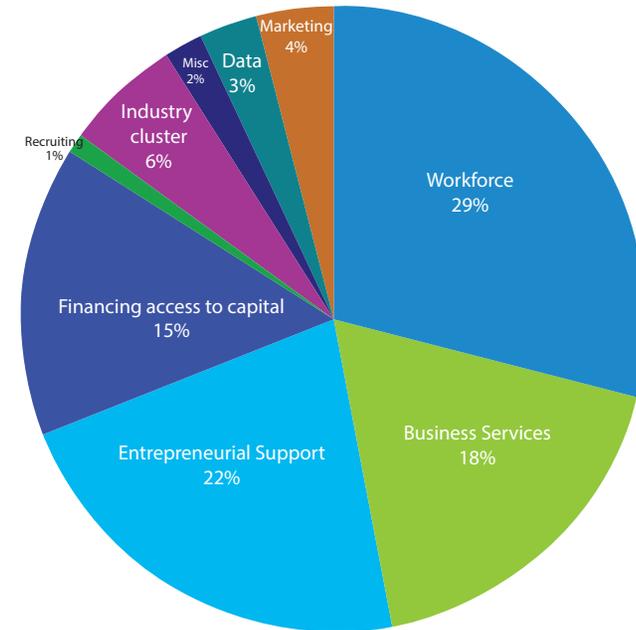
KEY ELEMENTS OF ECONOMIC DEVELOPMENT

This summary of the key elements of economic development comes from assessments of prior ED plans, best practices research, and staff knowledge based on years of experience. It is meant to provide insight into the various components of economic development—even those that are beyond the purview of the OED. One of the goals of this overview is to create a common body of knowledge about these topics. This is important because the term “economic development” means many things to many people, and more in-depth descriptions of the various components allows for a more informed and nuanced conversation about the topic.

The second role of this section is to describe what the OED currently supports in a particular area and to present the OED’s point of view about each topic. It is key to remember that an ED Strategy will define work performed by community organizations beyond just OED, so many of the topics here are ones where the new strategy must delineate the optimal role for OED and other players, even though in many cases there may be no practical role for OED.

Figure 2 provides an overview of OEDs contract spending in the different areas of ED described below, to provide a picture of the current areas of focus.

Figure 2. FY 16-17 - OED Allocated Contracts Budget (\$800,000) By Program Area



Entrepreneurial & Business support

Currently funded in this arena: OED’s Office of Business Growth (OBG), Santa Fe Business Incubator (SFBI), bizMIX, MIX, SCORE, co-working space feasibility study.

OED believes that supporting entrepreneurs, startups, and existing businesses is a core function, and anticipates continuing to fund partner organizations that provide services (such as mentorship or training) to these groups. It also expects to maintain an internal capacity to direct businesses to the best forms of support and to help them navigate City bureaucracy or State LEDA funding opportunities via the internal Office of Business Growth (OBG).

Although the OED is charged with assisting **all** businesses, there has historically been a focus on allocating the majority of OED’s scarce dollars to supporting organizations that assist **economic-base businesses**. These are businesses that generate revenue primarily from **outside** the region. This could include a business that manufactures here and sells out of state, a consulting firm whose clients are from outside of New Mexico, a company that derives a lot of revenue from government contracting, or a tourism-based business. Most economists believe that economic base businesses have an outsized impact on economic growth due to “multiplier effects”.

Industry clusters

Currently funded in this arena: OED currently funds the SF Film Office. OED staff plays a role in organizing the High-Technology Roundtable.

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Too many past ED plans expended a lot of effort in identifying industry clusters based on what policymakers *wanted to see*.¹³ Although it might be tempting to state that Santa Fe should be a hub of water conservation technology, the truth is that when the proposal was made to focus on this cluster in a prior plan, Santa Fe did not have a critical mass of existing companies working in this arena. So it was no surprise that this cluster never developed.

By placing too much emphasis on industry clusters, the region also risks telegraphing that certain types of companies are more viable or preferred over others. As Daniel Isenberg, a professor at Babson College, put it:¹⁴

...Don’t prioritize specific sectors. One of the drawbacks of popular cluster strategies is that prioritizing sectors serves as a signal to entrepreneurs about where they should seek opportunity: currently, clean tech and mobile applications, for example, are *de rigeur*. Tomorrow it may be space travel. But you should ask, not tell. It is the entrepreneur’s job, not City Hall’s or that of a consulting firm, to learn how to identify opportunity, usually where most people think it doesn’t exist. In fact, many of the great opportunities defy definition

¹³ For a glimpse of the various industry clusters that have been proposed in prior ED strategies, see the chart on page 10.

¹⁴ Daniel Isenberg, *Planting Entrepreneurial Innovation in Inner Cities*, Harvard Business Review, 2012. <https://hbr.org/2012/06/planting-entrepreneurial-innov>

and lie in the creative “inter-sectors”: health care and the environment; real estate development and information technology and cleantech; education and mobile communications.

This does NOT mean that an ED strategy should be blind to existing or emerging segments where Santa Fe may have strength. OED and other ED organizations need to be aware of such opportunities especially where there may be ways to design programs to support the unique needs of the cluster. Examples of clusters of strength include technology and creative-based businesses, and possibly small manufacturing (technology-based, food/beverage, artisanal products), healthcare, location-neutral businesses, solo workers, and exported services.

One role a government entity can play to support a cluster is in **convening** the participants. This is why the OED created the Technology Roundtable: to bring together local tech companies based on research that suggests that when people in the same industry ecosystem get to know each other, the more they can learn, collaborate, and grow their businesses.

Financing/access to capital

Currently funded in this arena: Venture Acceleration Fund, MIX’s bizMIX competition; OED is currently funding a feasibility study to identify key business financing elements that are weak or missing (this a follow-on study to the 2016 Public Banking study, also funded by the OED).

Business financing is usually addressed by the private sector via banks, microlenders, venture capital, Angel investors, or Community Development Finance Institutions (CDFI’s).

In general, the City should not substitute for (or compete with) financing mechanisms that already exist, but may have a role to play when institutions are not meeting local needs. This is the rationale behind OED funding the bizMIX business competition (which awards cash prizes donated by local businesses) and the Venture Acceleration Fund (which provides non-equity funding to growth oriented companies that are too early for—or don’t need—venture backing but are not ready for debt financing). Both programs fill a gap in the local financing ecosystem and avoid appearances of conflict of interest or favoritism by relying on funding decisions made by a panel of business owners and experts.

Marketing

Current work: No marketing work is conducted by OED staff at this time. Some budget is spent on sponsorships of events.

Although OED has engaged in significant marketing efforts over the years, recently there has not been staff or budget to properly address marketing and communications. With an adequate budget, there are many short- and medium-term opportunities for OED to play a critical role, such as serving as a key community marketing hub to help local economic development organizations extend their marketing reach.

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Several of the prior ED strategies have suggested that the City take a lead role in marketing communications for the overall community economic vision. As early as 2004 Angelou identified the key issues:

Outside of the region, Santa Fe is faced with another issue. While Santa Fe is well-known throughout the world for its southwestern style and arts, little is known about Santa Fe as a business location...Before the city can launch an effective economic development campaign - whether its focus is local entrepreneurship, expanding current businesses, or recruiting new ones - all organizations related to economic development must commit to a single strategy for the community. Communities benefit from a well-orchestrated marketing strategy that is managed by one organization.

Convening

Currently funded in this arena: Technology Roundtable; staff time for participation in other regional initiatives.

OED has always been alert to potential roles it can play in convening groups of companies or ED organizations. The Technology Roundtable (mentioned above in the section on “Industry Clusters”) is one such example. The department has also held *ad hoc* convening events related to other industry clusters.

In addition to convening its own grantees from the EDO community, OED also participates in efforts led by other organizations, including

the Santa Fe Chamber of Commerce and the Regional Development Corporation, to bring EDO partners together for communication and to identify common concerns.

The **convening role acknowledges the fact that** OED does not and cannot perform all tasks that advance economic development.

In many cases OED can add more value by bringing the right organizations together to craft strategies and actions informed by awareness of local conditions and knowledge of best practices nationally. Research by the Kauffman Foundation suggests that convening is one of the most valuable roles for a municipality to play in economic development, and one whose benefits can go beyond the mere stated outcomes of a project. For instance, when explaining the success of one community’s entrepreneurial activities, they noted:¹⁵

Just as important as the knowledge generated through these meetings, the simple act of convening strengthened the communities in question— deepening connections, creating some first-time face-to-face relationships, and galvanizing actions by the individuals and businesses involved.

Recruiting

Currently funded in this arena: Providing information when companies express an interest in relocating to Santa Fe.

Although the original Angelou Report from 2004 recommended that Santa Fe abandon **active** efforts to recruit companies, in 2014 several local ED organizations including OED began an effort to recruit companies in the outdoor recreation products manufacturing industry. This was based on the fact that a successful distributor of bicycle parts (BTI) had decided to relocate here. In 2014 and 2015, OED staff, along with staff from Santa Fe County, the Regional Development Corporation, and the NM Partnership (the state-funded organization charged with marketing New Mexico as a business location) participated in outdoor industry trade shows to market Santa Fe as a location to do business. **The project involved duplication of effort, confusing communications to potential recruits, and a lot of staff time, without any real results.** In the past 5 years, neither OED nor the State has recruited an out-of-state company to Santa Fe.

The downsides of recruitment include the high expense of travel and chasing leads, Santa Fe’s perceived shortcomings as a place to do business (e.g. distance from population centers), and the fact that many relocating companies expect costly financial incentives in order to relocate here. In some cases, by recruiting an outside firm, a community can be rewarding a company who competes directly with an existing local company who has not received similar support. Many companies whose only incentive is a financial inducement do not have a lasting tie to the region and, as Albuquerque has seen, will quickly leave, taking their skilled workers and tax revenue with them.

¹⁵ Kauffman Foundation, 2015, *New Entrepreneurial Growth Agenda: Cities*; <http://bit.ly/2mTsxLS>

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Assisting 50 local companies to create 2 jobs each will ultimately have a greater positive local economic impact if the firms succeed—and a less disruptive impact if they fail—than will recruiting one company that adds 100 jobs but who could leave the area (or go out of business) in an instant.

Unless a new ED strategy makes a different recommendation, OED will not work to actively recruit companies (in line with the original recommendations of the 2004 Angelou report). However, the City must be prepared to respond to requests for information in those cases where a company expresses interest in relocating here, which is why an updated policy on incentives—to spell out whether and how Santa Fe should incent companies to stay or relocate here—is needed.

It is possible that recruiting key supporting organizations such as hospitals, think-tanks, or higher-educational institutions—as opposed to individual businesses—may create a greater impact at a lower cost than recruiting companies. This is a strategy that the new ED planning process should investigate further.

Data Driven Decision Making

Currently funded in this arena: OED is currently funding a contractor to gather more detailed data on the entrepreneurs and start-ups assisted by City-funded EDOs in order to better understand current trends.

The importance of data was discussed in the section on “crossroads” issues. Data will help identify what conditions we actually have

on the ground as this can inform more “bottom up” programming that meets the current needs of businesses and entrepreneurs. This is a different way of viewing the world than prior approaches, which defined industry priorities based on aspirations, or what policymakers or community leaders desired to see.

For example, many thought leaders in ED have called for communities to explore the issue of inclusion, by crafting policies that benefit groups of citizens who may have been left out of prior ED efforts. The call for inclusion, coupled with the fact that immigrants are almost twice as likely to start businesses as native-born Americans, suggests that a new Santa Fe ED strategy should consider collecting data to inform possible future programming that could be implemented by numerous EDO’s to reach this demographic.

As discussed in the section on data/metrics above, a lot of effort goes into collecting metrics that do not necessarily measure anything worth knowing. The new ED strategy will need to recommend a new set of outcome measures.

Workforce

Currently funded in this arena: Youthworks! Siete del Norte mentoring program, Make Santa Fe Makerspace. OED staff members also participate in efforts by the SF Community Foundation to establish goals in a “birth to career” collaborative.

Developing the right workforce, attracting the right talent, and providing job opportunities for

citizens is a vitally important role of economic development. However, the problem is so large and there are so many other organizations dedicated to workforce development that it is time to define the correct role for the City to play, in order to focus and leverage scarce resources. For the last several years, more than 29% (or approximately \$240,000 annually) of OED contracts have gone to support workforce efforts.

Localism

Currently funded in this arena: No budget is currently deployed, although OED staff members have advised leadership and recommended pathways relating to localism.

A relatively new approach to ED emphasizes “localism”—the attempt to encourage more local spending. A localism strategy could encompass anything from encouraging schools to buy locally-produced food, to beefing up local preference clauses in government contracts, to getting more workers employed in Santa Fe to live here rather than commute in from other counties.

A local non-profit, Impact Network SF, recently funded a study of the SF economy that concluded that 48 cents of every dollar that residents spend “leaks out” of the local economy when goods and services are purchased from outside the region. According to this study, Santa Fe County overall could add over 4600 jobs and \$214 million in new wages if only 10% of this trade deficit was converted to local purchasing.¹⁶

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Education

Education is widely accepted as a key underpinning of a strong economy. A well-educated population forms the basis for a local workforce and education is an aspect of “quality of life.” There are anecdotal reports of companies having difficulty recruiting for key positions because people are hesitant to move to Santa Fe knowing that they may need to put their children in public schools. However, most of the organizations in the educational ecosystem are outside the control of the City or any other single entity. The Angelou Plan’s recommendation that “the community will place an increased value on education,” while a noble goal, was difficult to implement when there was no organization assigned to advocate for it. The recent role that OED has played in education has been to advocate through community initiatives and local partners that local colleges and schools increase computer coding training opportunities. This is an example of how OED can play a role by knowing what has worked elsewhere and suggesting how it might work in Santa Fe.

Business Climate

The issue of business climate and Santa Fe’s perceived “business unfriendliness” is an issue that comes up repeatedly, and most of the prior ED strategies have identified this as a key weakness.

The issues—which include high impact fees, inconsistent zoning decisions, slow approval processes, and a general “tin ear” when the

City makes decisions that impact the business community—stem from multiple decisions made by a variety of players. Solutions can range from the complex, such as making legislative changes, to the relatively simple, like translating key documents into Spanish or making process checklists for agencies that administer approvals.

Although OED is on the front line for receiving complaints and seeing the negative impacts of this business climate, the department is fairly helpless to actually solve the problem. One reason that the problem persists is that the issues that cause the most difficulties span multiple City departments.

Some progress has been made; for instance, OED’s Office of Business Growth (OBG) recently worked with a CBQL Subcommittee to identify some strategies to improve the business licensing process in the City. However, all too often good ideas disappear into the “recommendations graveyard” where solutions go to die because there is no structure or policy in place to take responsibility for them. An attempt to identify and implement structural “fixes” to the key business climate problems could be a useful place to start in the effort to establish accountability and drive change in areas that span several City departments. A new citywide Enterprise Resource Planning software system currently in the planning stages may address some of the problems, but if the underlying organizational systems are weak, software will not be a complete fix.

Infrastructure

Infrastructure includes elements such as land, real estate, transportation, utilities, and internet. Clearly infrastructure is a key component of economic development and the OED has been involved over the last four years in efforts to enhance broadband services in Santa Fe.

However, there is a need to clarify the role of the OED in funding or managing infrastructure projects. Given the current staffing levels and a resource-constrained environment, it may make more sense for OED to be at the table when projects are assessed but to reduce or eliminate its role in actually managing and funding infrastructure projects. This points to the larger issue that there needs to be a new system to handle important ED issues that span a number of City Departments and regional players.

Tourism

Although tourism contributes directly to the economic health of the community, OED does not play a consistent, funded, or direct role in tourism because there is a fully funded Department of Tourism. The two departments do communicate and coordinate.

Quality of Life

Like infrastructure, “quality of life” elements such as affordable housing, recreation, libraries, parks, and trails contribute to economic development, but the OED plays no direct role in overseeing them. OED needs a “seat at the table” when quality of life issues are being discussed, but does not (and should not) control the entire process.

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The Resolution instructed the OED to determine what would be needed to generate a new Santa Fe Economic Development Strategy. As this report has suggested, Santa Fe should consider approaching the planning process differently than it has in the past. Here is how the Brookings Institution views this process.¹⁷

Undertaking transformative economic change requires developing a sense of urgency and high visibility. That starts with an economic narrative grounded in hard data and clear-sighted assessment of the region’s competitive strengths and weaknesses—gauging how it really stacks up in the global economy and where there are challenges and market failures to address. Data can dispel illusions and overcome complacency. Lack of solid data and analytic capacity can stymie regions at this initial stage. Establishing a common economic narrative brings leaders and the community together to mobilize action.

The difficult task is determining what the overall goals for Santa Fe’s economy should be and designing the correct governance structures to support the vision. Once these challenging tasks are accomplished, developing the specific strategies and tactics is not actually that complex. **In other words, it is easier to map the journey once there is a consensus about where the bus should go and who is driving.**

¹⁷ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nkmNq7>

Given the current staffing levels of 2 FTE’s and the lack of a permanent Director for OED, this report advocates for a two-stage process.

PHASE 1: SHORT TERM

This report proposes starting the process with a deep dive into the actual economic conditions in Santa Fe. Using existing departmental and community funding, OED could issue an RFP for an economist familiar with New Mexico to paint a detailed and honest portrait of Santa Fe’s economic conditions of health. There is available budget at OED to engage an expert to accomplish this within a few months.

The resulting economic study could be used as the basis for an Economic Summit that would bring together community leaders and stakeholders (and even national economic development experts) to map consensus pathways by tackling the hard questions about what is possible to achieve with our limited resources by connecting our entire community. This process could achieve two things:

1. Contextualize our economic health
2. Galvanize the community around goals based on a shared data set

This quote describes how a process like this might work. In this particular case (from Minnesota) the goal of the community was to redefine economic development to explicitly address issues of inclusion and equity for all citizens, although presumably the process would be similar no matter what the overarching economic goals were.¹⁸

¹⁸ Amy Liu, “A Blueprint for More Inclusive Economic Growth,” *Harvard Business Review*, March 3, 2016.

Promoting economic inclusion begins with agreeing on goals. In Minneapolis–St. Paul, a diverse set of stakeholders from economic development, philanthropy, business, government, and community development came together to reach consensus on more than 50 indicators of economic, social, and environmental progress that will guide their regional strategy. With inclusion as a fundamental goal, they settled on a core mix of metrics to measure innovation, talent development, job access, and job quality while increasing attention to measures of poverty and inequality based on race. The new regional dashboard includes indicators such as “percent of foreign-born population aged 16–64 who are working” and “employment gap between whites and people of color.” Progress on economic inclusion cannot begin until stakeholders across a region agree on collective goals and set out to achieve them.

By putting real data in front of a diverse group of community leaders, there could be a thoughtful discussion about the overall vision for Santa Fe’s economy moving forward. It might be determined that the current ED goals of diversifying the economy, focusing on economic-base jobs, and supporting entrepreneurship are the right ones for Santa Fe. **But it seems worthwhile to at least stop and consider whether the desired outcomes should be reframed to encompass inclusion, equity, and making sure that the economy is healthy for all.** This <http://bit.ly/1p7B0lh>

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is especially true given Santa Fe’s unambiguous economic divisions.

The process might even identify key people or organizations with enough passion and dedication to play a leadership role in advancing the economic vision—something that seems to have been absent from earlier plans. But even if an accountable leadership group does not emerge, a solid foundation of economic data and agreement on the overall goals of ED will go a long way to informing the actual process of finalizing tactics and projects.

It may be extremely difficult for Santa Fe to galvanize around a large initiative like this, but just having the right data and a context will be useful for meaningful conversations.

Here is how the process of generating a regional economic dashboard (used to track economic progress) benefited Minneapolis:¹⁹

The first initiative coming out of Minneapolis-St. Paul’s regional economic strategy was not a new skills effort or an infrastructure plan. Instead leaders behind the strategy unveiled a “Regional Indicators Dashboard,” a detailed set of measures that can be tracked over time to assess the strength of the regional economy in providing sustainable growth and opportunity. Though the idea of a dashboard may

¹⁹ Amy Liu and Rachel Barker, *To drive the economy, Minneapolis-St. Paul looks to the dashboard*, June 16, 2015. <http://brook.gs/2nAdR0Q>. See the actual dashboard here:<http://bit.ly/2nAje0E>

seem humdrum, this particular one is unique in its drive: Get multiple organizations and leaders to agree on common performance outcomes for the region to better align often conflicting priorities and disconnected strategies...To ensure the dashboard translates into action on the priorities it outlines, the partners will form a Regional Competitiveness Working Group to track and share progress.

To summarize, Phase 1, or “Data Driven Decision Making,” is designed to address two limitations of prior plans identified in this report by:

1. Basing a strategy on real conditions, with real time information
2. Developing the right civic body to govern, guide, advocate for and raise the visibility of an economic vision.

PHASE 2: MEDIUM TO LONG-TERM

Following Phase One, once there is a new permanent Director of OED and the current staff vacancies are filled, it will be easier to move on to the next task—actually drafting the plan. This could be accomplished either by issuing an RFP for a single consulting group to oversee the entire process, or by relying on a fully-staffed office, most likely supplemented by smaller consulting contracts to fill specific knowledge gaps.

The work in this report has gone a long way towards understanding some specific items that would need to be addressed into the new plan, but the results from Phase 1 will be critical in determining the exact scope of work.

A lot of research went into prior City and regional plans, and many ideas from these plans may still have viability. Results from the current fiscal year OED-funded Co-working, Data Analysis, and Financing projects will also inform the planning process, as will the New Mexico Jobs Council priorities.

Consultant-managed Process

A benefit of using outside consultants is their expert knowledge of the relevant topics and broad insight about what has worked—and not worked—elsewhere. Downsides include the overall cost, the length of time needed to get a contract in place, and the length of time for the contractor to get up to speed about our environment and culture if they are not a local firm.²⁰ Another danger is that economic development consulting firms may have a tendency to favor strategies that they devised for other communities, even if those strategies are not relevant for Santa Fe.

Staff-managed Process

The benefit of a staff-managed process is that it will cost considerably less and reflect an in-depth knowledge of conditions on the ground. Limitations of this approach are that

²⁰ As noted earlier, an article cited that the cost to produce the Angelou report was \$95,000 in 2003-4. This number has not been verified, but does give a feel for overall costs.

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it may take some time for a new permanent OED Director and new staff to balance current portfolios of programming in order to prepare for this significant ED planning initiative.

An internal effort would still require supplemental support and outside expertise in areas such as survey design, facilitation, or research, but these would be smaller, more focused contracts—at an overall lower cost—than what would be required to hire a consulting firm to generate the entire strategy.

Potential Tasks for Strategic Planning

No matter whether the process is managed by a consultant or OED staff, Phase 2 will involve more research, fact-finding, and analysis. The specific tasks will be informed by the results of Phase 1, so cannot be known with certainty at this time, but based on findings in this Report, the following are some tasks that might be undertaken in this phase.

1. Address the issue of implementation: Who does what, budgets, accountability, oversight, timelines, milestones, etc.
2. Address policy issues, primarily where OED needs to focus in order to deploy its scarce resources effectively.
3. Make a recommendation about City policy on business recruitment (passive versus active) and on the viability of recruiting anchor institutions (such as think-tanks, R&D facilities, healthcare facilities, etc.).
4. Recommend where OED should focus its business expansion efforts (to support local businesses who want to grow) for maximal effectiveness.

5. Review existing City of Santa Fe Business Incentives (Industrial revenue bonds, loans, grants, etc.) and best practices nationally to inform a discussion about and updating of the City’s policy on incentives.
6. Oversee an effort to identify specific areas where City practices (zoning, licensing, regulation, impact fees, etc.) negatively impact local businesses and identify possible solutions.
7. Make recommendations for support of what appear to be emerging industry clusters, e.g. small manufacturing (technology-based, food/beverage, artisanal products); exported services; healthcare; solo-workers, and others that might be identified.
8. Make recommendations for ED performance metrics. Determine the labor, budget, and tracking/reporting systems needed to maintain these metrics.
9. Research and recommend approaches to the goal of inclusion in ED, addressing issues of opportunity for low-wage workers, immigrants, Spanish-speaking entrepreneurs, and other groups.
10. Make specific policy recommendations about the role of OED, other City departments, and outside organizations in span of control efforts.
11. Follow up on the current study of gaps in the local business-financing ecosystem. Identify proper role for City in financing for companies.
12. Identify optimal role for City in supporting efforts to boost local purchasing.
13. Make recommendations on the best role for the City to play in the area of workforce development.

14. Determine the proper role for the City in supporting physical spaces for co-working, entrepreneurial activities, etc. This will be informed by the currently funded Co-working Space feasibility study.
15. Make recommendations about the role of OED in and with tourism.
16. Identify specific areas for partnership and synergy with SF County ED and other regional ED entities.
17. Develop overall marketing strategy. Make recommendations about the advisability of marketing the region to entrepreneurs, “boomerang millennials,” retirees, or others.
18. Identify a strategy for building-out existing convening programs.
19. Identify government, Foundation or other external sources of grant funding to advance OED priorities.

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In the process of addressing Council’s request to present a path forward for a new ED strategy, this assessment identified the underlying issues that have impeded the effectiveness of Santa Fe’s ED efforts and reduced the impact of prior ED plans.

The core issues identified—of governance, policy, and metrics—need to be addressed as part of any future ED strategy. The report also found that the lack of implementation plans that addressed accountability, budgets, and the multi-organizational nature of ED ensured that prior ED strategies did not meet their full potential. Today, Santa Fe’s economic development crossroads is that if these systemic problems are not addressed, even the best-designed strategic plan will fall short of its potential.

Between staff expertise and key insights from prior plans there is a lot of background knowledge upon which a 2017 ED planning effort can be based. Given the current state of the OED Department, which is short-staffed and lacking a permanent Director, the report recommends issuing a contract for an in-depth economic assessment of Santa Fe as a first step on the new planning process.

Even though the City cannot undertake all aspects of economic development, the City can play a unique and powerful role in convening local leaders and organizations to establish overarching goals and tactics for ED. If Santa Fe can learn from past mistakes, it will be better situated to ensure that a new ED strategy meets its full potential. The goal

of an improved Santa Fe economy is worth the hard work of instilling a sense of urgency, common purpose and accountability in the community.

Part 6: Appendix A. Key Features of Prior ED Plans

DATE	PLAN TITLE	CONTEXT/THEMES/GOAL	STRENGTHS	WEAKNESSES	LINK
2015	Santa Fe working draft	Diversify and grow the economic base Attract and retain talent Enhance entrepreneurship	Outlined overall goals, tactics to advance goals, key principles, and values Identified the need to create well-defined metrics for ED Identified a "local" purchasing/reducing leakage as one element of ED strategy	Did not assign roles and responsibilities or address budgets Did not prioritize goals Did not specify timelines	N/A
2015	North Central New Mexico Economic Development District ED Plan	A regional plan 1. Healthcare and social services 2. Tourism and recreation - cultural and visitor based 3. Renewable energy/green industry 4. Technology- emerging high tech, information tech and data 5. Agriculture 6. Digital media/film 7. Education 8. Exported services (financial, research, environmental) 9. Government 10. Solo-workers - independent workers suitable for the District geographic environment	Conducted a fairly detailed SWOT analysis of the region ID'd the potential of recruiting, linking and training solo/ location-neutral workers to fill the needs of other businesses (e.g. specialized accountants or lawyers to support film industry) ID'd the extent to which Santa Fe imports labor from surrounding counties	Did not address the funds needed to achieve outcomes	
2014	Santa Fe County ED Plan	1. Agriculture 2. Arts and Culture 3. Ecotourism and outdoor recreation 4. Film and media 5. Green Industries (especially building, energy and water) 6. Health and wellness	1. Categorized proposed strategies into a portfolio of "game changers," "capacity builders," and "quick wins" 2. Provided clarity about what the role of SF County govt should be in a particular project (e.g. legislation, investment, collaboration, and/or facilitation) 3. Identified specific tactics and provided estimates for funding and other resources needed to implement	Seemed fairly ambitious given the small staffing of the County ED Department	http://bit.ly/2no7PjA
2011 2012	City of Santa Fe- Plan update	Identified these recurring themes in past plans 1. Entrepreneurship development 2. Small business support and Assistance 3. Business Licensing 4. Infrastructure; specifically broadband 5. Comprehensive, effective communications strategy	Encouraged the city to work with other local and state efforts to maintain gains in ED	Emphasized recruitment, even though this was not an Angelou priority, but did not outline the rationale for this emphasis or address the issue of how recruitment would be done	N/A
2011	Santa Fe Future Economy sub-committee report	1. Began as an effort to update Angelou, with the aim of proposing tactics that could be implemented within 1-3 years 2. Group of 10 people including 2 city staff and 5 members of BQL came up with the plan 3. Identified key role of City as convener and facilitator of partnerships 4. Bolster entrepreneurship via funding an "innovation hub" or "sandbox." 5. Improve marketing efforts, celebrations and buzz (e.g. creative index). 6. Create ways to connect emerging sectors	Addressed funding issues and proposed budget allocations, revenues and partnerships for proposed actions	Took an aspirational "top down" approach e.g. stated that one goal was creating new businesses at the intersection of art and technology, but didn't give examples of how this might work	N/A

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DATE	PLAN TITLE	CONTEXT/THEMES/GOAL	STRENGTHS	WEAKNESSES	LINK
2009	REDI Regional ED Strategy	Created by the REDI regional consortium. Designed to be a plan for Santa Fe, Los Alamos, Rio Arriba, and Taos Counties as a region	<ol style="list-style-type: none"> 1. Acknowledged that clusters that are activated from within and naturally occurring are better than ones imposed by government from above. 2. Acknowledged that its clusters are mainly “pre-clusters” or “emergent” 3. Focused on scaleup companies: emphasized helping selected cluster companies grow. 4. Provided a detailed SWOT for some clusters 5. Identified specific companies in at least some clusters 	Methodology for prioritizing top 4 clusters seemed based more on what public officials wanted to see than on where the region had inherent strengths	http://bit.ly/2odLnND
2008	Strategy for implementation, Angelou update	Created to follow-up on and develop a system for vetting projects for funding associated with the Angelou plan IDENTIFIED THREE CORE AREAS: <ol style="list-style-type: none"> 1. Business development 2. Workforce development 3. Sites/infrastructure development 	<ol style="list-style-type: none"> 1. Based on discussions with businesses and other economic development organizations 2. Clearly outlined what the City staff activities versus partner activities 3. Set some specific staff workload targets 4. Clearly stated that projects will be chosen with an eye towards the best outcomes for the cost 5. Created very specific target goals for job creation, wage increase, etc. 6. Identified the importance of partnerships 7. Adopted a “portfolio” approach to economic development projects funded by the City, along the axes of resource needs and outcomes with the three core areas of business development, workforce development, and sites and infrastructure 8. Proposed a process for allocating funds from the City Economic Development Fund(EDF) 	<ol style="list-style-type: none"> 1. Did not address inherent limitations in some of the proposed metrics 2. It is unclear whether there was a process for following up to see what progress was made on goals in subsequent years 	http://bit.ly/2nnHrFP
2004	Angelou Plan	The city’s focus should be more on creating a climate that is ripe for entrepreneurship and small business success than on recruiting large companies. INDUSTRY CLUSTER RECOMMENDATIONS FOR PRIORITIZATION <ol style="list-style-type: none"> 1. Arts and culture 2. Design 3. Hospitality 4. Conservation technologies 5. Software development 6. Publishing and new media 7. Outdoor gear and apparel 	<ol style="list-style-type: none"> 1. Rejected traditional recruiting as the mainstay of ED efforts 2. Encouraged passive recruiting (responding if companies choose to move here but not actively seeking them out) 3. Suggested a broad array of metrics 4. Identified the need for funding 5. Focused on the importance of marketing 	<ol style="list-style-type: none"> 1. Aspirational rather than “data driven.” For instance, spent a lot of time focusing on industries that might have been nice for Santa Fe to have, but for which there was no inherent strength, (e.g. water conservation technologies) 2. Focused on elements like grade school education which are clearly important but beyond purview of City ED planning 3. Made assumptions about the quality of local workforce that were not documented 4. Did not address structural issues (e.g. many aspects of ED reside outside of the OED Department, but no mention was made of how City Departments would work together, or how OED would interact with other regional entities) 5. Did not outline clearly defined roles, responsibilities, and accountability for implementing 	http://bit.ly/2om4thU

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Glossary of Terms

1099 worker (related terms/categories include worker in the “gig” economy, corporate nomad, “location neutral” worker, solo entrepreneur)—These are workers who either work under contract for other businesses (and whose wages are reported on a “1099” tax form) or who live here but work for a corporation located elsewhere. These workers are often incited by “quality of life” issues, and may seek out Santa Fe for that reason. They often bring in revenue from outside the region and spend it here. 1099 workers may also collaborate with other 1099 workers to bring new companies into existence or serve as a source of talent for local companies.

Angelou Plan—Santa Fe’s comprehensive economic development strategy from 2004. The plan has been updated—formally and informally—since then.

Boomerang Millennial—A person (especially one in their 20s or 30s) who grew up (or went to college) in Santa Fe, went away, and has now come back. Often these people bring businesses with them, or start businesses once they come back.

CBQL—City Business & Quality of Life Committee, the main OED committee.

Economic Base Jobs—Jobs that are created when a product or service is sold outside the community, bringing in “outside” money. Most economists believe that economic base jobs are one key to a healthy economy.

EDO (Economic/Entrepreneurial Development Organization)—Non-profit or for-profit organizations that support local businesses and entrepreneurs. Local examples are the Santa Fe Business Incubator, SCORE, the Regional Development Corporation, the Small Business Development Center, Startup Santa Fe, WESST, etc.

Import substitution—An ED strategy based on reducing the number of goods and services that are purchased from outside the region. Import substitution is a key tenet of the “localism” movement.

Inclusion—A newer approach to ED that focuses on ensuring that economic opportunities are widespread.

Leakage—The loss of revenue in taxes and spending when local people or organizations purchase goods from outside the community. Leakage can also refer to the loss of talent that occurs when people cannot afford to work and live in the community.

LEDA/Local Economic Development Act—The State of New Mexico’s enabling legislation that allows local governments to use public money for private enterprises (including non-profits) in the form of land, building and infrastructure in order to foster economic development. This legislation allows public investment in private enterprises without violating the anti-donation clause of the New Mexico State Constitution.

Localism—An approach to community and economic development that stresses the importance of local spending to a local economy.

New Mexico Partnership—The agency responsible for actively marketing New Mexico to businesses that might want to relocate to the State.

Office of Business Growth (OBG)—A Department within OED whose goal is to strengthen, attract, and retain businesses; make city navigation easy for business; and improve the perception of the business climate in Santa Fe.

Office of Economic Development (OED)—The City’s primary department charged with Economic Development.

Passive Recruitment—Responding to inquiries and opportunities from businesses considering locating in the Santa Fe area but not actively marketing businesses to locate in Santa Fe from outside of Santa Fe.

Primary Industries—Primary industries are defined on the same principle as economic base jobs. They are industries that derive fifty percent or more of their sales from outside of New Mexico and thus bring in new money to expand the local economy. Businesses that bring in outside money are called primary industries, and they produce the coveted “economic base” jobs.

Scaleup Companies (also known as “second-stage companies” or “gazelles”)—Companies that have the capacity and interest to grow significantly and add jobs and/or revenue. They have been shown to have an outsized impact on a regional economy, but their needs are often different from startups or non-growth oriented businesses.

SWOT (Strength/weaknesses/opportunities/threats) analysis—A technique to evaluate factors for implementing strategy.

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Literature Review to accompany the report: The City of Santa Fe’s 2017 Economic Development Crossroads

Submitted to the Santa Fe City Council
in fulfillment of Council Resolution 2016-75



CITY OF SANTA FE
**ECONOMIC
DEVELOPMENT**

Editor-in-Chief: Ross Chaney, Economic Development Specialist, Office of Economic Development – City of Santa Fe, New Mexico

Research and writing: Grace Brill, Market Intelligence Solutions, LLC

Date: March 2017

Part 1: Current Thinking in Economic Development (ED) Practice and Outcome Measurement

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INTRODUCTION

Before embarking on a revised City Economic Development (ED) strategy it seemed like a good idea to take a quick look at current trends in ED policy.

Two of the key sources consulted for this research were the Kauffman Foundation and the Brookings Institution, both of whom are recognized as thought leaders. They differ a little, in that Brookings focuses more on economic development generally, whereas Kauffman is more squarely focused on entrepreneurship.

Additional approaches that are described here are economic gardening, cluster strategy, and localism. There are also references to recent work on the geography of jobs, the “creative class,” and the “Rainforest Blueprint” as well as to Babson College’s work on entrepreneurial ecosystems.

Key takeaways

- Inadequate attention to the civic nature of transformative change explains why so many economic development plans, as well as community visioning and goal-setting exercises, “end up in the graveyard”
- Inclusion—or making sure prosperity and opportunity is widespread in a community—is an important goal to consider
- Grounding a strategy in data is important
- There is growing skepticism about recruiting companies as an economic development tactic, in favor of “growing from within”

- Government cannot solve all problems in the local economy but should focus on where it can make a difference
- Convening, facilitation, and communication/marketing are some areas where local government can play a key role in ED
- Companies that provide economic-base jobs and companies that are poised for rapid growth can each have an outsized impact on the local economy
- Encouraging and nurturing talent is a worthwhile goal
- There are different points of view on the advisability of focusing on industry clusters, but if a cluster strategy is adopted it must be based on existing strengths, not just aspirational goals
- Research supports building strategies around existing sources of competitive advantage or regional strengths and investing in the ecosystems of innovation
- Measuring the outcomes of economic development is notoriously difficult and the standard metrics used, such as job creation, have many inherent weaknesses and are prone to misinterpretation
- There is no single “best way” to measure outcomes but once an approach to metrics is devised (most likely a mix of quantitative, qualitative, and economic measures) it is important dedicate resources to tracking them consistently over time

CURRENT TRENDS AND BEST PRACTICES IN ECONOMIC DEVELOPMENT

It is not the goal of this brief report to synthesize every argument about regional economic development but to point to the fact that these are complex issues that bear thoughtful study before action.

Brookings’ call to rethink economic development entirely

Brookings, in noting that the big “wins” often touted by EDOs never seem to trickle down to measurable improvements in the lives of most citizens, has called for a total rethinking of how economic development is defined, stating that “it’s time to shift and broaden the purpose and practice of economic development to generate continuous growth, prosperity, and inclusion.”¹

It is worth exploring the Brookings approach in more detail as it may provide new models for thinking about how the City of Santa Fe might define economic development, especially given the stark economic divides in our community.

Here are some of the Brookings Institution’s key assumptions:²

How an economy grows matters too. A regional economy can expand simply by attracting more firms and more people into the market. But accumulating more people and a higher job

¹ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nAerfu>

² *ibid.*

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count does not always mean that workers and firms are better off or that regional assets are improving. Achieving deep prosperity requires improving the productive capabilities of businesses and people in the region. That requires building strong ecosystems for core industries, improving productivity, and engaging in trade—the market foundations from which growth, prosperity, and inclusion emerge.

Minneapolis/St. Paul, Syracuse, and Portland are communities that have adopted the Brookings approach, a summary of which is listed below.

1. Set the right goals—expand the scope and metrics of economic development to reflect a more foundational and holistic understanding of how to expand the economy and opportunity.

2. Grow from within—prioritize established and emerging firms and industries, invest in the ecosystems of innovation, trade, talent, infrastructure, and governance to support globally competitive firms and enable small businesses to grow in the market.

3. Boost trade—facilitate export growth and trade with other markets in the United States and abroad in ways that deepen regional industry specializations and bring in new income and investment.

4. Invest in people and skills—incorporate skills development of workers as a priority for economic development and employers so that improving human capacities results in meaningful work and income gains.

5. Connect place—catalyze economic place making and work at multiple geographic levels to connect local communities to regional jobs, housing, and opportunity.

Funders, such as the Paul G. Allen Family Foundation and J.P. Morgan Chase, are beginning to fund economic development approaches based on inclusion. In Portland, the Paul G. Allen Family Foundation funded a “Disrupting Poverty” initiative that focused on microenterprises along with personal finance tasks like helping individuals set up Individual Development Accounts.³

We know that microenterprise and small business entrepreneurship can provide opportunities to build financial stability for individuals and families. We also know that these strategies succeed most often when both entrepreneurs and their communities are linked with resources that strengthen small business success. Entrepreneurs need access to capital, business skills training, tax assistance, and financial counseling. Communities need appealing commercial districts and supportive tax and business codes.

Like Brookings, Kauffman also places a big emphasis on inclusion; and provides a few examples of what that might look like in practice (seen through its lens of entrepreneurial development).⁴

³ Paul Allen Family Foundation, *Disrupting Poverty: Coming Together to Build Financial Security for Individuals and Communities*, 2014.

Bringing tech/startup culture to underserved neighborhoods could revitalize the community. Partnerships between the tech community and existing nonprofits, schools, and vocational programs could bring skills to the tech community and a creative energy that could add value to neighborhoods. These efforts could create pathways out of poverty, bring more diverse backgrounds to the table, unleash community energy, and leverage local assets

Of particular note is Brookings’ emphasis on “growing from within” which refers not only to prioritizing local business over recruiting businesses to relocate, but also to the necessity of building strategies around existing sources of competitive advantage or regional strengths rather than pursuing “aspirational” goals around industries or clusters that sound nice on paper but are do not have any sort of critical mass on the ground. They note that these efforts often fail because they are not driven by data but by wishful thinking.⁵

Undertaking transformative economic change requires developing a sense of urgency and high visibility. That starts with an economic narrative grounded in hard data and clear-sighted assessment of the region’s competitive strengths and weaknesses—gauging how it

⁴ Kauffman Foundation, 2015, *New Entrepreneurial Growth Agenda: Cities*, <http://bit.ly/2mTsxLS>

⁵ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nAerfu>

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really stacks up in the global economy and where there are challenges and market failures to address. Data can dispel illusions and overcome complacency. Lack of solid data and analytic capacity can stymie regions at this initial stage. Establishing a common economic narrative brings leaders and the community together to mobilize action.

Cluster-based approaches

Brookings believes that “growing from within” is a key principle (#2 above), and emphasizes the importance of working with industries and companies that are already in a community (rather than trying to recruit industries for which there is no apparent local competitive advantage). Many economic development plans describe clusters of industries that are either locally strong or that a community desires to encourage. The commonality that defines a cluster can be at the industry level (e.g. software) or at the level of some other attribute (e.g. solo workers).

The general principle of identifying where a community has some existing strength is an important one, as, too often, elected officials decree that a certain industry is desirable even if there are not the right conditions for that industry to flourish in the region. This sort of “top down” or “aspirational” cluster-building has been rejected by most experts.

A key question for municipalities might be what are the industry-specific initiatives that stem from identifying industry clusters; if

there are no specific actions, it seems like a waste of effort to spend time identifying clusters. Convening groups of companies and entrepreneurs with similar concerns can be one useful role for economic development.

Some experts are skeptical of spending too much effort in defining or focusing on clusters. Here is what Babson College entrepreneurial ecosystem expert Daniel Isenberg had to say on the topic :⁶

But don’t prioritize specific sectors. One of the drawbacks of popular cluster strategies is that prioritizing sectors serves as a signal to entrepreneurs about where they should seek opportunity: currently, clean tech and mobile applications, for example, are de rigeur. Tomorrow it may be space travel. But you should ask, not tell. It is the entrepreneur’s job, not City Hall’s or that of a consulting firm, to learn how to identify opportunity, usually where most people think it doesn’t exist. In fact, many of the great opportunities defy definition and lie in the creative “inter-sectors”: health care and the environment; real estate development and information technology and cleantech; education and mobile communications.

Economic gardening

Another approach to economic development that is equally skeptical of the utility of recruiting companies from outside the region is known as “economic gardening”. This approach emphasizes direct support to home-grown companies by providing specific information (e.g. geographic, market, and web marketing data) and combining this with counseling on strategy. In the early 2000s Santa Fe embraced an earlier flavor of economic gardening, focusing mostly on determining and convening industry clusters rather than providing direct support.

The practice of economic gardening became somewhat rigidly codified when it found an institutional home at the Edward Lowe Foundation, and is now focused on training regions and municipalities to provide services primarily to what are called “second stage” companies (with revenues between \$1 million and \$50 million). This is based on the fact that these firms tend to have an outsized impact on the economy, “between 1995 and 2013, second-stage companies represented about 13 percent of U.S. business establishments, but generated about 35 percent of jobs and 35.4 percent of sales, according to YourEconomy.org.”⁷

People frequently use the term ‘entrepreneur’ to refer to small businesses, but entrepreneurship encompasses a broad spectrum, and there’s a big difference between small-business entrepreneurs and growth-oriented entrepreneurs. For example, some individuals, often

⁶ Daniel Isenberg, “Planting Entrepreneurial Innovation in Inner Cities,” *Harvard Business Review* 2012. <http://hbr.org/2012/06/planting-entrepreneurial-innov>

⁷ See <http://bit.ly/2mU2eVP>

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referred to as “lifestyle entrepreneurs,” may be self-employed because they like being their own boss, but creating jobs isn’t a priority for them. Then there are small businesses that provide jobs in a community; however, the local trading area they serve often restricts their growth. In contrast, growth entrepreneurs are significant job creators because of their appetite — and aptitude — for expansion. And because they often have national or global markets, they bring outside dollars into the community. The foundation defines second-stage growth entrepreneurs as having 10 to 99 employees and annual revenue ranging between \$1 million and \$50 million.

According to the Foundation, “Economic Gardening programs have demonstrated a much lower cost per job created than incentive-based or relocation strategies.”⁸

Localism/Import Substitution

Classical economic development has generally focused on recruiting new businesses, creating the conditions where businesses can flourish, and—more recently—supporting entrepreneurship. In general ED has placed particular emphasis on assisting companies who create “economic-base” jobs: those that are sustained by money coming into the region from outside, whether by exporting products and services, selling products on

the internet, government contracting, tourism or some other means. The focus here is on “importing dollars” or bringing in money from the outside.

There is a complementary approach that looks more at how local money flows **out** of the system. This is the essence of many “buy local” movements—an interest in “plugging the holes” where local dollars get exported. This is often referred to as “import substitution.” One proponent of this approach is the Business Alliance for Local Living Economies (BALLE),⁹ and its founding board member Michael Shuman, who was recently engaged by Impact Network Santa Fe to examine the Santa Fe economy.

The movement is much larger than merely a “buy local” movement, though, as it also emphasizes inclusion and equity, sustainable development, collaboration, shared ownership, local investment, and widely-shared decision-making.¹⁰

Localism is ultimately about building communities that are healthy, equitable and regenerative — backed by local economies that are stronger and more resilient. It means we use regional resources to meet our needs — reconnecting eaters with farmers,

⁹ See BALLE at <https://bealocalist.org>. See Shuman’s work at <http://michaelshuman.com> and in Michael Schuman & Kate Poole, *Growing Living Economies: A Grassroots Approach to Economic Development* (BALLE, 2012).

¹⁰ The core tenets are described here: <http://bit.ly/2crrgrv>

investors with entrepreneurs, and business owners with the communities and natural places on which they depend. It recognizes that we’re all in this together, and that we are all better off, when we are all better off.

Again, the emphasis on “equity” (similar to what Brookings and Kaufmann define as “inclusion”) is notable, as it is the first of their tenets:

Build supportive services and infrastructure for the jobless and under-employed, with attention on race and zip code, so everyone can reach their full potential. Align labor, anchor institutions and businesses in creating local economies that work for all.

The “How” of ED: Implications for a New Santa Fe Economic Development Strategy & Process

Brookings key focus is on large metropolitan areas, so it is not clear how many of their findings are directly translatable to a small city like Santa Fe, but their approach—defining the ED goal broadly as growing overall prosperity—is one that should be investigated by any team working on a revamped ED strategy for the City.

Santa Fe’s economic development strategies and tactics up until now could be characterized as being fairly narrowly focused on “business” concerns (as opposed to values such as inclusion or equity) and do not give the sense of being guided by widely communicated, community-generated goals. Brookings’ first

⁸ See <http://bit.ly/2kWNVL2>

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principle of “setting the right goals” might be especially important to consider when crafting a new ED (or any other sort of) strategy. This could include actions such as reaching collective agreement on broad economic impact/output goals.

The city can play a valuable role in overseeing an overall ED strategy process even if the City itself is not responsible for carrying out all parts of such a plan. Clearly not all aspects of economic development—from infrastructure to workforce to direct services to businesses—can be undertaken by the City itself, but the City can play a powerful role in bringing together the local players needed for setting overarching goals (and tactics) for ED.¹¹

Convening stakeholders and facilitating dialogue is an important role for local government. The best way for policymakers to accomplish more is to bring in people—from biotech and unions, to corporate and university leaders. When a diverse group of people comes together to focus on these problems, the participant noted, they can be endlessly creative. Government can both be part of the conversation and create a bridge to bring everyone in and start talking about solutions and strategies, as long as there is room for all parties to take action.

Daniel Isenberg of Babson is also a believer in creating broad-based social platforms, especially around economic development based on inclusivity, and he is a proponent of a “big

tent” vision of who needs to be involved.

Thus, in cities, you need to provide a broad platform to support the inclusive vision, encouraging restaurateurs, designers, neighborhood groups, schools and universities, real estate developers, law firms and architects, chambers of commerce and other government agencies to interact with each other in innovative ways.¹²

A key point of commonality in both Kauffman and Brookings is identifying the need for strong leadership for economic development efforts. As Kauffman notes: “engagement and funding are elevated when key individuals rally a community and ignite the entrepreneurial fire.” Brookings goes even further, stating that “smart civics” is one of the key requirements needed to craft strategies for economic growth. In fact, they note that :¹³

Inadequate attention to the civic nature of transformative change explains why so many economic development plans, as well as community visioning and goal-setting exercises, “end up in the graveyard,” as one regional business leader observed. As Nobel Laureate Michael Spence noted, the economics of economic growth is only part of the

¹² Daniel Isenberg, “Planting Entrepreneurial Innovation in Inner Cities,” *Harvard Business Review*, 2012. <https://hbr.org/2012/06/planting-entrepreneurial-innov>

¹³ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nkmNq7>

story. Sustaining growth, he said, “has more to do with leadership, governance, institutions ... and the interactions of these factors and processes with economic outcomes.” ... Regions that create high-level steering committees composed of corporate, political, and philanthropic leaders, joined with broadly representative community partners, are better positioned to succeed—and to survive inevitable transitions in leadership. Without visible champions, such as prominent co-chairs, to reinforce the sense of urgency and centrality, even well designed plans can founder or get lost amid other initiatives.

Brookings feels its approach to bringing about large-scale, regional economic change sits squarely in the province of what have been termed “collective impact” approaches to large civic problems.¹⁴ These are characterized (generally) by:

- **Urgency + visibility:** (often using data to get people’s attention and focus efforts) + setting visible milestones
- **Collaboration:** (bringing together university/philanthropy/business/elected officials/community; avoiding a “hero mentality” approach; and keeping open to the possibility that new civic structures will arise)
- **Transparency and inclusion:** (often tailoring services to specific groups)

¹⁴ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nkmNq7>

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Put another way, the five conditions of Collective Impact are:¹⁵

- **Common agenda:** coming together to collectively define the problem and create a shared vision to solve it
- **Shared Measurement:** agreeing to track progress in the same way, which allows for continuous improvement
- **Mutually reinforcing activities:** coordinating collective efforts to maximize the end result
- **Continuous communication:** building trust and relationships among all participants
- **Backbone:** having a team dedicated to orchestrating the work of the group

For an example of how a region used a collective impact approach to work on economic development and other issues relating to economic prosperity and quality of life, see the Memphis Fast Forward Study.¹⁶

However, nobody said this was easy!¹⁷
The work to put a region on a higher growth trajectory never stops. Regional

¹⁵ John Kania & Mark Kramer “Collective Impact,” Stanford Social Innovation Review, Winter 2011.

¹⁶ FSG Consulting, Memphis Shared Vision study, <http://www.fsg.org/publications/memphis-fast-forward>

¹⁷ Brookings Institution, *Remaking Economic Development*, 2016. <http://brook.gs/2nkmNq7>

leaders must balance tangible and visible progress against shorter-term goals with the recognition that the vision is long term, requiring constant adaptation as conditions and leadership changes. It also remains a work in progress, with much exploration and experimentation still to be done to deliver new insights, new techniques, new finance tools, and new business models to get the civics right.

Another Point of View on Government’s Role

It is useful to also look at some research that is skeptical of efforts by governments and communities to engineer economic success. One such author is Enrico Moretti, whose work emphasizes the dependence of innovation economies on having a high proportion of college graduates in their communities. Moretti doesn’t believe there is NO role for government intervention, only that it should be undertaken carefully:

Local governments face challenges in reorienting regional economics. Understanding when government intervention makes sense and when it doesn’t is a crucial first step in setting sound policies.¹⁸

Moretti is skeptical of the argument—advanced

most notably by Richard Florida in his now somewhat discredited work on the “creative class”¹⁹—that creating an attractive city with amenities and culture can—in itself—lead to economic prosperity, and he even notes that “the United States is dotted with attractive cities—Miami, Santa Fe, New Orleans—that offer plenty of culture and tolerance but do not generate good jobs in the innovation sector.”²⁰

Again, it is not the goal of this brief report to synthesize every argument about regional economic development but to point to the fact that these are complex issues that bear thoughtful study before action.

ENTREPRENEURSHIP

Findings on municipal approaches to entrepreneurship

In general, the Kauffman Foundation is upbeat about the potential for local government to support and nurture what it views as the key component of economic development—entrepreneurship. For instance, it advocates that local government focus on helping to build networks and ensuring that support is given to entrepreneurs at different stages (as their needs are different).²¹

Fostering connections and learning among entrepreneurs leverages local strengths. The Kauffman Foundation’s main recommendation is to concentrate

²⁰ Enrico Moretti, *The New Geography of Jobs* (Houghton Mifflin Harcourt, 2012).

²¹ Kauffman Foundation, *How Local and State Governments Can Best Support Entrepreneurship*, 4/15/15: <http://bit.ly/1G4TXAj>

¹⁸ Enrico Moretti, *The New Geography of Jobs* (Houghton Mifflin Harcourt, 2012).

¹⁹ See this link for a critique of the “Creative Class” argument: <http://thebea.st/IWaDiS>

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on the people behind businesses, who learn by doing and interacting with each other. Entrepreneurs like to learn from others in the same business environment, but they often find it hard to make the connections. This is where a local government can help: through events and other platforms, they can bring entrepreneurs together.

Hold events with a common objective and content for participants that inspire interaction among them. For example, inviting a few entrepreneurs to discuss the current state of their businesses and the challenges they face can lead to discussion among participants regarding potential solutions. Outside speakers, such as successful local entrepreneurs, also may bring participants together, offer them an opportunity to interact, and facilitate learning for all participants. Simple networking events, such as cocktail parties, do not create an environment for meaningful learning

Organizing business communities around different stages of entrepreneurship offers more relevant support. Public programs should direct businesses to the forums that would meet their needs best. While meeting others in the same developmental stage (nascent ventures, startups, or scaleups) can facilitate technical learning and innovation, meeting with businessmen further ahead may help

entrepreneurs find mentors, investors, or inspiration.

The emphasis on social networks and social interaction is also echoed in the work generally referred to as the “Rainforest Blueprint” (the philosophy behind many of the economic development and innovation approaches being pursued by Albuquerque).²²

Leaders cannot create sustainable economic growth by edict; they must deal with human nature and all its complexity. Therefore, policymakers should focus less on controlling economic assets and think more about how to design systems that foster valuable interactions among its actors. How can leaders engineer serendipity? How can they nurture more connectivity and diversity? How can they foster trust across social barriers, particularly those that inhibit valuable ideas, products, and companies from emerging? In short, how can they build “rainforests” instead of “farms”?

The Kauffman Foundation has a number of specific recommendations applicable to municipalities who want to support entrepreneurship. Below is a summary of several that seemed most relevant to Santa Fe.²³

• **Level the playing field.** Demonstrate your

²² Victor W. Hwang & Ade Mabogunje, “The New Economics of Innovation Ecosystems,” *Stanford Social Innovation Review*, Oct. 17, 2013.

²³ Kauffman Foundation, *Metro Summit for Entrepreneurship Leaders*, Executive Summary, February 2016

community’s eagerness to support widespread entrepreneurial activities—not just those that engage you directly.

• **Storytelling:** Engagement and support increase when people within and outside the entrepreneurial ecosystem better understand the many economic and societal benefits entrepreneurs and their companies bring to a community.

• **Promote events** (cultural, educational, etc.) that create possibilities for the kind of organic connectivity that leads to intentional collaboration.

• **Encourage productive collaboration** through the creation of a visual map of your community’s entrepreneurial ecosystem that highlights intersections and reveals gaps.

• **Provide the guidance** that entrepreneurs need to tell a more powerful story. Help entrepreneurs effectively communicate to media and other audiences through training that prompts them to tell their “journey” story rather than sharing only milestones and quantitative data.

There are competing views about the role of government in supporting entrepreneurs and nurturing startup ecosystems. Brad Feld, an entrepreneur, venture capitalist, and author of a book on startup communities, is critical of the ability of governmental agencies and non-profits to “lead” the community. His “Boulder Thesis” lays out the four key components for this ecosystem:²⁴

• Entrepreneurs must lead the startup

²⁴ Brad Feld, *Startup Communities: Building an Entrepreneurial Ecosystem in Your City*, (Wiley, 2012).

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community.

- The leaders must have a long-term commitment.
- The startup community must be inclusive of anyone who wants to participate in it.
- The startup community must have continual activities that engage the entire entrepreneurial stack.

Many people in Santa Fe would say that the region does not yet have sufficient density of startups and entrepreneurs (especially successful ones) to rely exclusively on the entrepreneurs themselves to “organize” the community, which is why there most likely still is a role for government and EDOs. However, Feld’s emphasis on inclusion and creating events to bring people together are quite in line with Kauffman and the Rainforest Blueprint approach.

Talent

Several experts believe that efforts to attract talent are worthwhile. Even Moretti, who is somewhat skeptical of government efforts to engineer innovation acknowledges:²⁵

A good quality of life does help cities attract talent and grow economically, but on its own, it is unlikely to be the engine that turns a struggling

²⁵ Enrico Moretti, *The New Geography of Jobs*, (Houghton Mifflin Harcourt, 2012)

²⁶ Daniel Isenberg, *Planting Entrepreneurial Innovation in Inner Cities*, Harvard Business Review, 2012. <http://bit.ly/2mTIF11>

community into an innovation cluster.

Babson’s Isenberg feels that a focus on talent is even more important than government efforts to fill the gap in early-stage capital:²⁶

Fight the battle for talent, not capital. Although entrepreneurs will always complain first about the chronic difficulty of raising money, the smart ones know that talent is the more important battle to win, because money follows talent. Make your city an amazing place for the most talented entrepreneurs, innovators, and creative people to come to seek their futures, to live, work and play in. The coffee shops, environmental art, evening bars, museums, bicycle lanes and rent-a-bikes, all build the buzz. In every city I work with, I start by asking entrepreneurs where they really want to be — and the unfailing consensus is uncanny: entrepreneurs need to crowd around these urban watering holes.

Related to the “battle for talent” is the fact that the very nature of work is changing. More and more people work in the “1099 Economy” where they contract their expertise out to various companies rather than working as full-time employees. Others may draw salaries from their employment at large companies elsewhere in the country but work from home offices or co-working spaces in places like Santa Fe. Both of these groups are also referred to as “location neutral” or “solo” workers. This is a trend worth

watching, especially as Santa Fe’s positive lifestyle attributes have proven attractive for people relocating here. Not all of these people will start businesses that employ people, but many will bring in revenue from outside the state (thus creating “economic-base” impacts) or serve as talent for local companies. The New Mexico Jobs Council and the North Central NM Economic Development District have both identified this type of worker as a “target” of economic development efforts.²⁷

Here is one assessment of the intersection of the 1099 economy and economic development:²⁸

What this means is that economic development efforts become much less about individual businesses and much more about the underlying infrastructure -- the dynamic flow of business growth entrepreneurs, financiers, public infrastructure) as well as the labor force (skill levels and the density of the labor supply). The “ecosystem” of economic growth becomes more important because a fluid economy requires this system to be operating at all times -- and most of it is in the community or the region, far beyond the factory gates...As a result, savvy economic developers who want to tap into the 1099 economy must recognize that they must focus on a different version of the basics. Visiting existing large businesses in the

²⁷ For a description of one solo-work effort in New Mexico see: http://www.thecelab.org/?page_id=586

²⁸ William Fulton, “Economic Development in the 1099 Economy,” *Governing Magazine*, 2011. <http://bit.ly/2odAFq>

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community remains important because your largest businesses are probably where your future entrepreneurs currently work. But you also have to know the subtle ebbs and flows of your local economy, especially where the clusters of small business activity are located.

PERFORMANCE MEASUREMENT IN ED

This overview of current research into ED metrics is intended to point out some of the complexities in trying to gauge the outcomes of economic development efforts, and to help give policymakers a common set of concepts.

Activity (“input”) Measures. EDOs have tended to rely on a few types of metrics when assessing their efforts. Generally “activity” measures look at things that can be easily counted, even if these measures don’t really say anything about impact, outcomes, or effectiveness. Examples of this would be tracking how many clients have been served, how many people attended workshops, etc. There is nothing inherently wrong with this type of measure, but policymakers need to be aware of their limitations. Activity does not imply effectiveness.

Outcomes. The second set of commonly used ED measures is aimed at tracking “outcomes” of ED. This includes things like tracking results at the level of the firms that have been assisted, such as follow-on investment, and the most common metric: “job creation” (or its variants of “jobs retained” or “jobs attracted”). Because “job creation” is the most commonly used metric, it is worth detailing some of the many limitations of the

measure. Here are a few:

- The degree to which job creation can be directly attributed to any sort of support (financing, advice, etc.) is suspect: companies create jobs, EDOs provide support around the margins
- It is also difficult to determine whether the job creation would have happened anyway, even if EDO support had not been provided
- Job creation may follow a year or more after the support is given, making the direct connection even more tenuous
- If companies are tracked over time, it is difficult to determine what length of time is appropriate when “taking credit”
- Unless a survey is administered by a neutral third-party, companies may feel under an obligation to “tell the EDO what it wants to hear” in order to maintain good relations or position itself for further support
- For an organization like the City that may want to track aggregate job creation by its grantees, there is also the issue of duplication: if companies aren’t tracked and reported by name there is a great potential for double-counting if several EDOs serve the same client

Satisfaction. A third set of measures can be grouped under the general rubric of “customer

29 W.E Upjohn Institute for Employment Research, Evaluating the Impacts of Local Economic Development Policies On Local Economic Outcomes: What Has Been Done and What is Doable? 2002. <http://bit.ly/2oDvwEB>

satisfaction.” These often come in the form of surveys that ask companies about satisfaction with services received, the general utility of the ED services received, or qualitative impacts. As one study has noted, “the more useful surveys, however, ask specific questions about how the assistance provided to the firm has affected its behavior.”²⁹

These traditional metrics have increasingly come under fire, and yet they persist.³⁰

Performance measurement is more complex and difficult in economic development than in many other fields. While economic developers play critical roles in the health of their communities’ economies, the results of their efforts often are not immediate or may appear disconnected from their efforts. Much of their high-value work involves building relationships and making connections, and this work may not pay off for months or even years. In addition, much of their impact is influenced by market, demographic, and other forces outside of their control. These are some reasons for continued use of old economic

30 Economic Development Research Partners, Making it Count: Metrics for High Performing EDOs, February 2013. <http://bit.ly/2nED2lf>. See also: Brookings Institution, Performance measurement in economic development – even the standard can’t live up to the standard, August 2016. <http://brook.gs/2bRb78Y>

31 W.E Upjohn Institute for Employment Research, Evaluating the Impacts of Local Economic Development Policies On Local Economic Outcomes: What Has Been Done and What is Doable? 2002. <http://bit.ly/2oDvwEB>

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development metrics.

Economic Modeling. A more detailed process is to delve into overall municipal or regional economic health by using economic modeling.³¹

To calculate fiscal and employment benefits of local economic development policies requires an economic model that takes the initial effects of the policies on local business activity, and calculates the impacts on the overall local economy, including multiplier effects on suppliers and retailers, and effects on local population growth. A variety of such regional models are commonly used by economic development agencies in the United States, most prominently the REMI model and the IMPLAN model. Once the overall impacts on all local business activity and population growth are determined, these impacts need to be translated into impacts on state and local government budgets, and local employment benefits.

(Note that there are newer economic models, such as RIMS II that have been developed since this article was written in 2002.)³² This sort of measure generally does not attempt to ascribe changes to specific EDO programs but is aimed more at gauging overall impacts and community economic health. A project

³² For a good overview of economic modeling for economic development, see Review of Economic Models: RIMS II Discussion, September 20, 2015 at <http://bit.ly/2nA3ACA>

such as this sort of modeling is a large undertaking and would only make sense as part of a larger strategic initiative.

One very specific measure of an economy that falls into this category is the measurement of economic “leakage.” This approach is one component of the “localism” policies advocated by the Business Alliance for Local Living Economies (BALLE), whose founding board member Michael Shuman, was recently engaged by a local organization to conduct a leakage analysis of the Santa Fe economy.³³ Localism initiatives track their impacts by measuring reductions in economic leakage over time.

Storytelling. Although not an actual measurement, many EDOs have found that they can communicate their impacts better to citizens and elected officials by supplementing hard data with stories about actual companies, how they have been helped by the EDO, and how they have flourished post-support. It may be important in a community like Santa Fe that does not have a strong business climate to communicate to citizens the role that businesses play in helping make the community more diverse, prosperous, and innovative.

Multi-factorial. Researchers active in the world of EDO metrics have suggested an alternative categorization that goes beyond

³³ Because this study has not yet been completed this work is not cited here.

³⁴ Economic Development Research Partners, Making it Count: Metrics for High Performing EDOs, February 2013. <http://bit.ly/2nED2lf>

just measuring “program effectiveness” to examining a wide array of dimensions.³⁴

• **Internal**—measures activities that help an EDO conduct the business of the organization (irrespective of specific programs and functions).

• **ED Program**—helps an EDO measure the performance of its specific economic-development-related functions. (Note: this is the category that encompasses most of the “traditional” measures outlined above, such as jobs or investment.)

• **Relationship Management**—measures the EDOs’ efforts to build and strengthen relationships with internal and external stakeholders.

• **Community**—measures the community’s well-being. Some localities try to measure broad changes in outcomes, such as tracking changes in regional personal income or the tax base over time. This is something that makes more sense when done by a governmental entity rather than an individual EDO. Measures like this can be useful in creating a broad-brush assessment of regional economic health, yet the ability to attribute outcomes to particular EDO programs still faces the limitations outlined above regarding job creation metrics.

Metric caveats

As noted by the EDRC metric study, “performance measurement is not for the faint of the heart.” EDOs face many challenges, including

³⁵ Economic Development Research Partners, Making it Count: Metrics for High Performing EDOs, February 2013. <http://bit.ly/2nED2lf>

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these noted by the EDRC.³⁵

- A lack of accurate and timely data. Sometimes the data is not granular enough to effectively pinpoint the work that EDOs have done.

- Stakeholders’ misinterpretation of the data. EDOs oftentimes struggle with demonstrating value and return on investment without inappropriately taking credit for successes and misrepresenting data. At the same time, some feel pressured to show “big wins” to investors and decision-makers, lest they are not interested in funding economic development activities.

- Inconsistent metrics that can complicate performance measurement over time and across programs/projects.

- A lack of time and budget resources needed to collect useful data. EDOs that collect data through surveys of local companies may struggle to gather responses due to either a lack of time or confidentiality concerns.

- A desire among many EDOs and stakeholders to quantify everything, when quantitative data alone is insufficient to effectively capture the full range of an EDO’s efforts.

There is also the issue that without an overall strategy to guide ED activities, metrics can often exist in a vacuum.

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PART 2: COMPARABLE COMMUNITIES’ ECONOMIC DEVELOPMENT PLANS**OVERVIEW**

It can be helpful to look at some recent economic development plans created by similar communities to get a feel for the range of approaches to planning. The plans summarized here are from communities similar in size and, to some extent, character, to Santa Fe: Asheville, NC; Bend, OR; and Ashland, OR. No doubt there are other communities that would be worth looking to for inspiration.

Obviously, each community is different and no other community’s plan can serve as an exact roadmap for Santa Fe. However, it is helpful to see that there are different approaches to strategies such as business recruitment, fostering entrepreneurship, helping local businesses expand, providing the right infrastructure for growth, simplifying permitting and regulatory processes, etc.

Perhaps more importantly, it is inspiring just to know that communities of similar size can, in fact, come together to agree on economic development priorities.

There were some commonalities among the plans. Most started with a fairly rigorous assessment of their strengths and weaknesses, and were attuned to the unique attributes of their communities. All these plans are from tourism-dominated regions and all see a role for integrating tourism into economic development (especially in marketing the region as a potential business relocation area). Two of the plans endorsed fairly targeted business recruitment as a key strategy, while the remaining one focused more on a “grow local businesses” approach.

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PART 2: Comparable Communities' Economic Development Plans**ASHEVILLE, NORTH CAROLINA**

http://www.ashevillechamber.org/sites/default/files/asheville-5x5/EDC_AVL_5x5_Vision_2020.pdf

Similarities to SF:

- Arts-based town
- High quality of life from an outdoor recreation perspective
- Has a nearby science-based organization (National Center for Environmental Information)
- Relatively small and isolated community (87,000 in city; 238,00 in county)
- Has relatively low level of average wages

Differences from SF:

- Has some big companies resident (some are branches of multinationals)
- Track record in attracting young people and high tech entrepreneurs
- Relative proximity to large centers of population on the east coast
- Has a large population of Millennials, and lots of “buzz” around their microbreweries, outdoor recreation, etc.
- Has a centralized Economic Development Corporation that represents the city and county
- Asheville’s Economic & Community Development staff: 18

The plan was funded by the city and 70 private organizations and was spearheaded by the Economic Development Coalition for Asheville-Buncombe County (EDC) and the Asheville Area Chamber of Commerce, who started with a 5-year-plan in 2010 that was so successful that they have renewed for a second 5-year period.

They clearly articulate the sort of community they want to be:

- High wage jobs
- Socially responsible companies
- Long term economic vitality

Overall ED goals:

- Entrepreneurship
- Advanced manufacturing
- Science & technology
- Health care (as both an engine of economic growth AND as a way to attract talent)
- Talent attraction

They see the following “support structures” for the above goals (rather than seeing something like tourism being an ED component itself)

- Infrastructure
- Community development
- Arts & Culture
- Education
- Tourism (which they see as being linked to establishing their brand and in attracting/retaining talent)

Some highlights

- They have defined “new capital investment” as a key goal
- They are practicing strategic recruitment, targeting high-growth and Inc. 5000 firms from major East Coast markets (like Boston, New York, and D.C.) where there are existing business ties to Asheville for expansion/relocation
- They have combined metrics that include typical measures like job creation, but also larger community measures and they have set specific target goals

Asheville’s Overall Economic Development Metrics

- New job creation (Target: 3000 new jobs by 2020)
- New capital investment (Target: \$650 million)
- Average wages of new jobs created (Target: \$50,000)

Asheville’s Community Outcome Metrics

- Annual employment growth
- Annual unemployment rate
- New business formation rates
- Angel capital and venture capital investments
- Median household income levels
- Levels of educational attainment (e.g., percentage of adults with a Bachelor’s degree or higher)
- Commercial real estate market trends (e.g., office & industrial vacancy rates, rental rates, absorption rates)

BEND, OREGON

<http://www.bend.or.us/modules/showdocument.aspx?documentid=13362>

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Similarities to SF:

- Similar size: 81,000 city, 157,000 county
- High lifestyle value
- Tourism dependent economy
- Few large employers
- Relatively remote

Differences from SF:

- High proportion of educated Millennials
- Roared back from the recession (top job growth in US in 2015)
- Ranks #1 in Forbes 2016 list of Best Small Places for Business and Careers

Fun fact: According to Outside Magazine, which recently rated Bend one of its "16 Best Places to Live," Bend has at least 16 breweries and over 70 outdoor products manufacturers!

History: The Bend City council felt ED was important and asked a small existing ED department to convene a group of business stakeholders to oversee a new ED planning process.

This is a somewhat narrowly defined plan with an emphasis on infrastructure, city permitting etc. (but it is unclear how many aspects of other plans like direct support of businesses is handled by partner organizations, freeing the City ED department up for specializing on infrastructure, etc.) They have an equal focus on supporting existing businesses and recruiting businesses. The plan sees a role for City ED in convening and helping increase cooperation among business support organizations.

The larger, regional plan that relates to Bend's more narrowly focused city plan is the one produced by the ED of Central Oregon organization (EDCO) (2013-15)

<http://bit.ly/2oeVxhc>

Some aspects of plan:

- Focus on economic-base jobs ("traded-sector" companies)
- Considered various industry clusters, but put them into categories of high promise, moderate, and low
- Focus equally on growing local businesses and recruiting (they are especially targeting business from California to relocate)
- Recognizes that their plan must fit in with larger regional, local and state ED plans

Established these 2-year goals:

- Support local traded-sector employers with a robust Business Retention & Expansion (BRE) Program that catalyzes \$100 million in new capital investment; 800 new, well-paying jobs; and at least 36 "done deals" by the end of 2015.
- Recruit 36 new companies to the region that will create 1,000 new, well-paying jobs and invest \$200 million in new capital investment by the end of 2015. Target marketing and recruitment efforts geographically and by industry for greatest effectiveness.
- Develop an ecosystem in Central Oregon that supports and attracts entrepreneurs to establish the next generation of employers and jobs. Catalyze creation of 200 new jobs via 24 early stage companies that successfully raise \$50 million in growth capital by 2015.
- Quarterback industry development initiatives and strategic projects that will pave the way for private sector employment growth.
- Advocate and champion improvements to the region's business climate and competitiveness.

ASHLAND, OREGON

http://www.ashland.or.us/files/Ashland_EconomicDevelopmentStrategy_Final2.pdf

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Similarities to SF:

- Similar county size (city: 20,000; county: 203,000)
- Tourism/arts-related economy
- High quality of life
- High housing costs
- Seasonality of tourism
- Distance from markets
- Older demographic
- Some strengths in specialty manufacturing and food/beverage

History: The planning effort came out of a City Council goal of creating an ED plan, and the Mayor then appointed a committee of stakeholders. One of their first tasks was to identify their unique assets and identify strengths and weaknesses.

- They specifically identify localism as a strategy, which is somewhat unique, as many ED plans do not explicitly address this
- Rather than delineate distinct clusters like “manufacturing” or “software”, they group most “creative, technology and innovation-based” companies into one category

Goal: Develop and implement a comprehensive economic development strategy for the purpose of:

- Diversifying the economic base of the community
- Supporting creation and growth of businesses that use and provide local and regional products
- Increasing the number of family-wage jobs in the community
- Leveraging the strengths of Ashland’s tourism and repeat visitors

Focus:

- Existing businesses in the community with a commitment to operating their business and living in Ashland
- Businesses that rely on and earn a competitive advantage from innovation, creativity, design and technology in their operations for new product development, creation or expansion of niche markets, process improvements, etc
- Businesses that produce specialty and value added goods or services with a market beyond our local economy
- Businesses that purchase from the local and regional economy for supply or provide goods or services that reduce the need of the community to purchase goods or services from outside of region.

The seven strategies (or objectives) selected to implement the focus areas listed above are:

- Assist local existing and emerging business stabilize and grow
- Improve long term coordination and collaboration with local and regional economic development partners
- Increase availability of investment capital for local businesses
- Provide local educational & technical skills development to match local business workforce needs
- Increase tourism in the fall, winter and spring and diversify the types of events and activities promoted
- Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands
- Manage the physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community