

FRIDAY SESSION: 2:45—4:00 PM

Economic Development: Emerging Industrial Cluster Strategies

2:45—4:00 p.m.

Friday, March 10, 2006

Sturm College of Law/Frank J. Ricketson Law Building

An examination of industrial cluster strategies and the relationship of economic development to land use planning. Panelists will also discuss economic development and community development, transportation planning, legislation, and business climates.

Moderator/ **Patty Silverstein**

Speaker: President
Development Research Partners
Littleton, Colorado

Panelists: **Tom Clark**

Executive Vice President
Metro Denver Economic Development Corporation
Denver, Colorado

Preston Gibson, AICP

President and CEO
Jefferson County Economic Development Council
Golden, Colorado

Industry Clusters: Targeting and Attracting the Right Business Mix

Rocky Mountain Land Use Institute
March 10, 2006



How most communities target industries

- Thick consultants' studies
- Focusing on the "hot" industries
- Build around a dominant company
- Follow the direction of a passionate leader
- Building on strengths the community already has

Strategic Steps – data driven, ranking oriented

1. What companies or industries do we want?
 - Identify industry clusters
 - Define the targets
2. What needs do these companies have?
 - Understand the targets
3. How do we meet their needs better than our main competitor cities?
 - Document your competitive position

Execution Steps – disciplined, authentic, results oriented

1. Identify marketing/recruitment and product development opportunities
2. Develop authentic messaging
3. Develop focused marketing & PR efforts

Execution Steps Developed By :



Strategic Step 1: Identify Industry Clusters

- Why industry clusters?
 - Economic development strategy
 - Understand the employment base
 - Existing versus potential clusters
- Establish base data
 - Define the industry
 - Industry outlook
 - Employment concentration
 - Profile employment, businesses, wages

Strategic Step 1: Define the Targets

- Identify and rank community goals
- Which industries enhance community goals?
 - Quantitative methods
 - Qualitative methods
- Retention versus recruitment
- Limited resources mean limiting choices

Key Industry Clusters in Metro Denver

- Broadcasting and Telecommunications
- Information Technology/Software
- Aerospace
- Financial Services
- Bioscience
- Computer Storage and Peripherals
- Air Transportation
- Beverage Production
- Energy



Strategic Step 2: Understand the Targets

- What do they need to succeed?
 - Workforce
 - Cost savings
 - Access to customers
- Who influences their decisions?
- Key cities they consider
- Key relocation drivers

Aerospace



- 22,200 private employees + 32,900 military
- 1.0% employment concentration (0.3% U.S.)
- 1st employment concentration; 3rd total employment
- Critical mass:
 - Four military commands (North American Aerospace Defense Command, US Northern Command, Air Force Space Command, Army Strategic Command)
 - Five major space contractors (Lockheed Martin, Ball Aerospace, Raytheon, Northrop Grumman, Boeing)

Aerospace Factors



- The ability to recruit and retain technical and scientific talent
- Proximity to vendors and customers
- Low to moderate costs of doing business
- Pro-business and flexible state and local governments
- Proximity to Colleges/Universities

Strategic Step 3: Document Your Competitive Position

- Group competitive data according to location factors
- Determine rankings/data for your community and competitor locations
- Identify areas of strength
- Identify areas where you have no real advantage

Key Reasons why Aerospace Companies should locate in Metro Denver

- The ability to recruit and retain technical and scientific employees.
 - Colorado ranks second in scientists and engineers as a share of the workforce behind Massachusetts. (*National Science Board, 2004*)
- Proximity to vendors and customers.
 - Colorado ranked third in 2004 in NASA contract awards among states without a NASA facility. (*National Aeronautics and Space Administration, 2004*)

Execution Step 1: Identify recruitment, retention and product development opportunities

- Just because you want an industry to grow and expand in your community does not mean that you will be successful
- Does your community meet the needs of the industry better than your competitors?
- Shift efforts between marketing and recruitment strategy to retention and product development strategy

Execution Step 2: Develop authentic messaging to industries

- Targeted to a specific audience
- Based in their key needs
- Highlighting how your community meets those needs differently

Execution Step 3: Focused Marketing and PR

- Stay relevant: Messages need to support your positioning
- Market to the influencers
- Message to the product and the service
- Tactics:
 - Site Selection conferences
 - PR placements
 - Robust website and online marketing – search
 - Email newsletters
 - Advertising to drive website inquiries
 - Database to track inquiries and outcomes

Integrate and adjust all of your efforts

- Competitive database can be added to over time
- Track industry performance over time
- Adjust messaging according to what is working and what is not working


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Jefferson Economic Council

What *is* economic development and why should you care?
and

Does land use application processing make a difference?

What is the Jefferson Economic Council?

- Public/Private not-for-profit partnership
- Other Regional Organizations

ED 101

What is "Economic Development?"



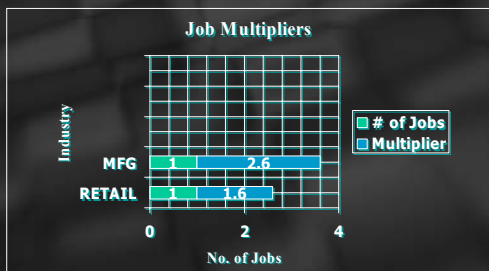
ED 101

Primary Jobs Bring New Wealth to a Community



ED 101

Total number of spin-off jobs created by one new job...



Keys to Economic Development

- Functional Transportation Systems
- Available & Educated Workforce
- Housing Opportunities
- Quality of Life
- Pro-Business Climate
- Real Estate Opportunities
- Competitive Tax Structure



Retention/Expansion

Some Typical Retention Efforts

- Events that spotlight companies and issues
- Enterprise Zone Program
- Synchronist program
- Rocky Mountain Trade Adjustment
- Demographic Reports
- Business Personal Property Tax Rebates
- Connect businesses with financing
- Prepare mailing labels
- Locate offices and real estate opportunities
- Legislative Involvement and Support



Retention/Expansion

Additional Retention Efforts

- Planning and permitting assistance
- Aerial photography
- Custom company research
- Community Development Block Grants
- Colorado Economic Development Commission Grants
- Private Activity Bond Financing
- Various Programs offered by Cities
- Workforce Development
- Economic Impact Reports
- General collaboration and networking



Attraction

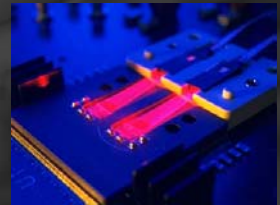
Attraction Efforts

- Industry Trade Shows
- Site Selector Conferences
- Website with important demographic info.
- Images Magazine and Profile
- New Target Industry Marketing Brochures
- Participate on regional committees
- Participate on industry boards
- Locate offices and real estate opportunities



Industry Clusters

- Aerospace
- Energy
- Bioscience
- Aviation
- And the enabling technologies of Photonics and Nanotechnology



Land Use Planning

How and Why support Economic Development?

- Competition from everywhere!
- Jobs = Quality of Life
- Tax Base
- Public Improvements – Police, Fire, Roads, Recreation Centers, Etc.



Land Use Planning

What are the top ten things to do to foster economic development?

10. Clearly written regulations – connect the dots!
9. Attitude really *is* everything!
8. "One bite at the apple" – the most difficult thing to do.
7. Only ask for "stuff" that you need, and only the amount of copies needed.



Land Use Planning

6. Follow through with commitments!!!
This should be a no-brainer!
5. No "moving target" reviews!
4. When developing community plans, realize that you need to hear from more than a few residents.
3. Regulations are not "one size fits all" – judgment is needed!
2. Fast Track processing is needed for projects that produce primary jobs and investment. Whatever it takes!



Land Use Planning

Number One:

Realize that the developer is not the bad guy – where do you live, shop, play and work?



Land Use Planning

Jefferson County – Doing it right!

- Attitude and Focus
- C-470 Corridor Plan
- Commercial/Industrial Review Team
- Cutting Red Tape
- Meeting with businesses
- Spreading the word with the land development community
- Letters of Support
- Tracking Results



Thank You

For additional information, contact
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