

ECONOMIC DEVELOPMENT COMMISSION

Monday, March 4, 2013

Blue Conference Room

1920 South Germantown Road

The regular meeting of the Economic Development Commission (EDC) was held Monday, March 4, 2013, in the Blue Conference Room. Chairman Jim Stock called the meeting to order at 5:30 p.m.

PRESENT: Michelle East, Steven Levy, David Rea, Greg Marcom, Donald Robbins, Susan Burrow, Jim Stock, Ron Sklar and Jerry Klein

GUESTS: Alderman Rocky Janda; Janie Day, Executive Director of Germantown Area Chamber of Commerce; John Lawrence, EDGE

ABSENT: James King, Charles McCraw, Brian Pecon and John Wagner

STAFF PRESENT: Patrick Lawton, City Administrator; Andy Pouncey, Director of Economic and Community Development; Kathleen Rose, Interim Economic Development Consultant, Marie Burgess, Planner

A quorum for tonight's Economic Development Commission meeting was established.

MINUTES:

Approval of Minutes for February 7, 2013

Chairman Jim Stock stated the first order of business is the approval of the minutes for February 7, 2013. If there were no additions, corrections or deletions to the minutes of the February 7, 2013, meeting of the Economic Development Commission, he would entertain a motion for approval.

Mr. Levy moved to approve the Economic Development Commission minutes of February 7, 2013, seconded by Mr. Rea. **The motion was passed.**

REPORTS:

- a) Regional – EDGE (John Lawrence, Manager of Strategic Economic Development Planning) made a presentation of the Memphis & Shelby County Regional Economic Development Plan. This truly is to be a Regional Economic Development Plan that aligns as many of those different economic market levers as we possibly can. The Brookings Institute has partnered with RW ventures of Chicago, a consulting firm that created a model to really help jump start this planning process in a hand full of regions across the country; Shelby County is one of them. Some of the regions that are taking part in this are huge. Syracuse and the region around it is a 20 county area that is taking part in that. Louisville and Lexington, Kentucky have partnered to create a regional economic development plan. Ours is more similar to what Chicago and Phoenix are doing. We are looking at the metropolitan statistic area for our information.

Regional Economic Growth:

- Increase Number, Size & Profitability of Businesses
- Increase Value of Goods & Services
- Improve Efficiency of Firms & Efficiency of Systems
- *“Cities exist to eliminate transport costs for people, goods and ideas”*

Metropolitan Business Planning:

- ❖ *Mount Increasingly Strategic, Locally Developed Initiatives to Move Toward a More Productive, Export Oriented & Innovation Driven Next Economy*
- ❖ New Approach to Economic Development Planning
- ❖ Adopts Private Sector Business Planning Elements

Strategic Overview

- Assess Regional Market Position
- Detail Linked Strategies to Improve Market Performance
- *Target Completion: July 26, 2013*

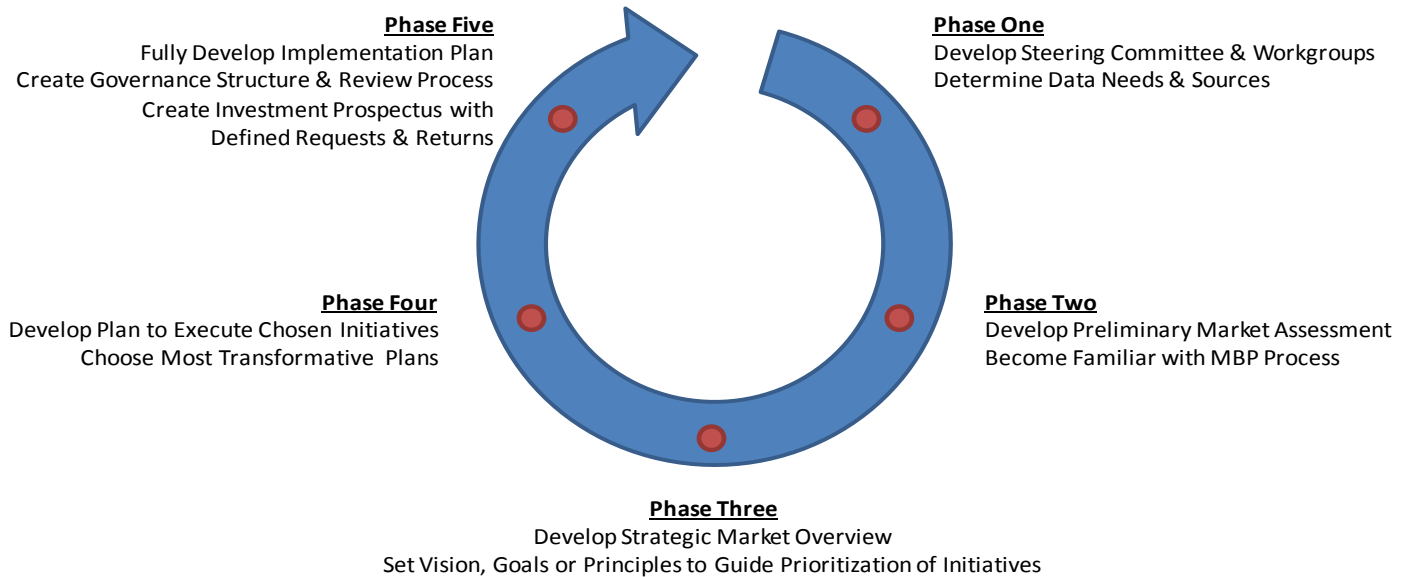
Lead Initiative

- Define Implementation Team

- Create Business Plan to Operationalize Chosen Key Lead Initiative(s)
- *Target Completion: September 13, 2013*
- Launch, Review & Re-Engage**
- Launch Lead Initiative(s)
- Review Progress & Adjust Lead Initiatives
- Re-Engage the Process to Explore Next Level of Market Opportunities

SIX WORKGROUPS

- ❖ Industry Sectors & Business Clusters
- ❖ Human Capital
- ❖ Innovation & Entrepreneurship
- ❖ Spatial Efficiency
- ❖ Governance & Civic Institutions
- ❖ International & Exports



Metro Memphis Regional Performance

Population Growth 2000-2009	Employment Growth 1980-2009	Wage Growth 1980-2009	GMP Growth 1980-2009	Productivity Growth 1980-2009
54. Chattanooga, TN 55. Minneapolis, MN 56. Jackson, MS 57. Poughkeepsie, NY 58. San Diego, CA 59. Louisville, KY 60. Memphis MSA 61. Tulsa, OK 62. Cincinnati, OH 63. Augusta, GA 64. Birmingham, AL 65. Wichita, KS 66. Worcester, MA	43. Richmond, VA 44. Columbus, OH 45. Columbia, SC 46. Portland, ME 47. Baton Rouge, LA 48. Stockton, CA 49. Memphis MSA 50. Grand Rapids, MI 51. Greenville, SC 52. Omaha, NE 53. Virginia Beach, VA 54. Minneapolis, MN 55. Lakeland, FL	66. Jackson, MS 67. Tucson, AZ 68. Milwaukee, WI 69. Allentown, PA 70. Cincinnati, OH 71. St. Louis, MO 72. Memphis MSA 73. New Orleans, LA 74. Salt Lake City, UT 75. Knoxville, TN 76. Scranton, PA 77. Boise, ID 78. Greensboro, NC	45. Knoxville, TN 46. Minneapolis, MN 47. Virginia Beach, VA 48. Boston, MA 49. Bridgeport, CT 50. Worcester, MA 51. Memphis MSA 52. Richmond, VA 53. El Paso, TX 54. Harrisburg, PA 55. Lakeland, FL 56. Portland, ME 57. Hartford, CT	46. Tampa, FL 47. Little Rock, AR 48. Dallas, TX 49. Akron, OH 50. Rochester, NY 51. Sacramento, CA 52. Memphis MSA 53. Lakeland, FL 54. Jacksonville, FL 55. Syracuse, NY 56. Chattanooga, TN 57. Salt Lake City, UT 58. Bradenton, FL
Annual Growth Rate 1%	Annual Growth Rate 4%	Annual Growth Rate 0.5%	Annual Growth Rate 1.2%	Annual Growth Rate 4%

Market Analysis Status of Economy, Assets & Opportunities	Regional strengths in light of Next-Economy indicators <ul style="list-style-type: none"> • Business, human capital, educational/institutional & policy strengths in advanced building materials, software/IT, energy efficiency (EE) technology • Strong port, air, road & rail infrastructure
Vision & Goals Tailored to the Regional Economy	Become leader in... <ul style="list-style-type: none"> • Commercialization of advanced building EE management technologies • Export of advanced building EE management technologies
Strategy Identification By Leverage Point	Overcome key barriers to commercialization, adoption & diffusion of new technologies: <ul style="list-style-type: none"> • Verify goods'/services' energy savings potential • Test "real world" results of integrating systems, application to range of contexts/climates & role of user behavior
Identification of Lead Initiatives Integrated Policies, Programs, Products & Services to Deliver on Strategies	<i>BETI</i> (Building Energy-Efficiency Testing & Integration Center & Demonstration Network) <ul style="list-style-type: none"> • Lab testing & field testing • Industry collaboration & resource referrals
Business Plan Element One Management & Operational Plan	Responsible parties: <ul style="list-style-type: none"> • Partners & potential membership base • Organizational structure, governance structure & staffing plan • Facility needs
Business Plan Element Two Financial Planning	5-year pro forma financials: <ul style="list-style-type: none"> • Start-up & ongoing revenues and expenses • Sources of funds— public funds, fees for services, member/partner investments • Capital budget, cash flow, etc.
Business Plan Element Three Target Setting & Performance Tracking	Job Growth and... <ul style="list-style-type: none"> • EE venture capital investment growth • EE export growth • Regional status in EE marketplace improvement

Exports & International Business

TOP 25 EXPORTING METROS BASED ON TOTAL EXPORT SHIPMENT VALUE SORTED BY GROWTH

MSA	2010	2011	Growth
Salt Lake City	\$10.7	\$15.6	46%
New Orleans	\$14.0	\$20.3	45%
Peoria	\$11.1	\$15.2	37%
Greenville	\$8.7	\$11.7	34%
Houston	\$80.6	\$104.5	30%
Pittsburgh	\$12.2	\$15.2	25%
New York	\$85.1	\$105.1	24%
Miami	\$35.9	\$43.1	20%
Dallas	\$22.5	\$26.6	18%
Chicago	\$33.7	\$39.5	17%
Los Angeles	\$62.2	\$72.7	17%
Seattle	\$35.4	\$41.1	16%
Philadelphia	\$22.7	\$26.2	15%
Atlanta	\$15.0	\$17.2	15%
Portland	\$18.5	\$20.9	13%
Minneapolis	\$23.2	\$26.2	13%
El Paso	\$10.3	\$11.6	13%
Detroit	\$44.0	\$49.4	12%
San Francisco	\$21.4	\$23.6	10%
St. Louis	\$11.2	\$12.3	10%
Memphis	\$11.1	\$12.0	8%
Cincinnati	\$17.6	\$18.7	6%
San Diego	\$16.5	\$17.4	5%
Boston	\$21.8	\$22.3	2%
San Jose	\$26.3	\$26.7	2%
			\$ in Billions

Source: US Department of Commerce, International Trade Commission

Strategic Overview

Build from Existing Work

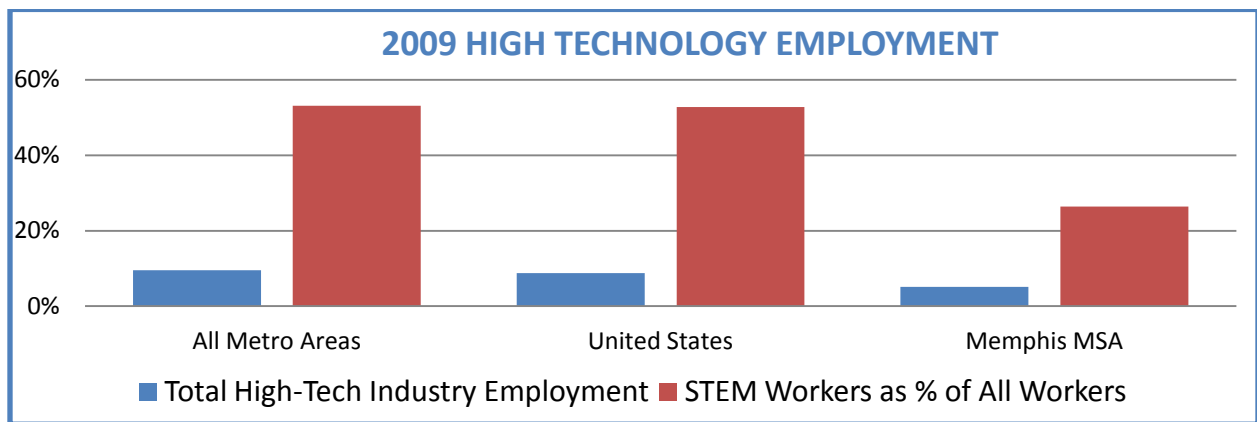
- Gather existing analytics, strategies and programs
- Synthesize into MBP leverage-point framework

Market Analysis

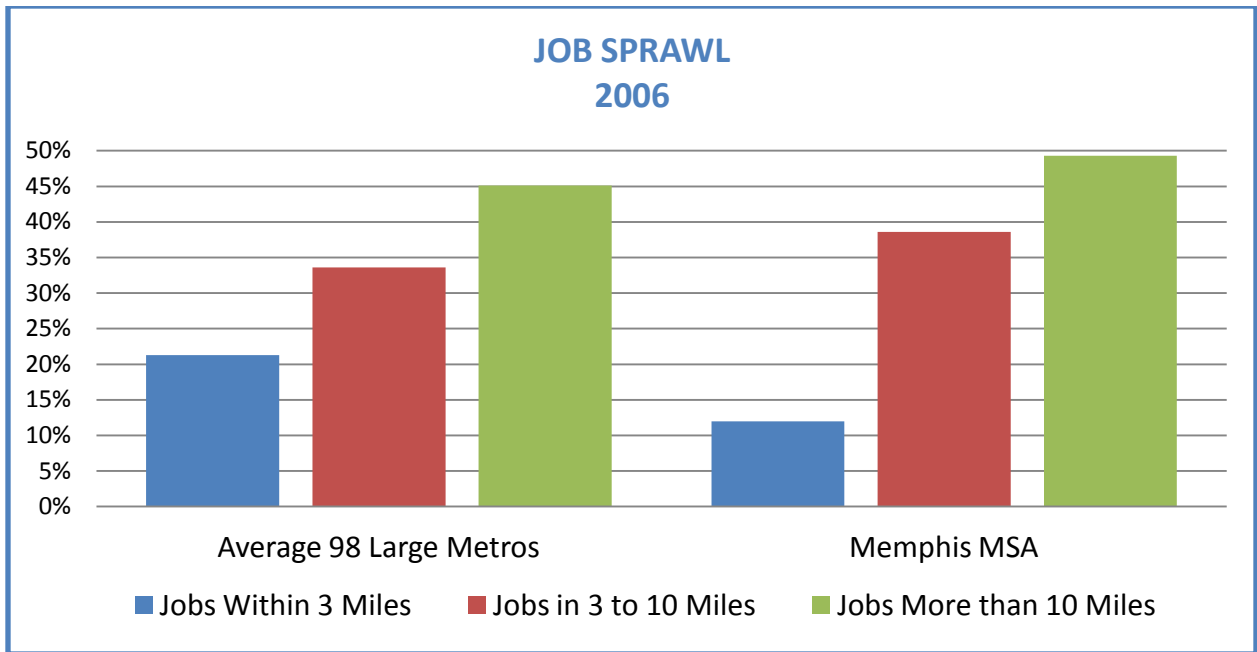
- Analyze quantitative performance measures relevant to each leverage point
- Review Brookings “top 100 metros” and locate local data sources
- Incorporate qualitative data from interviews
- Interpret market analysis results in light of local context and nuances
- Evaluate strengths, challenges and opportunities by leverage point
- Develop a compelling “storyline” about the regional economy

Preliminary Strategy Development

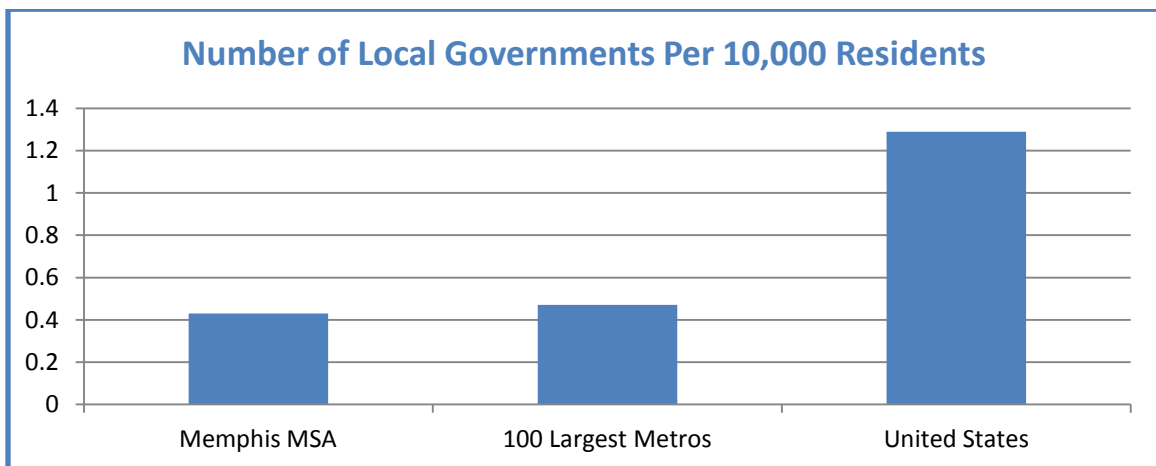
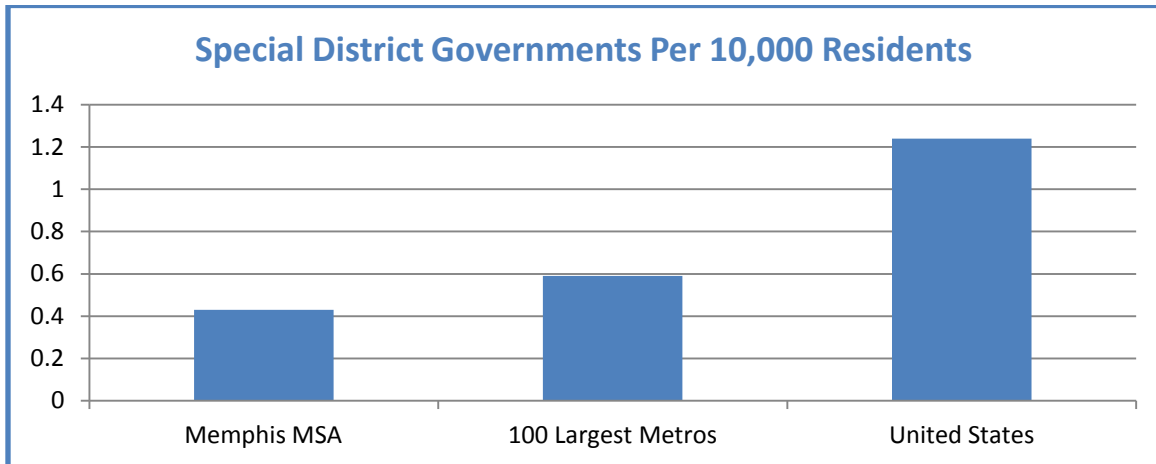
- Identify any gaps to be filled or levers not represented
- Engage relevant stakeholders and leverage-point experts
- Begin developing new strategies as needed
- Focus on integration across strategies and market lever workgroups



2007	Establishment Births and Deaths as a Percentage of Total Establishments (Business Churn)	Employment Turnover from Business Churning as a Percentage of Total Employment	Ratio of Establishment Births to Deaths
100 Largest Metros	25.5%	12.1%	1.20
All Metros	24.7%	11.6%	1.21
United States	24.5%	11.6%	1.20
Memphis MSA	24.4%	12.3%	1.12



Governance & Civic Institutions



b) Kathleen Rose talked about the Economic Development Commission's role as defined by the City ordinance.

Sec. 2-211. - Establishment and purpose.

The economic development commission is hereby established to promote the well-being, health, safety, and welfare of the city serving to:

Advise the board of mayor and aldermen on matters which affect the economic life of the community.

Advise the city regarding local economic issues relevant to long-term planning and development of the city. Promote economic stability, vigor and balance within the business community and to encourage business retention and productivity.

Sec. 2-212. - Membership.

The economic development commission will consist of 12 members who shall be appointed by the board of mayor and aldermen. The composition of the membership shall represent as follows: One shall be the alderman, one shall represent the chamber of commerce, one shall represent business district redevelopment and shall be a resident of the city, one shall represent retail centers and shall be a resident of the city, one shall represent general business and shall be a resident of the city, one shall represent medical and shall be a resident of the city, two shall represent home-based businesses/offices and shall be residents of the city, one shall represent financial industry and shall be a resident of the city, two shall represent homeowners and shall be residents of the city, and one shall represent residential/nonresidential development and shall be a resident of the county.

Sec. 2-213. - Responsibilities.

It shall be the responsibility of the economic development commission to advise the board of mayor and aldermen on matters affecting the economic life of the community including, but not limited to:

The retention and expansion of business;

The development of new business consistent with the needs of the community and respective of its residential characters;

The strategic development of land for office, retail and service purposes;

The impact of city policies, rules and regulations and the delivery of city services on the local business community; and

The study and recommendation of actions designed to improve the business climate, economic viability and stability of the city business community.

The commission shall serve as a focal point for economic development activities, providing:

A clearing house for pertinent information for the promotion of the city;

Support for the city chamber of commerce;

A research process and resource center for information about the community for the support of city business, including business needs, market strategies and a long term financial strategy for the economic well-being of the community;

A liaison between the business community and city government for the effective communication of concerns and interests by both entities.

Secs. 2-214, 2-215. - Reserved.

Ord. No. 2002-13, adopted Dec. 9, 2002, repealed §§ 2-214 and 2-215, which pertained to the economic development commission and derived from the Code of 1986, §§ 2121 and -122.

Andy Pouncey stated the Economic Development Strategic Plan identifies the (5) guiding principles on non-residential: 1) Create an Enabling Environment, 2) Leverage Assets in Areas of Investment, 3) Build Value from within, 4) Reposition within the Regional Economy, and 5) Measure Performance.

The property owners of the Western Gateway are Ray Gill, Robert Fogelman, John Walker, Henry Cannon, Spence Ray, and Ron Smith. In the last week, we had a design charrette with Craig Lewis from the Lawrence Group who developed Smart Growth Area Plan. We had shareholders that representing businesses, transportation, neighborhood associations and property owners that attended these sessions.

Janie Day reported from the Germantown Area Chamber of Commerce.

- 1) Business After Hours – March 5, 2013 at Mississippi Riverkings from 5:00 –7:00 p.m.
- 2) Strictly Business Expo – April 25, 2013 from 9:00a.m. - 3:00 p.m. Invitation Only for attendees/vendor mixer held the night before.
- 3) 40th anniversary of the GACC in August 2013. Planning committee at work.
- 4) New website being finalized this month of March 2013.
- 5) Chamber Matters show is taping March 12, 2013
 - Guests: Kristi Ransom with Memphis Oral School for the Deaf (MOSD)
 - Jessica Jeffries, Ambassador Chairman for 2013

- Ken Hall with School of Rock
- 6) Business After Hours at Bradley Law Firm on March 19, 2013 from 5:00-7:00 p.m.
- 7) Member Luncheon on March 21, 2013 Jason Levein/CEO Managing Partner for the Grizzlies
- 8) Ribbon Cuttings:
 - March 20th from 9:00 a.m. - Carriage Court
 - March 26th from 4:00 p.m. - Vantage Point Golf Center
- 9) New Member Reception March 28th from 8:00 p.m.

OLD BUSINESS:

Kathleen Rose talked about the changes that were made to the Economic Development Work Plan.

Steven Levy suggested that Germantown should develop international contacts. Kathleen Rose said that would be considered as we progress through the Work Plan.

Chairman Stock moved to approve the Economic Development Work Plan, seconded by Ms. East. **The motion was passed.**

Germantown, TN

Business Retention & Expansion (BRE)

Strategic Plan: The Strategic Plan includes the analysis and **vision** driven by five **Guiding Principles**:

1 | **CREATE AN ENABLING ENVIRONMENT** by clearly conveying a process by which business can start, locate or grow here. Germantown is business friendly and will improve processes to provide more certainty and predictability for business.

2 | **LEVERAGE ASSETS TO ATTRACT NEW INVESTMENT** where the community has already provided investment and infrastructure. This includes the central business district (smart growth) and other key commercial areas.

3 | **BUILD VALUE FROM WITHIN** by supporting those businesses or assets who are already contributors to our community. Germantown has valuable resources in healthcare, cultural and recreational assets.

4 | **REPOSITION GERMANTOWN WITHIN THE REGIONAL ECONOMY** by promoting our assets and leveraging our intellectual capital to allow expansion of medical/business interests to attract investment and enhance the livability and health of our community.

5 | **MONITOR SUCCESS WITH CONTINUED AND EXPANDED MEASURES OF PERFORMANCE** specifically focused on business and economic development, moving Germantown toward economic sustainability and prosperity.

Work Plan: In accordance with G.P. 3.1 of the Strategic Plan and page 10 of The Work Plan we evaluated the current Business Retention & Expansion (BRE) practices at the city level and other EDO's also involved in BRE visits. In reviewing we found the following:

City BRE Visits – conducted by Staff and volunteer members of the EDC; many visits included small independent businesses. Untrained outreach visits were conversational, obtaining anecdotal information and feedback. A large number of businesses are home-based businesses, thus not specifically targeted. The largest employers were also visited by State EDC officials. No active program identified with EDGE (regional EDO).

Proposed Policy/Program: Studies have revealed that 80% of job growth & investment in most communities is generated by existing companies. BRE is the most cost effective strategy for the local community. It avoids surprises (expansion or contraction/relocation). In order to achieve a business friendly culture, customer service focus and obtain consistent and relevant quantitative data, we recommend the following policy by the City of Germantown for BRE:

1. Create a three-tiered program under which businesses are contacted annually and information gathered:
 - a. Tier One – Large Employers. This includes employers with 50 or more employees. This will include a business visit to include City Staff (EDC & Administration) and partner with representative(s) from the TN Department of Economic Development (Ordis Copeland and/or others). State officials will accompany City Staff/Representative to conduct an onsite visit, and outline information based upon a standardized set of questions (e.g. written survey) obtained verbally by Company representatives.

- a. Tier Two – Medium Employers. This includes employers with 25 to 49 employees. This will include a business visit to include City Staff (EDC) to conduct an onsite visit, and outline information based upon a standardized set of questions obtained verbally by Company representatives. If rapid expansion or growth a viable potential, then include State partner.
 - b. Tier Three – Small Employers. This includes employers or home-based businesses with less than 25 employees. This will include a written survey with a standardized set of questions that will be mailed (USPS) and/or emailed to each business with return self-addressed stamped envelope.
2. Develop BRE written survey – to be distributed and/or information gathered as described above. This is to include a Customer Satisfaction section for benchmarking and future performance tracking. Disaggregate information from surveys into a database.
 3. Develop assistance program (direct or via partners) based upon findings of the BRE Survey (verbal or written), which may include P3 programs; assistance with planning/zoning matters; public safety; identification of regional/state/federal financing/funding programs; facilitation of PILOT or other incentive programs; operations/export assistance; facilitation of workforce development/education programs through local academic/educational institutions.
 4. Invite larger employers to annual Business Leader’s Dinner and Roundtable Summit (see G.P. 3.2 – page 11 of work plan) – why? Because “C” suite executives (CEO, COO, CEO) talk to one another!
 5. Measure and monitor the following regarding BRE:
 - a. # of visits (month/year)
 - b. # of referrals made (to other agencies)
 - c. Customer satisfaction ratings
 - d. # of program partners (other agencies)
 - e. Average response by staff and/or partners
 - f. # jobs created/expanded
 - g. Salary range of jobs created
 - h. Investment in new facilities/equipment

a) Marie Burgess explained that the role of the EDC members is to engage with our existing businesses. We have in the past allowed members to participate in the business visits. You have a proposal for a Business Retention and Expansion program that we’d like to initiate. Staff will continue leading the business visits and this falls in line with the G.P. 3.1 of the Strategic Plan. Statistics show that 80% of job growth comes from existing businesses. The new BRE program will follow a three tier approach which you have in your packet. 1) Large employers 50 employees and above will receive personal visits and we will invite the State to come along with us, 2) Businesses 25-49 employees will receive a personal visit, 3) Small employers/businesses that are less than 25 employees will receive a survey in the mail or email as it would take a lot of time to reach these on an annual basis. This will be better a use of our time and way to receive feedback which we will be able to use to measure our performance. There are 900 to 1500 businesses in Germantown.

NEW BUSINESS:

a) Ms. Rose noted that with this Work Plan, there is no way the limited staff can do it all by themselves. So we are going to engage in public private partnerships. With the Chamber, we are in discussion regarding who has which strengths and how we can do that. We’re also in discussion with Union University. We started some dialog with them to talk about partnering on the workforce development pieces. Lastly, it’s about this group and what we can do similar to what John Lawrence has with his work groups except we call them “Task Forces”. We plan to get volunteers, citizens and people in the community, starting with you all at the commission level, to identify those key areas. We came up with the idea to create three task forces. I have learned working with you all over the last

couple of years that everybody has a different passion in a different area. The first one will be Retail. So whoever is interested in the retail discussion in the store fronts and what's going on could be part of that task force. We are going to ask you to think about which one you would like to be part of and how you can participate in that. The second one is Tourism and everything that from the hotels and what they are doing as well as all of the culture assets, culture tourism, eco tourism, parkways, and the greenways. How do we get people out of their hotel rooms and on the greenways? How do we engage the culture and arts groups and their interest in what's happening? How can we work with the Chamber on their promotion efforts and what they're doing? The third is Innovation, and of course, that is a big broad discussion that consists of those things like an incubator in the medical community. Innovation is about all those small businesses that may be doing something interesting in the garage that we need to know about; that we will identify through those surveys. Innovation may mean the international piece or an additional task force if we think there is enough there to grab on to start to work from. We talked about Shop Germantown. The City created a website about Shop Germantown. We've got the Balle network a buy local structure plan. So we don't have to create a retail plan for buy local. We actually have one that we pulled off the shelf which we can give to the Retail task force. We want everyone to sign up for one tonight.

ADJOURNMENT:

There being no further business, the meeting was adjourned. The next meeting will be April 4, 2013.