

# | BUILDING PROSPERITY FOR FORT BRAGG

---



2

# ECONOMIC DEVELOPMENT – WHAT IS IT?

---

PAUL GARZA, JR.

CHAIR, BOARD OF DIRECTORS, WEST BUSINESS DEVELOPMENT CENTER



Helping our community grow,  
one small business at a time

### 3 ECONOMIC DEVELOPMENT

---

- Economic development is the conscious adoption and execution of strategies formed through government policy and public/private partnerships to create economic growth through **qualitative improvements**, especially **job and wage growth**.

## 4 DEVELOPMENT VS. GROWTH

---

*Growth* is a process of becoming larger or longer or more numerous or more important, mostly a physical change;

*Development* is a process in which something transforms into a different stage or improves, it may be physical, social or psychological.

## 5 DEVELOPMENT VS. GROWTH

---

- **ECONOMIC GROWTH**

A measure of the value of output of goods and services within a time period

- **ECONOMIC DEVELOPMENT**

A measure of the welfare of humans in a society

# 6 DEVELOPMENT VS. GROWTH

---

## ECONOMIC DEVELOPMENT

- Increased wages, career advancement and working conditions (living-wage jobs)
- Requires increased education
- Long-term investments, higher long-term growth
- Innovation/entrepreneurship
- Balanced policies: environment, communities, health
- Community prosperity
- Primacy on local resources

## ECONOMIC GROWTH

- Jobs
- Little or no education/training required
- Short-term transactions
- Typically, negative impact on social structures and community services/assets
- Profit
- Opportunity

## 7 ECONOMIC DEVELOPMENT

---

- Quality Improvement
- New Goods and Services
- Risk Mitigation
- Innovation and Entrepreneurship
- Positioning for higher growth
- Primacy given to improvement of local/legacy resources

# 8 ECONOMIC DEVELOPMENT

---

- **Long-term** Investment
  - New Ideas
  - Knowledge Transfer
  - Infrastructure
- Depends on **cooperation** between the public sector and private enterprise
- Requires **collective** action and **large scale, long horizon** investment
- Focused upon **wages, job growth, career advancement** and working conditions
- Cooperation rather than adversarial relationships
- Government is a partner or actor, but not the prime mover.

9

# ECONOMIC DEVELOPMENT – TOOLS

---



## 10 THE FOUR I'S

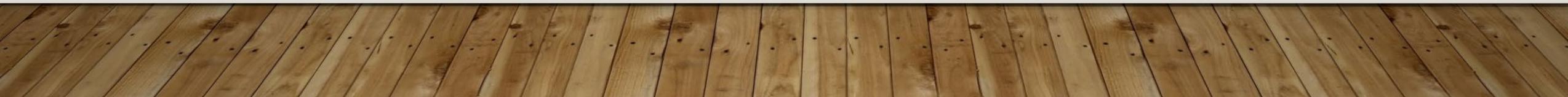
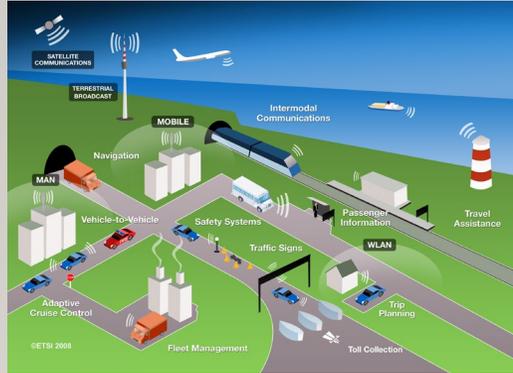
---

- **INFRASTRUCTURE** — Land use policy, transportation systems, buildings, housing, hospitals, schools, energy, water, connectivity etc.
  - **INVESTMENT** - Capital infusion (loans, venture funds), government grants, development bonds, dedicated taxes/special assessments, etc.
  - **INTELLIGENCE** - Workforce development, education, recruitment of high skilled individuals (ex. Remote workers, H1B visas), business attraction, etc.
  - **INNOVATION** - Entrepreneurship, small business development, technology transfer, value-added products, etc.
- 

## II INFRASTRUCTURE ... Sets the table

---





## I3 INFRASTRUCTURE INITIATIVES - Broadband

---

- Considered a barrier to economic development in our City and County
- Consider possibility for a City-owned Broadband Utility?
- Investment in long-term infrastructure
- Affordable higher speed connectivity
- Potential for strategic educational, development and growth partnerships
- Secures services for reliable future

## 14 INFRASTRUCTURE INITIATIVES - Water

---

- Strengthen the City's water resources
- Additional storage to rely on during dryer summer and fall months
- Small reclamation projects to increase water supply
- Desalinization plant
- Expand water supply and water pressures to the north end of town to assist with development
- Revise the City's water emergency Ordinance for better response

## 15 INFRASTRUCTURE INITIATIVES – Housing

---

- Encourage property owners to construct ADUs
- Attract Affordable Housing Developers
- Attract Multi-Unit Housing Developers
- Create Homeownership Opportunities for Workforce
- Continue to Prohibit Vacation Rentals (except where allowed in CBD)
- Work with area non-profits to create housing for persons with special housing needs

# 16 INVESTMENT ... Enables/accelerates development

---







# 19 PUBLIC/PRIVATE PARTNERSHIPS

---

- Creative alliance between a **government entity** and **private and/or non-profit developers** to achieve a common, mutually beneficial purpose
- Citizens and neighborhood groups are stakeholders
- Others stakeholders and/or partners often include:
  - Community-based organizations
  - Education
  - Health care providers

## 20 PUBLIC/PRIVATE PARTNERSHIPS

---

- Prepare properly for public/private partnerships
- Create a shared vision
- Understand your partners and key players
- Be clear on the risks and rewards for all parties
- Establish a clear and rational decision-making process
- Make sure all parties do their homework
- Secure consistent and coordinated leadership
- Communicate early and often
- Negotiate a fair deal structure
- Build trust as a core value

## 21 PUBLIC/PRIVATE PARTNERSHIPS – Challenges

---

### PUBLIC SECTOR

- Understanding private capital criteria and return requirements
- Lack of public support for public subsidies
- Validating market and cost assumptions
- Determining a fair rate to return to private sector
- Understanding risk of loss in pre-development
- Unreasonable performance schedule
- Selecting developer based on 'pretty pictures' instead of performance

### PRIVATE SECTOR

- Determining rate of return
- Negotiations: too much hard-bargaining vs. building trust
- Lack of understanding of public financing & investment constraints
- Validating 'fairness' of the deal to public sector
- Sharing proprietary information
- Understanding of the need to create community ownership
- Commitment to working with community groups

## 22 INVESTMENT INITIATIVES – Tax Sharing Agreements

---

- Transient Occupancy Tax (TOT) Tax Sharing Agreements provide an opportunity to drive development or redevelopment
- Means to encourage reinvestment in Fort Bragg
- Incremental growth in tax base is split with investor

## 23 INVESTMENT INITIATIVES – Central Business District

---

- Visit Fort Bragg Campaign
- Water/Sewer Capacity Fee Deferral/Forgiveness Program
- Small business loans through CDBG
- Bollards, Crosswalks & Pedestrian Paths
- Directory & Directional Signage
- Public Amenities such as, Restrooms, Wi-Fi, Public Seating
- Public Art, Walking Tours, Special Events
- Business Improvement District, Mills Act
- Code Enforcement to abate chronic nuisances

## 24 INVESTMENT INITIATIVES – Grants

---

- CDBG, USDA, EDA, FEMA and State/Local grant opportunities
- Seek funds on behalf of an organization
- Endorse applications of organizations
- Partnerships to attract matching funds
- City sponsored grant funds

## 25 INTELLIGENCE ... Provides knowledge & skills necessary to manifest development

---



26



## 27 INTELLIGENCE INITIATIVES

---

- Underdeveloped relationship with Mendocino College
- Develop relationships with other higher education institutions
- Other educational opportunities within K-12
- Technical training
- Adventist Health recruitment and training programs

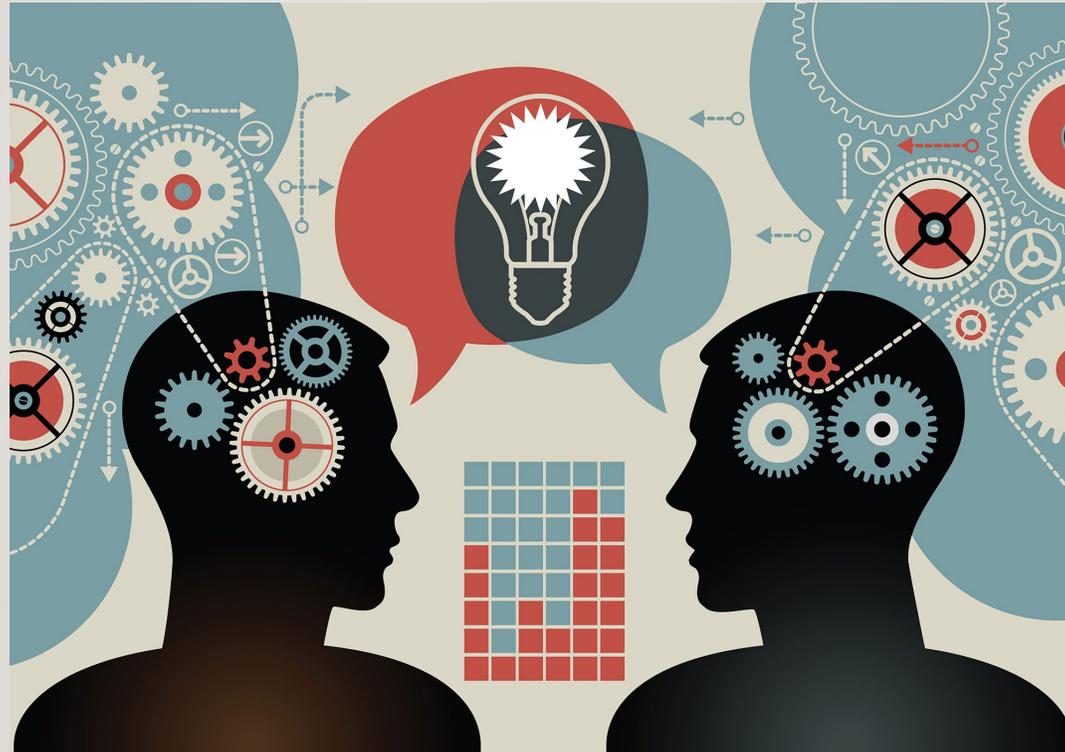
## 28 INTELLIGENCE INITIATIVES – Noyo Center for Marine Sciences

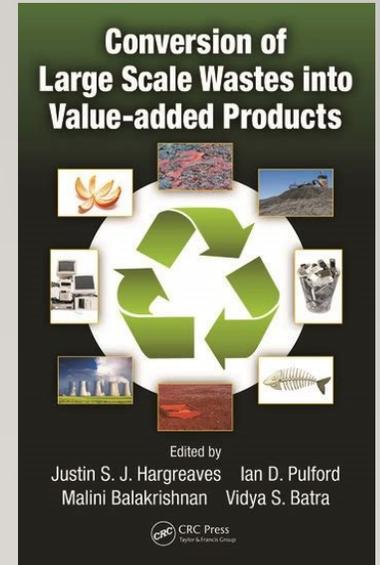
---

- Activate partnership to realize potential
- Scientific Research Extension and/or University Collaboration
- Aquaculture Industry Partnership
- Community Outreach & Educational Opportunities

## 29 INNOVATION ... Change that leads to new development

---





## 3 | INNOVATION INITIATIVES

---

- Small businesses
- Entrepreneurs

32

# END – MARCH I

---

See you on Monday, March 15<sup>th</sup> at 6:00 PM