

**GRAND JUNCTION CITY COUNCIL  
WORKSHOP AGENDA**

**MONDAY, SEPTEMBER 15, 2003, 7:00 P.M.  
CITY HALL AUDITORIUM, 250 N. 5<sup>TH</sup> STREET**

**MAYOR'S INTRODUCTION AND WELCOME**

- 7:00 **COUNCILMEMBER REPORTS**
- 7:10 **REVIEW FUTURE WORKSHOP AGENDAS** [\*Attach W-1\*](#)
- 7:15 **CITY MANAGER'S REPORT**
- 7:25 **REVIEW WEDNESDAY COUNCIL AGENDA**
- 7:30 **STRATEGIC PLAN UPDATE** [\*Attach W-2\*](#)
- 7:40 **SANTA CLARA AVENUE TRAFFIC CALMING:** The neighborhood has petitioned and gone through the process to request the installation of traffic calming. [\*Attach W-3\*](#)
- 8:10 **ECONOMIC DEVELOPMENT – ROLE OF THE CITY:** Staff will present a discussion document on the City's changing role in Economic Development efforts; as part of the goals and objectives of the Strategic Plan. [\*Attach W-4\*](#)
- 9:00 **ADJOURNMENT**

**Attach W-1  
Future Workshop Agenda**

# ***CITY COUNCIL WORKSHOP AGENDAS***

***\* SEPTEMBER 29, MONDAY 11:30 AM (Pinon Grill Restaurant at Tiara Rado)***

*11:30 City Council lunch meeting with Parks & Recreation Advisory Board*

**SEPTEMBER 29, MONDAY 5:30PM at Two Rivers Convention Center**

5:30 DINNER

6:00 CIP BUDGET PRESENTATION AND DISCUSSION

***\* OCTOBER 13, MONDAY 11:30 AM***

*11:30 Discussion of City policy on sales tax delinquencies*

*12:00 Discussion of 1/2 street improvements*

**OCTOBER 13, MONDAY 7:00PM**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND REVIEW  
FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 CHAMBER OF COMMERCE REQUEST FOR AN EXISTING  
BUSINESS INCENTIVE AWARD

7:45 PRESENTATION/DISCUSSION OF DDA BUDGET

8:45 STRATEGIC PLAN UPDATE

***\* NOVEMBER 3, MONDAY 11:30 AM***

*11:30 City Council lunch with the Riverfront Commission*

**NOVEMBER 3, MONDAY 7:00PM**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND REVIEW  
FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 STRATEGIC PLAN UPDATE

***\* NOVEMBER 17, MONDAY 11:30 AM***

*11:30 OPEN*

**NOVEMBER 17, MONDAY 7:00PM**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND REVIEW  
FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 OPEN

**BIN LIST FROM CITY COUNCIL RETREAT (June 2003)  
(and other reminders)**

1. Need to explain to residents how Council works, e.g. two readings of ordinances, public record issues, how issues are brought forward to Council, how zoning works in our community.
2. Re-visit “Friendly Native” type program
3. Discuss identifying specific uses for property tax, e.g. economic development or infrastructure.
4. City Council meeting with GJEP (*Fall lunch workshop?*)
5. Update on the buffer zones/purchase of development rights project

**Attach W-2  
Strategic Plan Update**

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**To:** Mayor and City Council  
**From:** David Varley  
**CC:** Kelly Arnold, City Manager  
**Date:** 10 September 2003  
**Re:** August Strategic Plan Progress Report  
(for discussion at City Council Workshop on 16 Sept. 2003)

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The Council's recently adopted Strategic Plan has 76 Action Steps, most of which are to be accomplished during 2003. To help us track all these Action Steps and make sure they are completed, we will provide a written progress report every month. Attached to this memo is the report for the month of August which will be discussed at the City Council workshop on 15 September 2003.

For this month there is only an update for Action Step 35.B as this is the only Action Step that was scheduled to be completed during the month of August.

GRAND JUNCTION CITY COUNCIL  
STRATEGIC PLAN 2002 – 2012

MONTHLY PROGRESS REPORT  
August 2003



Solution

SHELTER AND HOUSING THAT ARE  
ADEQUATE

**Action Step 35.B:** *Develop and implement a method to survey transients to gather more information about this issue (points of origin and destinations of transient homeless people). (August 2003)*

**Progress:** The Homeless Coalition Board has discussed and dealt with this issue. For the past three years they have had the Homeless Shelter conduct a “point-in-time” survey. This survey is conducted in the Spring and it attempts to count the number of homeless people in the community at that time. The various social service providers help with this survey by noting the number of people they serve. The Homeless Coalition Board has discussed the survey and whether or not they should also try to determine where the people are coming from and where they are going. They decided not to ask these questions in their survey because that is not their role, the people may not want to provide this information and they are not sure what could be done with the information. We have contacted the homeless shelter and are trying to obtain copies of their survey for the past three years. This has been complicated by the departure of their Director. We will continue to work with them on this issue. However, if Council desires additional information on this issue then we would need to develop a new survey and method and also decide if the information would be useful and would help us with our goals and objectives in this area.

It is recommended that we continue to work with the Homeless Coalition and support them in the various efforts they are undertaking.

**Attach W-3  
 Santa Clara Avenue Traffic Calming  
 CITY OF GRAND JUNCTION**

CITY COUNCIL AGENDA								
Subject		Santa Clara Avenue Traffic Calming						
Meeting Date		September 15, 2003						
Date Prepared		September 4, 2003			File #			
Author		Jody Kliska		Transportation Engineer				
Presenter Name		Jody Kliska		Transportation Engineer				
Report results back to Council		<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Yes	When	6 mos. From approval and installation	
Citizen Presentation		<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Name	Linda Kazmierczak	
<input checked="" type="checkbox"/>	Workshop	<input type="checkbox"/>	Formal Agenda		<input type="checkbox"/>	Consent	<input type="checkbox"/>	Individual Consideration

**Summary:**

City staff will present the data collected on Santa Clara Avenue and the proposed traffic calming. A representative of the neighborhood traffic calming committee will present the results of the neighborhood petition requesting the installation of six speed humps on Santa Clara Avenue.

**Budget:**

Funds are budgeted for traffic calming in the 2011 Fund, Activity F25600. Anticipated cost of the installation is \$5500.00. All work will be done in-house by the Streets and Transportation Divisions of Public Works.

**Action Requested/Recommendation:**

City Council approval is sought for the installation of the proposed traffic calming on Santa Clara Avenue from Highway 50 to Aspen Street.

**Attachments:**

- Neighborhood Traffic Issues Information Sheet
- Traffic Enforcement Information
- Map of proposed speed hump locations

## **Background Information:**

Residents of the neighborhood contacted City staff in May, 2002 with concerns about speeding, safety, high volumes of cut-through traffic and careless driving and racing on the street. The Police Department was notified shortly after the traffic calming packet was mailed to the residents that there was a concern with speeding on the street. Staff collected traffic data and met with the neighborhood traffic calming committee in November, 2002 to discuss the data, potential traffic calming solutions, the steps to follow in our process, and continuation of enforcement efforts.

### *Street Characteristics:*

Santa Clara Avenue is a residential street, 36' in width with one lane in each direction and striped shoulders. There is no curb, gutter or sidewalk; gravel shoulders exist outside the pavement. The street is more than 1500' in length from Highway 50 to Aspen Street and serves residents on the cross streets of Canon, Dolores, Laveta, Escalantes and Aspen Streets. In all, 50 properties are affected by changes to Santa Clara Avenue.

### *Traffic Data:*

The posted speed limit on Santa Clara Avenue is 25 MPH. Data collected in May, 2002 over a one-week period indicated the following:

Average Daily Volume:	1595 vehicles per day
Average Speed:	32 MPH
85%ile Speed:	38 MPH
Highest Recorded:	62 MPH
% Exceeding Limit:	77%

Crash records indicate 8 accidents have occurred on this section of Santa Clara between January, 2000 and July, 2003. All but one occurred at the intersection with SH 50. One crash occurred at the intersection with Aspen Street. Further review of the crashes indicates in all instances that one or both drivers did not reside in the immediate area.

Based on the number of residences in the area served by this section of street, staff estimates that at least 45% of the traffic on the street is cut-through traffic. The high volume of cut-through traffic may be attributed to avoidance of the signal at SH 50 and Unaweep Avenue because of perceived delays at the intersection.

### *Enforcement Activity:*

Records were obtained from the Police Department on enforcement activity. Between March 29, 2003 and August 5, 2003, 47 tickets were issued on 19 different dates for speeding violations. All tickets issued were for 10-19 MPH over the posted speed limit.

*Neighborhood Petition Results:*

The following results were obtained through the petition process requesting installation of speed humps at six locations along Santa Clara Avenue:

Yes:	35	
No:		6
No Response:	8	

Of those responding, 85% are in favor of the installation of speed humps on Santa Clara Avenue.



## NEIGHBORHOOD TRAFFIC ISSUES INFORMATION SHEET

This Neighborhood has reached Step 3 in the Traffic Calming Process and is seeking feedback from council, City Emergency Services and other involved City Departments within 30 days of 11/25/02 to continue to step 4. Please review this information, fill in comments next to your name below and send it back to Sandy Mallory, [sandym@ci.grandjct.co.us](mailto:sandym@ci.grandjct.co.us). Please return this form with comments within **two weeks of receipt**.

**OM HEIGHTS (SANTA CLARA AVE. HWY 50 TO ASPEN)**

05/13/02

*Neighborhood*

**Date  
Contacted**

**Initial Concern(s):** Speeding, safety backing out of driveways, high volume of cut-thru traffic, careless driving (racing).

**Neighborhood Geometrics & Characteristics:** Santa Clara Avenue is a 37' wide two lane local residential collector, no sidewalks, gravel shoulder. Zoned primarily RMF with some CSR & C1.

Posted speed limit:	25 mph	Average Speed:	32 mph	% Veh. Exceeding Speed Limit	77%
85 <sup>th</sup> % Speed:	38 mph	Highest recorded:	62 mph		
Crashes: Volumes	6	Year(s) of crash data:	Jan 2000 to Nov 2002		
:	1595 ADT				

**Existing Traffic control:** All-Way stop at Aspen, all other side streets stop controlled, posted speed limit 25 MPH

**Comments:** Crashes were at beginning and ending intersections, no mid block crashes.

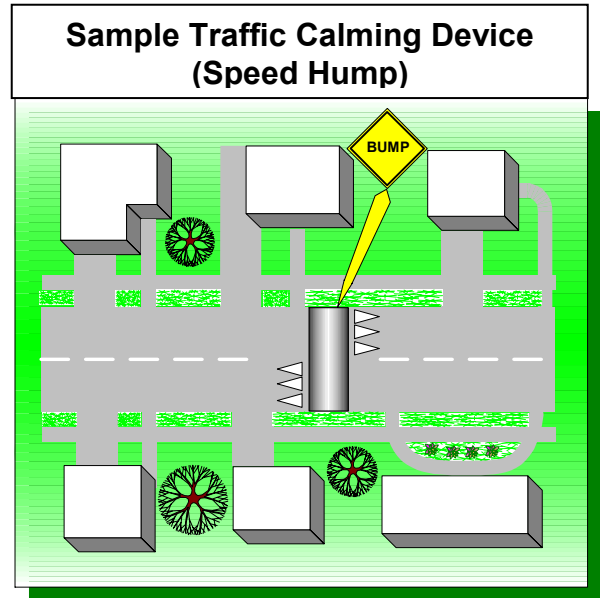
### Neighborhood Traffic Committee

Name	Address	Phone
<b>Linda Kazmierczak</b>	1680 Laveta	242-6246
<b>Debbie Wilson</b>	714 Santa Clara	241-3094
Cora Steinberg	635 Santa Clara	245-6221
Pearl Kovacic	1710 Laveta St.	242-7871

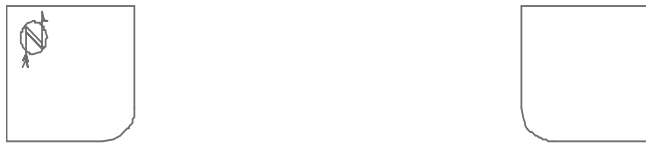
**Type of Traffic Calming Device(s) neighborhood committee would like to petition for:** Speed Humps

**Division of Transportation Comments:** There is a high percentage of cut-thru traffic (45%). This may be attributed to motorist avoiding the signal at Hwy. 50 & Unawep Ave. The percent vehicles speeding on this section of roadway is extremely high (77%). The residents of this area have been in contact with GJPD about their concerns.

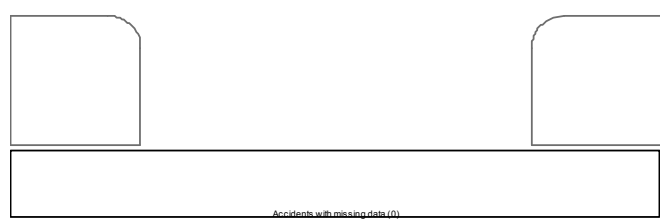
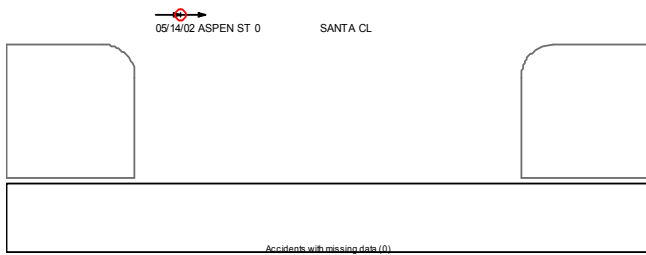
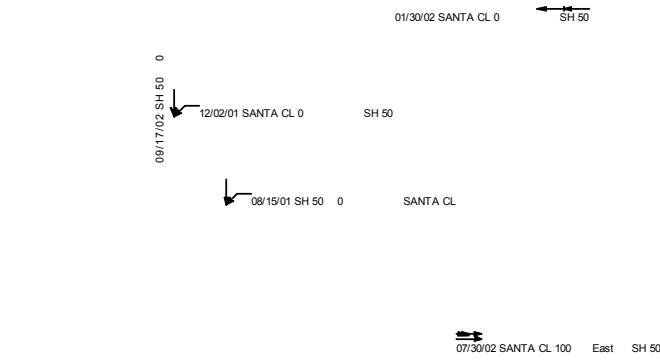
# TRAFFIC CALMING AREA MAP



1 Accidents Aspen St & Santa Clara Ave  
01/02/00 - 11/13/02



5 Accidents Santa Clara Ave & Sh 50  
01/02/00 - 11/13/02



((Distance <= 200))

((Distance <= 200))

**Kelly Arnold (City Manager):** I would like a complete enforcement history since this application has been filed. The report should include what we have done and how many tickets were issued. Other than that, no comments.

**Rick Beaty (Fire Chief):** No comments received.

**Greg Morrison (Chief of Police):** No comments received.

**Mark Relph (Public Works Director) :** No comments received.

**City Council Comments:**

**Reford Theobald:** Where is “cut-through” traffic cutting through to? What is speed enforcement history? Accident history diagram doesn’t help. Is north really north, as indicated. Road labels seem 90% off. Why is backing out of driveway a concern? Isn’t that how most people leave their driveway?

The calming is either premature or the report is incomplete.

**Jim Spehar:** No Comment

**Cindy Enos-Martinez:** No comment

**Bill McCurry:** No comment

**Dennis Kirtland:** I think the proposed calming for Santa Clara is warranted due to the number of crashes and the cut through activity.

**Harry Butler:** No Comment

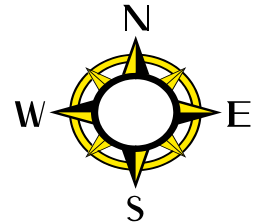
**Janet Terry:** No Comment

### Violations


Date	Time	Violation	Dir	Speed
3/29/03	8:45 AM	Speeding	WB	39
3/29/03	9:35 AM	Speeding	WB	38
3/29/03	9:50 AM	Speeding/Seat Belt/No Ins.	WB	40
3/29/03	1:20 PM	Speeding/Seat Belt	WB	39
3/29/03	1:35 PM	Speeding	WB	36
3/30/03	1:00 PM	Speeding	WB	38
3/30/03	4:05 PM	Speeding	WB	37
3/31/03	8:05 AM	Speeding/No DL	WB	37
3/31/03	8:25 AM	Speeding/Seat Belt	WB	43
3/31/03	9:55 AM	Speeding	WB	38
3/31/03	10:15 AM	Speeding	WB	57
3/31/03	10:50 AM	Speeding	WB	38
4/5/03	12:00 PM	Speeding	WB	38
4/5/03	12:30 PM	Speeding	WB	44
4/5/03	1:15 PM	Speeding	EB	35
4/13/03	9:50 AM	Speeding	WB	53
4/13/03	12:55 PM	Speeding	WB	40
4/17/03	12:45 PM	Speeding	EB	36
4/18/03	8:10 AM	Speeding	WB	38
4/18/03	8:25 AM	Speeding/No Ins	WB	38
4/18/03	8:40 AM	Speeding	WB	40
4/18/03	8:50 AM	Speeding	WB	38
4/26/03	9:00 AM	Speeding	WB	38
4/26/03	9:20 AM	Speeding	WB	38
4/26/03	9:55 AM	Speeding/Warning Only	WB	39
4/28/03	2:10 PM	Speeding/No DL	WB	38
4/28/03	2:40 PM	Speeding	WB	38
4/28/03	2:55 PM	Speeding	WB	48
4/28/03	3:30 PM	Speeding	WB	42
5/2/03	4:05 PM	Speeding	EB	37

5/2/03	4:25 PM	Speeding	WB	40
5/3/03	9:15 AM	Speeding	WB	41
5/5/03	4:45 PM	Speeding	N/A	10-19 Over
5/30/03	6:37 PM	Speeding	N/A	10-19 Over
6/1/03	6:45 PM	No Proof of Insurance	N/A	
6/1/03	7:10 PM	Speeding	N/A	10-19 Over
6/13/06	9:30 PM	No Valid DL/No Proof Insur.	N/A	
6/13/03	10:05 PM	Speeding	N/A	10-19 Over
7/2/03	4:55 PM	Driving Under Revocation	N/A	
8/2/03	9:40 AM	Speeding	N/A	10-19 Over
8/2/03	10:00 AM	Speeding	N/A	10-19 Over
8/5/03	12:05 PM	Speeding	N/A	10-19 Over
8/5/03	12:25 PM	Speeding	N/A	10-19 Over
8/5/03	12:35 PM	Speeding	N/A	10-19 Over
8/5/03	11:40 AM	Speeding	N/A	10-19 Over
8/5/03	11:55 AM	Speeding	N/A	10-19 Over

# SANTA CLARA AVENUE TRAFFIC CALMING REQUEST PROPOSED LOCATIONS FOR SPEED HUMPS



Highlighted properties are the petition area

 Proposed speed hump location

**Attach W-4**  
**Economic Development – Role of City**  
**CITY OF GRAND JUNCTION**

CITY COUNCIL AGENDA						
Subject		City's Role in Economic Development				
Meeting Date		September 15, 2003				
Date Prepared		September 5, 2003			File #	
Author		Ron Lappi Kelly Arnold		Admin. Services Director/City Manager		
Presenter Name		Kelly Arnold		City Manager		
Report results back to Council		X	No		Yes	When
Citizen Presentation			Yes	X	No	Name
X	Workshop		Formal Agenda			Consent
						Individual Consideration

**Summary:** This is the report and proposed discussion document on the City's changing role in Economic Development efforts; as part of the goals and objectives of the Strategic Plan.

**Budget:** There could be some financial impact or shifting of resources based upon the desires of City Council. For instance the study funded by the economic development partners group recommended that a coordinating position might be appropriate for county wide efforts.

**Action Requested/Recommendation:** Council discussion on the City's past policies, practices, role and relationship to economic development efforts. Recommendations and directions from this workshop should either be further developed or be taken to responsible agencies for economic development for discussion.

**Attachments:** Memo of January 2, 2003 Outlining Past Practices  
 Lockwood Greene study on current economic development practices  
 Current Status of City's ED Fund  
 Program Outline for Proposed Economic Dev. Forum 10/30/03

**Background Information:**

From Finance Director

As outlined in the attached documents the City's role for the most part the past eighteen years has been as a source of funds to assist new and existing businesses expand here in the Grand Valley. We have not been boundary conscious as to the specific location of those businesses; which is in keeping with our belief that as the central city of the Grand Valley that we are benefited by all job creation and expansion throughout the valley. Most of the twenty eight businesses assisted have been through financial support tied to job creation through MCEDC (GJEP) and the GJ Chamber. Funds have been used by the City in a direct way only for support of the Incubator, Mesa State College and IDI's Bookcliff Technology Park. We have also assisted a few social service and other non-profit organizations directly with their capital needs with our economic development funds. Since 1988 we have been setting aside \$300,000 per year in the City's Economic Development Fund.

Economic Development and economic development efforts can be properly defined in a very narrow way as direct job creation or in a broader context to include improvements to parks and public infrastructure that encourage and attract private investment in our area, thereby creating positive economic development outcomes. What our role has been is clear, but where we want to go, and how active a decision making role we should have is undecided at this time. The upcoming Economic Development Forum on October 30, 2003 will create a discussion among interested community leaders on what can and should be done, and may give the City Council and staff many good suggestions on what our role can and should be long term in the Grand Valley.

#### From the City Manager

It appears that the economic development strategy for the City of Grand Junction for the past twenty years is to focus primarily on participating in a "top-down development". This focuses on private businesses to drive economic development via private investments with government participating through incentives and low tax/fee structures. More recently, particularly with the adoption of the City's strategic plan, the City is now focusing on strategies that fit "bottom-up development". These include subjects such as housing, infill/redevelopment participation, and neighborhoods. If the City wishes to incorporate a more broad based economic development strategy (two pronged versus one), it means that there is a need to shift resources or add resources to this effort. As a result, it will mean a change of culture, a change of priorities, and a change in the budget.

A change of culture is now being considered by everyone that is associated in economic development. The current effort should further refine the new culture and definitions of economic development for this area. That means City of Grand Junction needs to be ready to change the culture on how we do business in regards to the new economic development. It may mean taking more risks; it may mean be more of a direct participant or guide in economic development; it may mean that the City get into the development business with City-owned land and other resources. Finally, it is



important that the community be involved in the new culture of economic development and understands the importance of success to the community.

A change of priorities could make significant impact to the City organization. We haven't had to make economic development a priority except through monetary participation and expeditious plan reviews. A two pronged economic development strategy will need to be closely aligned with the Administration as one of Council's top priorities. In order to see priorities such as housing, neighborhood programs, infill/redevelopment participation to a starting point, it needs to be administered from a location outside our normal departments. Therefore in order for it to continue to be a priority of the organization during the formation stages it should be located in the Administration office.

This leads to the budget change. The 2004 budget will probably include a recommendation for a new position to begin implementing some of the new programs being considered by Council. In addition, if the Council views the City as becoming more directly involved in the current economic development programs, then this position can help. Minimally, it can be the direct liaison between economic development opportunities and planning. It can also develop programs where the City becomes more involved in developing its own properties. There could be other intriguing budget changes such as using our Sewer fund to help stimulate economic development stimulation by providing infrastructure in key areas such as the area west of Walker Airport. Also, the economic development fund budget could be re-structured to meet the new culture and priorities of the community.

This is an interesting time in our economic development history. The community is poised and waiting to see the role that the City as a government is willing to accept.

# ADMINISTRATIVE SERVICES DEPARTMENT

## MEMORANDUM

January 2, 2003

**TO: The Honorable Mayor and City Council  
Kelly Arnold, City Manager**

**FROM: Ron Lappi, Admin. Svcs. & Finance Director**

**SUBJECT: Strategic Direction II, Goal 1, Objective (a)  
Overview of Past Funding Mechanism and  
Report on the History and Status of Economic  
Development Efforts**

The City of Grand Junction has been involved in various economic development efforts dating back to its incorporation in 1882. In more recent times since 1985 those efforts have been focused on providing financial assistance to organizations and businesses that are relocating to Grand Junction/Mesa County or expanding there business already here. Incentives from the City have been provided through either the Chamber of Commerce for existing businesses or through Mesa County Economic Development Corporation (now Grand Junction Economic Partnership). The only exception to this pass through process is that we have from time to time given funds directly to certain non-profit organizations such as Mesa State College.

Resources for our Economic Development efforts have come from the City's Sales Tax, since 1988 it has involved a specific set aside of \$300,000 annually from the new  $\frac{3}{4}\%$  Sales and Use Tax implemented January 1, 1988 and overwhelmingly approved by the voters. Since 1985 the City has spent \$6.6 million assisting 28 different businesses to relocate to the grand valley or expand operations already here. Our incentives have been approved for businesses located within the City and those located elsewhere in the valley. The City Councils over these past years have believed that what is good for jobs and the economy of the grand valley is good for all the citizens and residents of Grand Junction; its central city. The economic impact of additional jobs is of course very difficult to measure, but these businesses that have been assisted created over 2000 direct jobs with a 2 to 3 multiplier effect on the entire economy. The multiplier effect depends a great deal on the type of job and the industry that they are in. The businesses that we have assisted have an annual payroll of approximately \$300 million, and made a capital investment of approximately \$120 million.

The City has participated in two very significant economic development partnerships that are difficult to measure. We helped IDI purchase the 55 acre Bookcliff Technology Park, the areas newest business park property that is still in need of infrastructure. We also committed over a ten year period \$2.5 million to Mesa State College for campus expansion. Through 2002 we have contributed \$1,750,000 in matching funds to the college, and the expansion is well underway. Although not a lot of new jobs have been created by this expansion, we have been a major player in retaining large numbers of jobs at the college as a result of this important expansion.

Other City economic development efforts might be described as direct assistance to various non-profit and social service organizations to help mostly with facility expansion and improvement. These non-profits range from the Avalon Theater to Catholic Outreach, and have included millions of dollars in assistance from the general fund directly or from the CDBG funds. All of these efforts make the grand valley a better place to work and live.

Have all these efforts been successful? The Grand Junction metro area economy was among the strongest in the nation during the last decade. The area's gross metropolitan product (GMP) grew by an average of 8.3% a year, from 1991 to 2001, ranking it 17<sup>th</sup> in the nation. This was according to a report commissioned by the U.S. Conference of Mayors.

Attached to this memo is a report on the status of the City Economic Development Fund and a detailed history of the various companies and organizations that we have assisted using our economic development resources.

If anyone has questions about this report and the detailed program information, feel free to give me a call.

Thank you,

Cc: Lanny Paulson, Budget and Accounting Manager  
Department Directors

**ECONOMIC DEVELOPMENT FUND STATUS**  
*Projected As Of 01/01/2003*

2003 Beginning Funds Available \$ 617,494

<u>Revenue Source:</u>	<u>Description</u>		
Transfer-In from Sales Tax CIP	Annual transfer of the 3/4 cent sales tax	\$ 300,000	
Transfer-In from General Fund	General Fund portion for Mesa State	\$ 150,000	
		\$ -	
	Total Revenue		\$ 450,000
	Total Funds Available		\$ 1,067,494

<u>Expenditures Made To:</u>	<u>Description</u>		
		\$ -	
		\$ -	
		\$ -	
	Total Expenditures		\$ -

<b>Balance As Of 1/01/03</b>	<b>\$ 1,067,494</b>
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<u>Current Year Commitments:</u>	<u>Description</u>		
Mesa State College	City Council Contribution	\$ 250,000	
WCBDC	2nd of Two Annual Pmts.	\$ 28,600	
	Total Current Year Commitments		\$ 278,600

<b>Projected Balance As Of 12/31/03</b>	<b>\$ 788,894</b>
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<u>Future Year Commitments:</u>	<u>Description</u>	
Mesa State College	Balance of commitment from 2003 thru 2005	\$ 500,000
n/a		\$ -
n/a		\$ -
	Total Future Year Commitments	\$ 500,000
<b>Projected Resources thru 2005</b>		
General Fund Transfer	\$150K 2004 thru 2005	\$ 300,000
Sales Tax CIP Fund Transfer	\$300K thru 2005	\$ 600,000
	Total Projections	\$ 900,000
	Total Available from Future Years	\$ 400,000
	Projected E.O.Y. Balance	\$ 788,894
	Total Available	\$ 1,188,894

Note: Beginning in 1996, an annual amount of \$250,000 for ten years was identified to assist Mesa State College with land acquisition and expansion. Through the end of 2002, the City of Grand Junction has allocated \$1,750,000 to the college for this purpose. A summary of the financial status of this program is provided in the table below.

<u>Mesa State College Foundation</u>	
1996 Expense	\$ 94,891
1997 Expense	\$ 439,982
1998 Expense	\$ 215,127
1999 Expense	\$ 81,474
2000 Expense	\$ 418,526
2001 Expense	\$ 250,000
2002 Expense	\$ 250,000
Total Expense Thru 12/31/2002	\$ 1,750,000
Total Commitments	\$ 2,500,000
Balance	\$ 750,000



City of Grand Junction  
Economic Development Fund  
Contribution History

9/20/02

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total	
3D Systems											\$ 100,000	\$ 440,000							\$ 540,000	
Amtex Dixon													\$ 54,400						\$ 54,400	
Benson Property Purchase												\$ 200,000							\$ 200,000	
Bicycle Parts Pacific				\$ 6,000															\$ 6,000	
Chamber of Commerce, Profit Center							\$ 7,200												\$ 7,200	
Choice Hotels												\$ 58,000							\$ 58,000	
City Market, West End Development						\$ 140,000													\$ 140,000	
DT Swiss Bikes											\$ 5,000								\$ 5,000	
Fuoco Motors							\$ 15,000												\$ 15,000	
GTE Spacenet				\$ 25,000															\$ 25,000	
Job Site													\$ 120,000						\$ 120,000	
Johns Manville / Mesa Insulation														\$ 85,000					\$ 85,000	
Lift Industries				\$ 250,000															\$ 250,000	
Luxury Plating								\$ 37,500											\$ 37,500	
Maddack Industries				\$ 5,000															\$ 5,000	
MCEDC / Bacon Foundation						\$ 10,000	\$ 10,000	\$ 7,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000			\$ 5,000				\$ 52,500	
MCEDC / Refund				\$ (1,651)															\$ (1,651)	
Mesa State College												\$ 94,891	\$ 439,982	\$ 215,127	\$ 81,474	\$ 418,526	\$ 250,000	\$ 250,000	\$ 1,750,000	
Peak Telecom															\$ 40,000				\$ 40,000	
Peak Telecom: Refund																			\$ (80,000)	
Public Service Company				\$ 15,916															\$ 15,916	
Quality Inn				\$ 125,000															\$ 125,000	
Ram-Line											\$ 40,000								\$ 40,000	
Reynolds Polymer								\$ 175,124	\$ 8,701				\$ 4,736	\$ 4,918					\$ 193,479	
RHSC											\$ 49,737								\$ 49,737	
Sentry Services				\$ 6,000															\$ 6,000	
StarTek USA																\$ 300,000		\$ 300,000	\$ 600,000	
Sundstrand	\$ 304,930	\$ 161,154	\$ 402,880																\$ 47,200	\$ 916,164
Thermo Electron Components				\$ 14,286	\$ 30,000	\$ 14,286		\$ 14,286	\$ 14,286										\$ 87,144	
Trick Wheels				\$ 20,000															\$ 20,000	
Trinity Architectural Metals							\$ 18,000												\$ 18,000	
UTEC, Mesa State Vo-Tech							\$ 100,000				\$ 300,000		\$ 193,686						\$ 593,686	
Wal-Mart								\$ 2,500											\$ 2,500	
West Star																\$ 60,000			\$ 60,000	
Western Colo. Business Devl. Corp.										\$ 10,000	\$ 15,000				\$ 270,000			\$ 28,600	\$ 323,600	
Western Filament						\$ 165,671			\$ 8,267										\$ 173,938	
<b>TOTALS</b>	<b>\$ 304,930</b>	<b>\$ 161,154</b>	<b>\$ 402,880</b>	<b>\$ 287,635</b>	<b>\$ 207,916</b>	<b>\$ 329,957</b>	<b>\$ 150,200</b>	<b>\$ 24,286</b>	<b>\$ 240,177</b>	<b>\$ 23,701</b>	<b>\$ 514,737</b>	<b>\$ 797,891</b>	<b>\$ 812,804</b>	<b>\$ 305,045</b>	<b>\$ 396,474</b>	<b>\$ 778,526</b>	<b>\$ 257,200</b>	<b>\$ 578,600</b>	<b>\$ 6,574,113</b>	

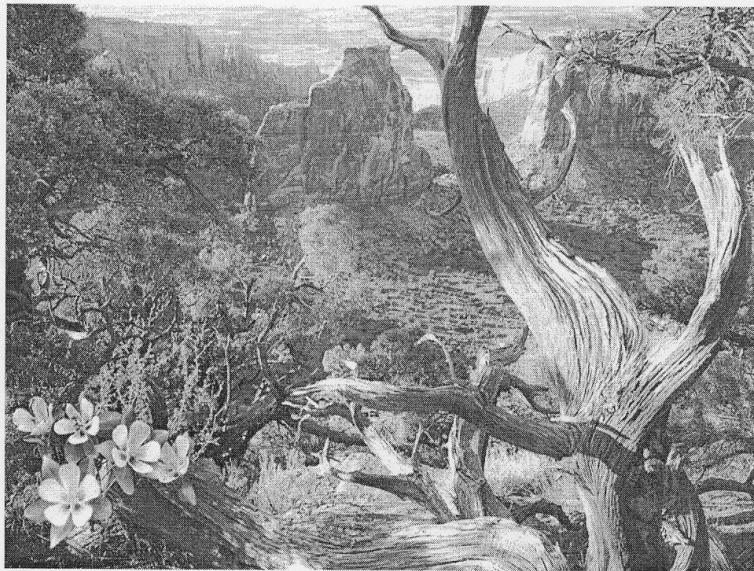
\* Transfers to other Funds for City construction costs.

RECOMMENDATIONS FOR DELIVERY OF  
ECONOMIC DEVELOPMENT SERVICES IN  
MESA COUNTY

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**PREPARED FOR:**

WESTERN COLORADO BUSINESS DEVELOPMENT CORP.  
GRAND JUNCTION AREA CHAMBER OF COMMERCE  
GRAND JUNCTION ECONOMIC PARTNERSHIP



FINAL REPORT  
NOVEMBER 2002



**LOCKWOOD GREENE**  
— A J.A. JONES COMPANY —  
ENGINEERING & CONSTRUCTION

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# 1. Introduction and Project Scope

After a competitive bidding process, the Grand Junction Economic Partnership (GJEP), the Grand Junction Area Chamber of Commerce (Chamber), and the Western Colorado Business Development Corporation (BDC) contracted with Lockwood Greene to conduct an assessment of the delivery of economic development services in Grand Junction and Mesa County. The project scope as defined by the Request for Proposals (RFP) and Lockwood Greene's proposal includes the following tasks:

- Gather information on the current economic development situation in Mesa County by reviewing economic development materials and reports, and by conducting personal interviews with key staff members, board members and other stakeholders (28 interviews were completed).
- Compare the delivery of economic development services in Mesa County with three other areas of similar size.
- Make recommendations on how to improve the delivery of economic development services in Mesa County based on the input from the interviews, comparison with three other areas and Lockwood Greene's professional expertise in business location and economic development consulting.
- Note the economic development strengths and weaknesses of Mesa County in the course of the study of economic development service delivery.

This report contains Lockwood Greene's findings and recommendations for this project, beginning with an overview of the background and current situation regarding the delivery of economic development services in Section 2. Section 3 contains the comparison cities information and analysis, and Section 4 contains Lockwood Greene's conclusions regarding the economic development strengths and weaknesses of Mesa County. Section 5 contains Lockwood Greene's recommendations concerning the future delivery of economic development services.

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## 2. Background and Current Situation

One of the first milestones in economic development in Mesa County occurred in 1959 with the creation of Industrial Development, Inc. (IDI), whose purpose is to hold land for industrial expansion. IDI is administered by the Chamber, and its Board is appointed by the Chamber Board.

In the early 1980s, Mesa County was dealt a significant economic blow when shale oil development was curtailed. Interviewees spoke of extreme economic hardship, including many jobs lost and houses in foreclosure. This economic blow acted as a catalyst for the private sector to rally and create the Mesa County Economic Development Council (MCEDC) after raising \$1.7 million from private sources in a funding campaign. With the creation of MCEDC, the business recruiting function was removed from the Chamber, although it continues to be active in retention and expansion of existing business.

### **Grand Junction Economic Partnership**

Approximately two years ago, MCEDC changed its name to the Grand Junction Economic Partnership (GJEP) to provide a better market identity. The name Grand Junction is more widely recognized than the name Mesa County among corporate executives and other “clients” of GJEP. The term “partnership” was put in the name to indicate a united effort among municipalities and Mesa County for economic development. GJEP currently operates with a staff of four, and it is still completely funded by the private sector. GJEP is the lead business recruiting organization for Mesa County.

Lockwood Greene believes changing the name to GJEP was a wise course of action from the economic development marketing standpoint. Our advice to communities is to create a name that prospects can more easily recognize and that means something to them. Prospects are the clients for economic development agencies, and the organization’s name should be for their benefit. Lockwood Greene also understands that naming an economic development organization after the main city in a region can cause resentment in other communities served by the organization. However, in Lockwood Greene’s experience, the marketing benefits from a readily identified name usually outweigh the negative local implications. The bottom line is that recruitment of new companies benefits everybody in a region, regardless of the particular jurisdiction in which they locate.

### **Western Colorado Business Development Corporation**

Also in the mid 1980s, the Western Colorado Business Development Corporation (BDC) was established to facilitate the start-up of new businesses and help grow existing businesses already established in the County (retention and expansion). BDC operates on a 46 acre riverfront campus on a former Department of Energy site now owned by the Riverview Technology Corporation (RTC), a non-profit entity created by the City of Grand Junction and Mesa County to serve as landlord/owner. BDC performs property

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management and administrative functions for RTC. Economic development programs of BDC include the following:

- Business Incubation Center (BIC). BDC has established a strong and award-winning business incubation program, among the strongest Lockwood Greene has seen in an area the size of Mesa County. BIC occupies 60,000 square feet of space and has in excess of 30 tenants, including kitchen tenants. BIC offers shared services to its tenants as well as a variety of active consultation and training programs.
- Revolving Loan Fund (RLF). Since 1986, the RLF has loaned more than \$6.7 million to Mesa County businesses, creating or retaining 1,178 jobs in the County. It has a current capital base of approximately \$3 million. As part of the loan process, RLF usually takes an equity position of 20% or greater in a business.
- Small Business Development Center. SBDC offers free consulting services as well as low-cost seminars to new and existing businesses in Mesa County. The Leading Edge program provides classroom training and one-to-one consultation to Mesa County businesses.
- Enterprise Zone. BDC administers the Enterprise Zone program for Mesa County. Businesses located in an enterprise zone area qualify for State of Colorado business tax credits. BDC administers the Enterprise Zone under contract to Mesa County.
- Venture Capital. BDC encourages the flow of venture capital into Mesa County by actively trying to match local businesses with state Capcos (State-created capital companies) and other venture capital funds and organizations. BDC hosts Venture Forums featuring leading speakers from the Venture Capital industry where local businesses can learn about the process and pitch their businesses.

BDC is funded operationally through earnings on its RLF, incubator tenant rents, the RTC property management contract, the Enterprise Zone contract, SBA grants for the SBDC, contributions from the City of Grand Junction, Mesa County, Fruita and Palidade, a state grant for Leading Edge, and contributions from commercial banks and local businesses. BDC is approximately 70 percent self-funded.

All of the above programs are strong business retention and expansion activities for Mesa County. BDC estimates that of its total staff of 10, a full-time equivalent of 2.5 persons are directly involved in serving existing business clients (retention and expansion).

### **Grand Junction Area Chamber of Commerce**

While many of BDC's activities involve retention and expansion of businesses in Mesa County, the Chamber also operates an active business retention and expansion program. According to Chamber staff members, approximately one-fourth of one person's time is allocated each year to business retention and expansion activities at the Chamber, all

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funded by private sector contributions and dues paid to the Chamber. These retention and expansion activities include business visitation, employer surveys, and workforce surveys. The Chamber also screens and makes recommendations regarding City incentive grants to existing businesses for expansion. One of the Chamber's main economic development roles in Mesa County is to serve as the "voice" of the business community in advocating a better local and state business climate.

### **City of Grand Junction**

The City of Grand Junction's role in non-tourism related economic development involves the following:

- Cash grants to new or expanding businesses from its incentive fund. The fund currently amounts to approximately \$917,000. Since 1985, the City has disbursed a total of \$6.2 million from this fund. It is supported by 3/4% sales tax receipts within the City (each year the City puts \$300,000 into the fund). This is an excellent tool to help recruit new businesses or retain and expand existing businesses (see strengths and weaknesses analysis, Section 4).
- Property tax abatements for certain prospects (however, the City's revenues are mainly sales tax driven).
- Annual grants to BDC to support its retention and expansion activities.
- Contribution of \$300,000 to renovate and relocate the BDC at the RTC campus.
- Creation and initial financial support (along with the County) of RTC, whose goal it is to retain and expand DOE jobs in Mesa County.
- Facilitating community growth by providing municipal services, improving infrastructure, and performing other local government functions.
- Active participation in the Comprehensive Economic Development Study by Mesa State College.

The City does not have any full- or part-time economic development staff members.

The City of Grand Junction has an active tourism and convention promotion program through its Visitors and Convention Bureau. The VCB is funded by a lodging tax in Grand Junction. Formerly, the tourism and convention program was operated by the Chamber with financial support from the City. In 1988, the City brought the program in house and increased its funding with the lodging tax.

### **Other Municipalities in Mesa County**

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Other municipalities in Mesa County, including Fruita and Palisade, do not have active economic development programs. However, Fruita is working with private land owners and the County to develop the Fruita Greenway Business Park, which has strong potential to become one of the leading industrial/business parks in Western Colorado (see “Industrial Sites” in Section 4). Fruita and Palisade give grants each year to BDC for its retention and expansion programs.

### **Mesa County**

Mesa County’s role in economic development includes the following:

- Tax abatements to selective prospects and issuing of industrial revenue bonds (IRBs) to help the expansion of local businesses.
- Annual grants to BDC to support its business retention and expansion programs.
- Annual contributions for the SBDC funding local match.
- Financial support of Enterprise Zone program at \$25,000 per year.
- Contribution of \$300,000 to renovate and relocate the BDC at the RTC campus.
- Creation and initial financial support (along with the City of Grand Junction) of RTC, whose goal it is to retain and expand DOE jobs in Mesa County.
- Work with City of Fruita to facilitate development of the Fruita Greenway Business Park.
- Active participation in the Comprehensive Economic Development Strategy by Mesa State College.

The County does not have an incentive fund. Like the City of Grand Junction, the County has no full- or part-time economic development staff members.

### **Summary of Current Situation**

In summary, the economic development situation in Mesa County can be described as one where the private sector through the GJEP and Chamber supports most of the new business recruitment activities and some of the business retention and expansion activities. Business retention and expansion and new business start-up activities in the BDC are supported partially through grants from the City of Grand Junction, Fruita, Palisade and Mesa County.

Based on interviews and research, Lockwood Greene believes that economic development in Mesa County is supported more by the private sector than the public sector.

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Nationally, on average, economic development is supported by both the private and public sectors in approximately equal financial shares. However, in some communities successful economic development programs are funded entirely through either the private or public sectors exclusively, with many variations in between. Lockwood Greene's recommendations concerning the economic development programs in Mesa County are given in Section 5.

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### 3. Comparison to Other Communities

Three communities were interviewed by telephone regarding economic development organization in their respective service areas: Area Development Partnership (ADP, Hattiesburg, MS MSA), Greater Flagstaff Economic Council (GFEC, Flagstaff, AZ MSA), and Cedar Rapids Area Chamber-Priority One (CRAC-PO, Cedar Rapids, IA MSA). The communities, similar in size to Mesa County, were selected after consultation with GJEP, the Chamber and BDC. Information on the comparison communities, summary results of the telephone survey and the completed survey forms are given below.

- Populations of the service areas are: CRAC-PO – 200,000; Grand Junction – 119,281; ADP – 115,000; and GFEC – 85,000. (Actual MSA populations are as follows from Census 2000: Cedar Rapids – 191,701; Flagstaff – 122,366; Grand Junction – 116, 225; Hattiesburg – 111,674).
- Interviewees for all organizations were the Executive Directors or Presidents (heads of the organizations).
- Per capita marketing (recruitment) budgets are: CRAC-PO - \$1.08; ADP - \$1.83; GJEP - \$0.75; and GFEC - \$0.45. No data on the exact budgets for retention and expansion or new business start-up activities were readily available from the interviewees.
- All organizations interviewed are responsible for recruitment of industry to their area.
- CRAC-PO and ADP are similar in that the Chamber is also part of the overall organization. However, CRAC-PO is the economic development division of the Chamber, has its own funding mechanism and its own Board of Directors. ADP is the umbrella organization of the Hattiesburg Area and includes both the Chamber and Economic Development. All funding is to ADP and then allocated to the individual components.
- GFEC and ADP are the community-contracted organizations for economic development in the areas they represent. There are no economic development departments in the cities or counties that contract with the organizations. ADP has one mayor and two county representatives on their board who serve in an ex-officio capacity. GFEC has voting community representatives on its board.
- All three comparison organizations receive funding from both the public and private sectors. GFEC receives the largest share of public funding - 80 percent from the city and county and 10 percent grant funding. ADP receives 28 percent from the public sector and CRAC-PO receives 15 percent.
- CRAC-PO works in conjunction with the Iowa City Area Development Group on all recruitment and marketing activities. There is talk of combing both organizations to

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create a major organization for the area. They call the area the Iowa City-Cedar Rapids Technology Corridor and have a copyright in the State of Iowa and at the federal level for the term Technology Corridor.

- CRAC-PO does very little advertising and does not attend trade shows. CRAC-PO only does direct marketing and prospect visits. They interview companies in the area to find out what trends are taking place in the industry, what new products are being brought to market and which segments are growing. They also have a headquarters visitation program where they visit all of the headquarters of manufacturers and large business in their area, meet with company executives and build relationships with the decision makers. GFEC and ADP both advertise and attend trade shows. All three do targeted marketing campaigns.
- Retention and expansion activities are performed by the organizations interviewed for all three comparison areas. In Flagstaff, the City has one person responsible for redevelopment that is considered retention and expansion.
- All organizations have an active existing industry visitation program. GFEC visits 25 companies per month. ADP visits every company at least once per year. CRAC-PO interviews 600 companies per year.
- CRAC-PO reported retention and expansion results in the past year of 21 expansions totaling \$105 million in investment. GFEC reported 318 jobs through retention and expansion in 2001. ADP reported that no plant closings occurred over the past year, and the several plants are in the process of expanding. The comparison communities shared with Lockwood Greene some of their retention and expansion techniques, as reported in the matrix. We suggest that some of these techniques be adopted by Grand Junction/Mesa County as discussed in Section 5.
- ADP, GFEC and CRAC-PO do not have an active new business start-up program in place. ADP relies upon the community college small business program sponsored by the State of Mississippi and has a community investment fund available for financing high-risk projects. GFEC provides funding to the Technology Incubator, which provides all the necessary resources for new business startup and is located in the same facility as GFEC. They are working in conjunction with Northern Arizona University. CRAC-PO relies upon the Iowa City area resources, including the incubator at the University of Iowa, and the local community college for entrepreneurial development. However, they are evaluating programs to assist in order to work toward better service to start-up development.
- Local government involvement is diverse among the comparison groups. ADP represents two counties and one city. The governments contract with ADP and sit on the board in an ex-officio capacity. In addition, the governments play more of a support role rather than a decision making role. CRAC-PO has more involvement from the mayor of Cedar Rapids. The mayor is a voting member of the Board and also attends site visits to prospects. The county is just beginning active participation. GFEC has even more local government involvement. The county and city sit on the board in a decision making capacity and provide 80 percent of the



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funding for the program. As with ADP, GFEC is the economic development agency for the area. In addition, the city has created a redevelopment position within the city to work toward redevelopment of existing properties.

- Private sector involvement is part of every organization. ADP's voting board is comprised of only private sector representatives and the organization is governed only by the private sector. CRAC-PO not only has board members from the private sector but they also take private sector representatives with them on call trips and participate in hosting prospects and new companies. GFEC utilizes their private sector representatives mainly in a governing role. They have private sector board and committee members and will use them periodically in recruitment efforts.
- Chamber of Commerce involvement is also diverse. ADP is the umbrella organization for both the Chamber and Economic Development. There is a vice-president of each who reports to the president of ADP. They have a team mentality and often times will help share the tasks. The Chamber is mainly focused on addressing business related issues, supporting education and its linkages with industry and supporting and addressing issues for the University. They do pitch in when called upon in economic development. CRAC-PO is actually a division of the Chamber of Commerce with a separate board and funding mechanism. The Chamber mainly participates in the community development side of economic development and focuses on supporting existing businesses, especially the small business community. The GFEC president and the Chamber president sit on each other's boards and representatives from each organization are involved on each other's committees. The Flagstaff Chamber is mainly charged with dealing with the political issues that are raised that affect all businesses rather than on an individual basis.
- All of the communities interviewed believe that one of the pros of their current community economic development organization is that they provide good service to prospects and the community. ADP stated that they can provide a one-stop shop for any business related and even tourist related information and support. CRAC-PO said they have the ability to provide good service and one-stop shop ability for new businesses. GFEC stated that with the interaction of the different organizations, they have open communication and can help direct inquiries not related to their charge to other organizations in a seamless manner.
- Two of the communities interviewed stated there are some cons to the organization structure currently in place. ADP stated that having to answer to the governmental entities can be a problem at times because they are more immediate results oriented and do not have a full understanding of the economic cycles in business. In addition, if one of the three were to pull out of the partnership then there could be some problems with the effectiveness of the program. CRAC-PO stated that there are sometimes funding issues, while not severe, with the current set up of the organization. In addition, Priority One is the actual organization but they choose to use the Cedar Rapids Area Chamber as their name when recruiting outside of the area. Also, the chamber has a tendency to take credit for economic development success because it gets greater headlines and appears to be more glamorous. It

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has also created some internal power struggles, graying of responsibility lines and competition between the two. *It was stated that they would not in hindsight establish the organization in this manner.*

- All three organizations share resources in some manner. Since ADP is the umbrella organization, there is a lot of resource sharing. CRAC-PO pays rent to the Chamber and in turn is allowed to utilize the accounting processes and personnel as well as the receptionist and other resources. They share the phone system and other business facility utilities. GFEC shares space and resources with the Technology Incubator in order to reduce to the costs for the incubator.
- Some of the pros associated with the resource sharing are reduction of cost and elimination of redundant capabilities. For GFEC, the incubator has the opportunity to work close to a mature agency.
- Some of the cons include: lack of independence in vacation policy and accounting procedures, lack of involvement in the decision making process of some of the system upgrades, and difference of work culture (project focus vs. program focus).

Grand Junction

<b>Area:</b>	<b>Mesa County</b>			
<b>Economic development organizations in area</b>	<b>Grand Junction Economic Partnership</b>	<b>GJ Area Chamber of Commerce</b>	<b>Western Col. Bus. Dev. Corp.</b>	<b>Other</b>
Contact person	Steven Ausmus	Diane Schwenke	Thea Chase	
Phone number	970-245-4336	970-242-3214	970-243-5242	
Staff members	4	7	10	
<b>Recruitment</b>				
Type of activities performed	Full range of recruiting activities including trade shows, prospect visits, negotiations, etc.			
Annual budget for marketing excluding any salaries/ overhead	89,190			
Percent private money	100			
Sources of the private funding	Private business contributions			
Percent public money	0			
Region served	Mesa County			
Population of the region served	119,281			
Per capita marketing budget	\$0.75			
Sources of the public funding	NA			
What has been the recruiting success?	Historically, very successful. Past two years, recruiting success has declined. Have some good prospects now, however.			
How is success measured?	1.Prospect generation (number of qualified prospects, leads, website visitors, reach of editorial and advertisement placement) 2.Corporate locations (number of jobs, payroll, average salary, prospect to locate conversion rate) 3.Organizational competitiveness (stakeholder satisfaction survey, program implemented within budget)			

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
<b>Retention and expansion</b>				
Type of activities performed		Business visitation; top employer surveys; workforce surveys; incentive recommendations and applications to City	Incubator, business education and training; revolving loan fund; administer enterprise zone for County; venture capital forums; described further in report. Estimated 2.5 FTE staff devoted to retention and expansion	
Sources of private funding		Member dues	Rent from incubator tenants and private contributors; 70% self-supporting	
Sources of public funding		None	Grants from city, county and federal governments	
Region served		Mesa County	Mesa County	
Population of the region served		119,281	119,281	
What has been the r&e success?		Good, but limited program	Good; As discussed in report, all of the BDC programs are retention and expansion programs as well; many of the incubator tenants regularly expand; 12 did so in 2001. RLF has created or retained over 1,100 jobs since 1986.	
How is success measured?		No systematic program	Measured in detail in 2001 BDC report - number of BIC tenants, expansion of tenants, number of seminars, consulting projects, etc.	

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
<b>New business start-up</b>				
Type of activities performed			Incubator, business education and training; revolving loan fund; administer enterprise zone for County; venture capital forums; described	
Sources of private funding			Rent from incubator tenants and private contributors; 70% self-supporting	
Sources of public funding			Grants from city, county and federal governments	
Region served			Mesa County	
Population of the region served			119,281	
What has been the new business start-up success?			Very good; high graduation rate; 25 companies there now; new facilities being built out; Incubator of Year award from NBIC in 1996	
How is success measured?			Graduation rate, number of companies served, etc.; Extensive measurement in BDC 2001 report.	

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
What is the approximate acreage of prime prepared industrial property?				55 acres at airport; 100-150 acres at Fruita Greenway Park
Number of speculative buildings				None
What is the average size?				NA
What economic development needs are not being met now?				Outreach retention and expansion program; see report

Grand Junction

Economic development organizations in area	Grand Junction Economic Partnership	GJ Area Chamber of Commerce	Western Col. Bus. Dev. Corp.	Other
What is the role of the local government in economic development other than what is above?				City gives incentives for recruiting and retention and expansion County issues IRBs. Both grant property tax abatements
What is the role of the private sector in economic development other than what is above?				IDI (Indus Dev. Inc.) holds land; Chamber administers
What is the role of the chamber of commerce in economic development other than what is above?				Chamber acts as general advocate for business and lobbies to improve business climate
What are the pros of having economic development organized like this?				ED effort diversified among organizations
What are the cons of having economic development in your community organized like this?				Harder to communicate; too many boards; potential duplication of effort
Do any of the organizations share resources?				No
What are the pros of this arrangement?				NA
What are the cons of this arrangement?				NA
What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic development?				Strong private sector support; Award-winning new business start-up program; see report for others

Cedar Rapids

<b>Area:</b>	<b>Cedar Rapids</b>
<b>Economic development organizations in area</b>	<b>Cedar Rapids Area Chamber, Priority One</b>
Contact person	Mark Seckman, President of Priority One
Phone number	319-398-5308
Staff members	7
<b>Recruitment</b>	
Type of activities performed	Mainly focused on two markets: North America and Europe. All marketing is done in conjunction with the Iowa City Area Development Group (home of University of Iowa, major research University). The area is known as the Cedar Rapids-Iowa City Technology Corridor. The area's biggest competitors are Denver, Dallas, Chicago and other large cities in the U.S. The area has a copyright on and is registered at the federal level for the term "Technology Corridor." Corridor is registered in Iowa. No one else in the State can use it. They recently went through a cluster analysis, using a scientist from Iowa State to research the communities. The area was identified as one unified regional economy. They tried to find gaps in the region, found a couple of minor ones but didn't see any huge needs. They interviewed the executives of major industry in the area, and asked "tell us more about your industry, what segment is growing and what areas are they growing." They do very little advertising in trade journals. Their whole philosophy is relationship building. They send out a brochure and set up meetings to develop a relationship with them. All marketing materials are on desktop publishing and can return a response with 24-48 hours of request. They use targeted marketing for: food, computer and data processing, research development and testing, electronic equipment, and personal care products. They partnered with a PR firm and will develop stories and have them published in journals. They do not attend trade shows.
Annual budget for marketing excluding any salaries/ overhead	216,000
Percent private money	85%
Sources of the private funding	businesses - retail, real estate, manufacturers
Percent public money	15%



Cedar Rapids

<b>Economic development organizations in area</b>	<b>Cedar Rapids Area Chamber, Priority One</b>
Region served	Cedar Rapids MSA
Population of the region served	200,000
Per capita marketing budget	\$1.08
Sources of the public funding	Cities and County
What has been the recruiting success?	860 new jobs, 5 new companies, and capital investment around \$115M (include r&e) in the past year.
How is success measured?	<ol style="list-style-type: none"> <li>1. 1200 new jobs per year (recruitment, retention &amp; expansion or new business start-up) for manufacturing or interstate commerce, where the organization is specifically involved in the recruitment or expansion.</li> <li>2. Locate 8 new companies in the area on an annual basis, either manufacturing or interstate commerce.</li> <li>3. \$150 M capital investment of office and industrial development each year (also includes r&amp;e)</li> </ol>
<b>Retention and expansion</b>	
Type of activities performed	Headquarter call program - when they travel, they meet with the executives of companies that have a presence in Cedar Rapids and Iowa City. This has been an extremely successful strategy (been in place for 5-6 years). It has also helped in fundraising efforts for the entire organization. They call on the local executives first then call on the headquarters. They try to get Board members to go on the trips to meet with the headquarter executives. There are 25 companies headquarters that they visit on a yearly basis in the US. They travel to Europe to visit those headquarters. They recently partnered with Quad Cities and two utilities to market in Europe and set up a local office there. The Priority Business committee calls on local smaller businesses and retail. Priority One schedules plant tours of companies for the Board Members.
Sources of private funding	same
Sources of public funding	same
Region served	same
Population of the region served	same
What has been the r&e success?	\$105 M dollars came from existing expansion. 21 expansions in past yr.

Cedar Rapids

<b>Economic development organizations in area</b>	<b>Cedar Rapids Area Chamber, Priority One</b>
How is success measured?	<ol style="list-style-type: none"> <li>1. Assist in 25 business expansion projects each year.</li> <li>3. Conduct 600 business interviews through staff, etc.</li> <li>4. Host 50K visits each year on Corridor Careers website (a visit constitutes at least 6 pages and on for 30 minutes)</li> <li>5. Identify 80 companies each year that have used at least one of the workforce tools on Corridor Careers.</li> <li>6. Identify 40 companies that are using more than 1 tool.</li> <li>7. Provide information to 40 community colleges and 4-year institutions each year on employee recruitment.</li> </ol>
<b>New business start-up</b>	
Type of activities performed	<p>Very little is done for new business start-up. Kirkwood Community College has a small business development center. Priority One is not planning to start something for new business start-up within the organization. They will most likely go out and work with the organizations currently in place doing those activities. The University of Iowa has an incubator. Priority One hasn't really utilized the resources to help new businesses. There is a lack of a concerted and strategic effort to develop own companies (state-wide concern) Cedar Rapids has had more start-up companies than any other city in Iowa. It has happened in spite of the lack of a local program. There are no incentives for new business start-up. The State recognizes the need for funding programs and is in the process of reviewing the requirements of the incentives. The history of Cedar Rapids is that it is an entrepreneur environment.</p>
Sources of private funding	NA
Sources of public funding	NA
Region served	NA
Population of the region served	NA
What has been the new business start-up success?	Very successful in spite of not having a new business start-up program
How is success measured?	No measures in place.

Cedar Rapids

<b>Economic development organizations in area</b>	<b>Cedar Rapids Area Chamber, Priority One</b>
<b>What is the role of the local government in economic development other than what is above?</b>	It gives money for projects, develops, maintains and improves the community infrastructure. The mayors are involved and on the Board. The mayor of Cedar Rapids goes on the visits, as well, to headquarters and prospects. The county is just starting this month on the Board.
<b>What is the role of the private sector in economic development other than what is above?</b>	They travel on new business recruitment trips and assist with hosting of companies.
<b>What is the role of the chamber of commerce in economic development other than what is above?</b>	Tries to make the community better. Deals with the community development issues.
<b>What are the pros of having economic development organized like this?</b>	It is a one-stop shop, everything funnels to Priority One. All recruitment and r&e activities are coordinated through the organization, very focused, not fractionated.
<b>What are the cons of having economic development in your community organized like this?</b>	They are a division of the Chamber, but have separate funding and a separate board. It makes the line between responsibilities very gray at times. They are viewed as the Chamber not as Priority One, nothing says Priority One. The Chamber will take credit for the successes, can cause problems in fundraising. There are sometimes internal power struggles. It has created some competition; would not set up under this format - either all or nothing
<b>Do any of the organizations share resources?</b>	Priority One pays rent to the Chamber, uses their receptionist and accounting person
<b>What are the pros of this arrangement?</b>	It cuts some expenses, saves from hiring an accountant.
<b>What are the cons of this arrangement?</b>	Since it is the Chamber's facility etc, they come back and say this is what we are doing, hope you like it. There is no opportunity for input for things. They are under their accounting system even though it may not be the best; conflicts in culture; employee manuals etc. Vacation policy is a problem. Mostly administration problems.

Cedar Rapids

<b>Economic development organizations in area</b>	<b>Cedar Rapids Area Chamber, Priority One</b>
<b>What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic development?</b>	They have the ability to create relationships, ability to find that hot point with each individual project. They do a good job of understanding each organization individually. The community is extremely pro-business, thinking that it is bigger than it is, cooperative effort. There is not a lot of infighting. There is not much competing with other organizations; if there are arguments, done behind closed doors and appear as a unified front. Their reputation standouts as being a progressive community.
<b>What is the approximate acreage of your prime prepared industrial property?</b>	300 acres or site ready property
<b>Number of speculative buildings</b>	0
<b>What is the average size?</b>	Priority One does not build spec buildings. Some private developers have built them and the the organization witll promote them. They have also used older or abandoned buildings as spec buildings.
<b>What economic development needs are not being met now?</b>	new business start-up

Flagstaff

Area:		Flagstaff		
Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
Contact person	Stephanie McKinney		Lee Vadnais	Richard Baron
Phone number	928-779-7658		928-527-1222 x 254	928-213-9234
Staff members	6	1		
<b>Recruitment</b>				
Type of activities performed	1. Advertise 2. Reverse trade show in one of the industries 3. Renewable energy fair to attract companies 4. Direct contacting 5. Respond to direct leads or referrals, largely Dept of Commerce, and Utilities 6. Managing the telecommunication plans for northern AZ (500K project)			
Annual budget for marketing excluding any salaries/	38,000	700,000 incentive fund		
Percent private money/	10			
Sources of the private funding	100 members made up of a variety of businesses			
Percent public money/	10% Grants, 80% public			
Region served	Flagstaff			
Population of the region served	85,000			
Per capita marketing budget	\$0.45			
Sources of the public funding	City of Flagstaff and Coconedo County			
What has been the recruiting success?	Pretty Good, 50 jobs, 4 companies in 2001 (direct or primary jobs)			
How is success measured?	Goals are not numerical in nature.			

Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
<b>Retention and expansion</b>				
Type of activities performed	Active calling program. They call on 25 companies per month, find out what is going on and work with them on a customized basis to help them grow.	They are responsible for redevelopment and revitalizing inventory, installing infrastructure, creating a redevelopment district that has additional incentives and taking inventory of land that has out lived its useful life and making it new		
Sources of private funding	same			
Sources of public funding	same	City of Flagstaff		
Region served	same	Flagstaff		
Population of the region served	same	85,000		
What has been the r&e success?	318 incremental new jobs in 2001			
How is success measured?	Goals are not numerical in nature.			
<b>New business start-up</b>				
Type of activities performed	GFEC helps fund the Technology Incubator, a separate legal entity.		Public, Federal Program, at the community college	It can operate virtually or within a physical space. None of the companies have chosen to house in the incubator. It provides direct mentoring to business owners, advisory boards are set up to oversee operations, speakers for the CEOs of the companies come in to present and provide educational seminars, financing and connections into market are provided, and it is set up so customized service is available to all companies.

Flagstaff

<b>Economic development organizations in area</b>	<b>Greater Flagstaff Economic Council</b>	<b>City of Flagstaff</b>	<b>Small Business Development Center</b>	<b>Technology Incubator</b>
Sources of private funding	same		Federally funded with local match	GFEC, other sources that have made donations, incubator, clients pay a monthly fee, and the incubator takes an equity position within the companies.
Sources of public funding	same			
Region served	same			Flagstaff
Population of the region served	same			85,000
What has been the new business start-up success?				It was established 1 year ago. There are 4 companies in the program. The incubator is a finalist for a 4 million grant and has been approved to build a permanent facility on the University campus, an applied research facility- biotechnology, forestry and renewable energy and sustainable development, and information technology - set up around these disciplines so that spin-offs
How is success measured?				
<b>What is the role of the local government in economic development other than what is above?</b>	Local governments are the best partners. They give expedited review of projects and work with GFEC consistently to reduce barriers (ex. Rewriting new zoning district, which will make it easier to do projects).GFEC provides direct marketing for city property, recommends the utilization of incentives. The Mayor, a council person and the city manager sit on the Board - very active			

Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
What is the role of the private sector in economic development other than what is above?	GFEC is governed by board made up of community leaders from the membership. Private sector representatives participate on committees, in business retention and recruitment activities, and set the tone of efforts.			
What is the role of the chamber of commerce in economic development other than what is above?	There is an understanding between the two. The directors sit on each other boards and committees. The Chamber deals with companies more on a political standpoint - on behalf of the entire business community and provides referrals for projects.			
What are the pros of having economic development organized like this?	Clients that work with EDC are able to have confidential discussions; leverage of dollars spent on economic development - ensures community stays involved and public gets more bang for the buck. GFEC is able to effectively advise the city on ED efforts.			
What are the cons of having economic development in your community organized like this?	None			
Do any of the organizations share resources?	GFEC shares the facility with the Technology Incubator.			
What are the pros of this arrangement?	It keeps cost of incubator down, and allows the incubator to work with a more mature agency. GFEC provides "cheerleading" and infrastructure for the			
What are the cons of this arrangement?	None			



Flagstaff

Economic development organizations in area	Greater Flagstaff Economic Council	City of Flagstaff	Small Business Development Center	Technology Incubator
<p>What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic development?</p>	<p>1. Have wrapped all of the strategies of the core competencies of the University into economic development efforts - single largest employer.                  2. Now acts as the commercialization avenue of choice for new technology from University                  3. Goals are not number of jobs but increasing livable wage (average wage per employee and incremental increases)                  4. They focus more on making home ownership and raising a family affordable                  5. Largest employment WL Gore and Associates - medical devices                  6. More PhD's and more college graduates that anywhere else in</p>			
<p>What is the approximate acreage of your prime prepared industrial property?</p>	<p>125-170 acres</p>			
<p>Number of speculative buildings</p>	<p>1 under construction</p>			
<p>What is the average size?</p>	<p>30000 sq ft</p>			
<p>What economic development needs are not being met now?</p>	<p>None</p>			

Hattiesburg

<b>Area:</b>	<b>Hattiesburg</b>
<b>Economic development organizations in area</b>	<b>Area Development Partnership</b>
Contact person	Grey Swoope
Phone number	601-296-7513
Staff members	13
<b>Recruitment</b>	
Type of activities performed	Target marketing, direct mail. Recruitment trips, advertising - PR, image-in-state, consultant updates, trade shows partnered with utility or state
Annual budget for marketing excluding any salaries/ overhead	210,000
Percent private money	72
Sources of the private funding	Capital campaign, membership through the Chamber, Non-traditional revenue (program income)
Percent public money	28
Region served	Hattiesburg MSA
Population of the region served	115,000
Per capita marketing budget	\$1.83
Sources of the public funding	Two counties, city of Hattiesburg
What has been the recruiting success?	2001 - Been good, two companies that have located or announced new facilities since Sept 11
How is success measured?	1. Leads generated 2. Prospect visits 3. Inquiries

Hattiesburg

<b>Economic development organizations in area</b>	<b>Area Development Partnership</b>
<b>Retention and expansion</b>	
Type of activities performed	There is a plant managers group that meets quarterly. They have programs and address issues. ADP does industry visits, one on one time with the industries. They visit each company on an annual basis (\$38000 budget)
Sources of private funding	same
Sources of public funding	same
Region served	same
Population of the region served	same
What has been the r&e success?	Very well, held on to the manufacturing in place, have not had any plant closings, and have several plants in the process of expanding
How is success measured?	1. Net employment 2. Number of closure and layoffs 3. Total investment
<b>New business start-up</b>	
Type of activities performed	The weakest area. They have a community investment corporation in house that allows for high risk financing. They mostly refer people to the community college - state funded program, not really that good. ADP is currently looking at a couple of incubation projects
Sources of private funding	same
Sources of public funding	same
Region served	same
Population of the region served	same
What has been the new business start-up success?	Have been successful mainly because of the University town atmosphere, seen high-tech companies that have been helped a little, but not much
How is success measured?	No measures in place
<b>What is the role of the local government in economic development other than what is above?</b>	City limits cross over two counties. They provide more of a support role and let the private sector take the lead

Hattiesburg

<b>Economic development organizations in area</b>	<b>Area Development Partnership</b>
<b>What is the role of the private sector in economic development other than what is above?</b>	Runs the organization, Board is mostly private, the government entities sit in an ex-officio capacity
<b>What is the role of the chamber of commerce in economic development other than what is above?</b>	Product development work, involved in education support, linkages between businesses and educators - Coordinates the Educators in Industry program; involved with the University support, does the retirement development; all meet together and divide the tasks
<b>What are the pros of having economic development organized like this?</b>	One-stop shop from a customer perspective whether a tourist, or wanting to retire, relocate, start a business or locate a business in the community, know that the office with have resources to do this
<b>What are the cons of having economic development in your community organized like this?</b>	Only downside is because of the umbrella organization they have to maintain some separate boards that are contracted with the local government entities. Everyone has to be on the same page. Keeping the two separate contracting agencies happy is the biggest struggle because if one pulls out then the entire partnership could be in jeopardy.
<b>Do any of the organizations share resources?</b>	All resources are shared. All are under 501 (c) 6.
<b>What are the pros of this arrangement?</b>	Best arrangement that can be found.
<b>What are the cons of this arrangement?</b>	Chambers tend to get lost in the shuffle. ED is highly visible and there is some sensitivity among staff.
<b>What are some of the unique characteristics of community's economic development program and the community itself that assist in successful economic</b>	1. University city. 2. Organization over 70 percent funded by private sector.
<b>What is the approximate acreage of your prime prepared industrial property?</b>	500 acres, but not all could be developed due to topography and wetlands

Hattiesburg

<b>Economic development organizations in area</b>	<b>Area Development Partnership</b>
<b>Number of speculative buildings</b>	1 - being built now
<b>What is the average size?</b>	80,000 square feet - could add another 80-120K square feet if need be
<b>What economic development needs are not being met now?</b>	Only thing missing is the business incubation and helping start-up businesses.



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## 4. Economic Development Strengths and Weaknesses

An analysis of economic development strengths and weaknesses (competitive assessment), is a useful exercise for communities. It compares a community against other communities competing for the same business investment dollars and provides a guide for future community improvement. The competitive assessment is an analysis of the strengths and weaknesses of a community from the perspective of *business investment – how an outside business investor might view the area and its communities as a potential location for a new facility, or as a location for an expansion of an existing facility.*

In a competitive assessment, economic development factors can be classified as strengths, weaknesses, or neutrals as outlined below:

- **Strength:** a significant asset for promoting economic growth and job creation in the area.
- **Neutral:** factors, which have neither a strong positive or negative impact on potential growth. Neutral factors may include a combination of strengths and weaknesses that tend to offset each other, conditions that are just average, or may be a somewhat less critical location factor.
- **Weakness:** a significant limitation potentially constraining future growth and development or a critical deficiency in a key location factor.

A complete competitive assessment involves extensive analysis of data on how a community compares with other “competitor” communities (and usually the state) over a broad range of business location factors such as labor, transportation, utilities, taxes and incentives, quality of life and a host of other factors. Some of these factors can be expressed in quantitative terms (e.g. wage rates) while others are more qualitative in nature (e.g. labor work ethic and loyalty).

Lockwood Greene’s scope for this project does not include a complete competitive assessment of Mesa County of this comprehensive nature. Instead, Lockwood Greene’s task is to catalog major economic development strengths and weaknesses in Mesa County as noted in the course of the project analysis based on review of materials, interviews, and physical inspection of the area. Our findings on the economic development strengths and weaknesses of Mesa County are given below.

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## Strengths

### **Labor availability**

- Most employers interviewed stated that labor availability was very good in Mesa County, especially compared to areas such as Salt Lake City and Denver. Employers stated that workers want to live in Grand Junction and are happy to have a job. This makes it easier to recruit technical and managerial employees into the area. The job market tightened in 2000 and 2001 at the height of the economic boom, but has loosened since then.
- Employers reported that certain skilled workers such as machinists, industrial electricians and tool and dye workers were harder to find, but Lockwood Greene finds that this is the case for many communities.

### **labor relations**

- There is no union presence in the manufacturing and export-based service sector in Mesa County. Local employers reported no union problems in the County. This is a strong positive as some employers will screen out areas with a significant union presence.
- Most employers described labor management relations as good, hence there is no incentive for employers to unionize. Grand Junction is the major labor market for the Western slope with significant distances to other metropolitan areas. This gives employees an incentive to remain loyal, reducing turnover and absenteeism.

### **status as a high growth new msa**

- Grand Junction/Mesa County was designated an MSA (Metropolitan Statistical Area) in June 1995, indicating that the County's population surpassed 100,000. Many companies prefer to locate in metropolitan areas because of the advantages accompanying a certain population size (labor force, quality of life amenities, etc.). Grand Junction is clearly the major business center for Western Colorado. This status as a regional center (no geographically close "competition") will clearly help sustain growth.
- The population growth rate in the Grand Junction MSA was almost 25% during the 1990s, making it the 38<sup>th</sup> fastest growing MSA. In-migration typically accounts for 80% of population growth in a given year. Many employers consider small cities with high growth rates and in-migration to be desirable locations.

### **Private sector support of economic development**

- Following the decimation of the shale oil bust in the 1980s, Grand Junction/Mesa County almost literally picked itself up by its bootstraps. The private sector organized the Mesa County Economic Development Commission (precursor to the GJEP) and raised \$1.7 million in private contributions. The private sector has continued to support the GJEP and the business recruiting effort.
- The Chamber is strong with broad based membership. Many interviewees commented that the Chamber serves as an effective voice for the business



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community, working to improve the business climate in Mesa County. The level of private sector support for economic development in Mesa County is among the strongest Lockwood Greene has ever seen.

## **NEW BUSINESS START-UP ACTIVITIES**

- As discussed in Section 2, the new business start-up activities in Mesa County are very strong. SBDCs and Enterprise Zones (or similar programs) are common activities in communities, but both are particularly strong in Mesa County.
- The distinguishing new business start-up activities in Mesa County are the award-winning business incubator program, the revolving loan fund and the venture capital program, all administered by the BDC. Overall, the new business start-up activities in Mesa County are among the strongest Lockwood Greene has seen in comparable-sized or even much larger communities. Certainly the new business start-up activities in Mesa County are far superior to those in the comparison communities as discussed in Section 3.

### **City incentive fund**

- The City of Grand Junction allocates 3/4% of its sales tax receipts to an economic development fund, used mainly for economic development incentives for new and existing businesses. Currently this fund amounts to \$917,000. According to City records, the fund has disbursed \$6.2 million dollars since its inception in 1985. The incentive grants can be used for facilities, capital purchases, or working capital.
- This fund, supported by sales tax revenues, is a strong local economic development recruiting and retention and expansion tool. A completely flexible fund like this is rare at the local level, and it could act as a tie-breaker in a project against other communities without this capability.

### **quality of life**

- Quality of life means different things to different people. Some people prefer the urban experience of a New York or Chicago with the best in arts and restaurants. Others prefer outdoor recreational activities and natural scenic beauty. Grand Junction offers some of both, with good regional restaurants, a strong arts community and a charming downtown retail district. Grand Junction excels in outdoor recreational activities and scenic beauty. A mild, sunny climate with little snow in the Valley allows residents to enjoy year-round activities including snow skiing, rafting on the Colorado River and hiking and camping on the Grand Mesa and in the Colorado National Monument.
- Mesa County also boasts a strong wine industry with many award-winning vintages. A wide variety of fruits and vegetables are grown (and mainly sold) locally. Good local food and wine certainly contributes to the quality of life.

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- Mesa County offers a variety of lifestyles, from the relatively urban lifestyle of Grand Junction to the small town lifestyle of Palisade or Fruita to the completely rural lifestyle in the remote sections of the County.

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## Neutrals

### **labor quality**

- Most employers reported satisfaction with the quality of the workforce in Mesa County. As discussed above, because Grand Junction is a regional center relatively far from other major cities, workers generally appreciate their jobs and have a high degree of loyalty.
- However, some employers reported mixed experiences with regard to their workers. One of the County's largest employers reported a high annual turnover rate of 44 percent – due mainly to entry level workers with a poor work ethic. One employer of skilled workers stated that the labor force in Grand Junction was just average compared to other cities where the manager has worked, and that he had some difficulty training local workers for the skilled positions.

### **Cost of living**

- Many interviewees commented that the cost of living in Mesa County has been increasing in the past few years, especially housing. Many attributed that to the strong rate of population growth and in-migration putting a strain on the supply of land and housing.
- Data from ACCRA (American Chamber of Commerce Researchers Association) support these observations. According to ACCRA, the overall composite cost of living index for the Grand Junction MSA is 106, compared to a national average index number of 100. Transportation, health care, utilities and grocery items are all slightly above 100, but housing is well above the average at 120.4 (4<sup>th</sup> quarter 2001 data).

### **Retention and expansion program**

- As discussed in Section 2, there are retention and expansion programs for existing businesses in Mesa County. The Chamber (private sector) devotes approximately 1/4 of a staff person's time to retention and expansion activities. The BDC conducts various programs related to retention and expansion such as business training seminars and education programs, the revolving loan fund, venture capital forums and, of course, its incubator program which houses growing existing businesses as well as brand new start-up businesses. BDC has 2.5 FTE staff members devoted to retention and expansion activities. The City of Grand Junction and Mesa County support the BDC and its retention and expansion programs through annual cash grants, grant tax abatements and incentives (City only) to existing businesses to facilitate expansion, and generally facilitate business retention and expansion through community development activities.
- Despite the above programs, it is Lockwood Greene's opinion that there is only a limited proactive outreach effort to existing businesses in Mesa County. There is also a lack of clarity regarding the roles that the economic development organizations in the County have in retention and expansion. The Chamber's retention and expansion

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activities, primarily conducting surveys and visitations, are valuable, but much more business outreach needs to be done. Recommendations for additional retention and expansion activities are given in Section 5.

- Several interviewees commented on the lack of business retention and expansion activities in the area, and stated that this was the biggest deficiency in the economic development effort. One elected official commented that there is a feeling that retention and expansion is not being given nearly enough emphasis. Other interviewees stated that because there is some confusion over which organization(s) handle retention and expansion, many opportunities to create jobs in this way fall through the cracks.
- Research has shown that, on average, between 60 and 80 percent of new jobs are created in a community by the retention and expansion of existing businesses and new business start-ups. The economic base of Grand Junction is much more diversified now than in the 1980s, and the strides that have been made should be protected and enhanced by an even stronger business retention and expansion program, in Lockwood Greene's opinion.

### **Weaknesses**

#### **business climate in city of grand junction**

- Numerous interviewees stated that the city is not supportive of business in permitting, zoning and code compliance. Some interviewees stated that often city staff members would return several times and order them to change construction plans, costing additional dollars and delays. One interviewee stated that this happened even when he instructed his contractor to sit down at the beginning of construction and lay out everything for the city so there would be no surprises. Another interviewee stated that he has managed businesses in many other communities, and the situation in Grand Junction was the worst he has encountered.
- The consensus among the interviewees was that the City also does not support development of infrastructure to facilitate business expansion. In the interviews, Lockwood Greene got the impression that the City might be reluctant to support infrastructure development to help bring an export-oriented manufacturing or service firm to the City. Some attributed this to the City's "pay as you go" mentality and reluctance to incur any bond indebtedness.
- However, city officials interviewed seem to be aware of the difficult permitting situation, citing turnover in key positions and new development standards implemented in the 1990s. They stated that efforts are being made to make the permitting and construction process in Grand Junction more "user-friendly" while protecting the integrity of land use regulations and zoning ordinances.

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- Lockwood Greene believes that the lack of a City employee with responsibility for economic development may have contributed to the business climate situation in Grand Junction. Economic development professionals in city or county governments often act as a facilitator between companies looking to locate or expand in a community and the local government regulatory agencies. They often work from within to improve the permitting and regulatory situation, making their jurisdictions more business friendly.
  - Lockwood Greene recommends that efforts continue to streamline the permitting and construction process in Grand Junction. Permitting delays and uncertainty can act to deter business investment. If possible, a “one-stop” permitting office where a business could obtain all required City and County permits in an expedited manner should be established.

#### **limited support of economic development by city and county**

- As discussed in Section 2, the City of Grand Junction and Mesa County support economic development through several programs, including the City incentive fund, tax abatements, industrial revenue bonds, and contributions to various BDC programs for retention and expansion and new business start-up. However, the City and County do not provide financial support for recruiting new industry and their support of retention and expansion is limited compared to other communities (including the comparison communities). While the governments are proceeding with development of general infrastructure, improving educational programs, etc., these activities fall under the category of community development, as opposed to proactive economic development (recruiting, retention and expansion, new business start up activities).
- As discussed in Section 5, the national average for financial support of economic development is 50 percent government, 50 percent private. Strong public/ private partnerships are a hallmark of “best practice” economic development programs. Some prospects may wonder why governments in Mesa County are reluctant to support economic development, and take it as a sign of a weak business climate. Recommendations regarding an enhanced role for the public sector in economic development are discussed in Section 5.

#### **limited industrial sites**

- Prepared industrial sites with all utilities, “pad-ready” for immediate construction are scarce in Mesa County. The IDI owns two parcels close to the airport, one 55 acre tract and one 10 acre tract. However, the 55 acre site lacks utilities and it would cost a significant amount of money and take some time to extend utilities to the site. Foresight Park is virtually full, with apparently only one small 1.7 acre parcel available. Interviewees indicated that there is a reluctance to develop prepared industrial sites in advance of having a tenant secured.
- The Fruita Greenway Business Park has the potential to become a first-class regional industrial/business park. The Park has a total of 1700 acres, is on I-70 at US 6 and 50,

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and is served by the Burlington Northern Santa Fe Railroad. Johns Manville is already located there and employs some 140 people. There are 100 to 150 privately owned acres individually platted and ready for development. The Park has electricity, water and fiber optics lines on site. Sewer lines will be extended to the Park in the future. Fruita has a master plan to develop the Park, with 80 acres of green space, railroad crossing improvements and entrance improvements.

- Despite the Greenway Business Park's potential, some prospects might prefer to locate in the major urban area in the County, the City of Grand Junction. The lack of prepared industrial land and an available, modern industrial building are disadvantages in recruiting companies, in Lockwood Greene's opinion. Business location decisions are made in a compressed time frame today, and lack of a prepared industrial site or available (possibly speculative) building can put a community at a decided disadvantage.
- Lockwood Greene recommends that the City of Fruita continue to support development of the Greenway Business Park. The County should continue to assist since part of the Park is in the County (outside of Fruita city limit), and it will strongly benefit from companies locating anywhere in the Park.
- Lockwood Greene also recommends that an adequate inventory of prepared industrial sites with all services be developed in Grand Junction. An analysis should be conducted to determine if the 55 and 10 acre parcels next to the airport should be brought up to current industrial development standards, or if new, larger parcels should be identified and developed (10 acres is really a commercial site, not an industrial site). Many communities develop industrial land through a public/private partnership because of positive externalities that accrue to governments through industrial development (property taxes, sales taxes, etc.), and because often private developers choose not to take the full risk of speculative property development.

#### **lack of a strategic plan or vision for economic development**

- While the GJEP, Chamber and BDC all have strategic plans, the City of Grand Junction and Mesa County do not appear to have a specific vision or direction for economic development. While the City of Grand Junction is developing a community strategic plan, many interviewees were not sure if economic development would be adequately addressed in the plan. Fruita does appear to have a rather well thought-out vision for its economic future.
- The lack of a vision or strategic plan for economic development is reflected in the reluctance of the City of Grand Junction and Mesa County to play a more proactive role in economic development as discussed above. Several interviewees stated that the City and County need to develop a vision or mission statement for economic development and decide in a systematic way whether they are going to increase their support of economic development (including financial support) or leave it entirely to the private sector.

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- Lockwood Greene has found that a key best practice in economic development is to explicitly develop a vision or mission statement for economic development, preferably with the private and public sectors working together in the process. If this is not being addressed in the strategic plan underway in Grand Junction, then it needs to be addressed, in Lockwood Greene's opinion. Furthermore, Mesa County needs to develop a vision or mission statement for economic development. Even if the "vision" is not to be proactive and let all economic development activities fall to the private sector, then the situation should be clarified for all.

### **vocational training**

- The major institution for post-secondary vocational training in Mesa County is UTEC, The School of Applied Technology, a partnership between Mesa State College and School District 51 formed in 1992. According to interviewees, UTEC was created to fill the void in post-secondary vocational training when Mesa State became a four-year institution as opposed to a community college approximately 25 years ago.
- Several interviewees cited problems with this arrangement of having a four-year, non-community college perform the vocational and technical training for industry. Some stated their belief that many of the programs at UTEC have a four-year college bent, as opposed to a vocational/technical bent. Also, interviewees stated that some students may be intimidated by a four-year institution with higher admission requirements as opposed to a traditional two-year community college.
- The quality of local vocational/technical training programs can be an absolutely critical success factor in economic development. With today's higher standards for manufacturing and service workers (e.g. computerized numerical control, statistical process control), employers need top notch local training specifically tailored to their shop or office floor needs. Lockwood Greene recommends that attention be given to developing a better alignment between current vocational/technical training and industry needs in Mesa County.

### **air service**

- Like many smaller metro areas, Mesa County is served by commuter air flights connecting to hub airports, in this case Denver and Salt Lake City. The good news is that Mesa County has commercial air service and a relatively nice terminal. The bad news is that many businesses desire more than just commuter air service. Many of Lockwood Greene's siting clients desire to be within one to one and one-half hours driving time from a hub airport.
- Numerous interviewees commented on the disadvantage of limited air service in Grand Junction. Several executives stated that their customers do not like to visit them because of the limited air service and commuter planes. One executive stated that Mesa County is not the place to locate if you need good air transportation.

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- Some interviewees commented that the cost of air service is reasonable if you are connecting through Denver or Salt Lake City to another major destination. However, they stated that if you are flying to a smaller city like Boise, then the cost can be very high. This type of fare structure in today's deregulated market is typical for smaller metro areas.
  - Lockwood Greene can only recommend that efforts continue to market to the air carriers to increase service and decrease cost. This is a tall order in the aviation market of today with air carriers incurring record post 9/11 losses. Many communities have partnered with air carriers to guarantee a minimum level of demand for service by getting local businesses to purchase a certain amount of travel vouchers in advance. In this way, the financial risk is lowered to the air carrier. Lockwood Greene also recommends that the GJEP carefully target the industries and firms they try to recruit to Mesa County. They will have less success with industries and firms requiring an advanced level of air service.



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## 5. Recommendations on Economic Development Service Delivery

As noted in the Introduction (Section 1), Lockwood Greene completed 28 formal interviews with local business executives, elected officials and other stakeholders in Mesa County, as well as many other informal conversations concerning economic development in the area. It was obvious from the interviews that people care very much about the economic future of the County and want to do what is best to raise living standards and create more opportunities for residents. Because people care deeply about the future of the County, it is not surprising that there were some significant differences of opinion regarding the delivery of economic development services.

Assessing and developing recommendations on the delivery of economic development services in a community is both an art and a science. The science involves gathering systematic information on how the services are delivered in other communities and using economic development “best practices” as a yardstick to measure local programs. The art involves using professional judgment based on experience concerning what is the best arrangement for a community given its individual characteristics and history.

To reach our conclusions and recommendations on the delivery of economic development services in Mesa County, Lockwood Greene utilized the following:

- Review of economic development materials, brochures, reports, etc. from the economic development organizations in Mesa County, and its City and County governments;
- Local interviews and conversations;
- Telephone interviews with three comparison communities (Section 3);
- Additional conversations with economic development professionals in other communities regarding organizational structure and service delivery;
- Review of studies and existing research on delivery of economic development services from organizations such as the International Economic Development Council (IEDC); and
- Lockwood Greene’s professional experience in business location and economic development consulting in hundreds of communities throughout the U.S. and abroad.

For purposes of this project, the issues concerning economic development services in Mesa County can be boiled down to the following key areas:

- Delivery of new business recruiting services;

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- Delivery of services for the retention and expansion of existing businesses;
  - Delivery of new business start up services; and
  - Role of the County, City of Grand Junction and other municipalities in economic development.

Lockwood Greene's recommendations in each of these areas are given below.

### **New Business Recruiting**

Lockwood Greene recommends that GJEP remain a separate entity with lead responsibility to recruit new businesses into Mesa County. Our reasons for this recommendation are given below.

- In many communities, there can be conflicts between recruiting new businesses and the normal chamber of commerce functions, including serving as a support organization and advocate for existing businesses. At certain times, some existing businesses may not strongly support bringing additional businesses into the community because of concern about competition for limited resources in the community such as labor. Several economic development professionals interviewed by Lockwood Greene in other communities (including the three comparison communities) stated that combining new business recruiting with chamber activities tends to "muddy the waters" (exact quote) and can cause a loss of focus in the recruiting efforts.
- Historically, many economic development programs have developed in chambers of commerce across the country for several reasons, including the fact that movements for economic development programs often begin in private chambers, and an office and support infrastructure already exists there. Such was the case in Mesa County. However, many economic development programs across the country have split away from chambers. Two examples are Greenville and Spartanburg, South Carolina. Both communities have recently created separate economic development recruiting and retention and expansion organizations separate from the chamber of commerce where the programs started. Economic developers in both communities stated that the focus on recruiting new businesses is much sharper in the new separate organizations. On the other hand, there are examples of communities that are combining their chamber and economic development organizations (e.g. Cleveland County, North Carolina). Lockwood Greene does not recommend this course of action for Mesa County.
- While two of the three comparison communities have new business recruiting organizations and chambers combined in one entity, they reported some difficulties with this, as discussed in Section 3. These difficulties include chamber staff wanting to take credit for business recruiting success because it is more "glamorous," internal power struggles and competition, different work cultures (project focus for recruitment vs. program focus for the chamber), loss of autonomy in office decisions such as computer system upgrades, and graying of lines of responsibility.

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As discussed in Section 3, Cedar Rapids, Iowa stated that, in hindsight, they would not combine the organizations. In Hattiesburg, Mississippi the economic development program (recruiting and retention and expansion), chamber and visitors bureau are all under an umbrella organization called the Area Development Partnership. However, each function is accorded equal standing and they all report to the ADP director (who is also the head of the economic development department). In Flagstaff, Arizona, the third comparison city, the economic development recruiting and retention and expansion activities are the responsibility of the Greater Flagstaff Economic Council, separate from the chamber. From this information, Lockwood Greene concludes that if the economic development program and chamber are combined in a community, the two functions should be accorded equal standing on the organization chart.

- Evidence for the above conclusion that combining the new business recruiting function with the chamber function can reduce the focus on recruiting is found in the IEDC report “Trends in Economic Development Organizations, 2000.” IEDC staff surveyed 86 U.S. metro areas concerning the organization, staffing and funding for economic development in their community. Different organization types reported in the survey included a separate economic development entity, government agency, chamber of commerce, port authority and some other variations. The average per capita budget for all economic development activities was much lower in metro areas where economic development was the responsibility of the chamber (\$3.16) instead of a separate organization (\$5.25), government agency (\$24.94) or port authority (\$7.12).

Of the 86 metro areas that responded to the IEDC survey, 17 had population less than 1 million. Data on average budgets was not broken out by size of metro area, just type of economic development organization.

- Evidence also indicates that it is relatively rare for economic development functions to be housed in the local chamber. In the 2000 IEDC study, in only 13.9% of the metro areas (12 of 86) did economic development reside in the chamber.
- From the community interviews for the project, Lockwood Greene believes that if the economic development recruiting function were combined with the Chamber, there is the possibility that funding for recruitment would significantly decline. Some contributors might adopt the attitude that they already give dues and contributions money to the Chamber, so why should they contribute for recruiting? The evidence from the IEDC report concerning lower funding for economic development programs housed in chambers lends credence to this concern.

In Lockwood Greene’s opinion, the above arguments against merging the economic development recruiting function with the Chamber also apply to the idea of keeping separate organizations but co-housing them. The perception would still be that economic development is back in the Chamber and, in Lockwood Greene’s opinion, some of the same disadvantages would accrue. Lockwood Greene believes that the current GJEP offices located in the airport terminal are convenient for hosting prospects and project a good, business-like impression. Lockwood Greene questions how much money would really be saved by co-housing the GJEP and Chamber. If GJEP moved

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into the Chamber building, GJEP would pay rent, or the Chamber would incur the opportunity cost of lost tenant rent to make room for GJEP staff. Either way, the cost is real. GJEP would still have furniture and computer needs as well. There may be some cost savings from co-housing the organizations (e.g. shared phone system, receptionist, copy machine etc.) but in Lockwood Greene's opinion these savings would be more than offset by the potential degradation of the recruiting program and loss of contributions as discussed above.

From the interviews, Lockwood Greene believes that the sentiment among some people in the community to merge or co-house GJEP and the Chamber may be due to a frustration over limited recruiting success over the past one to two years. There may be a feeling in the community that GJEP supporters are not getting their money's worth because of this limited success, and that something has to be done such as merging or co-housing GJEP with the Chamber. For reasons given above, Lockwood Greene would advise against this course of action and believes it would be counterproductive. Taking this course of action, in Lockwood Greene's opinion, would be akin the "throwing the baby out with the bathwater."

An underlying issue here may be how strongly the community wants to support the continued recruitment of new businesses into Mesa County. Has the community become somewhat complacent now that the economic emergency of the 1980s is over and the County is experiencing healthy population growth? If so, one way to "tone down" the recruiting effort and save some money too would be to merge or co-house GJEP and the Chamber. On the other hand, if the consensus of the community is to continue with a strong new business recruiting program, then Lockwood Greene recommends that GJEP remain a separate organization with lead responsibility for that function in Mesa County.

Lockwood Greene also recommends that the role of the GJEP Board should be consistent with "best practice" economic development organizations – the Board should set policies, budgets and broad operating guidelines and let the staff run the day-to-day operations. However, there is also a continuing important role for board members to play in recruiting. In Lockwood Greene's experience as a business location consultant, it often makes a good impression on a prospect when board members, elected officials and other key local representatives accompany economic development staff on certain recruiting or trade show trips. However, staff should drive the process of prospect contact in or away from the community.

While Lockwood Greene recommends that GJEP take the lead role in recruiting, this does not mean that other economic development organizations in the County should not assist. The Chamber should continue its role of being a voice for a stronger business climate in the County, which greatly facilitates recruitment of new businesses. The Chamber and BDC should continue to assist GJEP in identifying potential new businesses and industries to recruit through their network of members and clients.

The City of Grand Junction, other municipalities and Mesa County also should continue to play an important role in recruitment of new businesses. While Lockwood Greene recommends that GJEP continue to take the lead in identifying new prospects and bringing them in for a community visit, "closing" the deal necessarily involves many

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officials and departments in City and County government. Government officials and staff personnel must continue to work with prospects through the granting of incentives and abatements, facilitating permits and ensuring the prospects that local governments will work with the prospect company once it is located in the area. In short, GJEP can only “tee up” the deal, and the community at large must drive it home.

### **Retention and Expansion of Existing Businesses**

As discussed throughout this report, retention and expansion activities in Mesa County are dispersed among many economic development organizations and governments. The Chamber conducts business surveys and visitations as part of its normal business support functions, BDC administers numerous programs that help to retain and expand existing businesses (incubator, revolving loan fund, venture capital, seminars, etc.), and local governments play a role through incentives and abatements as well as financial support of BDC programs. More than any other economic development activity, business retention and expansion logically extends over many different entities in a community.

Lockwood Greene believes that this collaborative effort in retention and expansion in Mesa County should continue, but with two major changes and enhancements as described below.

#### **1. EXECUTIVE ECONOMIC DEVELOPMENT COUNCIL**

Lockwood Greene recommends the creation of an Executive Economic Development Council in Mesa County to coordinate retention and expansion activities and to facilitate communication and cooperation in all economic development activities throughout the County. The Executive Council should be composed of key staff members from all relevant organizations. For GJEP, the Chamber and BDC, the Executive Council representatives should be the executive directors of each organization. For all municipalities and the County, the chief manager or his designated representative should join the Executive Council. Since IDI has no full-time staff, a board member should represent it on the Council. Lockwood Greene also believes that the Executive Director of the VCB should also be a member of the Executive Council since there can be strong synergy between tourism and convention promotion and the recruitment of new businesses and the retention and expansion of existing businesses.

The Executive Council should schedule regular meetings at least quarterly and preferably monthly, and hold special sessions when needed. The meeting venue should rotate among the member organizations and members should elect a new Chair each year. Agenda items should include two major categories: 1) retention and expansion issues and required actions; and 2) updates on other economic development-related activities of each member organization and discussion of particular business items as appropriate.

In order to avoid getting executive staff of participating organizations involved in too much detail, a subcommittee should be established to handle regular retention and expansion issues. The subcommittee should include representatives from GJEP, the Chamber and BDC. This Subcommittee would work closely with a full-time retention

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and expansion staff member (see below). Reflecting current practice in Grand Junction and Mesa County, the subcommittee can be the entity that reviews and makes recommendations on retention and expansion incentive applications from existing businesses.

The Executive Council could serve as a powerful tool to coordinate all resources of the community in the recruitment of new businesses and the retention and expansion of existing businesses, as well as addressing general community development and business climate issues. However, it must be understood that often recruitment and retention and expansion activities must be conducted in complete confidence without divulging the identity of the prospect or local business until such time as it is appropriate to name the prospect.

## **2. FULL-TIME RETENTION AND EXPANSION OUTREACH STAFF PERSON**

In line with economic development best practices, Lockwood Greene recommends that there be one full-time person devoted solely to retention and expansion business outreach in Mesa County, with a commensurate budget to fund appropriate activities. The Executive Council should decide in which organization this full-time person resides. Lockwood Greene believes that the full-time retention and expansion outreach staff person could easily fit within GJEP, the Chamber or BDC.

Regardless of where the full-time retention and expansion staff person resides, the Chamber and BDC should continue to play a strong role in retention and expansion activities in the County. The Chamber, through its regular contact with existing businesses, should continue to be a major source of “leads” for retention and expansion activities. If the staff person does not reside in the Chamber, he/she should coordinate very closely with the Chamber’s existing business activities such as surveys and member visitation. BDC, with its many programs that involve new business start-ups and retention and expansion, should also continue to serve as a source of leads for retention and expansion activities. Small businesses should not be overlooked in the retention and expansion program because they have the potential to grow and become major engines of economic growth in Mesa County. All the retention and expansion leads and issues identified in the normal course of activities for all economic development organizations should be coordinated through the Executive Council.

As discussed in Sections 2 and 3, retention and expansion activities that need to be enhanced in Mesa County involve proactive outreach to businesses. Lockwood Greene recommends that these activities include the following:

- Regular program of contact and visitation for all major export-base businesses in the County (see Section 3 for information on comparison communities visitation programs).
- Contact and visitation to headquarters of national companies located in Mesa County to encourage retention and expansion of local operations.

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- Working with local businesses to help solve issues which might be impeding retention and expansion. This would especially involve issues with local governments.
  - Encouraging more buying and selling of goods and services from/to local companies. This can be facilitated by a detailed database of existing businesses which includes industry classification and product codes and input/output data.
  - Existing industry councils or roundtables to address retention and expansion issues.
  - Raising the level of appreciation and recognition of existing industries in the community.
  - Other best practice retention and expansion activities that have proven successful in many communities.

The organization that houses the full-time retention and expansion staff person must have adequate resources to fund his/her salary and activities. This funding could come from the private sector, but Lockwood Greene believes that Mesa County, the City of Grand Junction and other municipalities should contribute directly to a county-wide retention and expansion outreach program. The benefits of retention and expansion accrue directly to operating budgets of the local governments – more property tax, sales tax, and other revenue benefits. Furthermore, a basic premise underlying economic development programs is that helping to protect the jobs and livelihoods of residents is a fundamental responsibility of local government. In the three comparison communities and in Lockwood Greene's broader experience, retention and expansion activities are supported directly by local governments. This is discussed further in the section below on the role of local governments in economic development.

The retention and expansion program should concentrate on "export base" businesses that produce goods or services that are sold to a wide market outside of the county. Export base businesses are the foundation of economic growth – they bring new dollars into the County from outside areas, rather than simply recirculate dollars that are already present. Generally, retail, restaurant and many personal service businesses are not export businesses – they serve the local market. Exceptions occur when consumers from out of the area come into the County to buy goods and services, or in the case of local mail order or internet retail businesses. Retail businesses are obviously important (lack of good retail is a detriment to a community), but the export businesses are the ones that mainly drive job growth and income creation, and hence should be the target of the retention and expansion program in Mesa County.

Lockwood Greene recommends that the Chamber handle retention and expansion matters pertaining to non-export base businesses such as retail stores as part of its membership service. If the full-time retention and expansion staff person is housed in GJEP or BDC, then the Chamber should concentrate only on retail and non-export base expansions. Of course, the Chamber should continue to play a key role in the retention and expansion (as well as recruitment) of all businesses through its participation in the Executive Council and its role in creating a better business climate in

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Mesa County. Interviewees stated that this role is being performed very well by the Chamber.

### **New Business Start-Up Activities**

Lockwood Greene recommends that BDC continue the new business start-up activities it currently provides, including the incubator, revolving loan fund, venture capital forums and business education and training programs. As stated in Section 2, Lockwood Greene believes that BDC provides a very strong new business development program for Mesa County. The interviewees were unanimous in their praise for the BDC's programs and their desire to keep the current arrangement with regard to new business start-up activities.

Across the country, new business start-up programs are usually housed separately from recruitment and retention and expansion activities because of their different nature. The three comparison communities house recruitment and retention and expansion programs together, but all have separate organizations for new business development activities. The 2000 IEDC report indicates that this separation is common. Of the metro areas responding to the IEDC survey that have a separate economic development organization, only 6.7% reported that the organization also did new business development. Among the metro areas that have chambers as the main economic development organization, however, 33.3% reported that the chamber was involved in new business development activities. So, while new business start-up programs are more common in chambers than separate organizations, most communities have completely separate organizations for new business development activities.

The line between new business start-up activities and retention and expansion of existing businesses is often blurred, especially when new, smaller businesses that often need retention and expansion services are prevalent in a community. As noted in Section 2, many of BDC's programs such as the revolving loan fund, venture capital forums, and business education and training can be considered both new business start-up activities and business retention and expansion activities. Participants in the programs are from new businesses as well as established larger businesses. These programs help new businesses grow and existing established businesses expand. The programs at BDC are complementary to traditional retention and expansion activities such as business visitation, surveys and call trips to headquarters locations. Lockwood Greene sees no conflict or duplication of efforts if BDC continues its current programs while the Executive Council and full-time retention and expansion staff person (wherever that person is housed) concentrate on business outreach programs. Obviously, there should be close communication between BDC, the Executive Council and the full-time staff person concerning retention and expansion activities. For example as the staff person conducts business visitations, he/she should recommend BDC training programs as appropriate.



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## **Role of Local Governments in Economic Development**

As discussed in Section 2, direct financial support of economic development by local governments is limited in Mesa County. The City of Grand Junction has an incentive fund for new and existing business expansion which is a good tool for economic development. The City and County will abate property taxes as an incentive, and the County will issue industrial revenue bonds. There is no direct financial support of new business recruitment or retention and expansion activities. However, the City and County do give grants to the BDC to support new business start-up activities. When viewed alongside the comparison communities in Section 3, the limited role of government in economic development in Mesa County is apparent. In all three comparison communities recruitment and retention and expansion activities are supported by a combination of public and private funding.

Interviewees expressed mixed feelings about soliciting public funding to help GJEP in new business recruiting. Many stated their belief that public funding would “politicize” recruitment in Mesa County. That may be the case, but around the country, a key economic development best practice is joint public/private partnership in recruitment and retention and expansion activities. The three comparison communities did not state in the interviews that economic development had become unduly politicized because of public sector support.

As mentioned in the strengths and weaknesses analysis, nationally the norm is 50/50 funding of economic development activities by the public and private sectors. The 2000 IEDC report bears this out. For metro areas with a separate economic development organization, 60 percent reported receiving city funds, 53 percent county funds, and 48 percent private funds. The results were similar for metro areas in which the chamber is the lead economic development organization.

Lockwood Greene recommends that the enhanced retention and expansion outreach program (including one full-time staff member and appropriate budget) be supported by a combination of private and public funding for reasons discussed above that retention and expansion is a basic economic development activity that should be supported by local governments. One option would be 1/3 support from GJEP, the Chamber or BDC (whichever organization houses the staff member), 1/3 from the City of Grand Junction and 1/3 from the County. Or, Grand Junction and other municipalities and the County could contribute according to a population share formula. This is a common arrangement in many areas, based on the theory that the benefits accrue roughly in proportion to the population shares. In Lockwood Greene’s opinion, \$30,000, \$40,000 or \$50,000 (whatever the City’s share turns out to be) from the City of Grand Junction in support of the retention and expansion program would create more jobs and meet other economic development goals better than continuing to spend all the City’s economic development money on incentives.

Furthermore, Lockwood Greene believes that consideration should be given to augmenting GJEP’s recruitment budget with some public funds. As the comparison community matrix shows in Section 3, GJEP’s budget for marketing (excluding salaries

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and overhead) is \$.75 per capita. This is considerably below Hattiesburg's \$1.83 per capita and Cedar Rapids' \$1.08 per capita, but above Flagstaff's \$.45 per capita. Previous research by Lockwood Greene and others shows that best practice economic development communities spend between \$1 and \$3 per capita on marketing activities. Public funding could help put Mesa County into the best practice category for recruitment spending. The public funding formula for recruitment could be similar to the one suggested above for retention and expansion.

Lockwood Greene is not advocating that the City of Grand Junction redirect all of its incentive money into direct support of recruitment and retention and expansion activities. However, we do believe that some money redirected into these activities while maintaining some level of local incentive cash grants would be the best mix of economic development spending. As Section 3 shows, local governments in all three comparison communities "outsource" the key function of economic development to public/private organizations. Many communities across the country have purely public economic development programs in which the city and/or county has its own economic development office. Mesa County has the opposite of this model, with almost all of the economic development activities conducted and funded by the private sector. Lockwood Greene believes that some public sector support (outsourcing) to the private organizations already in place in Mesa County will improve economic development service delivery and results.

A precedent for increased support of economic development recruiting and retention and expansion by local governments exists in the Grand Junction Visitor and Convention Bureau. The City of Grand Junction operates the VCB with significant funding from a hotel/motel tax. The VCB markets Grand Junction and Mesa County as a visitor destination and convention site. Visitor and convention bureaus are a common element of the overall economic development program in most metro communities, along with direct public support of recruitment and retention and expansion. In Grand Junction and Mesa County, only the tourist and convention portion of the overall economic development equation is publicly supported.

Tourists and conventions generate jobs and millions of dollars in local tax revenues and have a positive economic impact on Grand Junction and Mesa County. However, many of the tourism and convention supported jobs are retail and service oriented, paying relatively low wages. Also, many of the jobs are seasonal. Manufacturing, technology and export-oriented service jobs created by a proactive business recruiting and retention and expansion program generally pay higher wages and have a greater positive economic impact on the community than tourism and convention related jobs. If the City of Grand Junction believes that support of a visitor and convention program is an appropriate activity benefiting its citizens, then in Lockwood Greene's opinion public support of the rest of the economic development equation would bring even greater benefits to local citizens.

### **Other Economic Development Recommendations**

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In addition to the major recommendations above regarding the recruitment of new businesses, retention and expansion of existing businesses, new business start-ups and the role of local governments, Lockwood Greene makes the following recommendations regarding economic development in Mesa County.

- IDI (Industrial Development, Inc.), as discussed in Section 2, has played an important role in economic development in Mesa County for many years by serving as the entity that holds industrial land for new or expanding businesses. Lockwood Greene believes that IDI should continue to play this important role. However, as discussed in the Strengths and Weaknesses section, Lockwood Greene believes that the inventory of prepared industrial land in Mesa County needs to be increased. Many communities accomplish this by establishing private or public/private IDAs (industrial development authorities) with bonding capacity to acquire and develop industrial land with debt retirement through land and building sales and leases or increased tax revenues.

Interviewees discussed at length with Lockwood Greene the limitations on public bond indebtedness in Colorado and the reluctance of the City of Grand Junction and Mesa County to incur any indebtedness. However it is accomplished – whether through a purely private sector development approach or a public/private sector approach, Lockwood Greene recommends that the supply of prepared industrial land in Mesa County be increased and made available to prospects at an attractive price. As noted in Section 3, the comparison communities all have much greater inventories of prepared industrial land.

- Communications among all entities involved in economic development in Mesa County – including GJEP, the Chamber, BDC and City and County governments – should be improved. According to several interviewees, key staff or board members from economic development organizations are often not present at other organizations’ board meetings, or, if they are present, “sit in the back of the room” and do not fully participate. There is no factor more critical to successful economic development service delivery than effective communications across organizations. Lockwood Greene has seen many communities where missed opportunities and duplication of effort result from lack of communication and coordination among local organizations with economic development responsibilities. In short, lack of communication and coordination breeds turf wars.

While public agencies and even private agencies such as GJEP and the Chamber that have community goals generally have open board meetings, Lockwood Greene understands that sometimes board meetings may not be conducive to inter-agency communication because agendas are usually consumed with issues unique to each organization. Lockwood Greene believes that staff representatives from economic development organizations in Mesa County should attend each others board meetings where possible. The Executive Council recommended by Lockwood Greene should significantly help with economic development communications and coordination across organizations in Mesa County.

- Consideration could also be given down the road to creating a public/private economic development umbrella organization in Mesa County similar to the one in

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the Hattiesburg, Mississippi area as discussed in Section 3. The Area Development Partnership in Hattiesburg is a true public/private organization that combines the Chamber of Commerce with the organization responsible for recruitment and retention of industry and the tourism promotion organization. Area Development Partnership officials interviewed for this project stated that they would like to develop new business start-up activities within the umbrella organization as well. They cited numerous advantages from this structure, including a one-stop shop for all economic development needs and excellent communications since the organizations are co-housed and directed by one board. Clarksville/Montgomery County Tennessee has adopted this unified model of economic development, based on the Hattiesburg ADP. However, as mentioned above, each function should be equal on the organization chart to prevent one function from dominating all others. When and if the time comes to consider this approach, a feasibility study should be conducted to assess the potential benefits and costs to this approach for Mesa County.

- Finally, Lockwood Greene recommends that Mesa County engage in a full assessment of its economic development future. This study focusing on the delivery of economic development services is only part of the work that needs to be done. In Lockwood Greene's experience, the most successful communities complete the full slate of economic development planning activities: strategic plan or vision for economic development, comprehensive assessment of economic development strengths and weaknesses (with a action plan to improve the community and programs), identification of "target" industries or economic activities on which to focus scarce recruiting dollars, and a detailed marketing plan to achieve the economic development goals and objectives covering recruitment of new industry, retention and expansion of existing industry and new business start-up. Lockwood Greene believes the economic development potential of Mesa County is very strong, and that the major task facing the community is mapping out its future.

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## **Summary of Economic Development Recommendations for Mesa County**

- **Maintain GJEP as a separate entity with lead responsibility to recruit new businesses into Mesa County. Provide a large network for business recruitment leads and deal-making assistance through close communications with the Chamber, BDC and local governments.**
- **Create an Executive Economic Development Council to coordinate retention and expansion activities and improve communications among organizations for all economic development purposes.**
- **Establish a full-time retention and expansion outreach staff position with appropriate operating budget. This person could be housed at GJEP, the Chamber or BDC.**
- **Continue to provide a unified voice for the business community to work for an improved business climate through the Chamber. Provide retention and expansion services for retail and non-export oriented businesses through the Chamber.**
- **Continue to provide new business start-up activities including the incubator, revolving loan fund, venture capital forums and business education and training programs through BDC.**
- **Co-fund retention and expansion outreach activities through the City of Grand Junction, other municipalities, Mesa County and the organization that houses the full-time staff person.**
- **Consider developing a true public/private funding partnership for new business recruiting activities.**
- **Continue to provide industrial land in Mesa County through IDI, but take steps to increase the supply of prepared industrial sites.**
- **Consider creating an overall public/private umbrella organization for delivery of all economic development services in Mesa County in the future.**
- **Develop a strategic plan or vision for economic development in Mesa County and an implementation plan to attain its goals.**

**ECONOMIC DEVELOPMENT FUND STATUS**

**2003 Beginning Funds Available** \$ 617,494

<u>Revenue Source:</u>	<u>Description</u>	
Transfer-In from Sales Tax CIP	Annual transfer of the 3/4 cent sales tax	\$ 300,000
Transfer-In from General Fund	General Fund portion for Mesa State	\$ 150,000
-		\$ -
Total Revenue		\$ 450,000
<b>Total Funds Available</b>		<b>\$ 1,067,494</b>

<u>Expenditures Made To:</u>	<u>Description</u>	
Mesa State College	City Council Contribution	\$ 250,000
WCBDC (1)	2nd of 2 annual payments of \$28,600	\$ 28,600
Internat'l Paper Box Machine Co., Inc.	Relocation Grant	\$ 69,000
Business Incubator Center	Incubator kitchen contribution	\$ 22,500
Total Expenditures		\$ 370,100

<b>Balance As Of 8/31/03</b>	<b>\$ 697,394</b>
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<u>Current Year Commitments:</u>	<u>Description</u>	
n/a		\$ -
n/a		\$ -
Total Current Year Commitments		\$ -

<b>Projected Balance As Of 12/31/03</b>	<b>\$ 697,394</b>
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<u>Future Year Commitments:</u>	<u>Description</u>	
Mesa State College	Balance of commitment from 2003 thru 2005	\$ 500,000
n/a		\$ -
n/a		\$ -
Total Future Year Commitments		\$ 500,000
<u>Projected Resources thru 2005</u>		
General Fund Transfer	\$150K 2004 thru 2005	\$ 300,000
Sales Tax CIP Fund Transfer	\$300K thru 2005	\$ 600,000
Total Projections		\$ 900,000
<b>Total Available from Future Years</b>		<b>\$ 400,000</b>
<b>Projected E.O.Y. Balance</b>		<b>\$ 697,394</b>
<b>Total Available</b>		<b>\$ 1,097,394</b>

Note: Beginning in 1996, an annual amount of \$250,000 for ten years was identified to assist Mesa State College with land acquisition and expansion. Through the 2nd quarter of 2003, the City of Grand Junction has allocated \$2,000,000 to the college for this purpose. A summary of the financial status of this program is provided in the table below.

<u>Mesa State College Foundation</u>	
1996 Expense	\$ 94,891
1997 Expense	\$ 439,982
1998 Expense	\$ 215,127
1999 Expense	\$ 81,474
2000 Expense	\$ 418,526
2001 Expense	\$ 250,000
2002 Expense	\$ 250,000
2003 Expense	\$ 250,000
Total Expense Thru 08/31/2003	\$ 2,000,000
Total Commitments	\$ 2,500,000
Balance	\$ 500,000

(1) Western Colorado Business Development Center - in support of the Small Business Consulting Center



**PRESS RELEASE**

**Date: Draft**

**Contact: Mesa County Administration 244-1860**

**FOR IMMEDIATE RELEASE**

**ECONOMIC DEVELOPMENT FORUM**

**THURSDAY, OCTOBER 30, 2003**

**8:30-4:00**

**TWO RIVERS CONVENTION CENTER**

Throughout Mesa County, communities are making great strides adapting to a changing economy through a number of economic development programs aimed at retaining and revitalizing existing industries while attracting or locally developing new ones. However, Mesa County still faces many challenges, including: a national recession; a declining impact of some traditional industries; competition from other regions; and average per capita incomes that are significantly lower than state and national averages and that have not significantly increased over the past 30 years when adjusted for inflation.

To help identify the best ways to address these challenges, Mesa County will host the first ever Mesa County Economic Development Forum for business leaders, community leaders, public officials, educators, and others interested in the economic health of our community. The Mesa County Economic Development Forum is designed to bring together a diverse group of community leaders in a day long facilitated discussion about economic development priorities for Mesa County.

The morning includes presentations by Dr. Ray Raskers and Ben Alexander, Director and Associate Director of the Sonoran Institute's Socio-Economic program. The morning program will focus on the economy of the new west, economic development opportunities for western communities, how partnerships can be formed to promote economic development, the economic role of public lands, and a detailed look at our local economy. The afternoon will include a series of facilitated small group discussions designed to look forward and identify and prioritize economic development opportunities and challenges for our community.

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Everyone interested in the future of economic development in Mesa County is encouraged to participate. The cost is \$25.00 per person and includes lunch. Space is limited, and participant registrations will be accepted on a first come first serve basis. A brochure with registration materials is available at locations throughout Mesa County or by calling 244-1640.

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# Mesa County Economic Development Forum

**10/30/2003**  
**7 Hours, 30 Minutes**  
**Two Rivers Convention Center**

## Agenda

8:00-8:30	<b>Registration/Check in</b>		30
8:30-8:45	<b>Welcome and Introduction</b>	Tilman M. Bishop	15
8:45-9:45	<b>The Changing Economy and Economic Development in the New West</b>	Dr. Ray Rasker and Ben Alexander	75
9:45-12:00	<b>Where are We Now?</b> Understanding Mesa County's Economy Today	Dr. Ray Rasker, Ben Alexander, All Forum Participants	90
12:00-1:00	<b>Lunch</b> (Overview of Afternoon Activities)	Dr. Janet Fiero	60
1:00-3:30	<b>Defining The Future of Economic Development in Mesa County --</b> Prioritizing opportunities and challenges	All Forum Participants	150
3:30-3:50	<b>Afternoon Summary</b>	Dr. Janet Fiero	20
3:50-4:00	<b>Closing and Adjournment</b>	Tilman M. Bishop	10

## Additional Information

\*Breaks have not been scheduled because of the expected large size of the group and difficulty moving people. Instructions will be given at the beginning of the day that there will be several periods for questions/discussion throughout the day and people should take breaks as needed.

\*This is a high level agenda that does not show detail of long sessions (especially 9:45-12:00 and 1:00-3:30). These will be very interactive sessions; specific planning is still underway.

\*It is anticipated that the closing will include special recognition of our partners in planning and executing this event – especially the Cities of Grand Junction and Fruita, the Grand Junction Area Chamber of Commerce, the Grand Junction Economic Partnership, the Western Colorado Business Incubator, the Bureau of Land Management, the Sonoran Institute, Dr. Janet Fiero and all other volunteer facilitators.

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