



City of Florence Economic Development Strategy

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What is economic development?

Economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base.

The general practice of economic development encompasses a broad array of tactics including, but not limited to: workforce development, higher education commercialization, business recruitment, entrepreneurship, business retention and expansion, and talent retention and attraction. These are all equally important and are delivered most effectively by different stakeholders. With so many different tactics, it is important for local jurisdictions to define their role in economic development. Cities are important stakeholders in the following roles regarding economic development, which guide this Economic Development Strategy.

1 Develop partnerships to foster a culture of creativity and entrepreneurship and to encourage private businesses to grow.

2 Maintain resilient infrastructure that supports the efficient movement of people, goods, and information through community.

3 Create pathways for economic growth and support the business ecosystem by providing clear development codes and processes.

4 Create a place where business and talent will stay and thrive.

What is the benefit of an economic development strategy?

This Economic Development Strategy sets forth an ambitious, yet achievable, strategic economic development agenda for the City of Florence for the next five years. The purpose of this plan is to:

1 Define clear goals and objectives for the community. For economic development to succeed, numerous partners and organizations must be engaged. To efficiently and effectively do that, a community must understand, document, and achieve consensus on its values, opportunities, and objectives. Once that foundation has been established, there is a common language and direction set in place. From that point on, all actions will align toward a larger goal and build momentum to an extent that real impact is achieved. Without the “playbook” of language and direction, efforts are scattered, often contradict one another, and do not achieve meaningful results.

2 Market local assets to clearly defined business audiences. Regarding marketing, it is critical to understand the audience and the key message that will resonate with that audience. All cities are in a unique position regarding marketing as they have two distinct audiences: citizens and businesses. It is critical to understand that these groups have very different interests. For example, while a citizen is interested in updates on the local farmers' market, such information is not important to a business looking to expand in the city. For this reason, economic development marketing needs to be very targeted with a specific business audience in mind.

3 Identify specific actions and timeframes. Once the goals and assets are defined, action must be taken to foster economic development. Often these actions will appear minor without the overall context of the plan. Furthermore, some actions will build momentum and have a meaningful impact, others will fail, and some may not occur due to limited stakeholder interest. The intent of the strategy is to provide several action items by several partners, but all working toward the same overall goal. This is a flexible document that will be shaped as opportunities arise. Finally, the action items are intended to be completed within five years, however it will be important to revisit the document every year to determine where progress is being made and other areas may be deficient in order to re-evaluate the actions if necessary and most importantly, acknowledge that progress is being made.

4 Bolster industry with limited support. The City recognizes that tourism is an important component to the local economy. At the time of preparing this strategy, it is understood that the tourism industry is well supported through focused marketing, strategies, programs and outreach by several local stakeholders. It is the intent of the city to focus limited staff time and resources to bolster the traded-sector as it currently does not receive the same amount of support as tourism. In balancing efforts, all industries can grow and thereby strengthen the local economy with a diverse base.

Strategy Background

In developing the Florence Economic Development Strategy, the following guiding principles emerged that shape the vision and mission for the City.

Authenticity. This work is based on the authentic identity of Florence. The defined goals and objectives can only be met if the DNA of the community and its values are recognized.

Engaging. Florence has small town roots that make it welcoming to new business and easy to navigate.

Creative. Florence is significantly focused on the arts, which is unique for many small cities. This value fosters a culture of creativity

Progressive. City staff and economic development stakeholders are focused on seizing new technologies and opportunities.

Intention. Economic development takes years of focus and nurturing specific industries. The City must be clear and consistent regarding its role in driving economic development.

Vision. The City of Florence is a thriving community built on its inherent strengths, culture, and natural amenities.

Mission. The City of Florence will drive economic development through proactive engagement and support of business that is compatible with community values while working with private partners to build a place that attracts and keeps talent.

The Strategy

The City of Florence Economic Development Strategy consists of three distinct goals with clear objectives and actions to drive results.

Progress. Support the business ecosystem by providing clear development codes, processes, and information.

Place. Create a place where business and talent will stay and thrive.

Partnerships. Foster a culture of creativity and entrepreneurship and encourage private businesses to grow.

In developing each goal, there are three distinct business sectors that are identified when developing tactics and actions.

Traded Sector Business.

The traded sector businesses includes industries and employers which produce goods and services that are consumed outside the region where they are made (e.g., manufacturing, fishing, software). Workers in the traded sector tend to be better educated, work more hours, and earn higher average wages than local sector business. In addition, a healthy traded sector can lead to the formation and growth of small, local businesses. As the traded sector increases employment and wages, it also encourages entrepreneurs to start new businesses. For these reasons, it is important the City of Florence focus economic development efforts on traded sector industries.

Local Sector Business.

Local sector business consists of industries and firms that produce goods and services that are consumed locally in the region where they were made. (e.g., professional services, health care, retail). These businesses are important as they define a community and provide amenities to attract young professionals and families that drive the new economy. These local sector businesses are an irreplaceable part of our American experience and a channel to grow our middle class as well as a path to economic opportunity. The owners behind these small, local businesses are leaders in their communities. They often support local charities, provide young people their first jobs, and create a multiplier effect as they attract more businesses to their local economies.

Entrepreneurs.

In the United States, the managed economy of the 1970s to 2000s, characterized by a reliance on big business and mass production, has given way to a so-called entrepreneurial economy. Today knowledge-driven goods and services are more flexibly provided by smaller firms. Communities thriving today are those that are accepting of new ideas and provide the ecosystem for start-ups to thrive.

Goal 1 – Progress

Support the business ecosystem by providing clear development codes, processes, and information.

Business Sector Focus Traded sector companies

Why this Goal?

The City of Florence is made up of three distinct constituents: citizens, tourists, and businesses. To date, the City and local partners have developed programs for and marketed to the first two groups. It is critical to develop a separate understanding and marketing program for the distinct business community. Implementing this goal will expand the profile of Florence as not just a retirement community or a place to visit, but as a place to invest and grow a business.

Industry clusters are groups of similar and related traded sector businesses in a defined geographic area that share common markets, technologies, worker skill needs, and which are often linked by buyer-seller relationships. Industry clusters represent distinct qualities of a community, and help define what makes one community different from another. As they convey distinct qualities, it is important to be specific in the definition of a cluster. For example, if applicable, rather promoting “manufacturing,” a community should focus on “metals and machinery” to convey the type of workforce in the area and product being manufactured. In identifying and promoting these clusters a community can convey its opportunity for business growth to outside business leaders looking to expand. In addition, promotion of the clusters helps reinforce to existing businesses the unique community assets and why it is good place to stay and grow.

The City has identified key industry clusters it can support and grow. The following have been selected because the State of Oregon and surrounding Florence region, which includes diverse nearby communities such as Eugene, Coos Bay, and Newport, are committed to growing the following industry clusters with targeted workforce programs and incentives. In addition, each cluster benefits from partnership with the significant higher education assets of Oregon universities. Furthermore, the city's infrastructure, unique assets, and existing company base serves to support these industries.

- Outdoor Gear
- Craft Food / Beverages
- Software/Information Technology
- Forest Products

Outdoor Gear

Oregon is home to some of the world's most recognized brands in active goods and apparel – some 800 firms, total. The Athletic and Outdoor Gear and Apparel Industry includes companies involved with the production and sales of footwear, apparel, and gear associated with all kinds of indoor and outdoor sports such as bicycling, hiking, skiing, camping, sailing, snow and sandboarding, and windsurfing. Industry growth in the past couple decades has been propelled by the increasing popularity of active lifestyles and outdoor recreation and the innovation of new fabrics and technologies. This industry cluster employs more than 17,000 Oregonians with an annual payroll of \$1.2 billion.

Many outdoor gear firms are regionally concentrated around a specific geography, such as the Columbia Gorge windsurfing market. Florence is beginning to capitalize on its year-round access to the Oregon Coast, the Siuslaw River and nearby sand dunes as resources that aren't available everywhere in Oregon. These assets make Florence home to the one of the few sandboard companies in the world. With immediate access to lakes, rivers, and forests, Florence can continue to expand this industry.





Craft Food / Beverages

Food processing is a significant U.S. industry as each year Americans spend more than \$1 trillion on food. Food processing is the third largest manufacturing sector in Oregon with more than 100,000 employees and an annual revenue of \$21 billion. Food manufacturing includes bakeries, dairies, produce, meats, and beverages as well as farm production, packaging, transporting, and warehousing. A new trend in food processing is craft food. Craft food is produced on a smaller scale and generally emphasizes locally sourced ingredients. The growth in craft food has been propelled by younger generations' interest in supporting local businesses and supporting businesses that focus on sustainability. Along the Oregon Coast, craft food can be found in local breweries (Oregon was once the hops capital of the world), cheese production, coffee roasters, chocolates, and bakeries. Florence is poised to benefit from the regional growth of this industry.

The City is preparing a new workforce to capture this opportunity through the culinary programs in Siuslaw High School and Lane Community College. Nearby, Oregon State University runs the Food Science and Technology Program. Its Fermentation Science program, one of just a handful in the nation, is a “hands-on” applied science to learn the use of microorganisms as processing agents in the production of a variety of fermented foods such as wine, beer, cheese, yogurt, soy sauce, breads, and fermented vegetables. Florence welcomes the opportunity to grow these companies that can flourish with regional support through programs such as Marketplace@Sprout, which sources locally produced foods for its marketplace, café, and workshops.



Software/Information Technology

Software and information technology is a growing industry. In fact, in the last couple decades, software/information technology has become an essential component of the operations of nearly every industry, growing the industry from \$149 billion in 1997 to \$425 billion in 2012. While the software industry has increased its own share of the economy, its contributions to the efficiency of other industries perpetuate additional growth on both broad and local scales. In addition to its multipliers, the software industry creates jobs that pay well above an area's median household income.

Lane County growth projections include information technology as one of the top four industries expected to grow between 2012 and 2022. In fact, software/IT is growing faster in Lane County than in Oregon and the United States. Software publishing in Lane County currently relies on 430 firms that employ about 4,500 people that are largely concentrated in Eugene. This concentration has generated growing support from business incubators such as the Fertilib Thinkubator and the State-backed Regional Accelerator and Innovation Network (RAIN). Florence is already benefiting from the proximity to this resource and is building significant partnerships with RAIN. In building this connection, Florence has great potential to attract its own concentration of the software/IT industry who are drawn to the coastal amenities, but benefit from regional investment.

Forest Products

Florence sits at the mouth of the Siuslaw River, which serves the entire region's timber industry. Oregon's timber industry is globally competitive, delivering some of the finest Douglas Fir lumber in the world. As demand for and regulation of timber industries across the Northern Hemisphere create new pressures, timber regions are reinventing their economies, finding new ways to maximize on value-added wood products. One such product making its debut in the United States is cross-laminated timber (CLT), which has been used in Europe, Australia, and Canada now for a couple decades.

CLT is an engineered panel made from hundreds of boards that are compressed in three to seven layers and then glued together with a type of resin. These panels can be milled to a specific size and are strong enough to replace steel and concrete construction in tall buildings, representing an entirely new product for the United States market.

Oregon is setting the stage to become a United States leader in the CLT industry. Oregon State University (OSU) in Corvallis has recently committed to building the new Center of Excellence for Advanced Wood Products Manufacturing and Design in cooperation with the OSU College of Forestry, OSU College of Engineering and the University of Oregon College of Architecture and Allied Arts. The Center will provide the industry a highly trained workforce, expertise to test new products and manufacturing technologies, and strategic workforce education programs. Florence benefits from the proximity of this innovative higher-education resource that ties back to the legacy timber industry surrounding the community.



Objective 1.1 Develop a deep understanding of industry clusters

In order to grow and market a cluster, the City and its partners must be able to answer for each cluster “Why Florence?” Implementation of the following actions will answer the question.

Actions

- Develop industry focus knowledge within the City via staff, other regional economic development agencies and volunteers
- Develop partnerships with higher-education partners tied to each industry to understand market trends and hiring needs.
- Meet with existing businesses in the region to understand opportunities and barriers. (ties with business retention objective)
- Develop partnerships with workforce organizations to understand alignment with industry clusters.
- Understand State programs that serve each cluster.

For example, explore if State's Foreign Direct Investment (FDI) program will include Cross-Laminated Timber (CLT). If it does, make them aware of the Florence CLT opportunity so they can promote it to foreign companies.

- Determine sites that would be good for development/redevelopment for each industry cluster and make sure property/building owner is on board.

Objective 1.2 Develop strategic approach to business retention visits

In order to successfully recruit companies, the City must have a good understanding of existing companies' satisfaction of community. Existing companies will also serve as important ambassadors to new companies.

Actions

- Prepare a list of existing targeted traded sector companies within industry clusters.
- Become familiar with workforce programs that can help business. Consider including workforce representative (as appropriate) on visits.
- Conduct surveys of local area businesses to determine high level trends on business needs and issues
- Conduct on-site visits with businesses
- At least annually, meet with the largest traded sector employers. Explore opportunities to retain the business and support their growth in Florence.
- Organize business outreach program with the help of regional economic development organizations and volunteers to meet with local businesses of all types on a rotating basis
- Use consistent list of questions to document following information:
 - Assets, opportunities, and barriers that need to be addressed.
 - Get quotes from CEOs and other business leaders to use on website.
 - Determine if there are other companies needed in area, which will inform targeted recruitment.
- Compile responses from business to find common themes of strengths and weaknesses.

Objective 1.3 Strategically market assets

Once the above information is well understood, it should be promoted clearly and widely.

Actions

- Support business needs by responding to inquiries and providing resource information. Resource information includes, but is not limited to, location & site design alternatives, financing options, city and other governmental incentive opportunities, coordination with local utilities, realtors, property owners, etc.
- Develop and maintain economic development website including community profile
- Build business cases for local industry CEOs within each industry.
- Develop a site profile for key sites with engaged property owners and good infrastructure.
- Promote and keep current incentives, infrastructure, and site opportunities on website.
- Hold mock site selector visit with Business Oregon.
- Develop an economic development social media campaign around the target industries.

Objective 1.4 Promote city culture of progress

A supportive and proactive city is a critical factor in growing the economic base. It is important to clearly convey accomplishments and that progress is underway.

Actions

- Continue to promote a culture that a business can make one call to city hall to receive the help they need. Maintain monthly newsletter article about economic development events, new business openings, etc.,
- Maintain website with current data (must be within past two years) and business profiles
- Prepare a video to educate the public about the City's business development efforts,
- Convey progress with an annual Economic Impact Analysis with summary of business survey.

Goal 2 – Place

Create a place where business and talent will stay and thrive.

Business Sector Focus Local-sector businesses

Why this Goal? The national economy is becoming increasingly more talent-based than resource-based. As explained by Roger Martin, professor at the Rotman School of Management at the University of Toronto, creative jobs – i.e., positions requiring substantial independent judgment and decision-making – were 16 percent of all jobs in 1960, doubling to 33 percent by 2010.

Over the past 50 years the U.S. economy has shifted decisively from financing the exploitation of natural resources to making the most of human talent. Fifty years ago, almost three out of four top 50 US companies involved natural resources. By 2013 one out of two top 50 companies were talent-based, including Apple, Microsoft, and Google. Only 10 owed their position on the list to the ownership of resources, including ExxonMobil.

Communities that are thriving today are those that develop, retain, and attract talent; however, some communities have hit a tipping point in this growth and are now facing significant and complex problems regarding traffic congestion with limited public transit and lack of affordable housing. These issues contribute to higher costs of living, rents, and land prices that are forcing employers to now look elsewhere for growth opportunities. This dynamic clearly shows why thoughtful investment in community development is critical for a community's vitality and serves as a competitive advantage.

Objective 2.1 Provide resources to local businesses to help them grow and expand

In response to local businesses owners' request for resources and education, the following actions should be implemented.

Actions

- Provide and update resources (lists of buildings, City support, education) on website
- Create a “business welcome ” program to local businesses to educate them on permitting and building requirements before they sign the lease.
- Formalize a storefront improvement program for local businesses within the urban renewal boundary.
- Work with other community and governmental partners to provide an education seminar to local businesses to help them understand the importance of local economy (as opposed to only tourists) for young professionals and families and how to grow revenues.

- Create and publish finalized interactive map of available buildings and properties. Use Google Maps, RMLS, CID Group, and/or Oregon Prospector to identify available properties with sale price and contact info.
- Partner with Chamber to promote an award program that highlights an outstanding local business.

Objective 2.2 Maintain and invest in infrastructure and opportunity sites

Strategic and active public-private partnerships are critical in smaller communities that typically have limited development resources.

Actions

- Understand location, owner, and cost to develop additional fiber infrastructure throughout city.
- Improve Highway 101 streetscape to facilitate private redevelopment of key catalyst sites.
- Encourage rental and market rate housing development on catalyst sites

Objective 2.3 Market to Eugene World Track & Field event in 2021

Focusing efforts on a targeted event helps align retail education programs, messaging, and marketing toward a meaningful end goal that has a lasting impact.

Actions

- Understand market opportunities and approaching market. (What types of people will be here and what do they want?)
- Promote track and field opportunities on website to attract business investment.
- Build partnerships with tourism organizations to promote Florence.
- Align marketing of this event with recruitment of craft food and beverage industry businesses.
- Enhance lodging opportunities to leverage track and field event, generate tax revenue, support Florence Event Center events, and create jobs.

Goal 3 – Partnerships

Foster a culture of creativity and entrepreneurship and encourage private businesses to grow.

Business Sector Focus Entrepreneurs

Why this Goal? Fostering economic development within a community requires several partners that are aligned with a collaborative focus. In order for the City to succeed in this endeavor, it should influence partnerships and opportunities that already exist. Being present and “at the table” for regional discussions is one of the most important roles the City can play to ensure available resources are appropriated and its perspectives are considered.

The City of Florence is part of the Cascades West Economic Development District (CWEDD), which is designated by the U.S. Department of Commerce Economic Development Administration to work on economic development efforts in Linn, Benton, Lane, and Lincoln Counties. The CWEDD advocates for, supports, and coordinates regionally significant economic development activities in the region. The District prepared a Comprehensive Economic Development Strategy (CEDS) to guide regionally significant economic development projects and activities over the next five years. “Entrepreneurship & Innovation” and “Rural Development” are priority goals for the region, and should be leveraged to the City’s advantage.

Economic development is a team sport. The City must continue to work closely with other local partners and recognize the strengths that each organization brings to the table in order to foster meaningful growth. The City should strategically focus on developing a network of county and regional partners that specialize in economic development programs and funding to ensure that the City is leveraging all available resources. Partners include but are not limited to, South Coast Development Center (SCDC), Lane Workforce Partnership, Small Business Development Center (SBDC), Lane County, Lane Community College.

New businesses account for nearly all net new job creation and almost 20 percent of gross job creation. Furthermore, companies less than one year old have created an average of 1.5 million jobs per year over the past three decades. People generally start businesses in the places they are already located and are generally loyal to those communities as their businesses grow. Many of the resources they access are at the local or regional level. The City plays an important role in fostering an environment that will cultivate these new companies and jobs.

Objective 3.1 Develop ecosystem infrastructure

Start-up companies thrive on sharing experiences and ideas. Providing resources and a physical space to gather is critical in helping entrepreneurs excel.

Actions

- Continue to build partnerships and sponsor events with Regional Accelerator and Innovation Network (RAIN): the State-funded program that builds and connects resident talent, capital, and infrastructure, including the resources of the two research universities.
- Implement local chapter of ID8 Pre-Accelerator Program: professional workshops and sessions that teach the most cutting edge methods in startup planning that allow startups to evolve their business plans
- Encourage development of co-working space as part of urban renewal program.
- Create a technical economic development committee of local partners to meet quarterly and discuss programs and actions tied to Florence.

Objective 3.2 Market a creative entrepreneurial culture

Once solid start-up programs are in place they need to be actively promoted to the local community. Acknowledging successful entrepreneurs is highly important to instill confidence and support for new start-ups.

Actions

- Build business case of entrepreneurs. Track and highlight progress.
- Develop an award program with RAIN for most revenue growth in a year by entrepreneur.
- In conjunction with RAIN, host annual 'State of the Startup' event to educate community on value of entrepreneurship programs
- Foster creative arts community through physical investment in public arts.
- Define culture of arts and events in the city to convey ethos of creativity.

Objective 3.3 Tap into source of entrepreneurs

In order to substantially grow the entrepreneurial base, outside talent should be recruited. Educate college graduates of opportunities in Florence before roots are established elsewhere.

Actions

- Build partnerships with culinary programs of Lane Community College and Siuslaw High School.
- Build partnerships with the Oregon State University Fermentation Program.
- Build intentional relationships with Oregon State University and University of Oregon commercialization programs.
- Build program in coordination with other community partners, to educate local middle-school / high-school students in value of entrepreneurship
- Build program in coordination with other community partners, to continually market to recent college graduates who grew up in the Florence region.



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