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## **HOW TO IMPLEMENT AN EFFECTIVE ECONOMIC DEVELOPMENT PROGRAM**

**by  
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***“A model template for California local governments”***

### **Premise:**

*“Economic development requires the complete focus of local government resources and not just the attention of city planners.”*

### **What does that mean?**

*“With the demise of redevelopment as a financing tool, economic development departments are almost non-existent. The responsibility now falls on city planning to coordinate a citywide effort through implementation of a city’s general plan. The general plan is an agency’s business plan and adopted policy document which needs to address the new face of economic development in California.”*

### **How should a city implement an economic development program??**

*Cities often make economic development a complex set of ideas, rules, and programs. However, jobs and increased revenue primarily result from business retention, attraction, and growth. You need to focus on core city functions to move your organization in a consistent direction. Fundamentally, local government economic development needs to focus on the following:*

- *Community branding and marketing*
- *Customer service enhancement*
- *Deregulation*
- *Proactive business retention and revenue enhancement*

### **An economic development plan should be a general plan element!**

- *Do you need another “strategic plan” which is rarely seen by the community, revised when convenient, and not enforced as a legislative policy document consistent with your general plan?*

- *Will your city stay focused on implementing a single economic development plan, or will that plan be changed after every election or in the face of special interest opposition?*
- *Government Code Section 65,300 was intended to keep cities focused on a path to their future by requiring adoption of an internally consistent "general plan."*

### **The Economic Development Element**

- *There are seven mandatory general plan elements which force a City Council to plan its future for land use, circulation, housing, conservation, open space, noise, and safety, - but nothing addresses its economic viability and provision of jobs/employment. Providing jobs may now be a priority over new housing?*

#### **"65303. Optional elements and subjects**

**The general plan may include any other elements or address any other subjects which, in the judgment of the legislative body, relate to the physical development of the county or city."**

- ***State law should be amended to include an eighth element-- the "Economic Development Element."***

*Model template by Donald D. Lamm*

**City of \_\_\_\_\_  
Economic Development Element**

**Goal:**

***“To ensure a balanced and stable City economy, the retention and attraction of businesses, and consistent job growth.”***

**Objectives:**

- *Maintain consistent and stable income/revenue to offset fluctuations in the economy.*
- *Businesses have a positive opinion about being located in the City, appreciate the level of City services, and readily make positive statements about “their” community.*
- *New businesses are attracted to the quality of life and positive attitude of the community.*
- *All citizens, whether residents, business owners, or employees are treated with dignity and respect by the City.*

**Policy Categories: (subjects to address)**

**1. Community Branding and Marketing Policies**

**Branding**

- *Consistent City image*
  - *Signage*
  - *Media*
  - *Logos*
  - *Color scheme*
  - *Entry portals- medians, pole signs*
  - *Distinction from a neighboring city*

**Reputation**

- *Media portrayal*
- *Image of staff and elected officials*
- *A good place to do business*

### **Marketing**

- *We care attitude*
- *Positive statements from the City*
  - *A community with pride. A place to work, shop, and live.*
  - *Positive attitude of City Council, Planning Commission, Management Staff, and all staff.*
- *Positive media relations, information, and focused on quality of life and businesses*

## **2. Customer Service Enhancement Policies**

- *Why are we here?*
- *Who do we serve?*
  - *Business hours convenient to the community.*
  - *Telephone service providing personal attention.*
  - *Voice mail may not be customer service, it may be self-serving.*
- *Concierge Customer Service to implement the Permit Streamlining Act.*
- *Increased access to public officials!*
  - *Avoiding valueless websites.*
  - *Direct e-mail contacts, telephone numbers, and public access.*
- *Access to City management and not limited to the public counters.*

## **3. Deregulation Policies**

### ***Deregulation to enhance image (brand), business retention, and attraction***

*Cities implement State law. The State adopts nearly 2,000 new statutes in each legislative session. How many municipal codes are reviewed annually and excessive regulation removed?*

- *Annual "house cleaning" of the municipal code. Each implementing department should review and submit code amendments to remove excessive regulation. Employees should be hired to make decisions. It is impossible to write a zoning code to address every conceivable request.*
- *Quit making every land use a "conditional use" simply to retain greater regulatory authority. Every discretionary permit triggers a CEQA review and can needlessly overburden simple land use/business requests.*
- *Less specificity allows greater flexibility!*
  - *(Every interview board I have assisted for a community development director position had one major goal..."select a director who is flexible and willing to work with the community. Do not hire the rigid personality type.")*
- *Code based administrative adjustments to avoid the variance process requiring improbable and sometimes impossible findings.*
- *Staff zoning administrator to address the majority of land use requests.*

#### **4. Proactive Business Retention, Attraction, and Revenue Enhancement Policies**

##### **Business Retention**

- *Communication within all departments- business hotlines*
- *Flexible City attitude and approach to business needs*
- *Code Compliance vs. Code Enforcement*
- *Fast-track building permits for existing buildings*
- *All building inspections within 24 hours*
- *Government taxes do not generate increased business revenue*
- *Positive attitude of business appreciation*
- *Sales Tax Monitoring and Communication with the businesses*
- *Addressing physical needs...*
  - *Flexible employee parking standards*
  - *Business hours of operation*
  - *Business noise*
  - *Truck routes*
  - *Fiber optic access*
  - *Telecommunications- wire and wireless*
  - *Availability of energy- electrical capacity- gas- water solar access, and simplicity of permitting*
  - *Signage and Identification*
    - *Needs greatly differ by type of business, yet sign codes typically regulate by zone.*

##### **Business Attraction**

###### **Planning and Zoning**

- *Establish and abundance of permitted uses*
- *Implement true "One Stop Processing"*
- *Informed employees*
- *Simplify entitlement process*

###### **Building**

- *Guaranteed plan check processing schedule*
- *Building inspections in 24 hours*
- *Coordination with county agencies- Health, Flood Control, etc.*

###### **Incentives Without Spending City Revenue**

- *Incentive zoning to enhance property values*
  - *Overlay zone incentives*
  - *Permitted mixed use*
  - *Height incentives*
- *Specific Plans*
- *"New" sales tax sharing agreements*

- *User specific parking requirements without a variance- recorded covenants if necessary*
- *Actual “permitted” uses to eliminate unnecessary CEQA processes*
- *Greater use of CEQA Categorical Exemptions*
- *Converting “suspicious attitudes” to understanding businesses*
- *Understanding that “City Planning” is not just zoning regulation*
- *Concurrent processing*
- *Public Safety joins the “planning” process*
- *You cannot “engineer” and “study” everything to find an answer*
- *Make more decisions based on common sense*
- *Human error is better than decision avoidance*
- *“Development Services” is not a synonym for “Development Obstacles”*

### **Revenue Enhancement**

- *Be fiscally smart!*
- *Carefully consider the effects of impact and user fees on business attraction*
- *Which do you want, “one time fees” or ongoing revenue and jobs?*
- *All fees are viewed as “taxes” in the business world*
- *Businesses willingly pay for services they need, but reluctantly pay for services needed by the entire community*
- *Businesses will locate in a “business friendly” city*

***“Economic development must be an organization-wide way of life.”***