

## **ROUGH DRAFT/OUTLINE:**

### **GUIDING PRINCIPLES FOR ECONOMIC DEVELOPMENT:**

- Create jobs
- Increase wages
- Encourage capital investment
- Solidify Jacksonville brand

### **JACKSONVILLE ECONOMIC ADVANTAGES:**

- Quality of Life
- Low taxation
- Low cost of living
- Good workforce with good work ethic
- Healthy business environment
- Advantages of a large city without the disadvantages
- Advantages of a small city without the disadvantages

### **ECONOMIC DEVELOPMENT STRUCTURE:**

The structure of economic development (ED) has evolved. Twenty years ago, municipal elements involved with ED were scattered across dozens of different and quasi-independent entities. These were consolidated under the Jacksonville Economic Development Commission (JEDC.) The JEDC was governed by a seven member board. Various other operating units continued to operate separately but coordinated with the City efforts (JEA, JPA, JTA, etc.)

At the urging of the Jacksonville Chamber of Commerce and The Civic Council, a separate and quasi-independent Downtown Investment Authority was established. Sports marketing and recruiting efforts were likewise spun off and privatized under a subsidiary of the Gator Bowl Association. The Office of Economic Development (OED) emerged from the old JEDC, though Parking and some regulatory functions were added. A fourth partner, the Chamber of Commerce has retained its privatized role throughout.

**Recommendation:** We are not recommending changing the current structure. It appears that all of the four entities cooperate and work well together.

### **ONGOING PROJECTS:**

- Port Task Force
- Global Cities Export Plan
- Community Wealth Building
- Cecil Commerce Center Vertical Integration Study
- Shipyards

**Recommendation:** These projects need continued City support and monitoring.

### **NEEDS FURTHER ATTENTION:**

**Convention Center**

**Asset Mapping:** LaVilla, Mayport, Old Courthouse, Old City Hall

**Recommendation:** The City needs to develop a plan to develop an expanded or new Convention Center.

**Recommendation:** The City needs to map governmentally owned assets and create a plan to move such assets to highest and best use.

**PUBLIC INVESTMENT POLICY (PIP):**

The City has a matrix evaluation formula to evaluate economic development opportunities.

**Recommendation:** All presenters suggested the need to update what is regarded as an essential, positive and progressive model.

**Recommendation:** Downtown should remain an economic priority.

**Recommendation:** Efforts should be focused on improving low wages, and on neighborhoods in decline or transition.

**Recommendation:** We suggest that multiple PIP models may be required to most appropriately assess opportunities. For example, projects to be located in targeted areas (Downtown, Northwest Quadrant) may be acceptable at a lower ROI due to the positive community or sociological impact. Projects in areas with lower wages may likewise be acceptable if the new jobs elevate wages in the area. Some projects may involve significant capital investment, but fewer jobs or lower wages. Some projects may improve the City's brand; some may be significantly long term (Cecil Field and Hillwood.) Some subjectivity or flexibility in the modeling will be beneficial in assessing a project's worth. In saying this, the exceptions and discretion should not overwhelm the rule.

**Recommendation:** An annual Report Card should be issued, with data on key matrices: Changes in GDP, tax base, employment, wages, capital investment, tourism, etc.

**MISCELLANEOUS OPPORTUNITIES FOR IMPROVEMENT:**

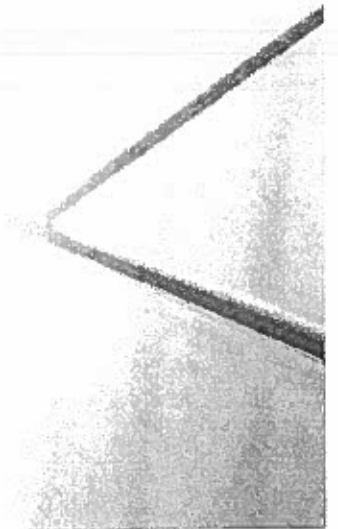
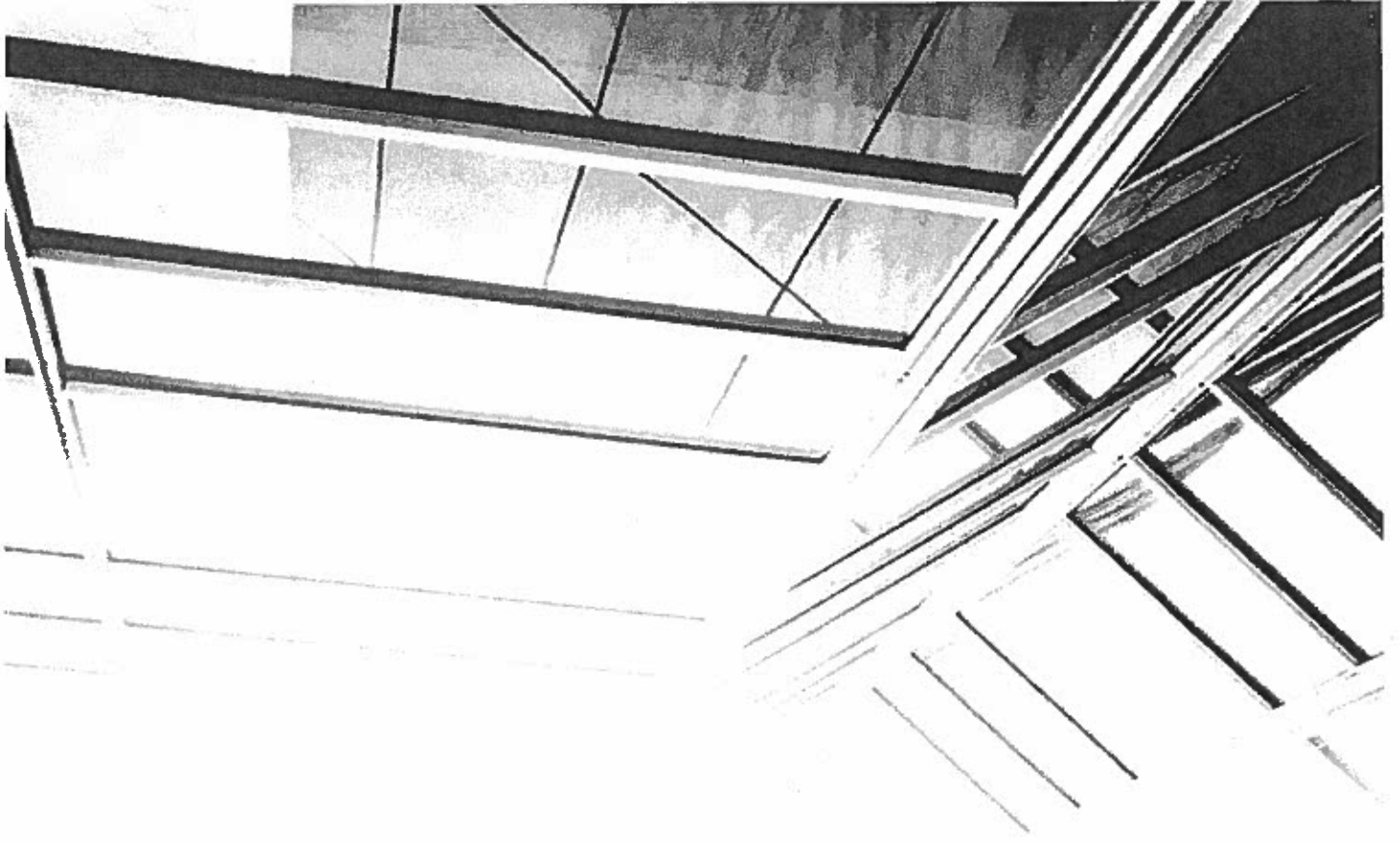
**Recommendation:** Development and focus on a Jacksonville brand; Jacksonville has a limited national brand.

**Recommendation:** There is a need to speed permitting and regulatory review.

**Recommendation:** The Chamber reports that "the larger the deal, the less competitive Jacksonville is." Indeed, Jacksonville has been the bridesmaid on many such projects. Such is unacceptable, and warrants the development of plan to overhaul ED processes for mega-projects.

# **An Economic Development Strategy Framework for Jacksonville, Florida**

Ideas for today and tomorrow



## Vision

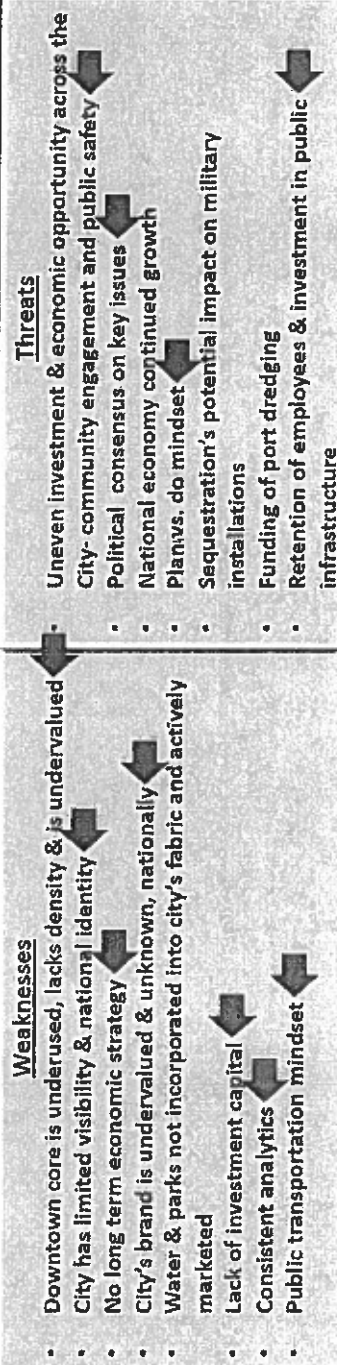
- Position Jacksonville to always drive economic development (GDP growth) and maintain environmental stewardship (Sustainability metric improvement) in order to ever increase the living standard for its entire population (Social metric).

*"A successful society (City) is characterized by a rising living standard for its population, increasing investment in factories and basic infrastructure, and the generation of additional surplus, which is invested in generating new discoveries in science and technology." – Robert Trout*

# Today's Situation

- Jacksonville has over a dozen (+18) independent and divergent interests / authorities that impact economic growth and environmental sustainability.
- Weaknesses and threats created by (1) no common brand identity and (2) no set of common metrics utilized to align efforts for the benefit of entire population

## Office of Economic Development Assessment of Jacksonville



*"Financial success, or any other kind of success, does not require hard work. It does require alignment of thought." – Abraham Hicks*

### Public Sector

Mayor Office  
City Council

OED

DJA

DEO

Sports

EFI

JAA

JAXPORT

JAXUSA

JEA

JTA

FDOT

LISC

CPACs

Parking

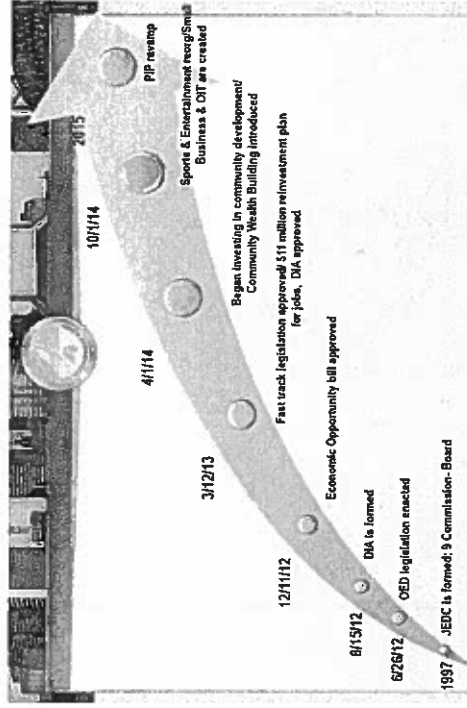
Hillwood

Etc.

### Private Sector

# How Did We Get Here?

- Current and historical activities / policies focused on the details of what and how without alignment around a framework for “why”.



- Assumptions:
  - (1) A “good” city must have a broad focus to provide for all people.
  - (2) Any economic growth is good growth that benefits entire population of Jacksonville.
- Result: Multiple well intentioned activities without common cause makes all initiatives suffer. No center of excellence is created from which organic growth may propagate.

*“The idea of being all things to all people is a thing of the past.” –*

*Michael Dell*



# Recommendation

- Establish a “core” set of Goals, Objectives and Metrics for Jacksonville from which all Economic Development policies / processes / professionals / activities / investments may be derived and measured.
- Establish a “core” brand strategy for entire City of Jacksonville from which all sub-brand strategies may be derived.
- Align all stakeholders to: (1) Core Goals and Objectives; and (2) Core Brand Strategy
  - Each stakeholder does not have to have equal contribution but the sum of the parts should equal the expected result
  - Expect incremental efforts of each to multiply the economic return for the whole.
- What to do / not do next?
  - DO: (1) Establish City level Economic Development Scorecard; (2) Prioritize / Rank all current initiatives accordingly; (3) Focus on highest ranking initiatives
  - STOP DOING: (1) Low priority initiatives; (2) Investing in activities / efforts that don't strengthen Economic Development or Brand

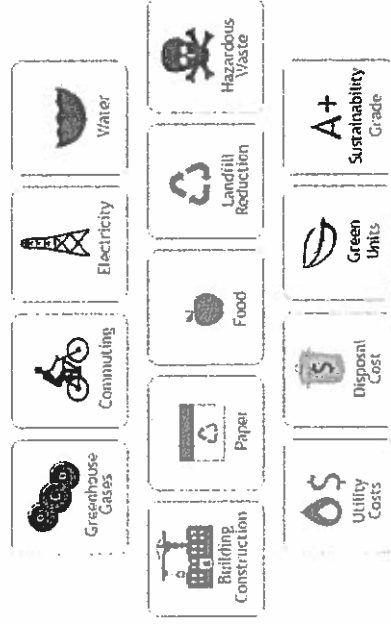
*“He who has a why to live can bear almost any how.” – Friedrich Nietzsche*



# Goals and Objectives

Measure all policies / processes / professionals / activities / investments based on impact on three (3) goals.

- Goal #1: Continual annual Economic Development Growth of Jacksonville
  - Objective: GDP growth of X% CAGR between Today and 2030 in the Jacksonville MSA.
  - Metric: GDP = compensation of all employees + corporate profits + proprietor profits + gross mixed income + taxes – subsidies & public investment
- Goal #2: Continual annual improvement of Sustainability of Jacksonville
  - Objective #1: Establish metrics and current baseline for the Jacksonville MSA.
  - Objective #2: Set goal for each sustainability metric at 5, 10, 15 and 20 years.
  - Potential Metrics:



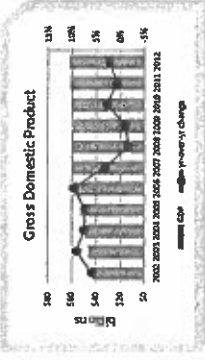
- Goal #3: Continual annual improvement of living standard for all citizens
  - Objective #1: Establish metrics to measure improvements for independent efforts that impact social wellbeing: Sports, Education, Crime, Northwest Jax, etc.

# Economic Development Scorecard

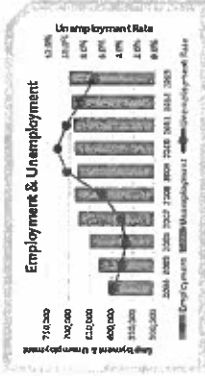
- Example....

Clear metrics with specific "Targets" of "What" by "When" for each metric are the key

Economic Development (Data from U.S. Department of Commerce Bureau of Economic Analysis)



Year	Target: \$2,100 / capita by 2020	Population (\$ '000s)	\$ / Capita
2015-2016	853,382	\$0	\$0
2014-2015	\$2,458,370	\$2,881	\$2,881
2013-2014	\$1,987,132	\$2,358	\$2,358
2012-2013	\$1,869,290	\$2,334	\$2,334
2011-2012	\$1,972,518	\$2,379	\$2,379



## GDP Metrics YoY (\$MM)

Target: 4.0% CAGR between 2015 and 2013

Year	GDP	Salaries and Wages	Corporate Profits	Proprietor Profits	Gross Mixed Income	Taxes	Less: Subsidies	Less: Public Investment	Average Salary (\$/yr)
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$62,104	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,334
2012	\$60,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,820
2011	\$57,705	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,320
2010	\$57,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,379
2009	\$56,383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,913
2008	\$58,656	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,033
2007	\$60,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,094

## Sustainability Development

Commuting (% of Transport)

Target: 50% Ride Alone by 2030

Year	Walk	Bicycle	Transit	Ride Share	Ride Alone	Household / kWhr / Year	\$/ MWh Produced	Coal (%)	Gas (%)	Renewable (%)	GHG / MWh
2014	0%	0%	0%	0%	0%	0.0 kWhr	\$0	0%	0%	0%	0%
2013	0%	0%	0%	0%	0%	0.0 kWhr	\$0	0%	0%	0%	0%
2012	0%	0%	0%	0%	0%	0.0 kWhr	\$0	0%	0%	0%	0%
2011	0%	0%	0%	0%	0%	0.0 kWhr	\$0	0%	0%	0%	0%

## Waste Reduction

Target: 75% Waste Diverted by 2025

Year	Total Waste (tons)	Landfill (tons)	Diverted Waste (tons)	Waste Diverted (%)
2014	1,707,958	935,091	772,867	45.3%
2013	1,526,811	880,097	646,714	42.4%
2012	1,315,832	871,793	444,039	33.7%

## Living Standards Development

Cost of Living (National Average = 100)

Target: Composite of 95 (U.S. Average which 100)

Year	Composite	Grocery	Housing	Utilities	Transportation	Health Care	Misc Goods
2014	98.8	101.8	91.1	106.3	104.4	89.8	104.1
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Crime Metrics

Target: Crime Rate of < 300 by 2020 (U.S. Average is 300)

Year	Crime Rate	Murders (#)	Rapes (#)	Robberies (#)	Assaults (#)	Burglaries (#)	Thefts (#)
2014	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2012	395	98	341	1,371	3,384	7,632	25,403
2011	407	71	350	1,578	8,518	23,733	81,518
2010	432	80	316	1,693	3,380	9,588	35,863

## Employment Metrics YoY

Target: 1,000,000 jobs by 2020

# of Jobs (Full & Part)	Unemployment Rate (%)	Average Salary (\$/yr)
0	0.0%	\$0
823,937	7.5%	\$48,334
808,668	9.0%	\$48,820
800,032	10.0%	\$47,320
782,786	11.0%	\$47,379
787,824	9.5%	\$45,913
819,289	6.0%	\$46,033
833,337	4.0%	\$46,094

## Power Utilities and GHG

Target: 30% renewable energy production at < \$0.10 / kWh by 2025

Year	Household / kWhr / Year	\$/ MWh Produced	Coal (%)	Gas (%)	Renewable (%)	GHG / MWh
2014	0.0 kWhr	\$0	0%	0%	0%	0%
2013	0.0 kWhr	\$0	0%	0%	0%	0%
2012	0.0 kWhr	\$0	0%	0%	0%	0%
2011	0.0 kWhr	\$0	0%	0%	0%	0%

## Water / Wastewater

Target: 100% nutrient recycle by 2025

Year	Produced (\$ / Gallon)	Treated (\$ / Gallon)	Recycled (\$ / Gallon)	Discharged (\$ / Gallon)	Recycled / Discharged
2014	\$0.00	\$0.00	\$0.00	\$0.00	0%
2013	\$0.00	\$0.00	\$0.00	\$0.00	0%
2012	\$0.00	\$0.00	\$0.00	\$0.00	0%
2011	\$0.00	\$0.00	\$0.00	\$0.00	0%
2010	\$0.00	\$0.00	\$0.00	\$0.00	0%

## Sports Metrics

Target: ???

Insert meaningful metrics to track

## Education

Target: ???

Insert meaningful metrics to track

# Value of a Brand (Example...)

## Global Leader in Infrastructure Innovation for the Future

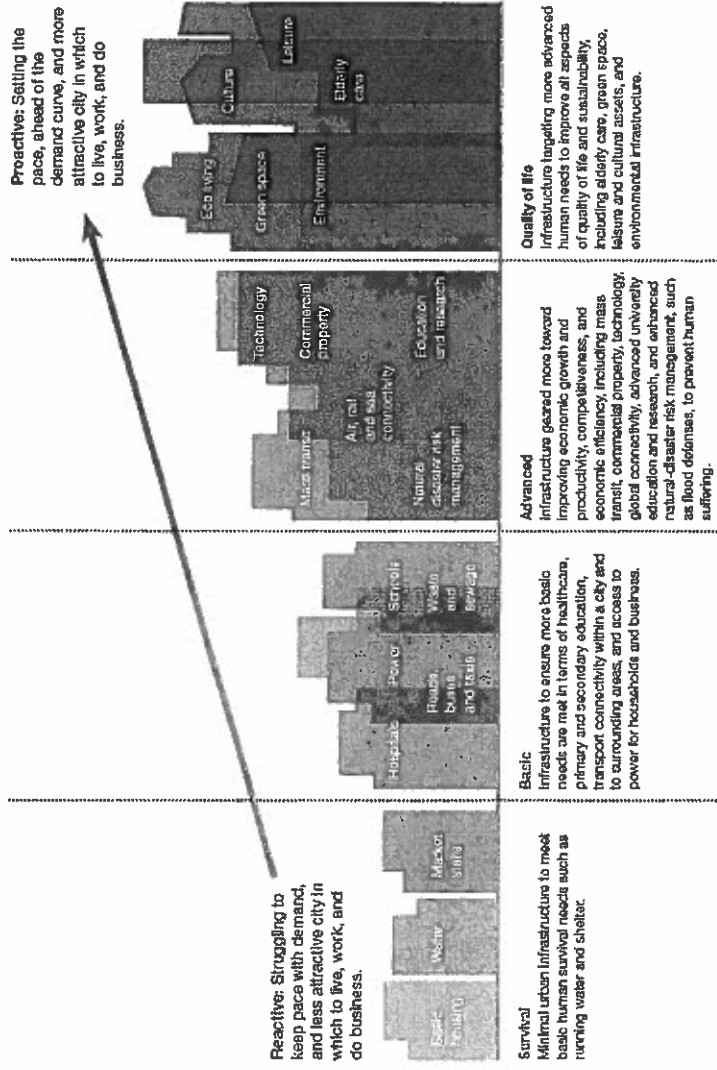
- Attraction of CEOs and companies looking for receptive environment for innovation
- Increase in 'sticky' high-skillset jobs
- Increase in exports due to global nature of problem
- Increase quality of life
- Reduction in lifecycle costs (rates) for utilities
- Increased private capital investment
- Decreased capital improvement requirements for City
- Improvements in nature resources



**5-25%**

Economic return generated for every dollar spent on a capital project

Infrastructure spending drives economic growth, provide jobs, and deliver improvements to vital services, such as a clean water supply and power. The World Economic Forum estimates that every dollar spent on a capital project (in utilities, energy, transport, waste management, flood defense, telecommunications) generates an economic return of between 5% and 25%.



*"A rising tide raises all the boats." – JFK*

# Core Brand (Example...)

## Global Leader in Infrastructure Innovation for the Future

### Five key infrastructure sectors



#### 1. Extraction

- Oil and gas
- Other extraction (coal, metals, minerals)



#### 2. Utilities

- Power generation
- Electricity T&D
- Gas
- Water
- Telecome



#### 3. Manufacturing

- Petroleum refining
- Chemical
- Heavy metals



#### 4. Transport

- Rail
- Roads
- Airports
- Ports



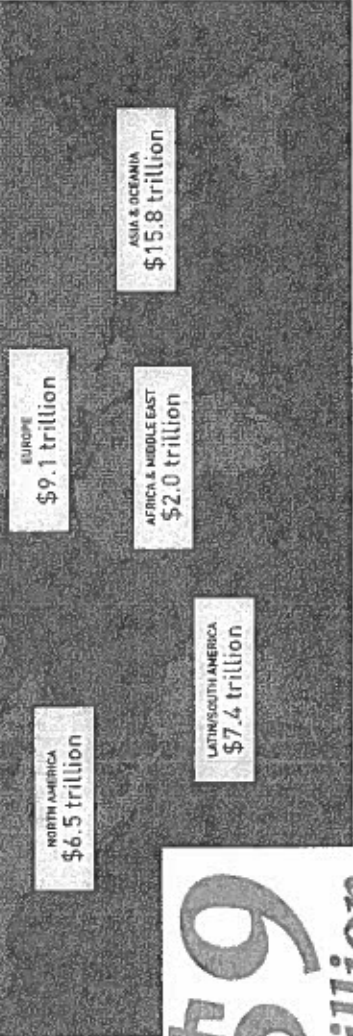
#### 5. Social

- Hospitals
- Schools

Why not be... "THE LEADER?"

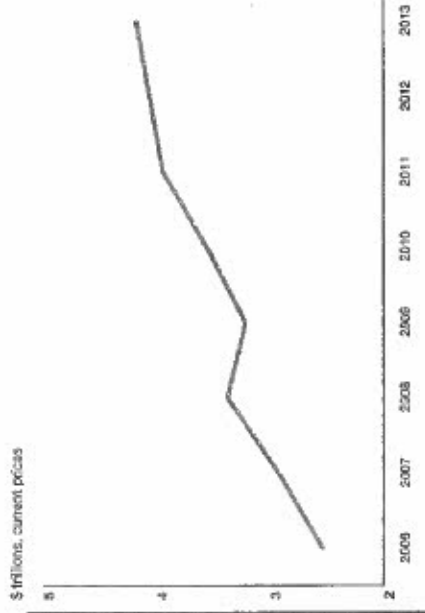
Jacksonville already has a center of excellence in: (1) Rail; (2) Healthcare; (3) Aerospace; (4) Port; (5) Utilities.

### \$40-70 Trillion Need With No Global Leader



# \$9 trillion

Worldwide, capital project and infrastructure spending is expected to total more than \$9 trillion by 2025, up from \$4 trillion in 2012.



Source: Oxford Economics

"I like to be involved in things that change the world." – Elon Musk