

## **Cape Coral Economic Development Office Budget Report – FY2007 Summary / FY2008 Outlook**

Economic Development continues to be one of the city's top strategic priorities. This report summarizes in strategic terms FY2007 accomplishments and our intended strategic and programmatic outlook for FY2008, as reflected in the FY2008 budget proposal.

### **FY2007 Summary**

- The EDO scorecard illustrates that this office attracted or had a substantial positive impact on 20% of commercial buildings permitted; and on 43% of commercial space receiving Certificates of Occupancy. This amounts to about 156,165 SF of new space, with a construction value ranging from \$15.6-million to \$23.4-million.
- The strategy of attracting investment in speculative space is working. The EDO has played a pivotal role in encouraging or supporting investment in literally hundreds of thousands of SF of spec office and industrial buildings. One EDO strategy has been to reassure investors about the city's efforts to promote the city and attract tenants from beyond our region to utilize this new capacity. These new spec projects are in permitting and will be going vertical in CY2008.
- The strategy of increasing personal contact with investors and developers is working. Because of our staff increase this year, we have been able to increase substantially our direct contact. Please see the appended letter from one recent client.
- Much of the very significant work done in Economic Development is confidential under the law. This makes measuring short-term success all the more difficult. At this time, EDO has 12 confidential investors or projects. The number of new inquiries for larger projects is increasing.

### **FY2008 Budget**

As the economy of the nation stumbles due to the real estate slump and reductions in access to capital, I expect competition for business growth to be considerably more difficult. This means that additional marketing funds are advisable for promotion and information (websites, advertising, public relations).

- The EDO FY2008 program budget provides for an increase in free-media (public relations: newspaper placements). This promotional effort is specifically intended to take advantage of the spec space that the market is creating; and to create new job opportunity for our residents who are dislocated from the real estate market; as well as attracting companies who bring workers in new business sectors paying higher than our prevailing wage. This is intended to support our core real-estate sector with more, highly-qualified buyers.
- The EDO FY2008 program budget provides for an increase in web services, including GIS location search services, since most corporate site selection processes begin online.

As our local businesses are impacted, demand is increasing for business support services.

- The EDO FY2008 program budget provides for sustained support for our small-businesses through the Cape Coral Small Business Development Center. We are attempting now to also attract satellites of the Regional Workforce Development Office and the Lee County Business-Technology Training Office.

As the global market tightens, high-quality market information is more important than ever.

- The EDO FY2008 program budget provides for a substantial reduction in research funding; but retains an adequate amount for specific research projects, such as feasibility studies for sports and entertainment complexes, hotels and resort investments and targeted life-science clusters.

As the capital markets remain constrained, financial incentives will become more important.

- The EDO FY2008 program budget contemplates that some staff resources will be invested designing and administering new incentive programs, based on the FY2007 research; and on implementing findings of the research on venture capital networks, science and technology recruitment and university linkages.

## **Conclusion**

Economic Development is one of the most challenging enterprises government can undertake. Success requires consistent support over the long-term. Companies take years to make business decisions. They have millions of dollars at stake. Investment in reaching out to them today may not yield visible results for years.

The Economic Development Office is developing a positive reputation in the nation. The director has been interviewed by leading consulting companies, such as McKinsey & Company and Wadley-Donovan, who are conducting studies on best practices in Economic Development and workforce development.

The city is enjoying continued business investment, even as the residential market declines. The Economic Development objective is to sustain this commercial momentum, for the benefit of our residents – in increasing the business tax burden and increasing their job opportunities in our city.

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