



City of Homer

www.cityofhomer-ak.gov

Administration

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum **17-074**

TO: Mayor Zak and City Council
FROM: Jenny Carroll, Special Projects & Communications Coordinator
DATE: May 1, 2017
SUBJECT: Business Retention and Expansion Program Recommendation

The Economic Development Commission (EDC) at their regular meeting on April 11, 2017 unanimously passed a motion to submit a recommendation to Council to approve a Business Retention and Expansion (BR&E) program and approve general fund expenditure of \$1,400 or less for printing and mailing a postcard to local businesses promoting participation.

Background:

The EDC, to help carry out its assignment to collect and analyze data relevant to economic development and act in an advisory capacity to the City on overall economic development planning, is proposing a BR&E program.

BR&E is a systematic approach to building relationships with the business community, identifying problems that could cause businesses to close or leave a community, and addressing opportunities to help companies expand in the community. BR&E is an economic development strategy promoted by the State and by the Kenai Peninsula Economic Development District (KPEDD).

The EDC recognizes the importance of local business to Homer's economy. Research shows that existing businesses generate up to 76% of new job growth and capital investment in any economy, but especially in small, rural areas like Homer where entrepreneurial and recruitment opportunities are limited. The EDC wants successful local businesses in and around the City of Homer; thriving local businesses create jobs and circulate revenue within the community, contributing to a stronger community with a high quality of life.

Benefits of a BR&E program include:

- building valuable relationships and dialog with business owners to foster open communication between businesses and local government;
- provide better information and understanding for all local leaders as to the strengths and weaknesses of the business climate, and to identify areas where the EDC can immediately work on

red-flag issues or recommend long-term policies, strategies or programs that improve local business climate;

- better understand trends, challenges and opportunities in the Kenai Peninsula economy as a whole through shared aggregate data with KPEDD's BR&E efforts.

The EDC's research and discussions resulted in the following proposal to conduct a BR&E program consisting of:

Information and data collection (May-October 2017):

- An online survey (which, upon Council approval of the BR&E program will be made available via a link on the City of Homer website) designed to gather information and answer several key questions from Homer business owners, including basic business demographics, trends in employment and sales, marketing and technology, and key barriers to long-term sustainability. See hard copy attached.
- Outreach to advertise and encourage broad community participation through a direct mail postcard (sample attached), through cooperation with industry associations and the Chamber of Commerce, fliers and presentations at a variety of community meetings: Rotary, Chamber, Farm Bureau/Farmers Market, industry associations, etc. (See outreach plan attached.)
- One-on-one business outreach by EDC members to either conduct the survey in-person, or follow up on survey if requested by business owner.

Data analysis (October-December 2017):

- Conducted by EDC member(s) and the Special Projects & Communications Coordinator, utilizing Google analytics and consultation with KPEDD.
- Through a series of worksessions, produce a summary of key findings and develop a three-year BRE Strategic Plan. This plan would identify:
 - **Immediate concerns of the business community/"Red Flags"**
 - A brief **narrative description of Homer's business** landscape
 - A year-by-year draft strategic plan to address themes/issues that emerge as opportunities for or barriers to business retention and expansion in Homer.

Action (2018/2019)

- Work on immediate red-flag issues;
- Recommend long-term policies, strategies or programs to Council that improve local business climate;
- Prepare an updated BRE survey and outreach plan for the next three-year cycle.

The following is the excerpt of the minutes from the EDC 3/11/2017 meeting.

PENDING BUSINESS

A. Business Retention and Expansion Program Planning

The commission continued their discussion from their worksession where they reviewed the survey and made some changes, and began discussing the marketing and outreach plan.

They reviewed the timeline outlined in the staff report for presenting their plan to City Council and for adopting an ordinance or resolution for approximately \$1,400 for printing and mailing post cards inviting business owners to participate in the survey the Commission is working to finalize.

Regarding outreach, the commission discussed benefits of direct mailing post cards and hand delivering post cards to local businesses. They addressed using email, social media, and the city and chamber websites as additional ways to get the word out about the survey.

The group also addressed the process for presenting to Council and getting approval to proceed. Commissioner Lord agreed to present to Council on May 8th. She will also contact Special Projects & Communication Coordinator Carroll to confirm whether funds are available in the economic development budget for this mailing or if some sort of a budget amendment is needed.

EVANS/RICHARDSON MOVED THAT THE COMMISSION SUPPORTS TAKING THE BUSINESS RETENTION AND EXPANSION QUESTIONNAIRE TO CITY COUNCIL AND TO REQUEST FUNDING TO MAIL OUT TO BUSINESS OWNERS.

MARKS/RICHARDSON MOVED TO HAVE IT INCLUDE THE MARKETING IN ADDITION TO THE SURVEY AND THE RATIONAL FOR DOING THIS IN THE PRESENTATION. There was brief discussion.

VOTE (Amendment): NON OBJECTION: UNANIMOUS CONSENT