


## MEMORANDUM

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November 7, 2012

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator 

SUBJECT: Business Retention Program between the City of Franklin and the Williamson County Office of Economic Development

### **Purpose**

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider an agreement with the Williamson County Office of Economic Development to implement and fund a dedicated existing business retention program.

### **Background**

For many years the City of Franklin and Williamson County have worked closely together to facilitate positive economic development, attracting jobs and investment to the community. A strong, targeted business retention and expansion strategy is the critical element to a thoughtful and complete economic development strategy. Typically, 60% to 75% of new job growth comes from existing businesses. It is much less expensive and time-consuming to help a company grow than to recruit a new company into an area, and some of the best business recruitment leads come from suppliers or vendors that support existing industry. Over the past two years, Mayor Moore and the Williamson County Office of Economic Development have been visiting existing businesses in Franklin to “check-in” and learn about their needs. These have been highly beneficial visits. However, it has become apparent that a more structured approach to this work including dedicated staff and resources will be needed to sustain these efforts. As a result, the Board included funding (\$20,000) in the FY13 budget to support an existing business retention program. Through the program, the City and County will be able to identify and respond to trends/themes that businesses identify, work to resolve specific issues/concerns, and develop a network of key contacts among Franklin’s corporate citizens.

### **Financial Impact**

The adopted general fund budget (FY13) includes funding of \$20,000 for a business retention program.

### **Options**

The Board may direct staff to develop an interlocal agreement with Williamson County including the program described in the attached draft memorandum of understanding.

### **Recommendation**

It is recommended that staff develop an interlocal agreement with Williamson County that incorporates that business retention efforts outlined in the attached document.

# **Memorandum of Understanding Between the City of Franklin, TN and Williamson County, TN**

Through discussions between the City of Franklin and the Office of Economic Development in Williamson County, TN (ECD), a commitment has been agreed upon for the City of Franklin to support ECD in their efforts to support, retain and expand existing businesses. The details below describe the goals and action steps of the existing business program to be lead by the ECD team.

## **Overview**

A strong, targeted business retention and expansion strategy is the critical element to a thoughtful and complete economic development plan. Typically, 60% to 75% of new job growth comes from existing industry. It is much less expensive and time-consuming to help a company grow than to recruit a new company into an area, and some of the best business recruitment leads come from suppliers or vendors that support existing industry.

Supporting existing business means developing a relationship with companies and their leadership that have grown and continue to grow the economy of Williamson County. This approach relies on developing long-term relationships with companies in Williamson County and being responsive to their needs, rather than relying on purely statistical data. The ultimate test of the eventual success of this approach is learning about a change in a company from their local leadership, not from reading it in the media.

## **Annual Work Plan**

For the existing business program to be successful, a plan must be focused and followed specifically, keeping the success of Williamson County businesses top priority. Should this focus change, both parties must agree on any amendment to the below goals and action steps.

## **Goals**

1. Develop a positive working relationship with targeted companies in Franklin and Williamson County
2. Consider incentives for existing companies that are expanding and meet guidelines
3. Develop a network to exchange information on existing companies in each community in Williamson County through improved communication vehicles among council members
4. Study other successful Existing Business programs in the United States
5. Continue to provide professional development for staff, specifically as it relates to working with business retention and expansion.
6. Continue to improve technology assets and capabilities

## Action Steps

The Office of Economic Development has compiled a list of top companies to target, with data including employees, office square footage, lease expiration dates, brokers, and location. This list is a work in progress, with data changing and being added on a daily basis. Information is collected from companies, brokers, city officials and confirmed news sources during regularly scheduled meetings.

Steps:

1. Working with the Mayor of Franklin and City Administration, assign each company a priority level based on lease expiration, number of employees, target sector, recent employment change, wage level, and leadership change
2. Set up meetings with CEOs or head of local management to discuss how the office of economic development and the City of Franklin can assist the company to grow in Williamson County
3. If issues arise during meetings, encourage the company to assign a single point of contact to work with the office of economic development to resolve it
4. Develop plan to address issues if a pattern develops from company visits (by meetings with public officials, focus groups, taskforces, etc.)

## Quarterly Report of Activity

A quarterly report will be issued with data compiled from the outcomes of the company visits. This data will include:

- The number of companies visited and number of employees represented
- What trends/themes have emerged from the businesses
- What were the specific issues (if it isn't a breach of confidentiality)
- What are the next steps for issues/have issues been resolved
- Point of contact for each business

## Funding

The City of Franklin will contribute \$20,000 to the Williamson County Office of Economic Development in support of the existing business retention program. Payment shall be made in two equal installments: 1) Upon execution of the agreement; and 2) By January 15, 2013.

This memorandum may be edited on a quarterly basis, with the signed consent of both parties.

Approved by:

City of Franklin

Office of Economic Development

Name \_\_\_\_\_

Name \_\_\_\_\_

Title\_\_\_\_\_

Title\_\_\_\_\_

Signature\_\_\_\_\_

Signature\_\_\_\_\_

Date\_\_\_\_\_

Date\_\_\_\_\_