ECONOMIC DEVELOPMENT

Attract, retain and expand an array of businesses and industries that create jobs and wealth for residents and support the economic vitality of the City.
Summary

Incentive tools such as tax abatements are an important weapon in the economic developer’s arsenal to help attract and retain key businesses that will generate jobs and wealth for the local economy. It is important that a good assessment is done prior to approving incentives to assure that public investment will benefit the overall community. There are a number of best practices that other communities have used to help protect public investments in the private sector, but also make sure that they remain competitive in growing their community. Best practices include:

• Aligning incentives with a well-defined economic development strategy. Noblesville adopted an economic development strategic plan in 2012 that outlines clear direction and steps for economic growth.

• Conduct a good cost-benefit analysis of potential incentive candidates. As a part of the review process, this will help decision-makers better determine the overall net fiscal impact for deploying incentives in relation to the economic return to the community both short and long-term.

• There should be clear performance standards that must be met by those awarded incentives including penalties for failing to meet agreed upon performance criteria. Typical performance standards include a certain amount of job generation, increase in assessed value, minimum wage standards, participation in workforce training programs, or infrastructure development.

Penalties, often called “clawbacks” are provisions within an incentive package that require those that receive incentives to pay back the incentive to the community if performance criteria are not met.

• Incentive programs should be evaluated regularly. A mistake many communities make is that once incentives are given, there is not often the oversight and monitoring to track compliance with performance criteria, or more importantly, determine whether a particular incentive program is truly generating the economic returns intended.
Case Study
The City of Peoria, Arizona, a suburb of Phoenix, established an economic incentive policy that fostered the goal of creating a return on investment for eligible projects. It creates goals for the use of incentives such as creating a “top-tier” workforce, infrastructure improvement, incentives to grow startup businesses, attraction targeting the bio-tech sector, redevelopment of vacant or underutilized properties, and business expansion and attraction of targeted industries.


Action Steps
1. Evaluate current financial incentive programs and evaluate success in reaching intended results.
2. Develop overall criteria to determine incentive eligibility. (not all programs may have the same eligibility)
3. Refine scoring system for incentive eligibility based upon criteria to encourage a fair and objective evaluation process for presentation to decision-making bodies.

Resources
• Common Council
• Economic Development Department
Summary
The supply chain refers to the overall process from moving a good from raw materials to finished product for the consumer. An individual business’s supply chain includes the suppliers that sell goods to the business and the buyers who buy finished product from that business. Depending upon the type of business, economic forces such as transportation costs or the need for specialized skilled labor pools make it more advantageous for various business types to locate closer together. These are called business clusters. A cluster analysis with a supply chain focus can identify existing product flows and help determine if attraction of new businesses or expansion of existing businesses can decrease supply chain costs and improve the overall business climate. This can be done through a combination of cluster analysis and identification, econometric modeling, and individual interviews and surveys with local businesses.

Case Study
The Tampa Bay Regional Planning Council was awarded a grant by the US Economic Development Administration to help identify advantages and disadvantages that businesses faced when purchasing inputs as well as what links in the overall supply chain were weak or absent.

http://www.tbrpc.org/edd/mscs.shtml

Graphic example of a typical manufacturing supply chain from raw material to deliver of a finished product to a consumer.
**Action Steps**

1. Identify industry clusters that are potential strengths or emerging strengths using a target industry study.
2. Identify local businesses associated with targeted clusters.
3. Develop a business visitation program and visit businesses to ascertain location of customer base and suppliers.
4. Develop matches between potential local producers (suppliers) and local businesses in targeted clusters.
5. Develop attraction programs to attract potential suppliers to relocate locally to help fill local demands in the supply chain.

**Resources**

- Economic Development Department
- Local industry associations in targeted clusters
- Hamilton County Alliance
- Noblesville Chamber of Commerce
- US Economic Development Administration Technical Assistance Grants

**MANUFACTURING CLUSTER ANALYSIS**

Initial cluster analysis of Hamilton County's manufacturing center shows performance of industry groups based upon overall employment (size of the bubble), change in employment (Y axis) and whether it is specialized compared to the rest of the U.S (X axis). Industry groups in the top right quadrant are considered strengths and those in the top left quadrant are considered emerging strengths. (CHA Consulting, IMPLAN, Inc.)

**Current Strengths**

- NAICS 339 Miscellaneous manufacturing

**Emerging Strengths**

- NAICS 311 Food manufacturing
- NAICS 312 Beverage and tobacco product manufacturing
- NAICS 313 Textile mills
- NAICS 315 Apparel manufacturing
- NAICS 325 Chemical manufacturing
- NAICS 332 Fabricated metal product manufacturing
- NAICS 334 Computer and electronic product manufacturing
- NAICS 335 Electrical equipment and appliance manufacturing
Summary

Local communities often compete directly with each other to attract new businesses and jobs. While economic incentives like property tax abatements are still a big tool to be used by local economic developers, more communities are turning towards building long-term and sustainable relationships and climates to retain and grow their local businesses. One focus is to better develop the supply chain for key base sector employers.

The business supply chain contains all of the inputs that are necessary to produce a final product aimed at a consumer. This would include research, product development, marketing, and the various different raw materials and manufactured parts that are acquired to complete a final product. For example, to produce an automobile, a number of companies in addition to the automobile manufacturer are used, such as the companies that make the screws, seats, parts, provide the advertising, etc. Communities that bring these operations closer together to reduce transportation costs, share a pool of educated labor, or bring their end market closer, can be more successful in reducing business costs and retaining these businesses long-term.

According to the US Small Business Association, proximate supply chains can:

- Innovate in conjunction with their suppliers — proximity between product design, engineering, marketing, and manufacturing teams can accelerate innovation;
- Practice more agile inventory management;
- Monitor production quality through frequent and ad hoc site visits;
- Reduce transit times for input goods;
- Limit the risk of supply chain disruptions caused by natural disasters, port strikes, and other emergencies;
- Minimize vulnerability to volatile energy costs — less energy is required to transport goods from nearby versus distant suppliers — as well as unpredictable currency values when sourcing from foreign suppliers.

Noblesville can provide support to local businesses to optimize their supply chain by:

- Assisting businesses in identifying gaps in their supply chain;
- Helping to match suppliers and buyers within the local market;
- Marketing materials aimed specifically at businesses filling essential supply chain gaps;
- More interaction with industry supply chain clusters as part of an overall business retention and expansion program.

Case Study

In 2003 the State of Illinois funded skills-gap studies in all of the state's workforce regions to better target limited state and local resources to the industries and training programs that were needed the most. The program assessed overall industry strengths and potential emerging strengths, determined the overall key occupations for each of
those industries and used US Dept. of Labor skills information to determine top skill requirements for those occupations. Recommendations of the studies included targeted training programs, industry cooperation in workforce training, and career pathway programs. The studies engaged industry leaders, local economic development officials, labor unions and trade groups, and local workforce development and training agencies.

**Action Steps**

1. Continue to participate in the Workforce Development Council.
2. As a part of a broader business retention and expansion visitation program, interview local industry human resources leaders and managers to determine potential skills gaps.
3. In conjunction with the Workforce Development Council, develop a skills-gaps analysis for Hamilton County that compares strong and emerging industry clusters, occupations/skills and current workforce supply to provide guidance on targeted workforce development needs.

**Resources**

- Economic Development Department
- Workforce Development Council
- Ivy Tech Community College
Continue to partner with Noblesville Schools to incorporate science, technology, engineering and mathematics (STEM) as well as business classes more closely with curricula.

Summary
STEM education (Science, Technology, Engineering and Mathematics) is an approach to teaching that integrates the four stem components into the school curriculum. The STEM curriculum is thought of as a way to change curricula for K-12 and college to improve national competitiveness in technology development. It focuses on cross-curricular education and more hands on experience and problem solving.

Case Study
The Cleveland Metropolitan School District created a magnet school designed specifically around STEM education. The MC2 STEM High School was created and housed at various locations including the Great Lakes Science Center for ninth graders, the General Electric NELA Park campus for tenth graders, and Cleveland State University in downtown Cleveland for eleventh and twelfth graders. It is a project-based learning environment that exposes students to all of the same issues and problems that engineering and science occupations encounter. Students are selected for the program as part of a lottery system with all Cleveland Metropolitan School District students eligible.

http://www.mc2stemhighschool.org/
Action Steps

1. Partner with Noblesville Schools to assist in cultivating partnerships with industry, higher education, nonprofits, museums and research centers to enhance opportunities for expanding STEM curricula and teaching tools.

2. Assist in engaging local businesses in developing projects-based learning (PBL) curriculum components to improve problem-solving and collaboration skills.

Resources

- Economic Development Department
- Noblesville Schools
- Local industry groups
- George Lucas Educational Foundation

Students studying at the MC2 STEM High School in Cleveland, Ohio (MC2 STEM)
Continue industry roundtable discussions for business to business sharing on important issues affecting certain industry sectors.

Summary

Business roundtables are a great component to an overall business retention and expansion strategy. Roundtables foster both formal and informal communications to get feedback on issues and challenges that businesses are facing within the community. These are often held as informal events or breakfasts, but also could include formal speaking components. It is important that the roundtables include a strong discussion component with record keeping so that information collected can be acted upon by the local economic development officials.

Noblesville continues to organize and host business roundtable events and plans to continue and further formalize this practice.

Action Steps

1. Continue to organize and host roundtable meetings.
2. Utilize target industry study to determine if additional roundtables may be needed for existing or emerging industry clusters.

Resources

- Economic Development Department
- Industry Groups
- Noblesville Chamber of Commerce
Images from a recent CEO Summit hosted by the City of Noblesville.
Summary

It is often said that 75 percent of resources for local economic development are spent on attracting 25 percent of new jobs to the community. Until recently, economic development efforts overlooked the fact that almost three-quarters of new jobs are created by existing businesses within the community. Improving business relations, improving communications, and reducing local barriers to growth can improve the business climate and accelerate job growth.

A Business Retention & Expansion (BR&E) program works to focus local economic development efforts on improving relationships with existing businesses, develop a working partnership with these businesses, and help work to match local and state resources to business needs. This can include identifying incentives, workforce training, capital sources, serving as a liaison between local government and businesses, or business coaching, to name a few. To accomplish this, the community must develop a strong business visitation program.

The objectives of a BR&E program should be to:

- Demonstrate to local businesses that the community appreciates and supports their contributions to local economic growth and wealth.
- Help solve problems that businesses face where local resources can be brought to bear.
- Match education and technical assistance programs to improve a business' competitiveness.

A good BR&E program has the following components:

- An economic development official that is focused specifically on existing business development.
- A structured visitation program that includes face-to-face meetings with the same individuals to build trust.
- An annual survey program to supplement visits to identifying business needs on a broader scale.
- A follow-up visitation program to target specific barriers or issues that local resources can help solve.

Oftentimes a good business retention program requires a good deal of person-hours and resources. One way local economic development agencies can supplement staff is to develop a volunteer program of local leaders or retired businessmen to assist with visitations or follow-up meetings based upon technical proficiencies.

Case Study

Grants Pass, Oregon established a formal BR&E program in the mid-1990s. In conjunction with the local chamber of commerce, the economic development agency developed a business visitation and survey program that conducted over 100 surveys in the first two years. The City has since repeated this process every three years. In the first year they identified businesses with immediate expansion needs and were able to help identify sites within the community to retain those businesses and jobs. The sites were within...
a new industrial park in which the developer was hesitant to build the infrastructure without known tenants. Connecting the prospective tenants with the project allowed the infrastructure investment to move forward, further increasing available properties for development. The program was recognized in 1999 by the Oregon governor with the “Sustainable Oregon” award.

http://www.grantspasschamber.org/business-retention-a-expansion.html

**Action Steps**

1. Appoint a coordinator for the program within the Economic Development Department staff. The coordinator will oversee staff resources and primary contacts.

2. Develop a volunteer taskforce to assist with business visitation and on-going business communications.

3. Develop an outreach marketing program to businesses to understand the intent of the program.

4. Develop a visitation schedule and hold meetings with local businesses. It is important that the confidentiality of information is maintained and that staff remain consistent so trust relationships can develop.

5. Supplement personal visitation with business retention and expansion surveys that can provide comparable and quantitative information on business needs.

6. Develop roundtables of similar businesses to foster better inter-business coordination and cooperation.

7. Assure follow-through on addressing issues and needs that businesses have that can be met by the local community.

**Resources**

- Economic Development Department
- Volunteer program to expand interviewers (from business community)
- Corporate/community foundation grants for initial program development
- Noblesville Chamber of Commerce

**PERCENT OF JOB GROWTH BY ECONOMIC DEVELOPMENT TYPE**

- **Existing Businesses, 76%**
- **Entrepreneurs, 9%**
- **Business Attraction, 15%**

BOTTOM: Study by Blaine Canada, LTD, a major industrial site selection firm, that shows the average percentage of job growth generated by existing businesses versus the attraction of new businesses.
Summary

Although visitation programs and roundtables are essential as part of a larger business retention and expansion program, they are limited in the number of businesses that can be reached and make it difficult to compare and contrast feedback across businesses. A BR&E survey allows for a larger number of businesses to be reached in a shorter period of time. These surveys can be conducted a number of ways including through the web, mail, phone or face-to-face interviews. A written questionnaire is often used to ensure that information can be compared between surveys.

Typically most BR&E surveys have the following objectives:

- Identify immediate concerns of the businesses.
- Identify training and technical assistance needs.
- Identify future plans for the businesses.
- Show the community’s appreciation for the businesses.
- Develop an economic development plan designed to improve the local business climate.
- Foster local action through the creation of local implementation work groups.

Case Study

Grants Pass, Oregon established a formal BR&E program in the mid-1990s. In conjunction with the local chamber of commerce, the economic development agency developed a business visitation and survey program that conducted over 100 surveys in the first two years. The City has since repeated this process every three years since. In the first year they identified businesses with immediate expansion needs and were able to help identify sites within the community to retain those businesses and jobs. The sites were within a new industrial park in which the developer was hesitant to build the infrastructure without known tenants. Connecting the prospective tenants with the project allowed the infrastructure investment to move forward further increasing available properties for further development. The program was recognized in 1999 by the Oregon governor with the “Sustainable Oregon” award.

http://www.grantspasschamber.org/business-retention-a-expansion.html
Action Steps

1. Develop a taskforce representing a broad selection from the business community, government and educational institutions to help identify program objectives, methodology and then follow-up.

2. Develop a scientific survey methodology that will eliminate bias and represent a good cross-section of the Noblesville business community. Typical surveys will include mail/internet and personal phone call or site visit follow-ups to ensure an adequate sample size.

3. Develop a timeline for the data collection and analysis to ensure the survey will be conducted within a 6-7 month period from initiation of the program to final analysis.

4. Develop and test the survey questionnaire to ensure that the questionnaire meets the objectives of the study, collects relevant information, and questions are understandable to the participant.

5. Develop a media and public relations campaign prior to release of the survey to raise awareness amongst the general public as well as the potential survey population. This will improve response rates and demonstrate the City is genuinely interested in the well-being of its business community.

6. Survey should be analyzed for relevancy on an aggregate basis as well as by individual cases to determine “red flag issues” such as an imminent plant closing or major assistance needs that must be met. This demonstrates that the survey should not be “blind” and respondents should be identifiable with their questionnaire. Maintaining and disclosing confidentiality rules will be important.

7. The survey should be repeated either annually or bi-annually to track progress and continue to understand emerging or changing issues facing the business community.

Resources

- Economic Development Department
- Community volunteers for taskforce and potential site visitations
Summary

The Economic Development Department has increased its efforts to embrace regionalism on many levels. They are part of an Economic Development / Planning Group from Hamilton County cities and towns that meets quarterly to discuss each other’s initiatives relative to new development and best practices. They also discuss how they can jointly work together on initiatives… I.E. Trails.

The Economic Development Department is also part of the Workforce Development Council that brings together Noblesville Schools Administration, Noblesville High School, Ivy Tech, Work One Region 5, Noblesville Chamber of Commerce, and 3 local business owners. This group is integral in starting the Career Exploration Internship Program, Industry Tours, and Workforce 200 (at risk youth education development that prepares them for a career).

In addition, the City participates in the following organizations amongst others:

- Nickel Plate Arts
- Hamilton County Convention and Visitor’s Bureau
- Indy Partnership
- Hamilton County Alliance
- Hamilton County Entrepreneurship Advancement Center
- Indiana Economic Development Association
- Japan America Society of Indiana
- America China Society of Indiana
- SCORE

• Noblesville Chamber of Commerce

Embrace regionalism and increase partnerships with local resources.
Action Steps
1. Identify local organizations that would benefit the City of Noblesville.
2. Commit city staff and resources to participate in those organizations to build alliances and influence decision-making at the regional level.

Resources
- Planning Department
- Economic Development Department
- Common Council
- City Engineer
- Hamilton County Alliance
Summary
The City of Noblesville currently visits some businesses with 25 and 30 year anniversaries. The City wants to expand this program to better track business anniversaries in order to recognize all businesses to be more effective in business appreciation. The City also participates in an awards program in partnership with the Noblesville Chamber of Commerce entitled the “Enterprise Awards”. The City is focusing on expanding these efforts.

With increasing broadband access and decreasing hardware expenses, webinars are becoming more popular and convenient ways to participate in education. Communities are beginning to use this method to extend training opportunities for business development and networking. These webinars can also be turned into podcasts for convenient access in a non-live format.

Case Study
The Washington State Department of Commerce hosts a free webinar series aimed at helping businesses understand current issues they may be facing. The recorded webinars are available on the commerce website for free access. Topics include the use of employee stock ownership plans (ESOPs), workforce training programs, branding and more.

http://choosewashingtonstate.com/research-resources/education/webinars/
**Action Steps**

1. Assess the current anniversary visitation program and determine how to expand effectiveness.
2. Assess the current “Enterprise Awards” program in terms of effectiveness and how to expand participation.
3. Expand the business roundtable program to include webinars, or podcasts of roundtable speakers to expand the reach to the Noblesville business community.

**Resources**

- Economic Development Department
- Noblesville Chamber of Commerce

Website of the CHOOSE WASHINGTON program of the Washington State Department of Commerce. The website is used to deliver live and podcast webinars on various business education topics.
Summary

Credentialing is vast becoming an important gauge for employers in terms of overall hiring qualifications. As secondary schools, colleges and universities develop targeted credentialing; creating programs to match skilled workers with open positions will help supply employers with ready access to qualified workers and help newly trained candidates find potential job matches. These programs can be coordinated by local economic development agencies, workforce investment boards, or local neighborhood based community development corporations. Work should be done on a systemic basis between all training providers, labor, and industry groups to improve worker skills and match qualified workers with employers.

These programs often include a link between training, certification and job placement. Typically these programs partner with individual businesses or local coalitions of like businesses or employers (i.e. trade unions or industry partnerships). Training and certification is typically done through existing training providers and education institutions. Case management services are provided to participating candidates in areas such as resume writing, mock interviews and job offer negotiation strategies. Case management should follow the participant from initial enrollment through the job placement process. Some programs actually include internship opportunities prior to full-time job placement for on-site worker training and experience. These include placement of candidates with workplace mentors to help them better become accustomed to the workplace and provide the hands-on experience.

Currently the City is coordinating closely with Ivy Tech Community College and the Purdue Technical Assistance Program in regards to business assistance and workforce training. They have fostered a relationship between local businesses and Noblesville Schools for in-classroom participation, job fairs, and connections for internships. The City has also assisted Work One with local job fairs to help connect workers with local employment.

Case Study

The Mesa County Workforce Center in Grand Junction, Colorado has partnered with the Grand Junction Economic Partnership, Grand Junction Chamber of Commerce and Colorado School District 51 to strengthen the pool of skilled job applicants for local businesses. They have adopted the WorkKeys assessment and training program as a platform for accepted credentialing of worker skills. Prior to the program, local businesses complained they did not see enough high-skill, high-quality employees as applicants.
The local school district had difficulty working with businesses to identify a common language of specified skills that were needed. A certificate program was created with agreed upon curricula, skill objectives, and certification of worker skills and readiness that were accepted by local employers. The program has since issued more than 2000 certificates to over 3500 participants with 57 businesses participating in the program.


### Action Steps

1. Determine industry cluster foci that would require higher levels of hiring, are experiencing worker shortages or whose growth would best benefit the City.

2. Develop a partnership with cluster industry leaders and local training providers at the secondary level (i.e. Noblesville Public Schools and local private/charter schools) and with post-secondary training providers to begin dialogue on placement strategies. (i.e. Ivy Tech)

3. Develop a recruitment program to recruit prospective employees for areas of occupational need and shortages. This recruitment program would screen applicants and refer them to training programs that have been customized for participating industry clusters.

4. Develop training and certification programs for participating industry clusters that would provide acceptable curricula and credentialing to participating prospective employees. The training program could include internship and experiential education with the industry cluster participants.

5. Develop a mentors program to match prospective employees with current employees and management to develop a dialogue on expectations within the workforce.

6. Provide for automatic placement for prospective employees who successfully completed the training program and received credentials with participating industry clusters.

### Resources

- Central Indiana Regional Workforce Board
- Ivy Tech Community College
- Economic Development Department
- Workforce Development Council
- Purdue University/Purdue Technical Assistance Program
- Identified and participating industry clusters and businesses
- Local secondary and post-secondary training providers
- Area labor unions and trade groups
- Trade Adjustment Assistance Community College and Career Training Grant Program
- Workforce Innovation Fund
- H-1B Technical Skills Training Grants
- Health Care Innovation Challenge Grants
- Jobs and Innovation Accelerator Challenge Grants
- Health Profession Opportunity Grants to Serve TANF Recipients and Other Low-Income Individuals

Example of a credentialing certificate that helps employers understand the skill level of a potential applicant. (Central Pennsylvania Workforce Development Corporation)
Summary
The career ladders or pathways strategy supports worker transitions from work to training throughout the worker’s career. The objective is to offer continued step training to advance skills over time to improve overall wages and employment opportunities. Often times these pathways are developed in conjunction with industry groups, trade unions, and training organizations such as colleges, universities, and secondary schools. These programs will help transition the worker better into the workforce and help identify and connect incumbent workers with training necessary for career advancement. For example, a career pathways program in health care can help advance a worker from an entry level nursing assistant to an LPN, RN, and potentially an advanced nursing specialty. Instead of all of this training upfront, which may be too much of a burden for many workers, the training can be in step programs allowing for continued employment and work along each step of the ladder. Career ladder programs are often focused on critical industries and occupations with employment gaps. These programs should be appropriately focused to existing and emerging industries and occupations.

Case Study
The Center for Advanced Technologies in Detroit, Michigan is a collaboration of local manufacturers and university partners that was started in 1993 to address workforce skill shortages in manufacturing. Students are able to earn associates and bachelor’s degrees through Lawrence Technological University, Wayne State University, and the University of Detroit Mercy while still maintaining full-time employment through a non-profit production manufacturing center called HOPE Manufacturing. Through the program entrants can earn anything from accredited training in precision manufacturing and metal working to pre-engineering degrees. This allows for a range of training from entry-level required skills in advanced manufacturing to highly specialized skills for mid-level and management positions.

http://www.focushope.edu/

Action Steps
1. Determine industry cluster foci that would require higher levels of hiring, are experiencing worker shortages or whose growth would best benefit the City. These industries also need to include occupations that have a defined career progression.

2. Develop a partnership with cluster industry leaders and local secondary and post-secondary training providers to begin dialogue training strategies (i.e. Ivy Tech).

3. Develop a recruitment program to recruit prospective employees for areas of occupational need and shortages. This recruitment program would screen applicants and refer them to training programs that have been customized for participating industry clusters.

4. Develop training and certification programs
for participating industry clusters that would provide acceptable curricula and credentialing to participating prospective employees. These programs must address training not only for entry level positions, but also for advancement and transition between entry-level and mid-level, and mid-level and advanced-level.

5. Develop a case management program to track participants during training and work. The case management program would provide assistance such as mentoring, class and training advising, career advancement support, and work placement services. Case management can be offered by various organizations based upon familiarity with the occupation.

6. Develop certification criteria for career readiness at different levels of employment. These can include already accepted certifications as well as programs such as WorkKeys to assess entry-level readiness.

**Resources**
- Central Indiana Regional Workforce Board
- Economic Development Department
- Ivy Tech Community College
- Workforce Development Council
- Identified and participating industry clusters and businesses
- Local secondary and post-secondary training providers
- Area labor unions and trade groups

- Trade Adjustment Assistance Community College and Career Training Grant Program
- Workforce Innovation Fund
- H-1B Technical Skills Training Grants
- Health Care Innovation Challenge Grants
- Jobs and Innovation Accelerator Challenge Grants
- Health Profession Opportunity Grants to Serve TANF Recipients and Other Low-Income Individuals

Example of a career ladder for the healthcare profession.
Summary
A microenterprise is a business that has five or fewer employees and requires $35,000 or less in start-up capital. The Association for Enterprise Opportunity estimates that more than 20 million microenterprises are operating in the United States and that microenterprise employment represents 16.6% of all private (non-farm) employment in the country. Microenterprise loan fund programs target assistance for small businesses and startups that are typically not bankable. When the business startup has no other options, these programs provide “gap” financing, which means the funds are provided only when other financing sources are not available, to avoid competition with traditional banking institutions. Funds can be used for just about any purpose: machinery or equipment, building acquisition, new construction, remodeling, inventory, and/or working capital.

These programs are typically set up as revolving loan programs where repayment is used to replenish the fund for new borrowers. Typically, funding amounts are small and are capped for very small enterprises and include low to moderate income requirements. Many communities tie pre-business training and coaching as part of the loan requirements. They need to be tied to creating one or more jobs. These programs can be seeded through the Indiana Microenterprise Program via the Indiana Housing and Community Development Authority or through private banks that are looking to meet Community Reinvestment requirements from the Federal Reserve.

Oftentimes small micro-business and entrepreneurial startups in distressed areas lack the ability to qualify for traditional financing and loan programs. This program can help small enterprises develop and thrive by providing gap financing. This can create immediate jobs within the targeted area as well as set the stage for future hiring as successful enterprises expand.
Case Study

The City of Sandusky, Ohio developed a micro-enterprise loan program for persons with low to moderate income and without access to traditional capital focus on starting or expanding a small business. In addition to income requirements, the program also requires that the business be located within the City, have demonstrated they have sought funding through traditional sources, and have a clean business record. Loans range from $1,000 to $7,500 with a maximum period of four years at 0% interest. Training programs are required for initial eligibility.

http://www.ci.sandusky.oh.us/community-dev/ed-loanprogram.htm

Action Steps

1. Review overall mission and ensure funding priorities align with economic development and growth priorities.
2. Solicit additional seed funds from the Indiana Housing and Community Development Authority, local foundations, local corporations and financial institution Community Reinvestment Act funding. Seed money will be for sustaining the fund and growing capacity.
3. Appoint or hire a loan manager with experience in bookkeeping and ability to manage funds and compliance requirements.
4. Develop loan review committee who will be responsible for reviewing loan applications.
5. Develop application materials and application review criteria.
6. Market the program to the local Small Business Development Center, banks and financial institutions, and financial planners who often have first contact with new startups seeking financing.

Resources

- Local community foundations
- Local corporate foundations
- Economic Development Department
- Financial institution CRA funding
- Indiana Housing and Community Development Authority
- Community Action of Greater Indianapolis

The State of Oregon’s IDA initiative helps small and disadvantaged businesses through matching savings accounts. It allowed this couple to expand their farming operations and purchase new equipment. (Oregon IDA Program)
Identify and develop entrepreneurial talent within the community, also known as “Economic Gardening”, through personal, peer group and community coaching by way of an entrepreneur training program.

**Summary**

Often times, most economic development activities focus on business attraction efforts by luring new businesses and the promise of job creation to the community. While new business development does have a positive economic impact on the community, it also requires a substantial amount of resources. The “Economic Gardening” approach is based upon studies which show that 40 to 90 percent of new jobs come from existing businesses, yet oftentimes business retention and expansion efforts receive fewer resources than attraction and business recruitment efforts.

The economic gardening approach is based upon a “grow from within” strategy helping existing businesses grow larger both in terms of jobs, wages, and wealth. This strategy includes more focus on strategic growth challenges such as developing new markets, refining business models, and gaining access to competitive intelligence. This shifts the role of the economic development official into helping CEOs and entrepreneurs identify which issues are hindering growth and then leveraging local resources to reduce barriers and improve the business climate. This may include workforce development and skills training programs and partnerships, financial incentives, business coaching, providing collective business or market intelligence, etc.

An entrepreneurship training program focuses directly on equipping potential entrepreneurs and new small business owners within a community with the knowledge and tools necessary to develop and sustain a successful business venture. The programs focus on a curriculum that includes the mechanics of running a business, strategic planning and marketing, understanding markets and customers, and financing. The programs typically also provide post-course counseling and coaching as the entrepreneur applies those skills to a new venture or startup.

**Case Study**

The City of Maricopa, Arizona offers training and assistance to local entrepreneurs and business owners on how to start and grow their businesses. The training opportunities are held at various periods throughout the year and include on-going coaching. The program curriculum is adjusted annually based upon graduate feedback and the changing climate of the business community.

[http://www.maricopa-az.gov/web/small-business-resources/entrepreneur-training-program](http://www.maricopa-az.gov/web/small-business-resources/entrepreneur-training-program)
**Action Steps**

1. Develop a curriculum and training committee to determine overall audience and curriculum.

2. Develop a curriculum that addresses major small business development and entrepreneurship skill areas such as strategic planning, competitive advantage, target marketing, sales, human resources, cash flow and accounting, and financing.

3. Identify a training provider and program administrator.

4. Develop a targeted marketing program aimed at individuals or groups in which training would be beneficial.

5. Track progress of program participants to help measure success in generating new business startups and business success.

6. Link class graduation with access to capital funding like a micro-enterprise loan program and/or incubator or on-going coaching assistance.

**Resources**

- IU Kelley School of Business/Johnson Center for Entrepreneurship & Innovation
- Local venture capital firms and programs
- Central Indiana Corporate Partnership
- Economic Development Department
- Hamilton County Entrepreneurship Advancement Center
- Edward Lowe Foundation

(Edward Lowe Foundation)
Summary
Starting or maintaining a small business is a complicated endeavor. Compliance with federal, state, and local regulations, maintaining cash-flow and financials, and human resources can be onerous and time-consuming. A one-stop center can provide an easier way for small business owners within the City the ability to get information on local regulations, code compliance, and licensing and regulations all in one place. It can also serve as a liaison with other City departments to help solve issues or make application processes. A one-stop center can also help steer business owners to the correct state and federal agencies for issues that may be outside of local control.

A good one stop center should be able to address:

- All planning and development matters of concern to local business;
- Local economic indicators and labor market statistics;
- Local development plans;
- Land availability;
- Building regulations and permits;
- Business licensing and related permits;
- Connections with local financing and capital providers.

Case Study
The Chamber of Commerce of West Alabama created an online one-stop center for anyone interested in expanding or starting a business within the area. The site includes all of the information necessary including area demographics, business startup checklists, forms, and permit applications.

http://www.youronestopcenter.com/
**Action Steps**

1. Determine overall information needs that existing businesses and new startups are requesting in terms of information, assistance and compliance.

1. Determine overall information that will be available through a one-stop venue.

1. Determine lead and partner organizations and responsibilities. (i.e. Small Business Development Center, Service Corps Of Retired Executives, City, etc.)

1. Determine the shape and venue of the center. It can be virtual (online) or have a physical location or combination of both.

1. Market center through economic development agencies, financial institutions and city information channels.

**Resources**

- Economic Development Department
- Communications Department
- Service Corps of Retired Executives (SCORE)
- Small Business Development Center
- Hamilton County Entrepreneurship Advancement Center
- Ivy Tech Community College
- Hamilton County Alliance
- Planning Department
Summary
The City of Noblesville Economic Development Department works closely with internal City departments and other local, state and federal agencies advocating for local businesses. The department also works closely with the Common Council communicating at regularly monthly meetings, offering tours, and educational events to keep them informed of business trends and regional efforts. The department also facilitates having local businesses present to the Council when asking for assistance. In addition, the department serves as a liaison for local businesses helping with compliance issues.

Action Steps
1. Utilize business roundtables, individual “touch-base” meetings and business retention and expansion surveys to understand issues and challenges that local industry may have with local regulations and regulatory agencies.

2. City should have regular meetings with regulatory bodies to understand issues that agencies face in applying and enforcing local regulations.

3. Economic Development Department should act as a liaison with external regulatory bodies, outside of the city’s purview, to help ensure good communications between existing businesses or business prospects and the regulatory agency.

4. Continue to identify areas where re-examination of local regulations may be useful to help remove barriers to good business development but also ensure regulations maintain the quality of life and community values that Noblesville expects and demands.

Resources
- Economic Development Department
- Planning Department
- Local industry groups
- State regulatory agencies