

# BUSINESS RETENTION EXPANSION AND ATTRACTION PROGRAM

A DETAILED STRATEGY AND DESCRIPTION OF THE CITY OF CLOVIS'  
COMMITMENT TO HELP RETAIN AND EXPAND LOCAL BUSINESS AS WELL  
AS ATTRACT NEW BUSINESS.



## **City of Clovis Acknowledgements**

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## INTRODUCTION

The City of Clovis adopted the initial Business Retention, Expansion, and Attraction Program (Business REAP) in December 1998. The program was developed to communicate the City's strategy and methodology in retaining and fostering growth of its existing businesses as well as attracting new businesses into the Clovis community. The most important element of the program is to develop a positive communication process between the business community and the City of Clovis. As such, it is the intention of the City to recognize and appreciate its businesses.

Clovis' Business REAP is critical as businesses come where they are wanted and stay in a community where they are recognized and appreciated. The program offers tremendous opportunity to reach out and positively affect large and small businesses through creative partnerships, linking vision, skills, and resources. Driven by the synergy of these elements, it is anticipated that the Clovis REAP will continue to serve as a catalyst for a viable economy while preserving and protecting the Clovis Way of Life.

While business attraction will always receive more public attention because it is designed to bring new companies to Clovis, business retention and expansion focus on existing companies and business start-ups.

The Business REAP involves partnerships of the public, businesses and community that continually assess the existing industrial base and the physical, locational, financial, technological and human resource needs of individual companies. "Early warning systems" have been established to identify at-risk companies so action can be taken to help them overcome economic difficulties that otherwise could lead to layoffs and shutdowns, or relocation to another area or state. These systems consist of periodic surveys and interviews carried out by city staff at the companies' facilities. Based on these contacts and the information they generate, the City of Clovis can intervene with strategies designed to retain and assist the firm.

*...BUSINESSES  
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APPRECIATED*

There is no single way to assist businesses. The success of Clovis' Business REAP is based on several factors.

- **INDUSTRY KNOWLEDGE** – Based upon a clear understanding of the industries comprising the local economic base. Knowing the industry factors influencing the competitiveness of local firms. Remembering that growing firms exist in declining industries and declining firms exist in growing industries.
- **LOCAL FIRM KNOWLEDGE** – Based on primary knowledge of firm needs and priorities. Knowing what local and external issues confront the firms in the community. Giving primacy to community factors that are most important to local companies and also those over which we have some control.
- **GOVERNMENT LIAISON** – Assists business in any and all contact with governmental agencies including federal, state and local. Provides services to businesses in obtaining permits and entitlement to expand. Utilizes high-quality individual business services that meet local companies' changing competitive needs. Being seen as a professional; account

executive that educates companies about new opportunities and continuously introduces the company to useful new services and resources.

- RESULTS ORIENTED – Adopting an outcome or results orientation in service delivery. Working with companies to define expectations and impact. Assessing immediate customer satisfaction with service and evaluating longer-term impacts.
- EYE TO LONG-TERM BUSINESS CLIMATE – Encouraging a favorable overall business climate in the long-term. Seeking efficient, leveraged approaches to solving business retention and expansion problems. Gaining community leaders' policy support to undertake larger scale improvements that may help firms.
- COORDINATE SERVICES – Employing coordinated service team approach to assist companies that require services from multiple agencies or programs.

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Clovis' Business REAP also enables the community to maintain an up-to-date picture of the local economy by obtaining data on:

- The competitive strengths and weaknesses of the local area as a business location
- The relative strength of the local economy (e.g., number of business expansions, new investments, etc.)
- Areas of interest and concern that can be used to formulate public policy, enhance development efforts or improve the local business climate (e.g. labor markets, regulatory issues, access to capital, speculative building or industrial park development)

The attention given to local businesses through the program makes owners and managers of these firms feel confident that the local jurisdiction is willing to adopt the basic principals of the business world in its dealing with them, i.e., that local businesses are customers whose presence in and contribution to Clovis is appreciated, and whose opinions are valid.

While the Business REAP is intended to be a living document which communicates the City's vision of economic success and provides a standard for measurement of that success, it also continues the motion of a practical work plan for the implementation of business retention and expansion exclusively for the City of Clovis. As the City continues on its journey of growth and renewal, it is incumbent upon its staff to assume responsibility for its long term success. Only through ongoing collaboration and mutual stewardship on the part of the City and businesses, lasting improvement comes to the lives of those who call Clovis "home".

## LOCAL SNAPSHOT

The key to retaining and fostering growth of Clovis' existing businesses and attracting new businesses into the community lies in maintaining a clear understanding of the community itself. This includes both the industries that comprise the local economic base and the makeup of the population. The factors that influence the competitiveness of local firms often extend far beyond public policy and infrastructure, which only makes up half of the picture. The other half of the economic puzzle in any community is its people.

In May 2006, the City of Clovis' population reached 89,924 and continues a constant increase of over 4% every year. What's more, the residents are becoming younger and more affluent than any other city in Central California. The following demographic information is provided by Claritas:<sup>1</sup>



**Median Age:** 34.64

**Average Age:** 35.30

### Education Level for persons 25 and older:

Less than 9 <sup>th</sup> grade	2,757	4.74%
Some High School, no diploma	5,487	9.44%
High School Graduate	13,146	22.62%
Some College, no degree	16,830	28.95%
Associates Degree	5,356	9.21%
Bachelor's Degree	10,324	17.76%
Master's Degree	2,678	4.61%
Professional School Degree	1,059	1.82%
Doctorate Degree	489	0.84%

**Average Family Household Income** \$79,018

**Median Family Household Income** \$66,297

### Clovis residential employment sector:<sup>2</sup>

Agriculture, forestry, fishing and hunting, and mining	2%
Construction	7%
Manufacturing	8%
Wholesale	4%
Retail	13%
Transportation and warehousing, and utilities	5%
Information	3%
Finance, insurance, and real estate	7%
Professional, scientific, management, administration, and waste management	8%
Education, health and social services	24%
Arts, entertainment, recreation, accommodation and food service	7%
Other services (except public administration)	5%
Public administration	8%

<sup>1</sup> Source: Claritas

<sup>2</sup> Source: Destination Clovis, 2004, City of Clovis

**Top Employers**

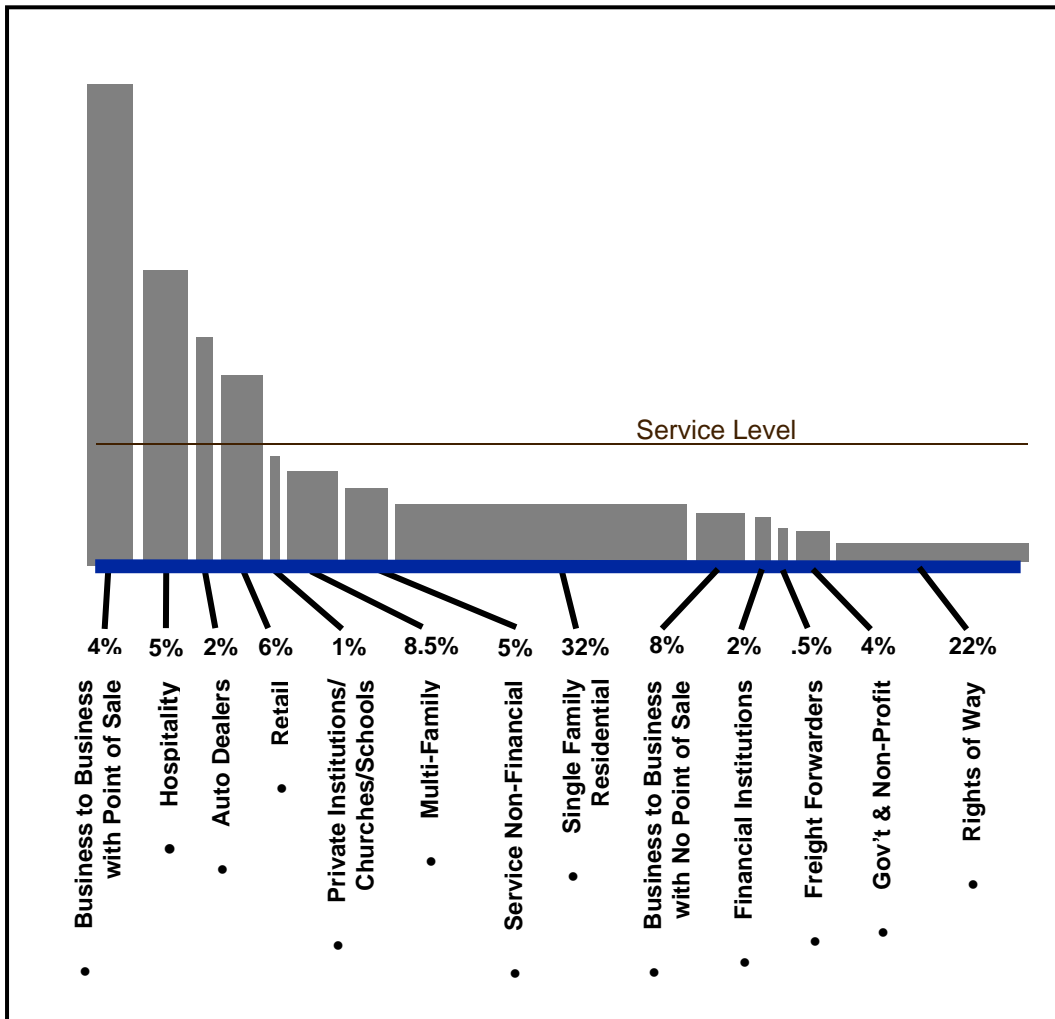
CUSD	5,000
Pelco	2,100
Clovis Community Hospital	812
City of Clovis	622
Wal Mart	471
Wawona	400
Target	370
Anlin	325
SBC	300
Save Mart	293
Von's	210
Lowe's	200
Sears	180
Home Depot	175
Costco	165
Bingham Toyota	150
Longs Drug Stores	145
Gottschalks	144
Olive Garden	135
Future Ford & Kia	130
Winco	130
Central Valley Community Bank	115
Hedrick's Chevrolet	115
FedEx	111
Taco Bell	109

# HOW BUSINESS SUPPORTS A COMMUNITY

It's important to understand the answer to the question "Why can't we just be a bedroom community?"

The cost of city services cannot be covered by the taxes generated by homes alone. Figure 1 shows how funds are generated that end up paying for city services such as Police, Fire, road construction and maintenance, park construction and maintenance, service of street lights and public landscaping, among other things. Many of these things are simply taken for granted but without them, a community is viewed as "lower quality".

Figure 1



This chart illustrates all land uses within a typical city. Notice that out of 13 different types of uses, only four generate enough funds to support the required services of the city: Business to Business, Hospitality, Auto Dealers, and Retail. Although Single Family Residential takes up 32% of all land within the city limits, and Multi-Family Residential takes up 8.5%, neither one comes close to generating enough tax revenue to pay for the services that are actually received by residents. This chart should also serve to illustrate the importance of those four business types that do generate tax revenue that pay for the services received by the entire community.

Currently, there are 2,472 business licenses registered with the City of Clovis. Although a license exists, it does not necessarily mean that the business is the primary source of income for the owner. Of the businesses listed, 702 are home-based businesses. In many cases, the home business license represents a hobby such as a craft or jewelry maker that requires a license to sell his/her wares at the occasional craft fair. On the other hand, many of these small, home-based businesses are start-ups. As an example, Pelco started out in its founder's garage. He built security cameras with the dream of growing his business large enough to be able to rely on it as his primary source of income. Of course, we all know that after a few years, his dream was realized as Pelco became the largest and most respected security camera manufacturer in the world. The City of Clovis understands the importance of these dreams and desires to actively help these home-grown businesses achieve their dreams.

## EXPORTS



For many years, the image of an export business consisted of a huge factory with giant smokestacks cranking out goods that are then loaded onto trains, ships and large trucks and then shipped to all corners of the world. In Clovis, this image is especially outdated and unrealistic. Exporting is simply the fulfillment of a demand from outside of Clovis for products or services that are produced in Clovis.

These export transactions are extremely important to the local economy for two reasons. First, the money brought into the area from outside the area stays here. By looking at the *City Service Funding Profile (Figure 1, page 5)*, we see that there is a service level that is expected by a city's residents. The money brought into the area through exports helps pay for these services, but the people who pay do not receive the services.

Secondly, each dollar brought into the area from outside the area circulates three times within the community. For example, if a local company produces an item and sells it to a customer outside the area, the money received for the item stays here. The local company pays for local professional services such as accountants, lawyers, and advertising and marketing. The company also pays its employees, who in turn, buy groceries at the local supermarket, buy homes, buy clothes at the department store, pay doctor bills, and eat in restaurants. The grocery store, doctor's office, restaurant, and department store all take the money that they receive from the export business' employees and continue the cycle of spending. This cycle supports the local economy by generating tax dollars that go toward paying for the services provided by the local government.

So, we might say that the modern definition of an export business is one that captures money from outside the area and brings it into the area. With that in mind, these modern export businesses can include car dealerships, retail stores, restaurants and hotels. Every time a customer comes into Clovis, makes a purchase and then leaves Clovis to go home, an export transaction has occurred. For this reason, Clovis supports events that are designed to attract people to town. Special



events such as the Clovis Rodeo, Big Hat Days and Farmer's Market draw people from outside the city. While here, they not only attend the event, but they buy gas for their cars, eat in restaurants, and in some cases, stay in our hotels.

## GLOBAL AND REGIONAL IMPLEMENTATION

With global competition and markets, the competitive edge goes to businesses which are able to produce high-quality products and services at reasonable costs for rapidly changing markets. Growing businesses seek locations that offer available and competitive industrial land, good market accessibility, transportation access, workforce availability, area image, and quality of life.



The City of Clovis' Community and Economic Development Department represents the City by attending various trade shows as well as responding to inquiries for information. They present available sites to interested businesses. In addition to attracting businesses to the community, they implement a Rapid Response Program, which is a system designed to respond efficiently and effectively to problems and concerns of businesses in Clovis.

The Community and Economic Development Department promotes economic growth by providing the following services:

- Serve as a clearinghouse of information to industrial and commercial representatives for the purpose of recruitment.
- Provide technical assistance to existing Clovis businesses and industries.
- Market the City of Clovis for industrial and commercial development expansion as well as tourism development.
- Serve as a distribution point for City of Clovis economic development materials.
- Assist the City in the implementation of its Strategic Plan for Economic Development.
- Implement the Business REAP.

## LOCAL IMPLEMENTATION










The Business REAP began in 1997 as a vision for the development of a systematic approach to promote a diversified stable local economy. Moved to action by that goal, City Council adopted a strategy that would develop and implement policies, programs, and events that would stimulate business activity, facilitate the expansion of existing businesses, and encourage new businesses to relocate to Clovis in order to create new jobs, expand Clovis' economic base and enhance the quality of life for its citizens. The first Business REAP was launched. The strategy contained the following goals:

- To gain a clear understanding of each business community's views of its local government and the local economy.
- To determine company plans for expansion or reallocation.
- To acquaint business leaders with assistance available through economic development programs.
- To establish a communications bridge between the business community and local government.

# THE EFFECT OF 100 JOBS

We have all heard the economic developer’s mantra, “retail follows rooftops”. While this statement is true, it’s important to point out that business follows business as well. To put it simply, “new businesses mean more businesses.” It’s a statement based on the understanding that as a new manufacturing plant opens, the workers will stop for coffee and doughnuts on the way to work, buy gas for their cars and clothes for their families, and do all the normal things that people do as part of their daily lives. While that description may be an over simplification, it’s safe to say that virtually all businesses rely on other businesses for services and supplies. Most offices need printed forms, collateral material, equipment repair, and janitorial services. Restaurants need ingredients for their meals. Even large, self-contained retailers such as Wal-Mart rely on local vendors for advertising, local food and beverage distributors (for example, bakery, soft drink, liquor, snacks, and dairy products), as well as local utilities such as PG&E and AT&T. Every time one new job is created, it tends to attract other new businesses because each firm relies on others to furnish goods or services needed to perform its functions. The economic spillover from business flows to other businesses and to the entire community, state and nation.

The following employment multipliers illustrate the total number of jobs generated in all industries as a result of the creation of 100 jobs in a specific industry. These are estimates of the total direct and indirect jobs that occur in a geographic area for each 100 jobs in a specific area. This includes the jobs created both directly and indirectly as a result of the primary industry (Job Multiplier). For example, for every 100 jobs created in the New Construction Industry, 2.86 jobs are created in the county, 3.27 in the region, and 3.21 in the state<sup>3</sup>.

INDUSTRY	COUNTY	REGION	STATE
 New Construction	2.86	3.27	3.21
 Textiles	1.72	1.88	1.9
 Wholesale	1.78	1.93	1.93
 Retail	1.40	1.46	1.47
 Finance	1.90	2.19	2.19
 Hotels and Amusements	1.76	1.89	1.88
 Health Services	1.56	1.67	1.68
 Eating and Drinking Places	1.34	1.41	1.42
 Business Services	1.45	1.57	1.59

<sup>3</sup> Lefkowitz, Martin (1993). *What 100 New Jobs Mean to a Community*. Washington, DC: U.S. Chamber of Commerce.

Understanding this, we can see that the impact a firm has on a community can be significant. Therefore, it is important to work closely with businesses when we recognize the opportunity for expansion and attraction.

The following provides a brief review of two businesses in Clovis and how the City of Clovis provided assistance in order to aid in the growth of the individual business. The community, in turn, is impacted by the competitiveness of the firm.

### **Anlin Industries** (Manufacturer and Business-to-Business with Point of Sale)

Anlin Industries incorporated in 1990, as a vinyl windows and door manufacturer, with an emphasis on the replacement window market. Anlin began its operation in Fresno with four employees. The company's growth and development challenged the company to expand its facilities. In 1997, the City of Clovis acting as the Clovis Community Development Agency (CCDA) partnered with Anlin by orchestrating the purchase of 12 acres of property and selling 6 acres to Anlin for \$1, and providing a First Right of Refusal/Option for the remaining 6 acres at market value. The property was a blighted infill property located within Project Area 1 of the City's Redevelopment Area. The sale at \$1 was provided as an incentive for Anlin to build an 85,000-square foot facility valued at \$4.5 million and increase employment for Clovis residents. Through an economic impact analysis, agency staff determined that the tax increment earned from the development would pay back the Agency within 7 years.

Anlin started operations in Clovis with 92 full-time employees. By 2000, Anlin employed 250 full-time living-wage employees. Again, their rapid growth and development required additional building



space. In 2001, Anlin exercised the First Right of Refusal/Option and purchased the adjacent 6 acres property from CCDA as well as an additional 6 acres from a private party for their expansion. The Agency again assisted Anlin in their expansion by providing public off-site improvements. In return, Anlin built a 110,000 SF expansion to its facility with additional parking and truck access.

By 2006, Anlin Industries building facility is nearly 200,000 SF, on 18 acres of land, with over 330 employees, and sales of more than \$35 million a year. The development generates approximately \$64,000 in annual tax increment for CCDA, and is among the top ten sales tax producers for the City. Anlin continues to grow at a rapid pace that requires them to look for additional land to accommodate their growth. The City/CCDA staff are supporting and assisting Anlin in their growth planning. Anlin, the City, and CCDA have become strong partners in facilitating/creating jobs and revenues for the City of Clovis, while expanding profits for Anlin.

### Best Western Clovis Cole Hotel (Hospitality)

In 1995 the City of Clovis had 24 motel rooms. The City made a concerted effort to target developers that could expand the City's hotel room portfolio. Clovis plays host to many events and festivals and is perceived as a safe place to live. So why not market it as a fun and safe place to stay and spend time? Many of the City's events attract large numbers of people to the area that require overnight stays. Without hotel space to accommodate them, the city effectively gives up the ability to capture the tax dollars associated with the hotel, restaurants and many other conveniences that people look for while traveling, including gas stations and other services.

In 1995, City/Clovis Community Development Agency (CCDA) staff met with a hotel developer regarding the potential and possibilities of building a new hotel in Clovis. CCDA had been negotiating with Southern Pacific Railroad (SPRR) to purchase property located just east of Old Town. This property proved to be an excellent location for the developer. The result was CCDA entering into an agreement to sell a 1 acre property to the developer who later built what is now known as the Best Western - Clovis Cole Hotel. The hotel is a part of Old Town Station that includes a new 54,000 SF commercial building, Tarpey Depot (tourist information center) and 256 spaces for public parking.



The final agreement between CCDA and the developer included selling the property at \$5.50 per square foot, leasing nine parking spaces for their exclusive use at \$1 per year and providing additional public parking immediately adjacent to the hotel site. In addition, the City of Clovis agreed to rebate a portion of money from the Transient Occupancy Tax (TOT) received from the hotel as assistance to encourage the marketing of their new hotel. The City receives 10% of all rent charged to hotel guests in TOT. The agreement provided that the developer receive all TOT dollars in excess of \$50,000 per year for a period of five years, not to exceed a cumulative total of \$45,000. The hotel was well received by the community and occupancy was so great that the developer received \$42,000 of the total amount in the first year.

Since its opening in 1998, the Best Western Clovis Cole Hotel has continued to maintain a robust occupancy rate, serves thousands of travelers a year, and is the centerpiece of the Civic Center/Old Town district.

## BUSINESS RETENTION

Why include business retention in an economic development program? Because Clovis' best companies are another city's best prospects! Dozens of other economic development organizations are communicating with Clovis' best employers right now. If we are not helping them achieve their dreams, they will turn to another community that they believe will. Economic developers regularly invite even small companies to consider leaving the community they are in to relocate or expand in another market.

In business, every satisfied client will tell one other potential client about a good service or product. On the other hand, every dissatisfied client will tell 10 potential clients about the poor service or product they received. The same holds true for a community. Business executives talk to colleagues within their company, outside suppliers, executives within their industry, and others within the community. No growth-oriented community can afford the risk of not knowing what employers think about doing business in the community.

It is important for the entire community to recognize how important business retention really is. Every community has at least one really good success story. A great young business that moved into town, opened shop and exploded into a community powerhouse. They are great to have. A real feather in the community's cap. However, real job growth over time comes from the expansion of businesses already in the community. It's kind of the like the old "a bird in the hand is better than two in the bush" adage. It takes a lot less time, energy and resources to take care of the businesses that are already here rather than to keep reaching for the ones that aren't.

There is a rule of thumb in economic development that is as follows:

- 70% of all business growth comes from businesses already located in the community
- 15% comes from start-up businesses in the community
- 15% comes from relocation of existing businesses from one community to another

By focusing their marketing efforts on the 15% of business that will be generated by attracting new firms to their community, these economic developers effectively write off 85% of their marketplace. Compound that number by the number of communities that focus their economic development resources on business attraction, rather than retention and expansion, and you have a very large number of the suppliers in this marketplace competing for a very small portion of the overall pie.

## BUSINESS EXPANSION

The first step of any business expansion is retention. Undoubtedly, when a business is preparing to expand or grow, it will look at all viable options. One of those is going to be to look at other communities. Perhaps they can find a suitable building at a discounted rate, tax incentives, cheap land, or a more qualified work force. The mission of the business REAP is to prevent this from happening. But, to be fully successful, a reactive approach must be avoided. If we wait until the business is ready to go, it is most likely too late. Early conversations with the CEO, owner, or manager of the business will determine the future growth of the business. This will allow the city to help when necessary – before it is too late. This is the importance of site visitations.



## RETENTION AND EXPANSION

The business retention and expansion portion of the program is designed to assist existing businesses in an effort to:

- Keep them from relocating to other area
- Help them survive economic difficulties
- Assist them with expansions that add new jobs and increase tax revenue

Business retention is linked with expansion because retention activity is often triggered by the plans of a company to expand and modernize its operations. When considering an expansion, a company may look at other locations as one means of achieving its goals at the lowest possible cost. These other locations may offer various forms of incentives to attract the company away from its present location. When the local economic development organization becomes aware of the company's plans, it can take action by designing a program that will address the company's needs and compete with the offers from other locations. This requires a more in-depth assessment of the company's plans and needs in cooperation with the company owners and managers.

The impact a firm has on a community is significant. The following provides a brief review. The community, in turn, impacts the competitiveness of the firm.

Relocation or closing can:

- Eliminate local jobs
- Reduce local tax base
- Lower surrounding property values
- Contribute to blight or decline

Expansion can:

- Keep or increase local jobs
- Preserve or increase the local tax base

- Increase local property values
- Enhance community image/increase confidence

Many of the tools that are used in business attraction are also used in business retention. These include:

- Marketing
- Assistance with land and buildings
- Infrastructure
- Financial assistance, include linking companies with available sources of capital
- Development of a competent workforce through training and retraining
- Technical assistance and assessments
- Availability of technology resources
- Export assistance
- Assistance with ways to reduce energy costs and comply with environmental laws and regulations
- Assistance with permitting and licensing
- Various forms of tax and non-tax incentives



Interior of garage where Bill Hewlett and Dave Packard started Hewlett Packard.  
Photo Credit: Jim Mathios

## BUSINESS START-UPS

Start-up businesses are more important than most people realize. Typically, a business start-up will begin as a home-based business. Most of the time, it begins with a vision and is nurtured as a “second job” until the owner is able to cut the umbilical chord of his or her “regular paycheck” and “steady income.”

The City of Clovis understands that all businesses start somewhere. Therefore, we encourage business start-ups and desire to help foster the growth of these amazing entrepreneurial opportunities. This is evident in the creation of the Clovis Research and Technology Business Park, the support of Cargo Bay, and the plans for Harlan Ranch. We also partner with and support the following organizations:

### ❖ Central Valley Business Incubator

The entrepreneurial spirit has never been stronger in the Central Valley. As more individuals are starting new businesses, it is crucial that they have the resources and know-how to ensure the success of their venture. Valley entrepreneurs are fortunate to have such resources available in their own back yard.

The Central Valley Business Incubator (CVBI):

- Is a private/public partnership that nurtures the development of entrepreneurial companies
- Provides business support services and resources tailored to start-up and emerging businesses
- Has helped hundreds of entrepreneurs start and grow businesses, resulting in over 1700 new jobs
- Has infused over \$12 million in capital back into our community
- Provides management consulting, business planning, accountability and help in obtaining financing
- Offers companies rental space with flexible leases, shared basic office services and access to equipment

### ❖ Small Business Development Center (SBDC)

The goal of the Small Business Development Center is to provide entrepreneurs and small business owners with the skills they need to make their business a success.

Businesses that received in-depth SBDC consulting experienced 10 times the job growth of average businesses (8.4% compared to 0.8% for U.S. businesses in general in 2001). SBDC clients' sales grow faster than other businesses' sales. Established businesses that received in-depth SBDC consulting experienced sales growth of 12.1% in 2001, compared to 3.1% for businesses in general.

The SBDC provides various consulting services. Fees are paid by SBDC funding partners and are free to clients. Training is available in the following fields:

- Cash Flow Management
- Government Procurement
- Business Loan Packaging
- Marketing & Advertising
- Strategic Business Planning
- Business Expansion
- Export/Import
- Business Structure

#### ❖ Economic Development Corporation (EDC) Serving Fresno County

The Economic Development Corporation *servicing* Fresno County, established in 1981, is a private, nonprofit economic development organization established to encourage top-quality businesses to place job-generating investments in Fresno County while creating a superior environment for corporate expansion and retention. The EDC serves the cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Sanger and Selma, as well as the unincorporated areas of Fresno County.

The EDC recruits companies throughout the world to locate in Fresno County. To accomplish this, the EDC generates interest in the region through the publication of marketing materials and data, represents Fresno County on marketing missions throughout the United States and internationally, and encourages firms to locate in the region by facilitating their site selection needs in a fair, professional and confidential manner. Each time the EDC locates a new business investment in the region, nearly every company and organization benefits. With more money flowing through the economy, additional revenue flows to cities and local businesses.

## BUSINESS ATTRACTION

*"When we were young kids growing up in America we were told to eat our vegetables at dinner and not leave them. Mothers said, 'think of the starving children in India and finish your dinner.' And now I tell my children: 'Finish your math homework. Think of the children in India who will make you starve, if you don't.'"*

-Thomas Friedman, from his book [The World is Flat](#)

### The New Workforce

Business attraction used to be a fairly easy concept. An economic developer would identify companies that would be a good "fit" for their community – or one that they would simply like to have in their community – and start making a sales pitch. They would contact the company's

decision makers and explain the benefits of moving to their town, figure out ways to sweeten the deal, and “wine and dine” the decision makers to try to close the deal. Simply put, the economic developer would act as a salesman. The customer was the business and the product was the community.

Now things are very different and much more complex. And, they are only going to get harder.

In the movie “Field of Dreams” the main character continually hears a voice telling him “If you build it, they will come.” As a result, he builds a baseball field in the middle of an Iowa cornfield. As the movie ends, we see a massive traffic jam leading to his field of dreams. This same story has been repeated many times throughout America. Attractions such as Las Vegas, Disneyland, and the Saturn car plant in Tennessee are all examples of the “build it, and they will come” philosophy. But now, “it” is much more than a spec building or an attractive mall, or a zoned piece of land. Building “it” requires building a workforce that is compatible with the desired businesses and lifestyle opportunities that will attract that workforce.

One hundred years ago, a man with a strong back and a good alarm clock could go out and earn an income to support his family. The engines of the industrial age needed the might and muscle of skilled factory workers. Today, the processors of the information age require the ideas and creativity of skilled problem solvers. This demand gives knowledge workers amazing options. They have the power of choice, and they tend to choose cities that have robust economies with many career options and cultural and recreational amenities. The U.S. Bureau of Labor Statistics projects that there will be 23 million Baby Boomers leaving the workforce as they reach retirement age. There are only 10 million non-Boomers to replace them. So, for every 2.3 people leaving the workforce, there is only one person to replace them — and they are more ethnically, age, and gender diverse. Cities and companies will need to compete to keep or attract the best and brightest. So, having the local buying power that retailers desire or the available land that industrial companies want is now only part of the equation. Attracting skilled workers is the missing link.

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OF THE  
INFORMATION AGE  
REQUIRE SKILLED  
PROBLEM SOLVERS*

It is difficult to overstate the impact that the college-educated 25 to 34 year-olds will have on our city’s future prosperity. They are well-educated, adaptable, mobile and relatively inexpensive, comprising an important part of the so-called creative class. With rising demand for their skills and with competition for them now on a global scale, we must be a magnet for these highly-coveted workers. In the knowledge economy, it is the creativity and talent inherent in a city’s workforce that will shape its economic opportunities. The following trends best describe the so called Knowledge Workers:

- Young educated people are the most mobile people in the U.S. population.
- Young educated people are an indicator of a city's economic vitality, but they are also a key contributor to economic vitality.
- People in the 25 to 34 year-old group are the most entrepreneurial in our society.

- For the first time, women in this age group are better educated than men, making them key to developing a base of talent.
- Place matters: young educated people are being disproportionately drawn to certain cities, and once in them, they are more likely to choose vibrant, close-in neighborhoods than other Americans.

These talented young adults are not simply workers. They are also more likely to be entrepreneurs, forming the next generation of growth companies that power metropolitan and national growth. Once rooted in place, the “young and restless” represent a tremendous economic asset for a region.

Talented people obey a different calculus, choosing places to live based not solely on productive considerations, but on amenities and consumption opportunities, community, social and family considerations. Young professionals decide where they want to live and then look for jobs within that city. They often decide to live in a place where there are plenty of opportunities to play. Live music, a vibrant art scene, theaters, clubs, and a vibrant downtown are all a part of the world of choices. The opportunity to participate in activities is often more important than being a spectator. A city can pave the way for businesses that are helping to fill this void, especially in older downtowns and urban neighborhoods.<sup>4</sup>

There is a regional push to tweak and adjust the local landscape in such a way to make it more attractive to these young knowledge workers. Furthermore, the City of Clovis supports these efforts. But while the City of Clovis recognizes the need to create an environment that will attract them, it also understands that not all knowledge workers fit the basic mold that is used to describe them. Americans are mobile, but there is a distinctive life cycle to individual mobility. We are most mobile in our late adolescence and early adulthood, as we leave the family nest, pursue higher education, explore the world of work and find ourselves as adults. But as we age, we move less frequently, and we begin building attachments to place—friends, routines, a network of associates, a resume, a mortgage and, typically, a family. All this “place-specific capital” progressively anchors us in particular locations as we age. The likelihood of moving across state or metropolitan lines falls roughly by half between one’s 25th and 35th birthdays and continues to decline right through retirement age.

The City of Clovis has carved out a niche and is recognized far and wide as providing an above-average quality of life. Standard of living, the Clovis Unified School District, desirable housing, and family are the top four reasons people choose Clovis as their home.<sup>5</sup> Based on this, Clovis is happy to exist as a *tier-two* city in the region’s efforts to build this new economy. We recognize that this city is not an island. What happens in Fresno has an effect on us and what happens here effects Fresno. By providing an above average place to live and work, Clovis will serve to attract the portion of the creative class that desires all that we have to offer. At the same time, we will support Fresno’s efforts to create an environment that will attract the portion of the creative class that desires the more urban, live/work/play, metropolitan experience.

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<sup>4</sup> Creative Economy Council, (2006). *Making the Grass Greener, Recommendations to Retain, Attract, Develop, and Support Knowledge Workers*. Fresno, CA: Mayors Creative Economy Council.

<sup>5</sup> Source: Destination Clovis, 2004, City of Clovis

## Finding the Right Retail Companies

Creating enough homes to meet the demand of home buyers, assisting local businesses, and maintaining a high quality standard of living for its residents and business owners is a delicate balancing act that requires patience and skill; couple these things with business attraction and you have a tight rope.

“Clovis needs a Nordstrom’s or a Neiman Marcus...I would shop there – and so would all of my friends.” This type of statement is heard by city staff on a regular basis. While the statements may be 100% true, there are many more factors that go into a retailer’s decision to expand into a new market. Retail site selectors are savvy professionals who know their market. They know who their most likely customer is and everything about them. They know their age, income, likes, dislikes, and, most importantly, how many of them are needed within a certain geographic area to make a single retail outlet survive.

*“CLOVIS NEEDS A  
NORDSTROM’S OR  
A NEIMAN  
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WOULD SHOP  
THERE - AND SO  
WOULD ALL OF MY  
FRIENDS.”*

Similarly, the City of Clovis strives to know its population. A constant measuring of demographics and psychographics is performed in order to compare the strengths of our community with the needs of retailers. When a match is determined, contact with the site selector is made. Finding the match, however, is a complicated process in itself. In order to do this, the City of Clovis works with various vendors and organizations that specialize in site selection. In 2004, the City of Clovis contracted with Buxton (appendix 2) to perform a demographic, psychographic, and drive time analysis, as well as a lifestyle characteristics study.

Buxton also examined over 3,000 retailers and restaurants to identify those with location requirements that best match the buying habits and demographics within Clovis’ retail trade area. Retailer profiles were created by taking specific retail sites in Clovis, getting the segmentation composition within a 10-Minute drive-time around each site, and determining the average segmentation composition for each retailer. The goal was to match a specific retailer’s profile to that of the Clovis site’s trade area profile. Where there is a close match of the retailer’s location profile with the household profile of the trade area, the retailer was selected as a target for recruitment. If there was a mismatch of profiles, then the retailer was not considered.

The selection of target retailers also took into account other factors. If a potential target retailer already has a location nearby, it may not have been included. Site characteristics, tenant mix, regional setting, and community goals were considered.

Buxton’s final report yielded a recommendation list of twenty retail and restaurant targets. They also provided detailed information that documented the selection criteria for each targeted retailer and restaurant. The criteria included general information that described the location preferences of each company, in addition to contact information.

The match report compared the household segmentation of the retail trade area with the household segments that represent the existing customer base for each retailer or restaurant. The match reports summarize the attractiveness of Clovis’ location for each target.

Finally, a map was provided of the retail site trade area, and core customer households for each retailer or restaurant were overlaid to construct a compelling visual in support of recruitment efforts.

All of this information was combined with supplemental marketing information to create individual marketing packages that are used in efforts to recruit each company to the City of Clovis.

The City of Clovis is actively involved in the International Council of Shopping Centers (ICSC) (appendix 3). ICSC holds annual conferences designed to bring retailers, retail site selectors, municipal decision makers, and various vendors together to learn about new brands and products, market trends, new opportunities and for networking. Through these annual meetings, the City of Clovis is exposed to tens of thousands of potential retail opportunities.

### **Finding the Right Industrial Companies**

In September 2004, the Clovis City Council adopted a comprehensive Economic Development Strategy that detailed the strategies for developing industrial, commercial and tourism business within the City of Clovis. The following excerpt is taken from the Target Industry Analysis of the Economic Development Strategy:

The homespun saying “a jack of all trades and a master of none” is usually directed to the drifters that have not focused their attention on a specific trade or occupation, but instead jump from job to job never finding their calling or reaching their full potential. The same can be said of economic development agencies, whether they be municipal or regional, who don’t limit their focus to industry that meet their strengths, weaknesses, opportunity and threats (SWOT). Without knowing its community’s characteristics and narrowing its focus, the community becomes the jack of all trades and a master of none. That community does not meet its full potential. The staff of such a community has no direction and their attention is scattered to the four winds. Conversely, the community that understands its characteristics and knows what industry fits that characteristic becomes focused, which makes it much easier to run an attractive program. Time, both the community’s and the industry’s, is not wasted trying to fit the square peg in the round hole.

For the reason stated above, the City of Clovis understands the importance of a targeted industry analysis. This analysis consists of conducting an honest assessment of the community’s characteristics through a SWOT analysis, identifying growth industry based on clusters within the area, and matching the best fit cluster to the characteristics of the community. As an exercise of creating the update to the Economic Development Strategy,

[the Economic Development Strategy Advisory Committee] completed a SWOT analysis...and identified a list of targeted industry.<sup>6</sup>

So, what is the right industry for Clovis? The following is a list of industries that the City of Clovis is actively pursuing:

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<sup>6</sup> Economic Development Strategy Advisory Committee (2004). City of Clovis Economic Development Strategy. Clovis, CA: Clovis Community Development Agency

### ***Healthcare***

Healthcare services have become one of the largest and fastest growing industries in the MSA, with a diverse range of occupations and providers. This region has the expertise and specialized infrastructure to become a world-class health care services provider and education center. A collaborative effort is required to meet the broad and complex workforce development needs in this growing industry.

The Health Services cluster in the Fresno MSA employs approximately 32,300 people with an average wage of \$33,000. Since 1992, employment has grown by 41.8%, or 7,600 jobs. The primary industries in this cluster encompass all forms of medical service delivery, including acute care and specialty hospitals, doctors' and dentists' offices, pharmacists, mental health care, home health care, and nursing/personal care facilities. They are a complex array of direct providers, supportive industries and institutions, workforce training and education organizations, public and private payers and health professionals at all levels of specialization and experience.

The Health Services cluster also includes a diverse range of support companies that serve the medical services delivery industry, such as health care supply companies, diagnostic labs, and medical insurance companies. Because of economic multiplier effects, a significant amount of new job growth within the cluster takes place in these support sectors. A recent economic impact study has found that, on average, every \$1 spent by local hospitals leads to \$.56 spent by hospital suppliers and other companies in the region.

Clovis is very well situated to accommodate growth in this cluster. Community Medical Center Clovis is a growing regional facility with 174,000 sq. ft. of acute care and 110 beds on 120 acres. The hospital has plans to expand to 927,000 sq. ft. acute care, 350 beds and 573,000 sq. ft. of medical/business services over the next 30 years. Kaiser Permanente recently opened a 65,000 sq. ft. medical office facility with plans for future expansion. The Herndon Corridor with easy access to these two medical facilities as well as Highway 168 provides opportunity for new development catering to the Healthcare industry.

### ***Agile Manufacturing***

"Agile manufacturing" is particularly important to Central California. The term describes highly flexible, short-to-medium run production, as compared to high-run assembly line production. It is vital to many local industries, including the manufacture of industrial machinery used in agriculture, electronic equipment for export, and transportation equipment. The region's manufacturing capacity—in metalworking, machinery, and fabrication—can be a source for future job growth, especially if local firms can fill underutilized capacity with contract manufacturing now being sourced from other regions. In addition to the manufacturing industries that it directly serves, the agile manufacturing occupational cluster is connected to support industries such as distribution and logistics, wholesale trade, and electronic components.

### ***Information Processing***

Broadly defined, information processing occupations provide "back office" support to large organizations that have heavy information processing requirements, such as government, insurance, financial services, health care and wholesale trade. These functions encompass

data processing and analysis, credit checking, database administration and payroll and billing services.

Information processing occupations range from entry-level information clerks to mid-level computer programmer aides to higher-level management support workers. Wages, especially in the higher-level occupations, are competitive and exceed the region's average wage. The Employment Development Department projects significant growth in occupations such as systems analysts (54.1% projected growth), computer support specialists (43.6% projected growth), adjustment clerks (20% projected growth), bill collectors (23.9% projected growth), and medical records technicians (32.10% projected growth).

### ***Tourism***

Tourism is the nation's fastest growing and third largest industry (after health services and businesses). It is one of the purest forms of economic development in that the object is to have people come into the community, spend money, and then leave. A tourism-friendly area will spawn non-tourism industries faster than others will, as it contributes positively to quality of life factors important to business development.

Tourism can include both business travel and leisure travel. Ideally, tourism promotion will result in not only bringing more visitors to the community, but in getting them to stay longer, as overnight visitors spend four times more than day visitors.

Some other quick facts about the tourism industry:

- 90% of tourism industry businesses are small businesses.
- 83% of tourism spending is by visitors with annual household incomes of \$70,000 or more.

### ***Water Technology***

When considered in a broad context, "water" is the largest, single industry in the world. It encompasses virtually every activity of every life form and includes water sources and conservation, water use and reuse, the geography and policy of water, the economics of water, basic water technology, and water flow technology. The water technology industry can be broken down into the following categories:

- Irrigation and Drainage for Agricultural and Turf Systems – All of the 200+ crops produced in the San Joaquin Valley, as well as those produced around the world, utilize the Valley's manufactured equipment, (including valves, filters, pumps, sprinklers, micro-drip, fittings, flow meters, backflow equipment). Additionally major golf courses, parks, street medians, sports fields and entire cities have their turf and landscape irrigation needs supplied by San Joaquin Valley manufacturers.
- Municipal and Rural Water and Waste Systems – These systems include wells and related pumps, transmission and distribution systems (including valves, hydrants, fittings, connections, backflow equipment) and water treatment equipment and processes for obtaining desired water quality goals.
- Industrial Fluid Applications – Industrial systems include cooling towers, water filter systems, fire protection systems, mining systems, coolant systems and oils along with wastewater distribution and treatment components.

- Recreational and Waterscape Applications – These systems include theme parks, water features at hotels, swimming pools, etc., and their related components such as valves, piping, meters, and other hydraulic infrastructure.

The International Center for Water Technology will be located on the campus of Fresno State, which is immediately west of the City. The City is prepared to work with the leaders of the International Center for Water Technology and industry cluster to assist in site locations for new and expanding water technology businesses.

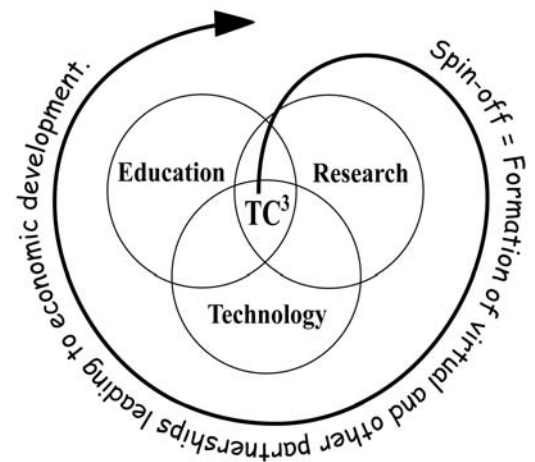
**Education**

Clovis is known throughout the state for excellence in education opportunities. From the award-winning Clovis Unified School District (CUSD) and high tech Center for Advanced Research and Technology (CART) to specialized training centers such as Institute of Technology (IT) and ITT Technical Institute. In addition, Clovis residents are provided with easy access to numerous higher educational opportunities. State Center Community College has an existing Clovis campus and is scheduled to build a new campus within five years at Willow and International Avenues (adjacent to the new CUSD high school complex). Fresno State University, located at the western city boundary, is part of the California State University System and San Joaquin College of Law, located in Old Town, offers classes leading to a degree in law and legal studies. Clovis’ demographics and location have created a prime location for attracting additional satellite post-secondary facilities.

Economic development staff has placed a premium on marketing to site selectors charged with finding sites for institutions within this industry.

**Technopolis Clovis Core Committee (TC<sup>3</sup>)**

In July, 2005, Clovis’ city council appointed 18 community members to work with Community and Economic Development staff members in forming the Technopolis Clovis Core Committee (TC<sup>3</sup>). The group is an organic outgrowth of Clovis’ core values and proud history of innovation. Its members recognize that by the City of Clovis establishing the Research and Technology Business Park 1997, they had laid the foundation for establishing itself as an Innovative Technology Hub. The committee continues to meet once a month and has developed preliminary goals and objectives, and an outline of a Concept Development Plan:



**Vision for Clovis:** Clovis will offer a welcoming and humanizing environment for advanced technology-based businesses and individuals.

**Mission:** To facilitate the transformation of Clovis into an Innovative Technology Hub. We will accomplish this by developing strategies to encourage commercial ventures that both contribute to and benefit from the city’s excellent quality of life, high standards in education and numerous options for leisure. This transformation will promote positive changes in our city, our citizens and our workforce.

**Goal:** To transform Clovis into a revenue-producing intellectual community.

**Objective:** To develop Clovis as an Innovative Technology Hub.

## RETENTION, EXPANSION AND ATTRACTION... A SNAPSHOT

Working at business attraction and business retention and expansion are two very different tasks. The following chart is a general detail of the comparisons in Attraction versus Retention and Expansion responsibilities.

ATTRACTION	RETENTION and EXPANSION
Most Sophisticated Customers: This includes dealing with site selection consultants and corporate real estate professionals who earn their living doing site selection work	Less Sophisticated Customers: Typically, this includes dealing with managers and owners of small to medium size firms who have little or no knowledge of site selection criteria.
Supply Driven: "...what we have available in the way of workforce, transportation, land, infrastructure, incentives, etc."	Demand Driven: "How can I help you to make your business more competitive?"
Limited Access To The Firm's Key Decision Makers: Locational consultants will typically shield them until the very end of the site selection process. Can you really tell what type of a corporate citizen they will be based upon a one-hour meeting?	Immediate Access To The Firm's Key Decision Makers: Relationships with these people are likely to already exist. This provides a good sense of who is worth the time and effort and who might be more trouble than they are worth
Consumer Typically Sets The Price: Usually, the site selection consultants will play the two or three finalist communities off against one another in order to obtain the largest possible amount of incentives	Supplier Typically Sets The Price: Frequently, it is necessary to retain an at-risk firm by utilizing off-the-shelf, existing programs that the firm was previously unaware of.

## THE CITY CONTACT

To many business owners and managers, getting answers to simple questions can sometimes become a large ordeal. Navigating their way through the government system is often confusing and time consuming. As part of the Business REAP, the City of Clovis has assigned the Business Development Manager as the front-line contact for information, assistance and guidance. In this position, the city employee acts as an account manager. Although it is understood that not all questions and concerns can be ultimately answered by this person, he/she can help guide the business owner/manager to the right person. The Business Development Manager may be reached at (559) 324-2080.

## GOALS, OBJECTIVES AND STRATEGIES

Because it is the City's vision to promote a diversified stable local economy, efforts will include proactively helping the community to identify the needs, wants and concerns of local businesses so that communications and services may be improved among business, government and the community. This goal will be accomplished by establishing and maintaining professional relationships with the existing business community and therefore building strong partnerships. In view of this, a systematic approach of meeting with businesses will continue to be pursued. The approach is described as follows:

## **Site Visitation and Mail Survey Questionnaire**

### **Goal:**

Meet the large and small businesses on an individual basis.

### **Objective:**

1. Identify the concerns, needs, and future forecast strategy of each business so that communication, relationships and services may be enhanced among the business community, government, and the community-at-large.
2. Maintain an electronic file, containing general and specific information, for each business.

### **Site Visitation Strategy:**

1. By phone, schedule brief meetings with 15 to 20 businesses per month.
2. Meet with the manager/business owner to perform a "needs assessment" and discuss issues concerning maintaining a business within the City of Clovis

One of the advantages of a site visit survey is that there is no limit on the number of questions. Still, it is important that the interviewer be able to administer the survey in a reasonable amount of time.

### **Mail Survey Questionnaire Strategy:**

1. The most important factor in constructing a mail survey is its brevity. Most CEOs and plant managers will not devote a substantial amount of time filling out a multi-page questionnaire that appears unsolicited in the mail one day. Ideally, the survey should fit on one side of a single 8 ½ x 11 sheet of paper, with the reverse side available for the respondent to write additional comments.
2. Given the limited amount of space that will be available on the survey form, it is imperative that the focus remains on those issues that are most important to achieving the strategic objective the Business Retention, Expansion and Attraction Program.

### **Confidentiality Issues**

A substantial degree of confidentiality should be guaranteed to firms that participate in any surveys. At the same time, the promise of confidentiality should not be so strict as to prevent the identities of at-risk firms from being revealed to assistance providers (e.g., Economic Development Corporation, SBDC) that could provide assistance that will retain the firm in Clovis.

There are at least two methods of satisfying both of these objectives. One approach is to offer a blanket guarantee of confidentiality, and then include a separate section in the survey where firms have the opportunity to request specific assistance (with the understanding that the assistance request will be provided to the appropriate agencies).

## Red Flag Response Network

### **Goal:**

Quickly and efficiently identify issues that may affect local business.

### **Objective:**

The red flag management system is designed to identify and respond to problems and opportunities through the survey and networking process and referrals submitted to the City.

Red flag problems/opportunities encompassing a variety of components involving business closure, relocation and expansion. Possible red flags may include but are not limited to:

1. Expiration of current business lease
2. Desire to expand business but unable to do so due to lack of space
3. Access to capital
4. Obsolete facilities
5. Infrastructure deterioration

### **Strategy:**

The networking management system component consists of City and private organizations established to respond quickly and effectively to the “red flags” or problems identified in a specific business interview and/or referral that the City has received. The program structure may include, but is not limited to the following representatives:

- City Council Members
- City Manager and City Department Heads
- Business Development Manger
- Economic Development Corporation Serving Fresno County
- Central California Small Business Development Center (SBDC)
- Local utility companies
- Chamber of Commerce
- Local lending institutions
- Local real estate brokers
- Farm Bureau
- CSU Fresno

Upon identification of a Red Flag opportunity which requires follow up, the interviewer may contact any of the representatives listed above.

The Red Flag Management System offers a unique opportunity to increase the marketing and performance of both public and private services. Moreover, as Clovis' reputation circulates throughout the business community in regard to responding rapidly and efficiently to business concerns. It is anticipated that existing businesses will be instrumental in co-partnering in the efforts of business attraction, particularly manufacturing businesses as many are associated with various manufacturer associations.

## **Recognition Programs**

The purpose of the civic activity component of the Business Retention/Attraction Program is to give city officials the opportunity to collectively recognize businesses for their significant contribution to the City of Clovis. The business categories are as follows:

- Top 50 Employers
- Top 50 Sales Tax Producers
- Selected Manufacturing Businesses (Plant Tour activities)
- Business Recognition Month

### **Goal:**

Recognize and show appreciation for local businesses

### **Objective:**

To personally recognize businesses for their contribution to the City, to improve communication among city officials and these businesses and to provide the opportunity to network among their peers which will develop inherent strength in knowing that they are working together in building the Clovis community.

### **Strategy:**

- Compile list of businesses with 100 or more employees and top 50 sales tax producers
- Contact corresponding businesses explaining that they have been selected to receive an award and that City Council has set aside a special day to recognize them.
- Declare, through proclamation, Business Appreciation Month. It should be during this month that recognition programs take place as well as site visits that include City Council Members and various members of senior staff.

## **Local Partnerships**

### **Goal:**

Maintain a network of organizations focused on assisting new businesses and fostering the growth of existing businesses.

### **Objective:**

By employing the help of outside agencies, the return on investment will be maximized. The Client (business) will be better served by receiving tailored professional assistance and the cost of the necessary attention will be greatly reduced. The assistance should produce businesses that are better prepared for growth and a variety of economic climates.

### **Strategy:**

Continue to partner with local agencies/firms with specialized knowledge and abilities dealing with various business aspects. These organizations should include, but are not limited to, the Central Valley Business Incubator, Economic Development Corporation serving Fresno County, and the Small Business Development Center.

## **Business License Assistance for Business Expansion**

### **Goal:**

Foster growth of small business.

### **Objective:**

To encourage and aid in the growth of small business.

### **Strategy:**

Any home-based business wishing to move from a residence into a commercial unit should be eligible for a one-time two year City of Clovis Business License Fee waiver. In addition to the criteria of expansion from a residence to a commercial building, the business owner should be required to enroll in, and complete, a small business training course such as that offered by CVBI or SBDC.

## Appendix

### 1. Claritas

Since 1971, Claritas has been the pre-eminent source of accurate, up-to-date demographic data and target marketing information about the population, consumer behavior, consumer spending, households and businesses within any specific geographic market area in the United States. Claritas' site location maps, retail location software, and business site selection marketing research and market analysis services are aimed at reducing your cost of customer acquisition and growing customer value.

Claritas is a target marketing information company dedicated to providing consumer and Business-to-Business marketing. Claritas provides market segmentation data, site location reports and maps, retail location research, demographic data, consumer marketing data, marketing analysis tools, market demographic applications, and site location analysis – all needed to examine markets and execute profitable target marketing opportunities.

[www.claritas.com](http://www.claritas.com)

### 2. Buxton

Buxton is the industry leader in customer analytics and retail site selection technology, providing strategic target marketing research services to major retailers, cities and economic development groups throughout the United States. Using over 450 years of executive retail, marketing and community management experience, Buxton pioneered the use of demographics, psychographics, drive time analysis, and lifestyle characteristics for research purposes.

[www.buxtonco.com](http://www.buxtonco.com)

New York Post, Tuesday, May 23, 2006 by Lois Weiss

#### **How this man's database can help retailers find even more customers**

SOME folks draw a circle and set down a shop in the middle. Some count passing feet and believe some of them will make it inside.

But not Tom Buxton.

Down in Ft. Worth, TX, he's got a database all about you, and agrees the amount of data is "scary."

That's right, Buxton says he has 25 terabytes of data - counting and updating everything at least every 90 days - that includes up to six people in every household in America.

It starts when you get a paycheck. "We buy data from everybody," says Buxton, President and CEO of Buxton Company.

"Every time you use your credit card, watch a movie, buy a movie on cable TV - it tells us your lifestyle. The paper trail you created for us today is what we use to predict what you will buy tomorrow."

And that is how he advises clients on such minor details as where to locate a profitable store.

"We have the 'psychographics' to pinpoint the value of every customer, for every product, at any distance and get an actionable solution to do that," he claims.

For instance, nine years ago his client, Pier 1, believed they had saturated the U.S. with 600 stores.

“They thought they had to have 100,000 households to be successful,” explained Buxton, using a typical retailer’s approach.

“What they really needed were 15,000 people that buy their product.”

Since then, using his so-called “customer analytics,” Pier 1 has opened up another 500 stores and Buxton says all of them are money makers.

That remains true today, even though Pier 1 had to close many of its earlier stores.

“Who cares about total population?” he snorts. “We only want the one that buys your product. The rest get in the way.”

For some product categories, he notes, a retailer might only need 4,000 of its own customers.

A former Tandy exec, Buxton pioneered the research for creating customer analytics. Along with identifying the customer, it also includes his patented drive time “gravity” and walk time “gravity” charting – which identifies when customers won’t cross streets or bridges.

“In a ring, you would show those people as being in your trade area,” he said. But his data tells you that in a rural area, the stores might need to be 10 miles apart, while in a city, the retailer could be a mere block apart. No wonder there are so many Starbucks stores.

“Retailers often put their store in a location where their customer is not,” Buxton says.

“My system prevents them from making a bad real estate decision.”

### **3. International Council of Shopping Centers (ICSC)**

Founded in 1957, the International Council of Shopping Centers (ICSC) is the global trade association of the shopping center industry. Its 57,000 members in the U.S., Canada and more than 80 other countries include shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers and other professionals as well as academics and public officials. As the global industry trade association, ICSC links with more than 25 national and regional shopping center councils throughout the world.

The principal aims of ICSC are to advance the development of the shopping center industry and to establish the individual shopping center as a major institution in the community through:

- Promoting the role of shopping centers in the marketing of consumer goods and services.
- Establishing codes of fair business ethics and dealings with retailers and consumers and with government and public agencies.
- Encouraging research into the architecture and design of shopping centers and into the development of improved management and maintenance methods.
- Collecting and disseminating information among members pertaining to techniques of profitable operation, which can serve to improve the individual shopping center and the industry.
- Study economic, marketing and promotional conditions affecting the shopping center industry.
- Promoting the prestige and standing of members as reputable specialists in the field of shopping center development and management.

#### 4. California Association for Local Economic Development (CALED)

**CALED** is the premier statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.

<http://www.caled.org>.

#### 5. International Economic Development Council (IEDC)

IEDC is a non-profit membership organization dedicated to helping economic developers do their job more effectively and raising the profile of the profession. IEDC's goal is to create more high-quality jobs, develop more vibrant communities, and generally improve the quality of life in its members' regions.

IEDC embraces the following core values. They reflect and support their mission, and guide decisions, actions and provision of services:

- Social responsibility and a dedication to building healthy, just, and competitive communities
- Creation of wealth for individuals, businesses, and communities
- Advancement of both the economic development profession and professional
- Cooperation and collaboration
- Diversity, tolerance, and equity

<http://www.iedconline.org/>

#### 6. **What Factors Most Influence Knowledge Worker's Location Decisions?** **Richard Florida, *The Rise of the Creative Class***

**Balance:** Knowledge workers are highly mobile and essentially balance economic opportunity and lifestyle in selecting cities and regions that are attractive to them as places to live and work. Thus, challenging, high-paying, high tech jobs, while obviously necessary, are alone not enough to attract the best and the brightest.

**Labor Market:** Knowledge workers are highly mobile and anticipate moving among various employers and thus favor cities and regions with a "thick labor market" that offers the wide variety of employment opportunities required to sustain a career in high technology fields.

**Amenities:** "Quality of Place" – particularly the variety and accessibility of natural, recreational, and lifestyle amenities – is vital in attracting talent and thus in supporting a broad range of leading-edge high technology firms and industries. Fresno County leaders have embraced a plan.

**A blend of Work and Leisure:** Knowledge workers seek environments that allow them to blend rather than separate their work and leisure. Due to the long work hours, fast-pace, and tight deadlines associated with work in high technology industries, they desire amenities that blend seamlessly with work and can be accessed quickly on a “just-in-time” basis when free time becomes available.

**A Sense of Place:** Knowledge workers increasingly prefer urban to suburban neighborhoods and seem particularly drawn to areas that feature interesting older structures, a range of public spaces, a blend of personal and commercial space, and the bustle and buzz of varied activity including work, shopping, and entertainment. They prefer the kind of authenticity and realness found in older cities and neighborhoods to the generic office complex and strip mall environment found of the “techno-burbs.” This increasingly urban orientation is exemplified in the tremendous success of high-tech districts such as New York’s Silicon Alley, San Francisco’s South of Market, and urban Seattle.

**Active Lifestyle:** Knowledge workers prefer “doing” to “watching.” They prefer to participate rather than watch sports and favor a diverse range of intense outdoor activities (rowing, sailing, cycling, rock climbing). Easy access to water and water-based recreation is particularly important.

**Alternative Arts and Culture:** Defying traditional assumptions about what makes a region attractive, knowledge workers are less concerned with “big ticket” amenities such “high-brow” arts and culture or professional sports. Instead, they prefer a number of smaller, accessible, “street-level” opportunities to dine, dance, engage in active recreation, and soak up the local music scene.

**The Environment:** Environment – particularly air and water quality – matters. The new economy dramatically transforms the role of the environment and natural resources. What was once viewed as raw material and a sink for waste disposal must now be seen as an essential component of the total “Quality of Place” package required to attract talent and generate economic growth.

**Diversity:** Knowledge workers seek cities and regions with diverse populations, progressive thinking, and inclusive attitudes toward a broad range of individual characteristics including race, nationality, lifestyle, and sexual preference. Knowledge workers, look for diversity as a general feature of an area as well as a company, and as an indicator that they will be accepted, welcome and find people with whom they have shared interests.

**Creativity and Innovation:** Diversity is not simply an individual preference related to personal lifestyle but a basic precondition for the creativity and innovation needed to build and sustain a successful high tech region. Creativity and innovation are the key success factors of the new economy, and new ideas thrive in diverse environments. In other words, being competitive requires innovation, and innovation in turn requires diversity.

7. ***So You Want to Start a Business...*** Clovis’ new business start-up guide will be available at a number of locations throughout the City. Including City Hall and CCDA. This document contains time-sensitive information and will be updated on a regular basis. A copy of this guide is included as an appendix to this document.

## References

California Association for Local Economic Development, (2005). *Business Retention and Expansion, What Every Economic Development Professional Should Know*. Sacramento, CA: California Association for Local Economic Development.

City of Clovis, (2004). *City of Clovis Economic Development Strategy*. Clovis, CA: City of Clovis.

City of Clovis, (2004). *Destination Clovis!*. Clovis, CA: City of Clovis.

City of Fresno's Mayor's Creative Economy Council, (2006). *Making the Grass Greener, Recommendations to Retain, Attract, Develop, and Support Knowledge Workers*. Fresno, CA: Creative Economy Council.

Florida, Richard (2002). *The Rise of the Creative Class*. New York, NY: Basic Books.

Friedman, Thomas (2005). *The World Is Flat*. New York, NY: Farrar, Straus and Giroux.

International Economic Development Council, (2002). *Business Retention Expansion*. Washington, DC: International Economic Development Council.

King, Jim (2003). *Economic Development Handbook, Second Edition*. Sacramento, CA: League of California Cities.

Lefkowitz, Martin (1993). *What 100 New Jobs Mean to a Community*. Washington, DC: Economic Policy Division, U.S. Chamber of Commerce.

**ATTACHMENT A**

Business Start-Up Guide

“So You Want to Start a Business...”

# So You Want to Start a Business...



**A Simple Guide to Starting Your Own Business in Clovis**





## **WELCOME TO CLOVIS AS A BUSINESS OPPORTUNITY!!**

To assist you in getting your business started, please use the following checklist of items that should be examined prior to opening your business. We hope that by reviewing this, we may better assist your efforts to get your business open in a timely manner.

Is the location you have selected properly zoned for the type of business you propose? Is there a need for a formal public hearing to obtain City approval prior to the opening of your business? (For information, contact the Planning Department at (559) 324-2340)

Have you checked to determine if the number of parking spaces on the site is adequate for your use? (For information, contact the Planning Department at (559) 324-2340)

Have you obtained sign review and permanent signs? (For information, contact the Planning Department at (559) 324-2340)

Have you checked municipal sign ordinance requirements regarding the use of temporary signs and advertising materials? (For information, contact the Planning Department at (559) 324-2340)

Is your business in compliance with fire and building safety requirements? (For information, contact the Building Inspection Division at (559) 324-2390)

Have you inquired about the “lead time” necessary in establishing new trash/garbage pick-up service? (For information, contact the Finance Department at (559) 324-2313)

Help yourself minimize the chance of any unknown “surprise” expenses in this process. We invite your questions about any of these subjects. Please contact the referenced phone numbers above and we will do our best to help get your business started in Clovis.

# CONTACTS for STARTING or OPENING a BUSINESS

**For your resale number:**

State Board of Equalization  
5070 N Sixth Street #110  
Fresno, CA 93710  
(559) 248-4219

**For Federal ID number:**

Internal Revenue Service  
2225 Inyo Street  
Fresno, CA 93721  
(800) 829-1040

(The IRS will also provide a withholding schedule for employees upon request)

**For state ID number and withholding schedule:**

Fresno Employment Tax Office  
1050 O Street  
Fresno, CA 93721  
(559) 445-2717

**Transfer of beer and wine or liquor license:**

Alcoholic Beverage Control  
3640 E Ashlan Ave  
Fresno, CA 93726  
(559) 225-6334

**For filing of a “Fictitious Business Name” or “Abandonment”**

Fresno County Clerk  
2221 Kern  
of same: Fresno, CA  
(559) 488-3003

**For business license obtained at a local level and issued by city and county offices:**

Fresno County Tax Collector  
Tulare and “M” Streets  
Fresno, CA  
(559) 488-3482

City of Clovis Finance Department  
1033 Fifth Street  
Clovis, CA 93612  
(559) 324-2112

Some business ventures may require special permits from the Planning Department, County Health Department, Fire Department, or the Police Department.

If construction is involved, including major remodeling, local ordinances may govern construction and zoning. To obtain zoning validation or building permits if needing, contact:

Planning Department, Building Inspection Division  
1033 Fifth Street  
Clovis, CA 93612  
(559) 324-2340 (559) 324-2390

## **2006 BUSINESS LICENSE RATES**

- **IF YOUR BUSINESS IS LOCATED IN THE CITY OF CLOVIS OR YOU ARE A CONTRACTOR:**

The maximum annual fee is \$6240.00 Minimum license fee will be prorated to the calendar quarter in which business is commenced:

**FIRST QUARTER - \$153.00**

**SECOND QUARTER - \$114.75**

**THIRD QUARTER - \$76.50**

**FOURTH QUARTER - \$38.25**

Your business will be classified in accordance with the standard industrial classification manual. Your business license fee will be the calculated rate **OR** the minimum license fee, whichever is greater, based on your estimated gross receipts on your application.

- **IF YOUR BUSINESS IS LOCATED OUTSIDE OF CLOVIS AND IS A SERVICE/DELIVERY BUSINESS YOUR LICENSE FEE WILL BE BASED ON THE SIZE/NUMBER OF VEHICLES COMING INTO CLOVIS AND THE FREQUENCY OF TRIPS:**

SIZE OF VEHICLE	FREQUENCY OF TRIPS	QUARTERLY FEE PER VEHICLE
One Ton or Less:	Once a Week:	\$23.00
	Twice a Week:	\$34.00
	More than Twice a Week:	\$48.00
Between One and Two Tons:	Once a Week:	\$34.50
	Twice a Week:	\$48.00
	More than Twice a Week:	\$57.00
Over Two Tons:	Once a Week:	\$48.00
	Twice a Week:	\$57.50
	More than Twice a Week:	\$69.00



# City of Clovis

## BUSINESS LICENSE APPLICATION

City Hall - 1033 Fifth Street - Clovis, CA 93612 - (559) 324-2112

**Please PRINT or TYPE.**

BUSINESS NAME (include DBA)	BUSINESS TELEPHONE NUMBER

BUSINESS LOCATION			
Address _____	City _____	State _____	Zip _____

BUSINESS OWNER/OFFICER INFORMATION	
Name of Owner/Officer _____	Name of Owner/Officer _____
Title _____	Title _____
Social Security Number _____	Social Security Number _____
Home Address _____	Home Address _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____
Home Telephone Number _____	Home Telephone Number _____
Driver License No _____ Exp _____	Driver License No _____ Exp _____

DESCRIPTION OF BUSINESS	
Business Start Date: _____ Mo _____ Day _____ Year _____	<input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION
Is this a Home Occupation?    Yes* _____ No _____	* Note to applicant: If work is to be performed out of residential location, a complete home occupation permit application must accompany this form.
Type of Business: _____	
Is any portion of your business related to adult oriented use or material (including sales, manufacturing or handling)?    Yes _____ No _____	
Current Year Estimated Gross Receipts \$ _____	Requested End Date: _____

BILLING INFORMATION	TAX INFORMATION
Mailing address _____	Federal Tax I.D. _____
City _____ State _____ Zip _____	State Tax I.D. _____
Telephone Number _____	State Sales Tax No. _____
	State License No. _____

Initial <input type="checkbox"/> I acknowledge that the issuance of a Business License does not exempt me from the requirements of any applicable City, County or State law.	Initial <input type="checkbox"/> I acknowledge receipt of supplemental information identified as exhibit "A".
--	---

I declare that I have examined this application and it is true, correct and complete.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Confidential Information - DO NOT RELEASE

BUSINESS NAME:

DATE:

APPROVAL OF BUSINESS LICENSE ISSUANCE (FOR OFFICE USE ONLY)	
Zone _____	APN _____
Planning Department Permit No. _____	
Building Department _____	Date _____
Planning Department _____	Date _____



## Signage

As you may not be aware, the City of Clovis has a comprehensive sign ordinance for commercial uses. The temporary sign section of the Clovis Ordinance allows business owners the right to advertise specials, conduct promotions, and have seasonal displays in conjunction with the placement of permanent signs. For your convenience, we have listed a few of the specific items which may be of interest to you.

**Promotional Banners:** The display of promotional banners is allowed three times per year. These displays are limited to a fourteen-day display period, and may not exceed in size the total allowable sign area for the lease space. Please visit or call the City of Clovis Planning Division to fill out a temporary sign form prior to hanging the banner(s) at your place of business.

**Grand Opening:** Please be advised that "A" frame and "I" frame type signs are not allowed in the City of Clovis, with the exception of a Grand Opening event. Grand Opening signs shall be limited to only one grand opening and a maximum display time of thirty (30) days per business, with written notification given to the Planning and Development Services Director.

**Holiday Promotions:** Within the eight identified holiday periods temporary promotion signs, as allowed by this ordinance, may be displayed without obtaining a sign permit or prior approval, by the city. The allowed holidays and promotional display periods, totaling 57 days, are as follows:

- Valentine's day and the preceding 6 days
- Easter and the preceding 4 days
- Last day of the Clovis Rodeo and the preceding 4 days
- Memorial Day and the preceding 4 days
- July 4th and the preceding 4 days
- Halloween and the preceding 4 days
- Thanksgiving and the preceding 9 days
- Christmas/New Years (December 16 to December 31st)

Please keep in mind that moveable signs (balloons, or other inflated devices, flags), and "Burma Shave" type signs are not allowed in the City of Clovis. **All other signs, temporary or permanent do require a City permit prior to placement.** It is our sincere desire to help keep Clovis' business district attractive and viable. Again, I thank you for selecting Clovis for your business. Please feel free to contact the Planning Department office for any questions or for further information on our sign ordinance at (559) 324-2340.



## Fire Safety Requirements

The Clovis Fire Department welcomes you to the City of Clovis. Please take this time to review several important fire safety requirements.

1. A minimum of one 2A10BC fire extinguisher needs to be provided for every 3,000 sq. ft. of floor area. It must be mounted on the wall no higher than 5' above the floor. Additional fire extinguishers shall be provided as determined by the Fire Marshal. Extinguishers shall be serviced annually and shall have a current service tag attached.
2. Extension cords shall not be used as a substitute for permanent wiring.

Additional fire protections may be required depending upon the type of business. If you have any other questions, please contact the Clovis Fire Department at:

City of Clovis Fire  
Department  
1233 Fifth Street  
Clovis, CA 93612  
Business Office: (559) 324-2200  
Emergency Only: 911



## Business Plan Basics

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

### Plan Your Work

The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Much hinges on it: outside funding, credit from suppliers, management of your operation and finances, promotion and marketing of your business, and achievement of your goals and objectives.

"The business plan is a necessity. If the person who wants to start a small business can't put a business plan together, he or she is in trouble," says Robert Krummer, Jr., chairman of First Business Bank in Los Angeles.

Despite the critical importance of a business plan, many entrepreneurs drag their feet when it comes to preparing a written document. They argue that their marketplace changes too fast for a business plan to be useful or that they just don't have enough time. But just as a builder won't begin construction without a blueprint, eager business owners shouldn't rush into new ventures without a business plan.

Before you begin writing your business plan, consider four core questions:

- What service or product does your business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase it from you?
- How will you reach your potential customers?
- Where will you get the financial resources to start your business?

All of this information should be clearly detailed and printed as a "guide" that is concise and easy to understand. You may find easy instructions and samples of business plans on line at:

[http://www.business.gov/phases/launching/write\\_business\\_plan/writingplan.html](http://www.business.gov/phases/launching/write_business_plan/writingplan.html)



## Marketing Plan

There are many ways to develop and format a marketing plan (you can find many samples on line). Most importantly, you will want to address the following 6 areas:

1. Part 1: Purpose and Mission
2. Part 2: Situational Analysis
  - Product, Market Analysis
  - Distribution Analysis
  - Competitor Analysis
  - Financial Analysis
  - Other Analysis
3. Part 3: Strategy and Objectives
  - Marketing Strategy
  - Marketing Objectives
4. Part 4: Tactical Programs
  - Markets
  - Product
  - Promotion
  - Distribution
  - Pricing
  - Others
5. Part 5: Budgets, Performance Analysis, Implementation
  - Budgeting and Analysis
  - Implementation
6. Part 6: Additional Considerations

You may find easy instructions and samples of marketing plans on line at:

<http://www.knowthis.com/tutorials/marketing/marketingplan1.htm>