



EXECUTIVE SUMMARY

Irvine's Strategic Plan for Economic Development implements and promotes the City Council's priorities:

- Ensure the City is clean, well maintained and safe
- Prevent visible disorder and deterioration
- Promote a prosperous business climate
- Provide cost-effective and responsive services to residents

A strategic plan is an essential guide to long-term economic prosperity, providing direction to the City's Economic Development Team and giving purpose to its efforts to create a more proactive, consistent and holistic approach to business attraction and retention.

The City of Irvine's Economic Development Team focuses on the attraction, retention and growth of business by quantifying the true worth of one of America's most dynamic master-planned communities. The team works business by business, individual to individual by helping businesses utilize the value of Irvine as defined by City Council priorities and in daily follow-through on behalf of the community.

The team's focus is on promoting Irvine's valuable resources and services that benefit Irvine residents and businesses alike, including public safety; nationally renowned schools; human and animal welfare programs and services; the largest inventory of parks and natural open space in Orange County; a variety of recreational activities; and high quality streets and infrastructure. The result is an Irvine experience for businesses that naturally weighs the balance of location, municipal support and profit opportunity.

The Economic Development Team is comprised of diverse City staff with wide-ranging skills from the City Manager's Office (Public Information, Budget and Multicultural Affairs), Community Development and Public Works. The team began a hands-on approach following its formation in February 2012 with the goal of ensuring broad participation by community stakeholders with a shared vision of public accountability and long-term economic success citywide.

In turn, City-led economic development helps a local economy provide career opportunities for residents; engages prosperous companies that can hire well; and enhances robust tax revenue that sustains a livable community now and long into the future.

This plan will remain an evolving document, ensuring that the Economic Development Team can adapt to a changing business climate, shifting levels of diversity and a cyclical economy. The ability to remain progressive and flexible is critical to long-term success.

INTRODUCTION

Much of the credit for Irvine's success can be attributed to the strength, vitality and adaptability of its business community, the priorities set forth by the City Council, and the enduring partnership between the City and local businesses.

The City of Irvine is committed to strengthening this relationship over time and, through the leadership of the Economic Development Team, playing a meaningful role in advocating its business interests to the benefit of the community. The purpose of this document is to outline

the City's strategic approach to accomplishing this goal and promoting both short- and long-term economic growth.

Over the past four decades, Irvine has been widely regarded as one of the most successful master-planned communities in the United States. More than 242,000 people have chosen Irvine as their hometown, drawn to the City for its beauty, safety, family-focused environment and high quality educational opportunities. These community values have been critical to Irvine's success over time and its success as a multi-layered, culturally integrated City.

Dynamic Business Community

Some 21,447 businesses have a license in Irvine, producing more than 200,000 jobs, including manufacturing, legal, financial and professional services, software and gaming, accounting, scientific and medical research firms. The City's diverse economy is evidenced by its sales tax base. Some 33 percent of Irvine's sales tax revenue is received from its 25 largest sales tax generators and 60 percent from the 100 largest sales tax producers. Irvine has a remarkably strong business-to-business sales tax base that contributes 37 percent of the City's sales tax revenue. This is unique among neighboring cities that typically rely on general retail sales.

Irvine is home to two major regional employment centers, the Irvine Business Complex and Irvine Spectrum. While residents travel to Irvine from throughout Orange County and beyond to their places of employment, Irvine residents are fortunate to have two major business centers close to home. Together, they comprise 7,600 acres (11.8 square miles), 170,000 jobs, 8,000 businesses and a growing residential component of nearly 20,000 residents that has created an ideal work-live environment. Together, there is about 82.4 million square feet of non-residential space.

Public Safety

Irvine in 2014 was the safest big city in America for a 10th consecutive year, based upon violent crime statistics released by the FBI. Irvine recruits a highly professional police force and utilizes progressive policing strategies, including Geographic Policing, to maintain the City's leadership position in crime prevention. Forty-one percent of the City's General Fund budget is dedicated to Public Safety to ensure the safety of Irvine residents and employees. Every approach to a meaningful City life begins with public safety.

Infrastructure, Assessed Valuation and Aesthetics

Irvine is a clean and beautiful City with plentiful open space, trails, parks and facilities. More than one-third of the entire City will eventually be preserved as parks, trails and natural wild lands. Irvine continually seeks to enhance the mobility of City residents and visitors with investments in its infrastructure network and public transit systems (such as iShuttle and TRIPS). The City's total investment in streets, parks and other capital assets and infrastructure exceeds \$1.5 billion. Irvine's assessed valuation is \$55.7 billion, the highest of any Orange County city.

Nationally Renowned Schools

Irvine's high-quality schools, from the Irvine Unified School District and Tustin Unified School District to the University of California, Irvine (UCI), are a major reason businesses locate to Irvine. The City's FY 2014-15 Budget dedicates \$9.2 million in direct and indirect support to Irvine's public schools. Education is a priority for Irvine residents, with 66 percent of its residents age 25 and older having obtained a bachelor's degree or higher. Approximately 90 percent of all

Irvine high school graduates attend college, with Irvine students performing well above state and national comparisons.

UCI is one of the nation's top-ranked institutions of higher learning. U.S. News & World Report's Best Colleges 2014 named UCI as the 11th best public university and 42nd best university overall in the United States. And its Paul Merage School of Business was ranked 39th for undergraduate programs. In June 2014, UCI began a two-year celebration of its 50th Anniversary; classes were first held in 1965. UCI is the City's largest employer and second largest employer in Orange County.

In addition to direct employment, UCI's presence attracts businesses that invest in Irvine to leverage the University's technological research and Orange County's highly skilled workforce. As businesses move to Irvine, they build on each other's efforts in research and innovation, resulting in compounding growth and an expanding circle of productivity and wealth. Thanks to its entrepreneurial and technological orientation, Irvine is a center of innovation.

In addition to UCI, Irvine is home to Concordia University; Cal State Fullerton's Irvine Campus; Irvine Valley College; Brandman University; and a number of satellite campuses that include USC, Pepperdine and La Verne. As a "City of Innovation," Irvine is attractive to both residents and businesses. Irvine's strategic approach to planning has made it one of America's premier cities, with the City well positioned to embrace future opportunities.

PERFORMANCE MEASURES

To effectively serve Irvine's business community, it is important to track activities and performance over time. While it is difficult to accurately measure outcomes of economic development activities as the services provided are generally ancillary to the strategic benefit, the City can track indirect and direct performance measures.

Resources that will provide useful data include labor statistics, sales tax revenue trends, commercial occupancy rates, property and rental values, valuation of new building permits, and hotel occupancy and room rates. The City tracks revenue trends through monthly budget update reports that are presented to the City Council and Finance Commission. Other useful tools include benchmarking Irvine's strategies with those of other cities, conducting web-based research, utilizing information to identify changes and areas of improvement, and reviewing available publications on economic development.

The City can also track direct performance measures, which may include:

- Provision of timely business assistance and data
- Development of new business contacts
- Tracking the number of business visits
- Expansion/relocation commitments from businesses
- Requests for economic development assistance
- Project specific accomplishments
- Engaging local businesses to evaluate the effectiveness of current strategies
- Media contacts

IRVINE'S ECONOMIC DEVELOPMENT STRATEGY

While some municipalities dedicate a team of full-time staff to implement a comprehensive economic development program, the City utilizes existing resources to perform essential activities. The recommended economic development strategy, which is designed to complement the activities of the Irvine Chamber of Commerce and Irvine Company, will enable the City to establish priorities, implement projects and make thoughtful decisions aligned with the City's goals and mission.

Irvine's Economic Vision

The City's economic vision is to enhance the vitality of Irvine's diversified, growing economy to maintain a well-balanced community characterized as an entrepreneur-friendly, innovative and livable City.

STRATEGIC GOALS

The Strategic Plan for Economic Development consists of four strategic goals:

- Outreach and Relationship Building
- Messaging and Branding
- Responsiveness
- Collaboration

STRATEGIC GOAL ONE: Outreach and Relationship Building

Ensure continuous outreach and effectively engage the City's local business community.

1. Further develop in-house knowledge of the business community (commercial properties, industry clusters, technology incubators, business resources and emerging trends).
2. Build strategic relationships with major employers and revenue generators.
3. Facilitate business assistance and initiate opportunities for joint ventures with regional and local stakeholders.

Implementation

1. Continue to develop and maintain a comprehensive and centralized OneNote database that includes contact information, company news and business openings, and tracks correspondence to local businesses. Establish a system to highlight and share key information with the Economic Development Team.
2. Cultivate relationships with other local stakeholders, including key business and professional associations, leasing officers, brokers and other individuals or groups that can influence business and alert staff to any potential opportunities for business attraction, retention and expansion.
3. Monitor economic trends and news, which may include:
 - Lease activity among retail and larger office users, noting when leases are set to expire as firms may utilize that opportunity to relocate. Proactively contact local businesses as appropriate.
 - Vacant industrial and business space, as there may be opportunities for businesses interested in locating to Irvine.
 - Major sales tax producers and maintaining ongoing communication.

- Industry publications and databases (i.e. Orange County Business Journal, International Council of Shopping Centers).
4. Proactively develop personalized responses to key company news and events (i.e. congratulatory letter from the Mayor or phone call from a member of the Economic Development Team, or an invitation to introduce a company at a City Council meeting).
 5. Schedule routine business visitation meetings and attend community and business events (i.e. new business openings, networking luncheons).
 - Seek to learn more about the businesses – why are they here, why do they like it here and what issues are they facing.
 - Make contact selectively with small technology and medical life science companies as they may be major stakeholders in the future.
 6. Email City news updates to local business contacts.
 - These would include specific contacts with ongoing Economic Development partners, such as the Irvine Chamber of Commerce, Orange County Business Council, and Southern California Edison.

STRATEGIC GOAL TWO: Messaging and Branding

Brand Irvine as a premier business destination.

1. Identify and address perceived business advantages and disadvantages associated with Irvine.
2. Develop opportunities to promote the City's economic vision and successful businesses.
3. Celebrate the City's successes with the business community.

Implementation

1. Conduct a SWOT analysis on Irvine's overall business climate.
 - **S**trengths
 - **W**eaknesses
 - **O**pportunities
 - **T**hreats
2. Assemble and promote a welcome package highlighting the benefits of Irvine.
3. Develop a communications program to convey the City's message.
4. Create marketing materials to support business attraction and continue to regularly update statistical information on the City's website, including population, household income, education and employment trends.
5. Enhance the Economic Development portion of the City's website and possibly include testimonials from Irvine businesses.
6. Promote the City's local vendor preference program.

7. Highlight the City's "Shop Irvine" campaign and explore:
 - o Expanding the message to encourage local business-to-business purchasing as this is a strong component of the City's sales tax base.
 - o Season-based marketing and messaging.
 - o Partnerships with local shopping centers to increase the campaign's visibility.

STRATEGIC GOAL THREE: Responsiveness

The City of Irvine is a service organization – our product is our people and our services are only as good as the efforts of City employees. When communicating with local businesses, staff will:

1. Provide professional and courteous service.
2. Acknowledge and respond to requests within appropriate time frames.
3. Work as a cohesive network, coordinating responses, resources and streamlining service delivery.

Implementation

1. Provide technical assistance to local businesses, which may include step-by-step assistance for new businesses, consulting on regulatory issues, identifying compliance requirements and supplying referrals for additional resources.
2. Create an internal strategy (i.e. point of contact system) to maintain streamlined, efficient and predictable customer service.
3. Schedule Economic Development Team meetings, as needed, to discuss recent business requests, upcoming projects, evaluate effectiveness of the plan's implementation strategies, and refine the goals and strategies moving forward.
4. Track feedback from local businesses through the OneNote database and evaluate the possibility of developing a formal feedback mechanism.

STRATEGIC GOAL FOUR: Collaboration

The most effective way to understand local business needs, emerging trends and opportunities is through personal interaction with business leaders.

1. Understand what the Irvine Chamber of Commerce already does for business attraction, retention and growth.
2. Continue to foster relationships with the Chamber and UCI.

Implementation

1. Develop opportunities to complement and benefit from Chamber efforts.
2. Support Chamber social and networking opportunities for local businesses.
3. Develop strategic partnerships with UCI, in both long-term and short-term (such as the 50th Anniversary in 2014-2015) collaboration.