
MEMORANDUM

FROM: DIANA BLANK, DIRECTOR OF ECONOMIC DEVELOPMENT
SUBJECT: NEW COUNCIL MEMBER ORIENTATION, ECONOMIC DEVELOPMENT DEPARTMENT
DATE: 7/23/2103

Limited Overview

Economic Development Department. Who, What, Why???

Economic Development is a broad largely encompassing topic. In a very limited overview, the purpose of Economic Development is to diversify the local tax base, create new sales and property tax dollars, create new local jobs to support citizens and create a sustainable thriving local economy with a highly desired quality of place. The generation of new tax dollars creates the revenue needed to support the growth needs of the city and all its departments. New local jobs ultimately have an immeasurable spin-off impact reaching from keeping dollars within the city limits and in citizens pockets, to keeping unnecessary commuter traffic off the highway, which equates to less hardship and overall burden on the over traveled highway system through the City of Kyle. Economic Development is about opportunity and is the key to a community's success. It is a lengthy process that if successful leads to employment opportunities, wealth creation and improves the quality of life for the entire community.

The Economic Development Department includes one full-time staff member other than the Director. Although Victoria Vargas has the title and receives compensation of an Administrative Assistant, she is much more, easily doing the work of a full-fledged Economic Development Coordinator. She is the first point of contact for most with the ED Office, fielding phone calls and emails, screening Request for Proposals on a regular basis for prospects and developers, maintaining a local available commercial real estate data base, maintaining the www.KyleED.com website and "Shop Kyle" directory resource for local businesses, maintaining databases of local manufacturers and existing businesses, updates demographic information, cost of doing business and other economic development related information on a regular basis, drafts marketing ads, completes various research and development projects and countless other duties as asked.

Marketing- New prospect and lead generation requires marketing, ideally a "marketing campaign for target markets" including travel, tradeshow and missions and advertising. This also requires that there be sufficient staff able to handle the in office workload in order to allow for such outreach and recruiting.

Business Retention and Expansion

The ED Office struggles to offer sufficient programs and staff attention to existing industries. Small companies that already exist tend to grow slowly over time without media frenzy, so unfortunately the importance is sometimes overlooked. Typically, an ED Department of similar demands would have staff dedicated to BR&E to ensure appropriate attention is dedicated to supporting existing industry.

Education/Understanding

Economic Development means different things to different communities. It tends to mean all things to the City of Kyle because everything is so new, quality of life, basic needs, entertainment, and manufacturing/industrial. With such limited resources it is difficult to be REALLY good at all things, so we do the best we can to cover everything. The concept of ED seems to have moved more to the forefront and shows more importance and relevance with a higher expectation of performance, but without the resources to do it.

Eco Dev Department Challenges

Overall Resources

For a community growing at the same rate as Kyle (427% over the past decade and sales tax that has more than tripled) and in comparison to other benchmark cities, who can be seen are in fact, competition, the CoK ED Department operates on a small fraction of the budget and staffing.

- **Staffing-** As mentioned, the current Administrative Assistant has taken on much more responsibility and professional work functions well beyond the title and pay grade. The current and continually growing work load require salaried staff to put in extensive evening and often weekend hours on a regular basis in order to avoid falling too far behind in responsiveness and project performance.
- **Technology/Operational ED Tools-** Project management software for BR&E and new project/prospect tracking.
- **Incentives-** The City of Kyle is at a disadvantage when competing dollar for dollar with incentives as there is no sales tax for economic development and do not have an ED fund or cash reserves to lean on.
- **Property for ED-** The CoK does not have any City owned or controlled property to market for economic development purposes. This leaves the City at the mercy of private developers when it comes to negotiating potential economic development deals.