



MANAGER'S MEMO ITEM

ITEM: State of the Village Economy
 WORKSHOP DATE: August 23, 2005
 PREPARED BY: David Fieldman, Deputy Village Manager
 BID AMOUNT: \$n/a ACCOUNT: n/a
 BUDGET AMOUNT: \$n/a

PURPOSE: To discuss the State of the Village Economy

BACKGROUND:

The Village Council recently adopted the goal to Develop and Maintain a Balanced, Long – Range Financial Plan for Operations and Capital Improvements. To achieve this goal, Staff is following a four step implementation process:

- Step 1: State of the Economy** - Analyze and understand the conditions of the local economy that impact the Village’s operations and financial status.
- Step 2: State of the VoDG’s Finances** - Analyze and understand the conditions of the Village’s overall financial position.
- Step 3: Long Range Financial Plan** - Draft a Long-Range Financial Plan that is based on the information gathered and analyzed in Steps 1 and 2 with direction and input from the Mayor and Council.
- Step 4: Annual Budgets & Operating Plans** - Prepare annual budgets and strategic operating plans that support the findings and recommendations of the Long Range Financial Plan.

At tonight’s meeting, Staff would like to complete Step 1 and present the State of the Local Economy. Step 2, State of the Village’s Finances, should be completed and presented at the September 17 retreat. Steps 3 and 4 will be addressed during the up-coming budgeting process.

Goals of the State of the Local Economy Analysis

The goals of the State of the Local Economy analysis are:

- o Analyze and Understand the Attributes of the Local Economy
- o Use the Results to Create and Implement an Economic Development Strategy
- o Use the Results to Assist the Village in Long Range Financial Planning & Visioning

S.W.O.T. Analysis

Staff gathered and analyzed extensive amounts of data focusing on:

- o General Background Information
- o Land Use and Vacancy Rates
- o Real Estate Tax Base
- o Sales Tax Base
- o Retail Environment and Activity
- o Employment Base

Staff completed a S.W.O.T. analysis (Strengths, Weaknesses, Opportunities, Threats) of the local economy. The findings are as follows:

- Strengths
 - Growing Community
 - Competitive Geographic Location
 - Comparatively Low Tax Rate
 - Above Average Income
 - Diversified Real Estate Tax Base
 - Strong Office Sector
 - Balanced Employment Base
 - Strong Sales Tax Base with Trade Surplus
- Weaknesses
 - Lack of Information About Local Businesses
 - Lack of Greenfield Development Sites
 - Small Industrial Tax Base
 - Retail Leakage in General Merchandise, Food & Clothing
 - Aging Commercial Areas (Ogden Avenue & Downtown)
- Opportunities
 - Capture Daytime Population
 - Capture Non-Residents in Trade Area
 - Fill Vacant, Quality Office Space
 - Redevelopment Sites
- Threats
 - Increasing Property Tax Burden on Residential Land
 - Declining Industrial Real Estate Tax Base
 - Highly Dependent Upon a Few Retail Sectors
 - New Retail Development in Trade Area and Online Shopping Opportunities
 - Aging Office Stock

ATTACHMENTS:

None. Staff will have the final presentation completed and ready to present at the 8/23 Workshop meeting.

STAFF RECOMMENDATION:

Staff recommends that the Council review the information presented and add any comments or raise any questions for further study that they deem appropriate.

REQUESTED COURSE OF ACTION:

No Council action is requested at this time. With the Council's concurrence, Staff will continue to implement the Long Range Financial Planning process described above.