

FUNDAMENTALS OF MUNICIPAL ECONOMIC DEVELOPMENT

A Transformational Approach

Presented to the Town of Washington
April 28, 2016



Connecticut
Economic
Resource Center



Program Development Team



Curriculum

1. Definitions of economic development – transactions and transformations
2. Municipal economic indicators in a regional and state context
3. Roles and responsibilities of the town's economic development team
4. Economic development capacity assessment tool and next steps

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SECTION 1

Definitions of Economic Development

Framing Our Discussion - Illustrative Questions About Economic Development Activities

- What is economic development? Why should you care?
- Is there a difference between economic development, community development, and real estate development?
- How does your town fit into the broader regional & global economy?
- What defines the economic future (vision and goals) of the region/town?
- What are your strengths and weaknesses?
- What are the needs of local businesses?
- Who are the stakeholders and partners?
- How do different audiences perceive development and how do you communicate?
- What is your reputation in the economic development market? (How does your regulatory environment impact development?)
- What are the threats to the fiscal health of your community? Can you afford the things you want?

Economic Development Definitions

Growth vs. Development

- Grand list growth
- Change in the quality of the town's assets
- One size fits all or different approaches

Economic Development Definitions

Key Trends


- Changing world of economic development – the playing field = the world
- Regions are units of economic competition
- Business turnover – jobs churning
- Connected workforce
- “Economic Development” – all areas of community’s development
- Changing roles of urban centers, suburbs and rural areas (seniors and millennials)

Economic Development Definitions


Real Estate Development

- Real estate development is transactional - one piece of a comprehensive approach to economic development.
- Economic development is becoming more transformative.
- Towns and developers need help in speaking the same language.
- Transactions need to fit into a community's transformational goals.
- Knowing the real estate assets and market is important.

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150 Kettletown Road, Southbury

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Traditional Economic Development Definitions: Recruitment, Retention, Expansion

- Business retention is your community's best option.
- Entrepreneur support is a good option.
- Keep business recruitment in perspective.
- Understand your economic base.

Economic Development Marketing

- Desired outcomes
- Elevator speech
- Common understanding of what the town is (and unique attributes)
- Business recruitment

Economic Development Definitions

Transactional vs. Transformational

Transactional

Do the deal

Make the numbers work

Get building permit and other
approvals

Not much community input

Focused on specific property

Looking for financial incentives

Cost/benefit – fiscal impact

Transformational

Interdisciplinary approaches

Creating attractive and inviting places

More complex and comprehensive
ways of measuring success

Measure real community-wide
benefits and outcomes, not just
activity

Consistent with community vision

*Be self aware enough through planning, strategy development to know
what transactions fit with your community vision.*

Business Perspective on Local Government

“We want to locate where we are wanted, where government appreciates our contribution to the economy, and values local ownership, where people understand that it is a good thing for the community if we make money. We want to work with officials who are focused on growing the economic pie, and who value our business activity because we export goods and services out of the Pioneer Valley, yet the profits stay in the valley. We want local government to create a favorable playing field for all business activity, and to be active in keeping track of the “customer satisfaction level” of its businesses. We want to be in a town where government is strategically focused on providing a business-friendly place.”

– *The Holman Doctrine*

One example to illustrate the difference:
Different approaches to development of a pharmacy





One example to illustrate the difference:
Different approaches to development of a pharmacy





Housing as a Component of Economic Development and Community Fiscal Health

- Largest component of the grand list
- Housing stock, beautiful but expensive
- Lack of a diversity of housing choices

Economic Development Choices: Density

We have nothing to fear but fear itself... courtesy of CT Main Street Center

Wilcox Street



Placemaking

- Community centric – building consensus, collaboration & empowered citizens
- Public spaces – plan, design, manage and program
- Social capital
- Cultural, economic, social, ecological
- Capitalized on community assets

10 Placemaking Principles

1. Community is the expert
2. Create a place, not a design
3. Partners
4. Observe
5. Vision
6. Short term improvements
7. Triangulate
8. “It can be done”
9. Form supports function
10. You are never finished

Economic Development Choices: Big Box vs. Main Street Development



**ASHEVILLE
WALMART**



**DOWNTOWN
MIXED-USE**

Land Consumed (acres):	34.0	00.2
Total Property Taxes per Acre:	\$6,500	\$634,000
Retail Taxes* per Acre to City:	\$47,500	\$ 83,600
Residents per Acre:	0.0	90.0
Jobs per Acre:	5.9	73.7

*Estimated from public reports of annual sales per sq.ft..

Urban³

Joseph Minicci, AICP
Joe@urbanthree.com

Asheville Big Box
vs. Downtown
Mixed-Use
Development

Courtesy of CT Main Street
Center

Your Place in a Broader Economy

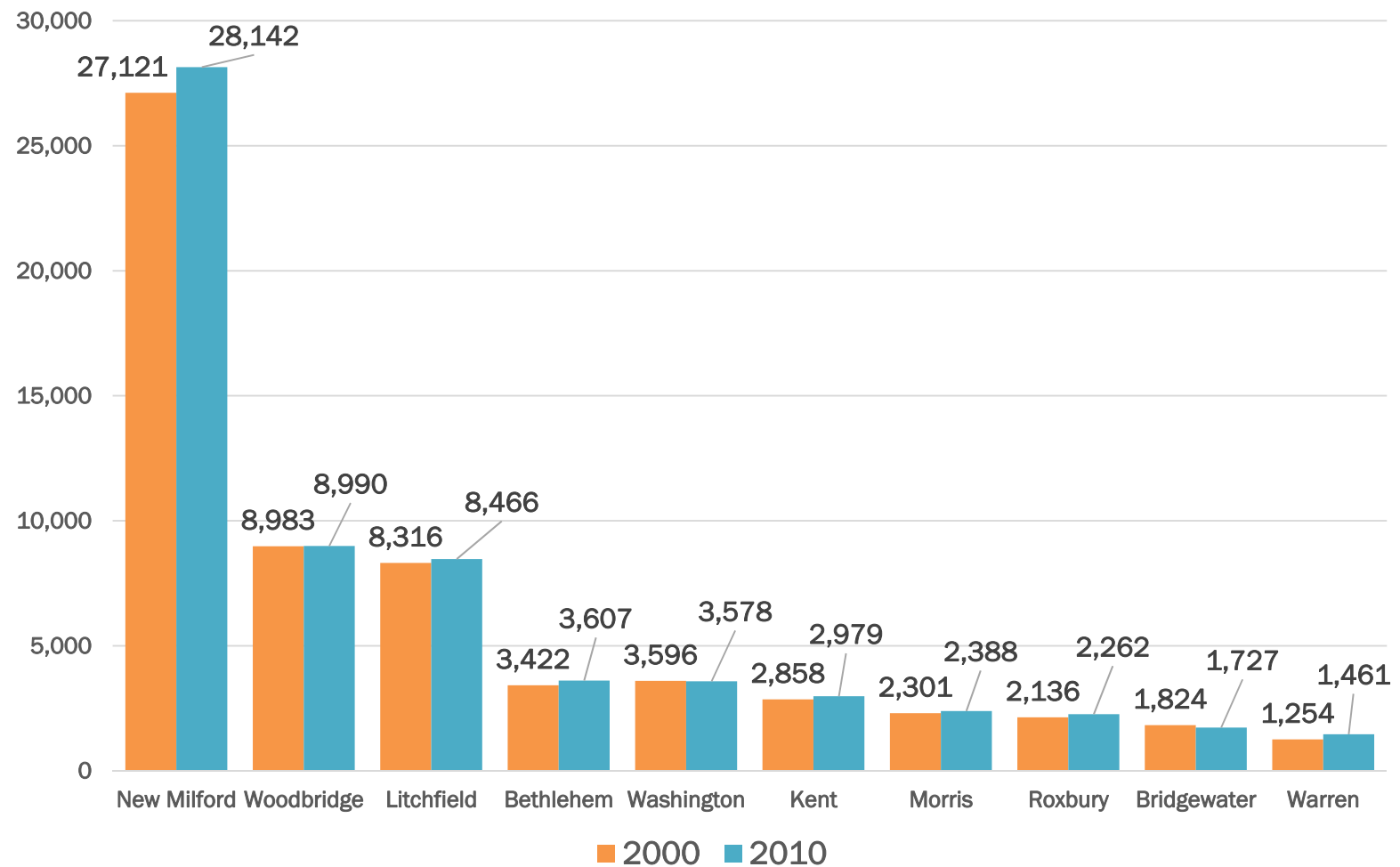
- Local success linked to regional/global success
- Know your role - How do you define your economic region?
- What regional assets can help sell your community?
- Urban center
- Suburb – primarily residential
- Rural
- Polycentric nodal regions
- Unique asset – connections to large metros (NYC)



SECTION 2

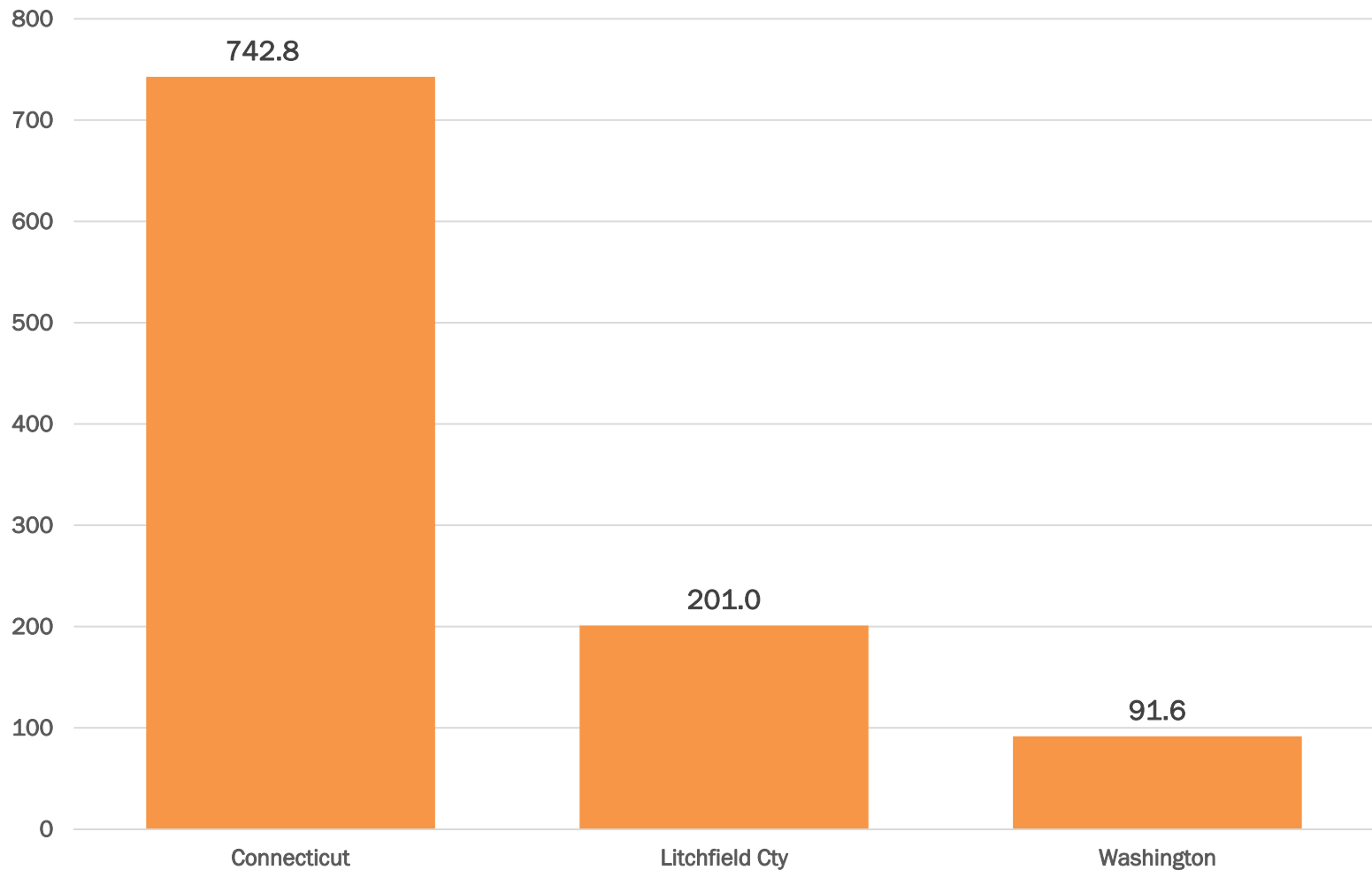
Overview of Municipal
Economic Indicators in a
Regional and State Context

Total Population



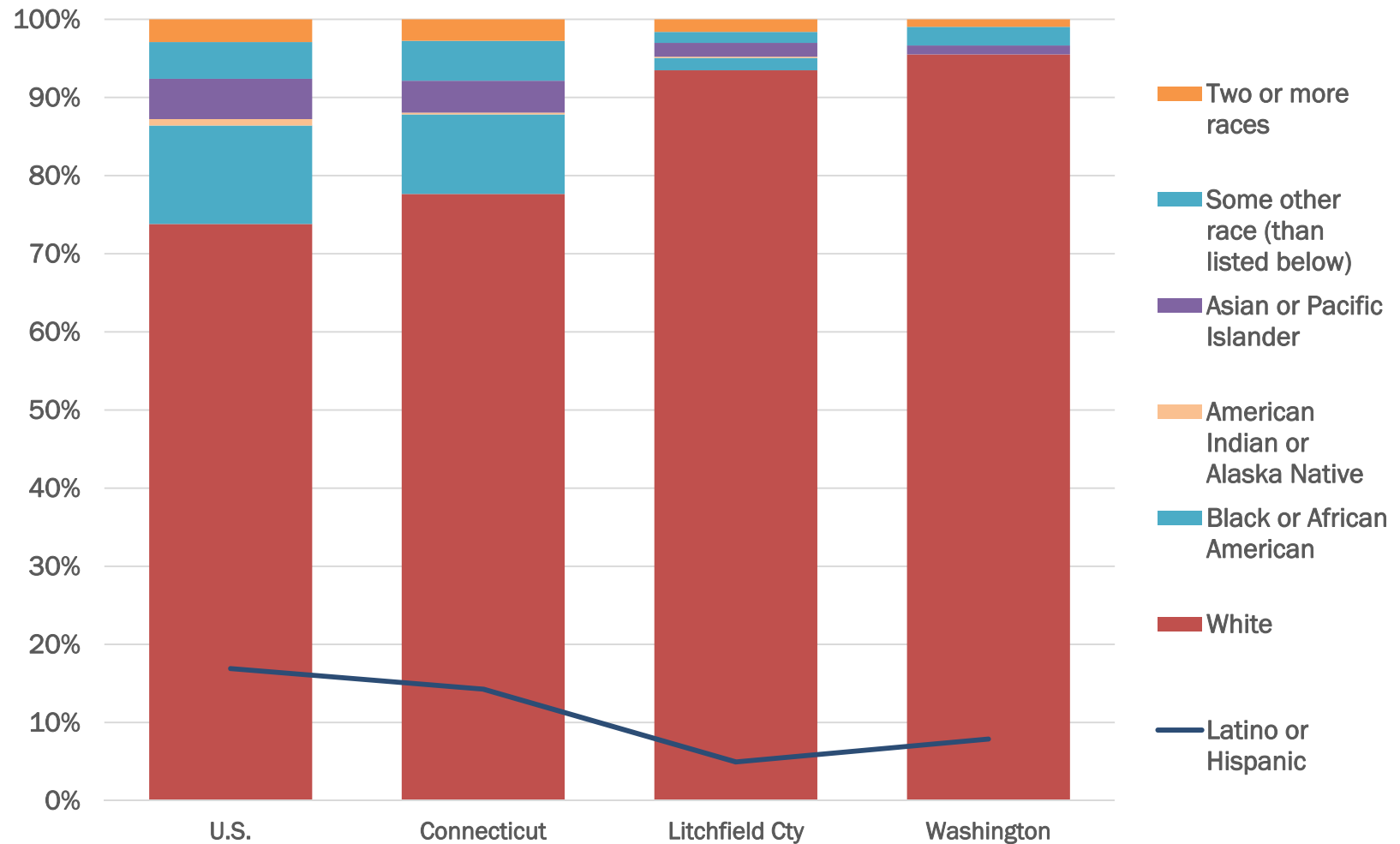
Source: Decennial census. U.S. Census Bureau. 2000, 2010.
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Density (Residents per Sq. Mile)



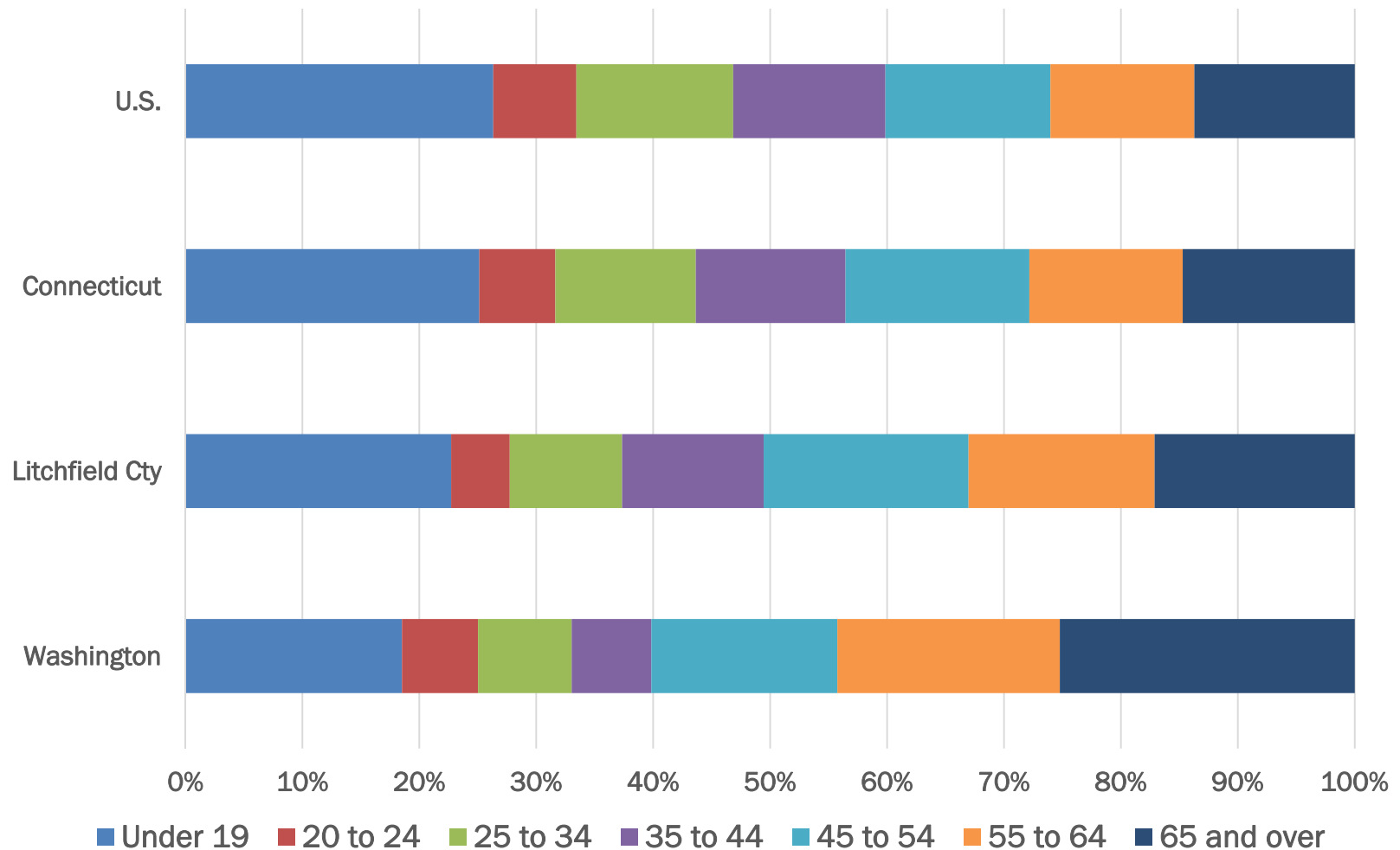
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2014.
(c) CERC2016

Population by Race and Ethnicity



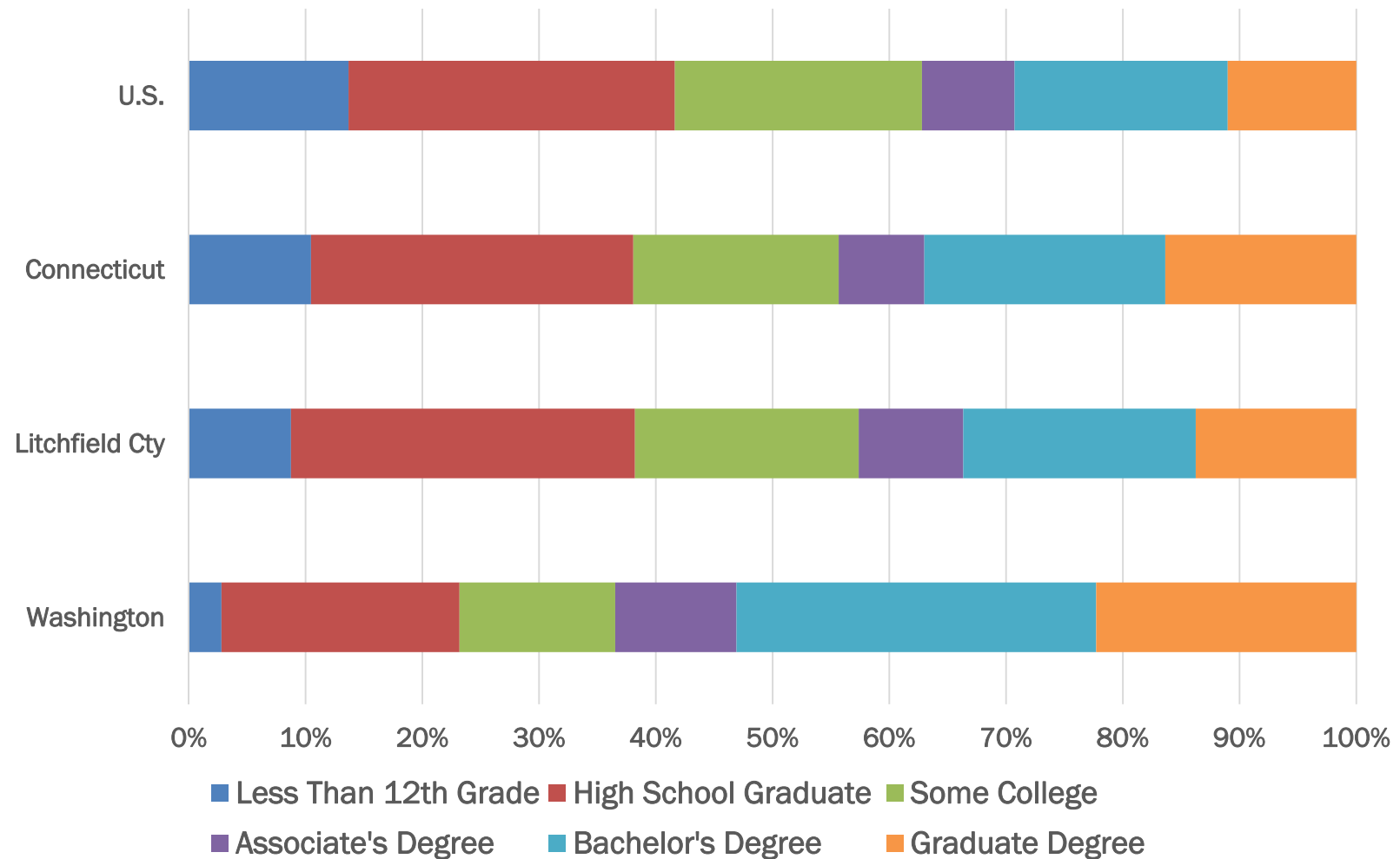
Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Population by Age



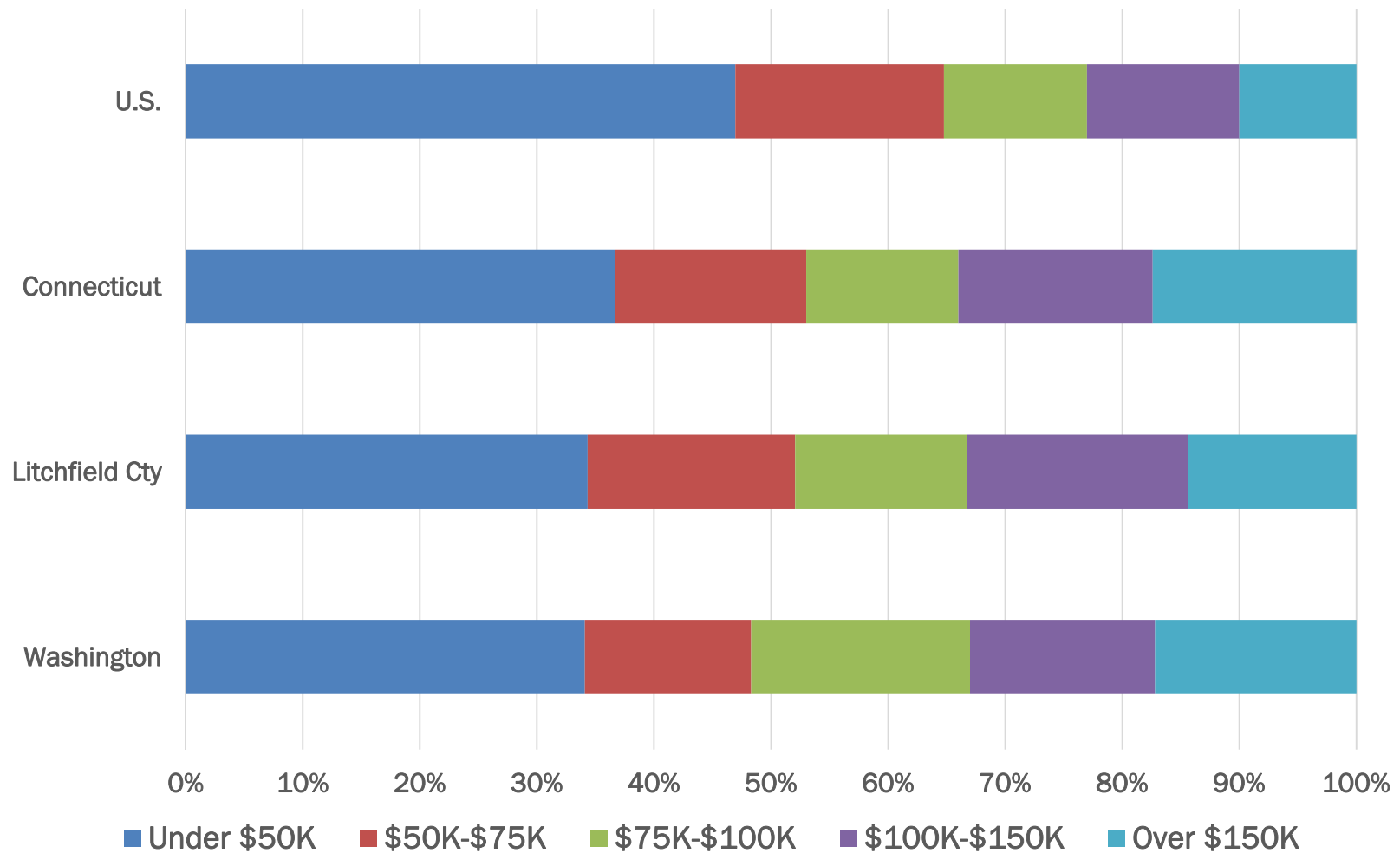
Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Population by Educational Attainment



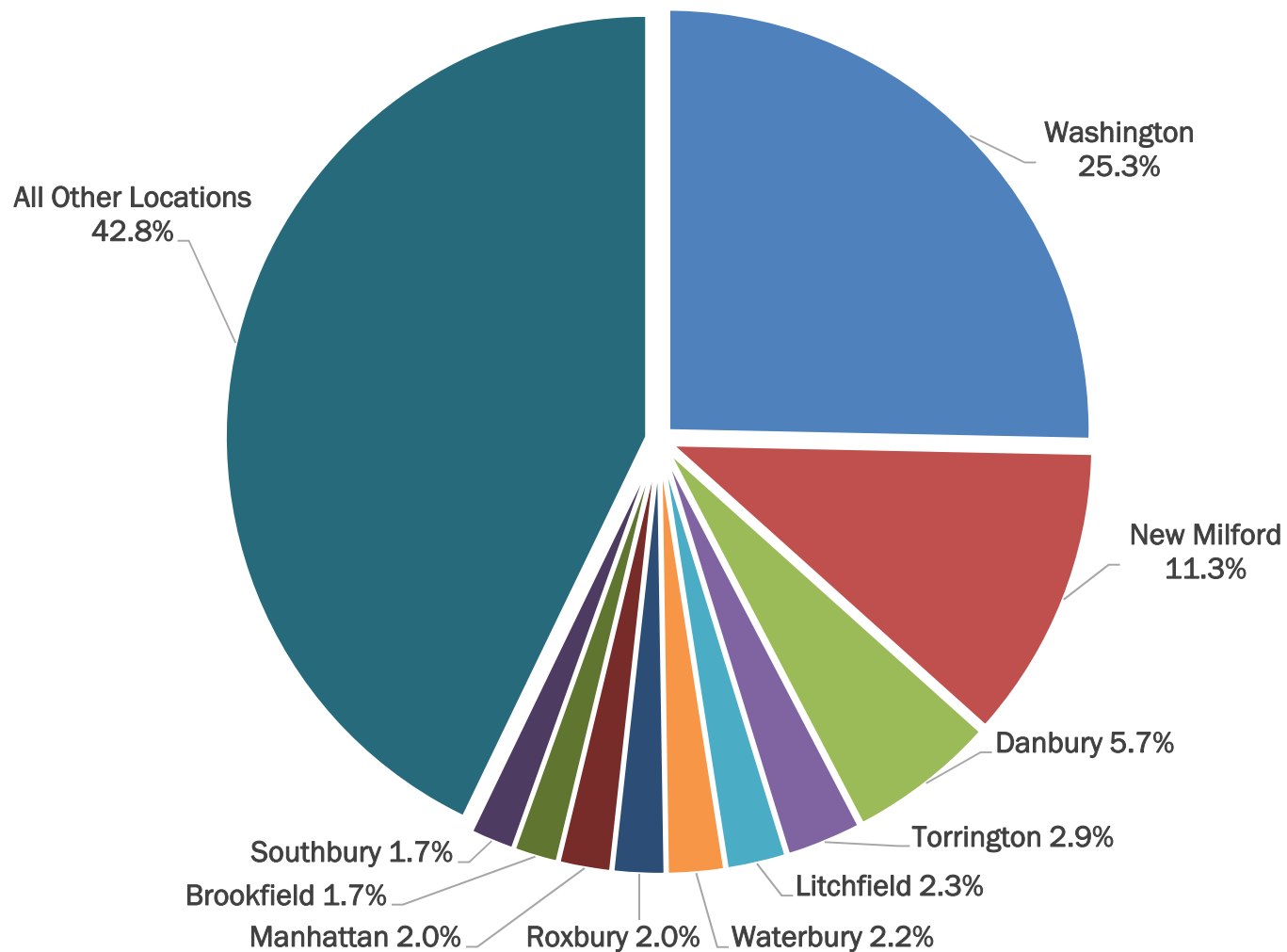
Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Distribution of Household Income



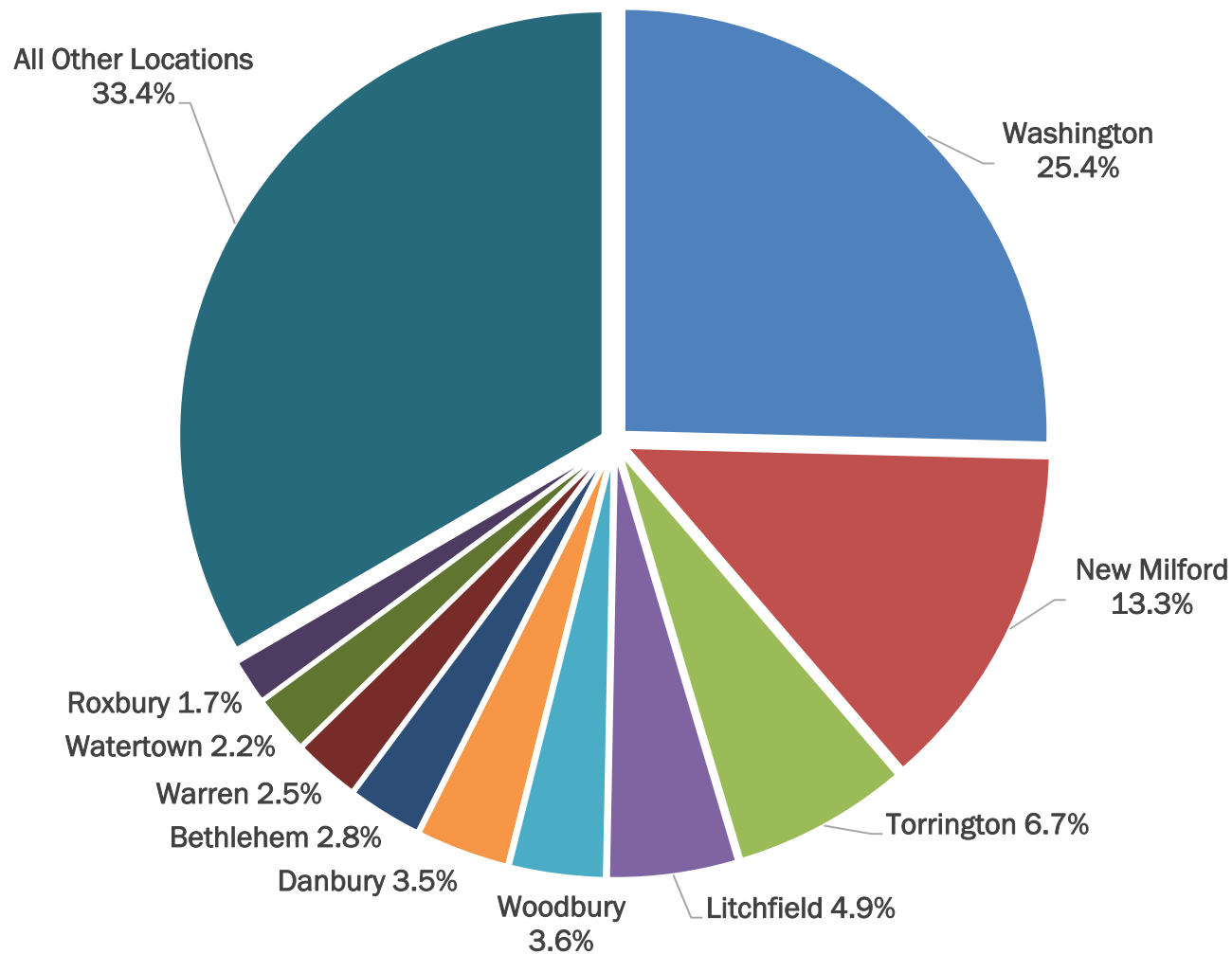
Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Where Residents Work (Top 10)



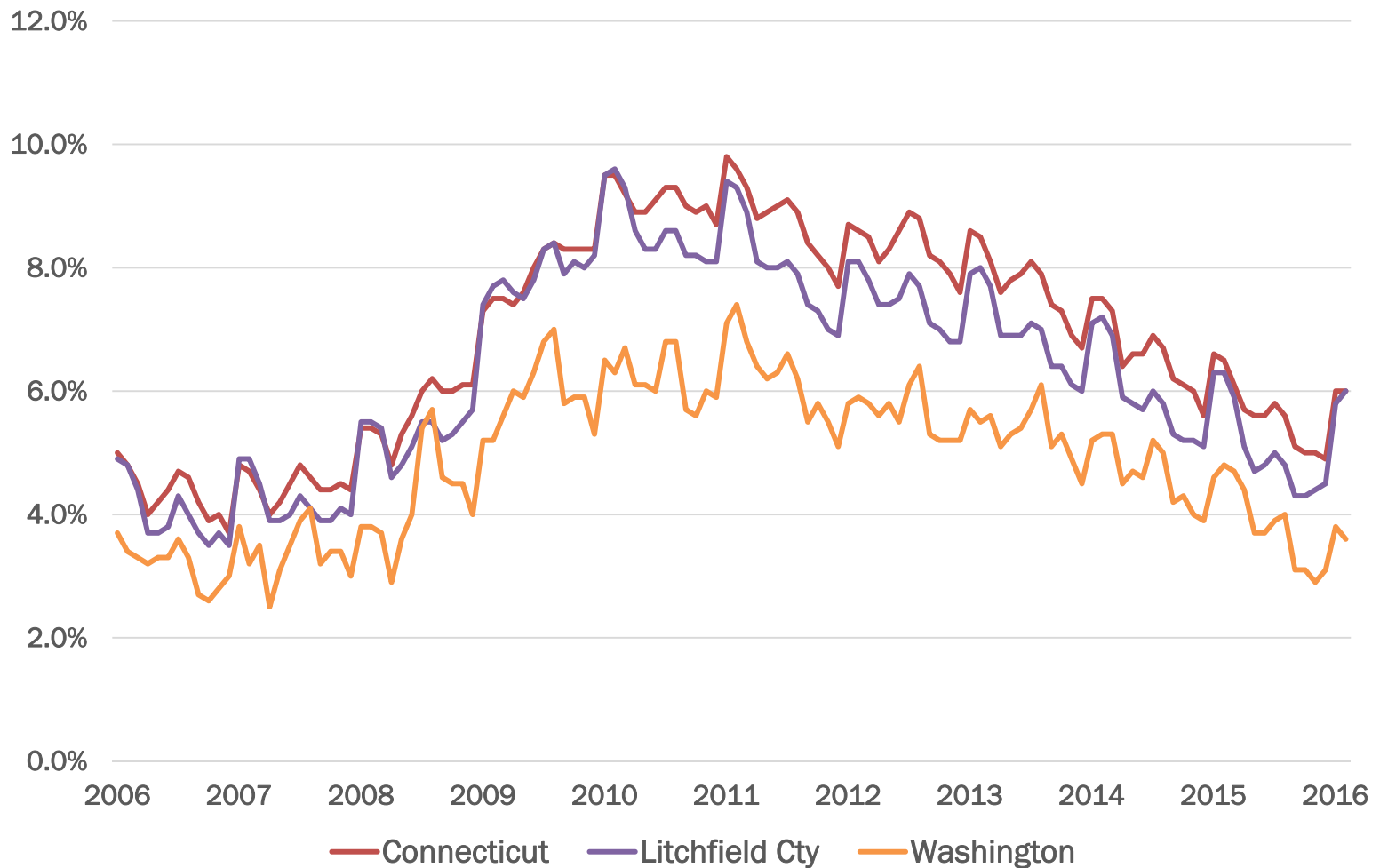
Source: LEHD Origin Destination Employment Statistics. U.S. Census Bureau. 2013.
(c) CERC2016

Where Workers Live (Top 10)



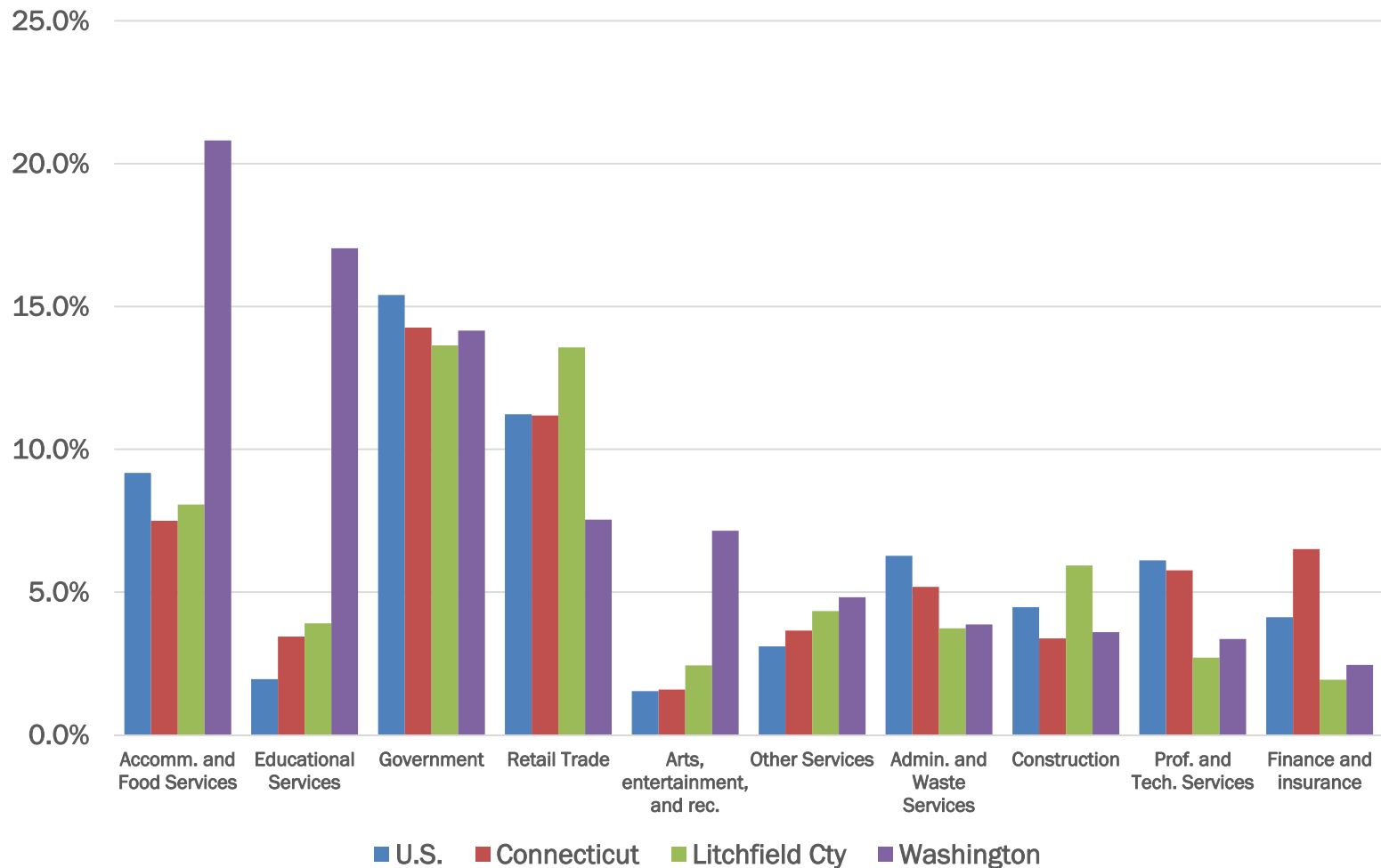
Source: LEHD Origin Destination Employment Statistics. U.S. Census Bureau. 2013.
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Unemployment Rate



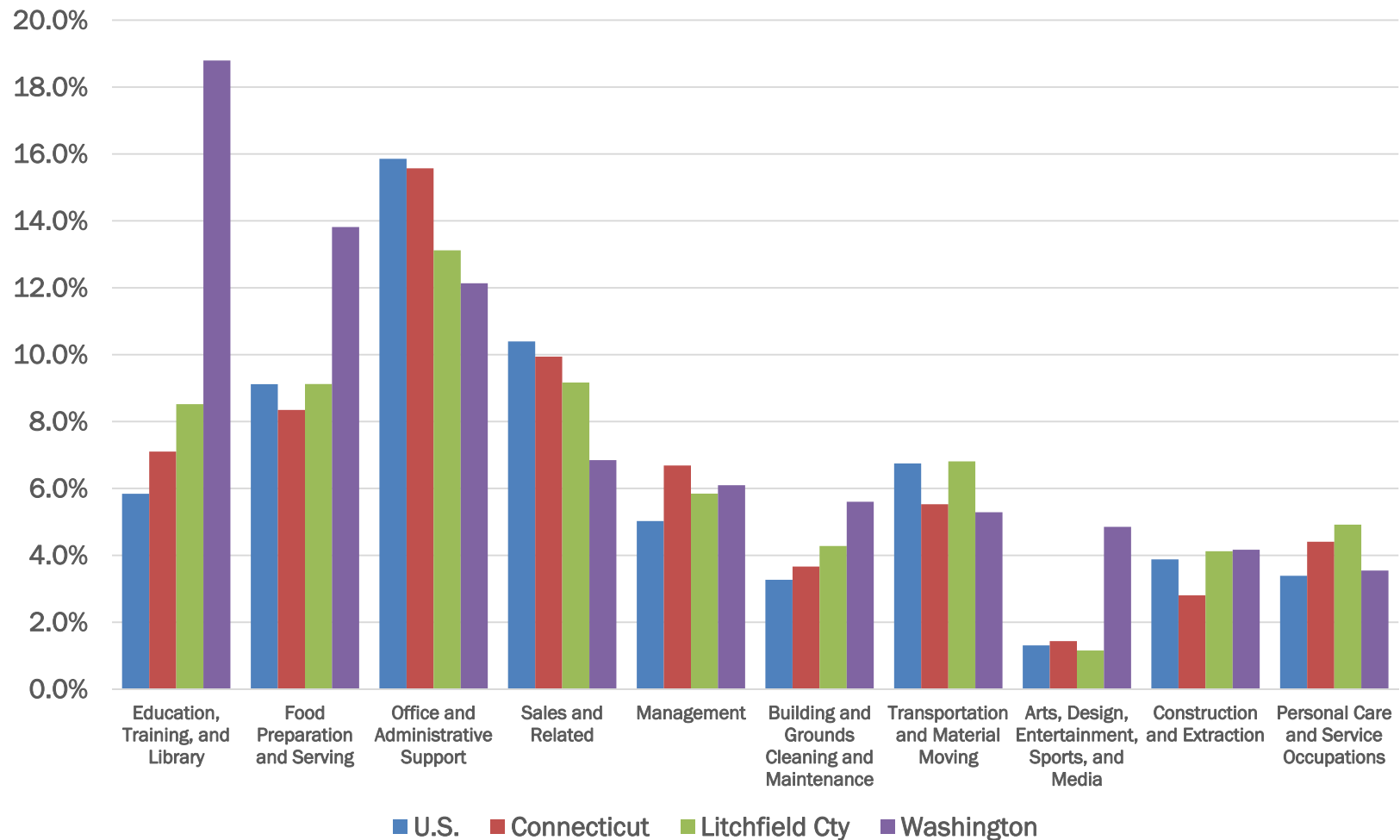
Source: Local Area Unemployment Statistics. CT Dept. of Labor. Not Seasonally Adjusted.
(c) CERC2016

Largest Industries by Employment



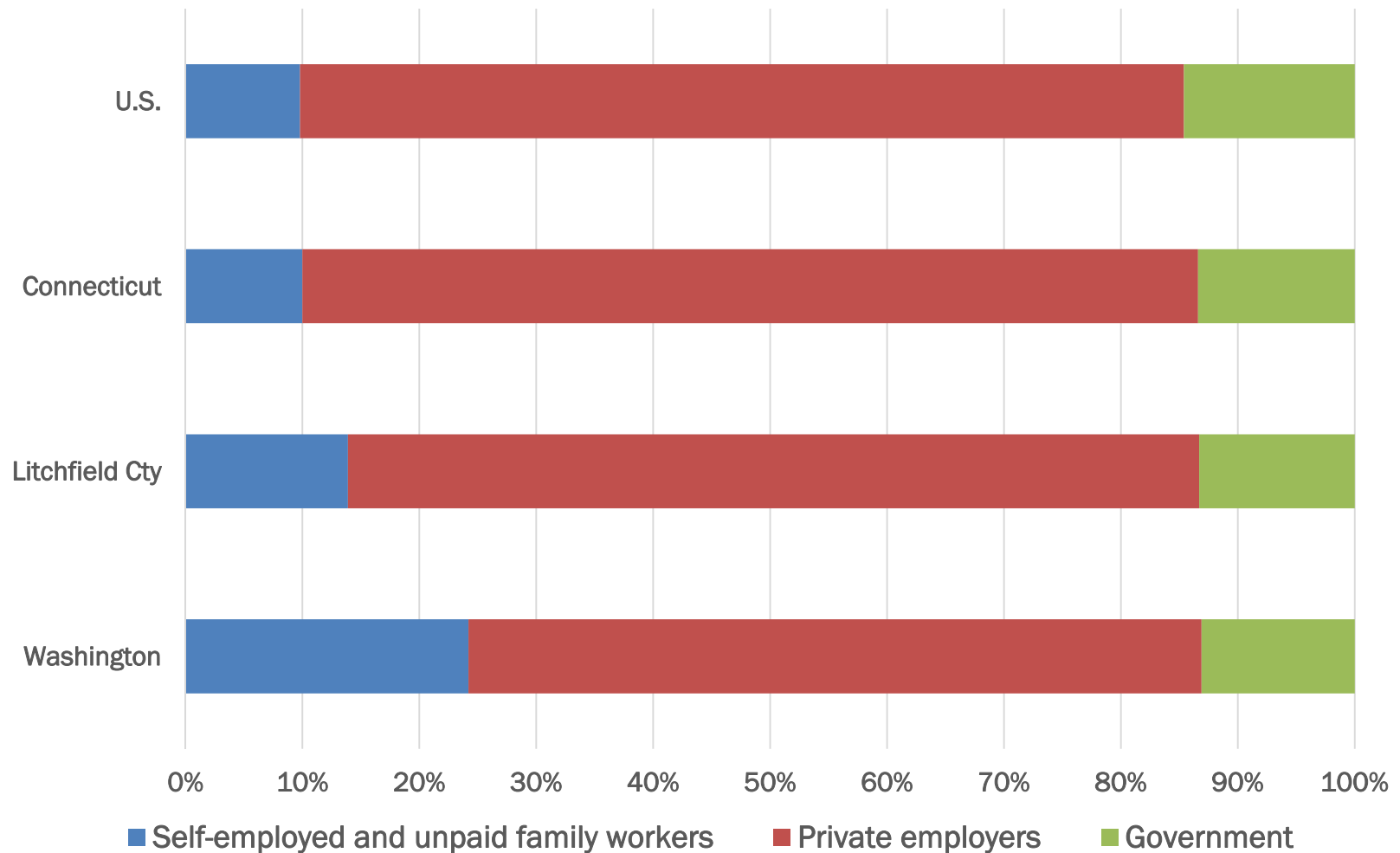
Source: Quarterly Census of Employment and Wages. CT Dept. of Labor. 2014.
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Most Common Occupations of Workers



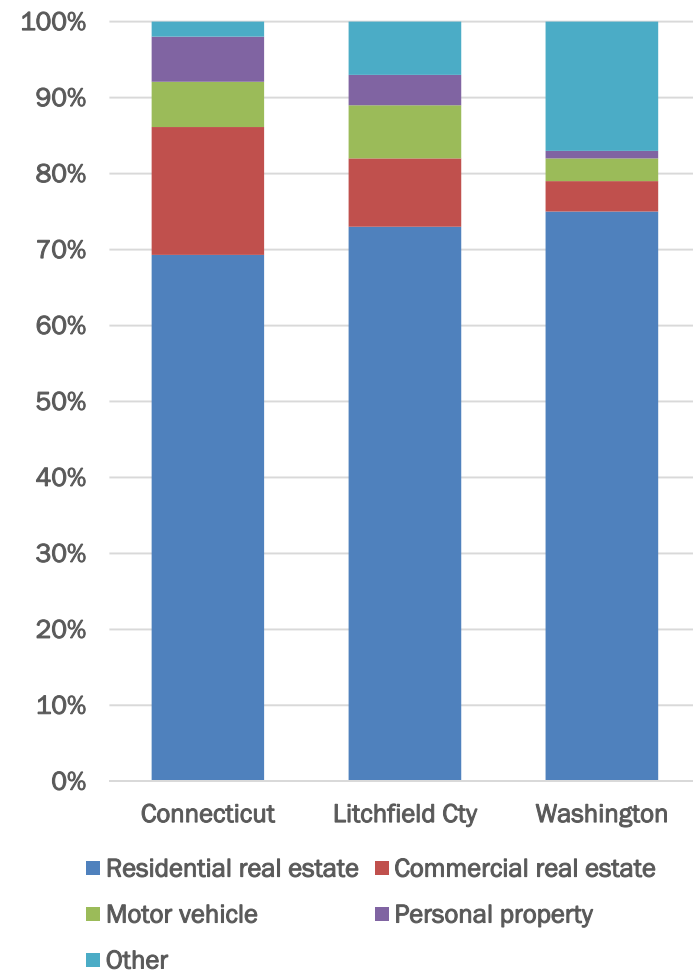
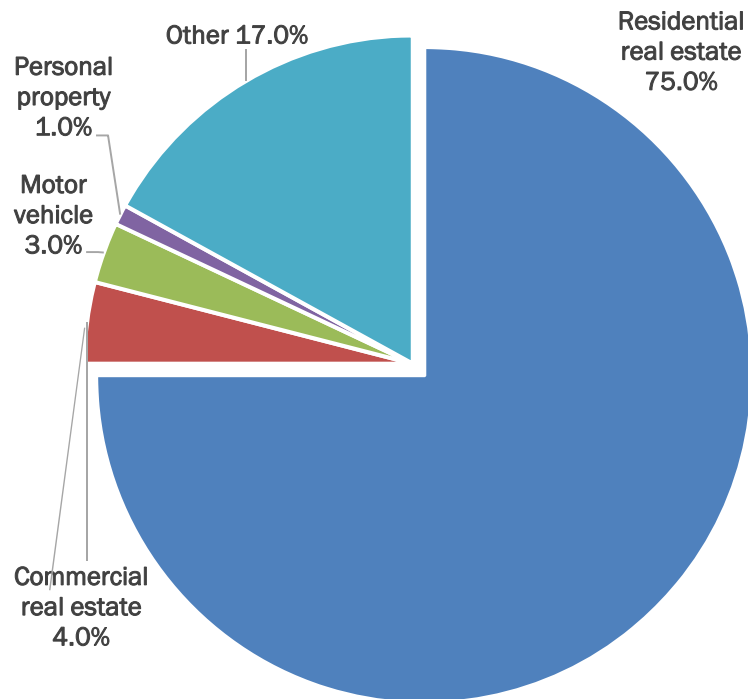
Source: Occupational Employment Statistics Derived Estimates. Economic Modeling Specialists International. 2014.
(c) CERC2016

Types of Employment

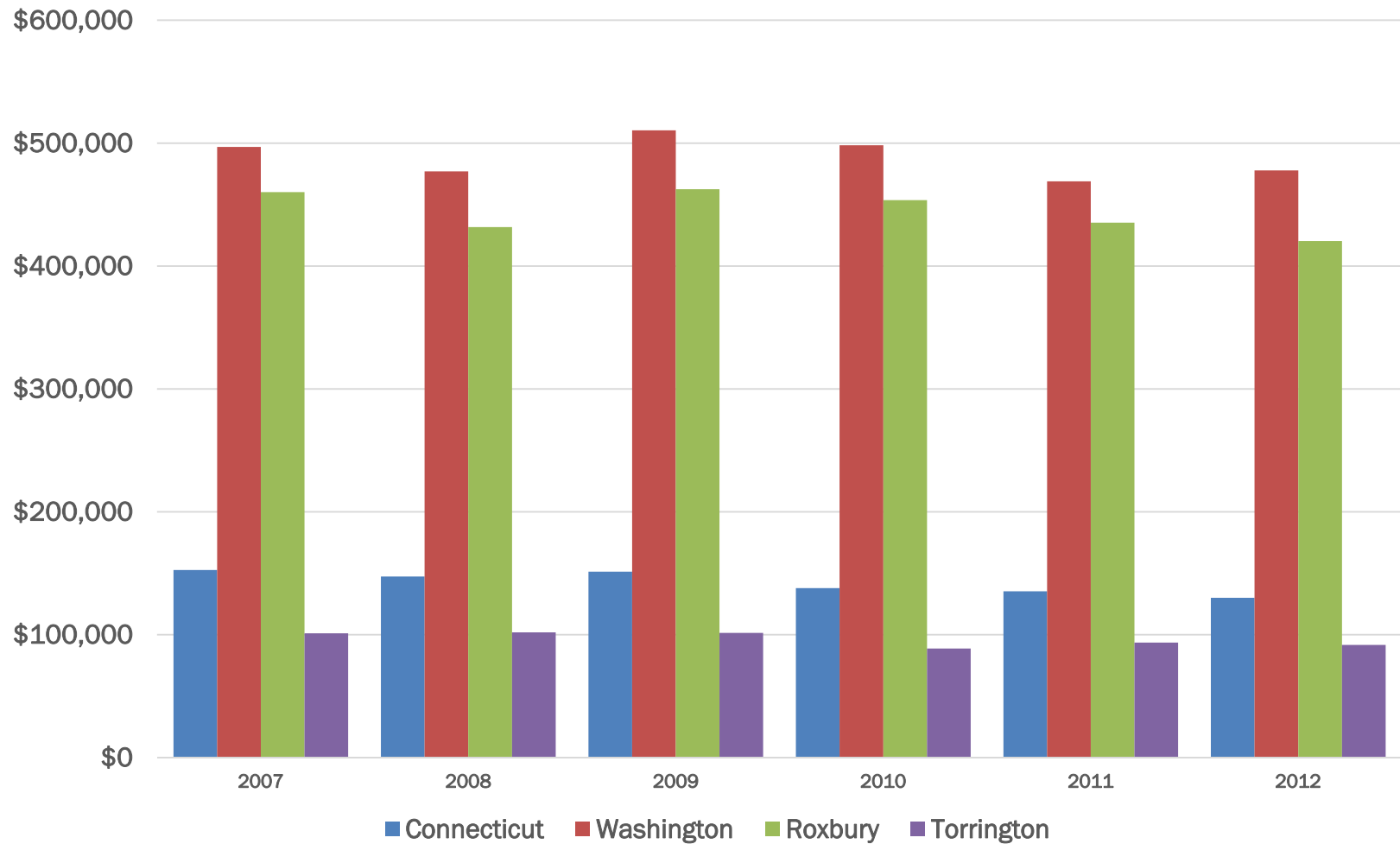


Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Equalized Net Grand List

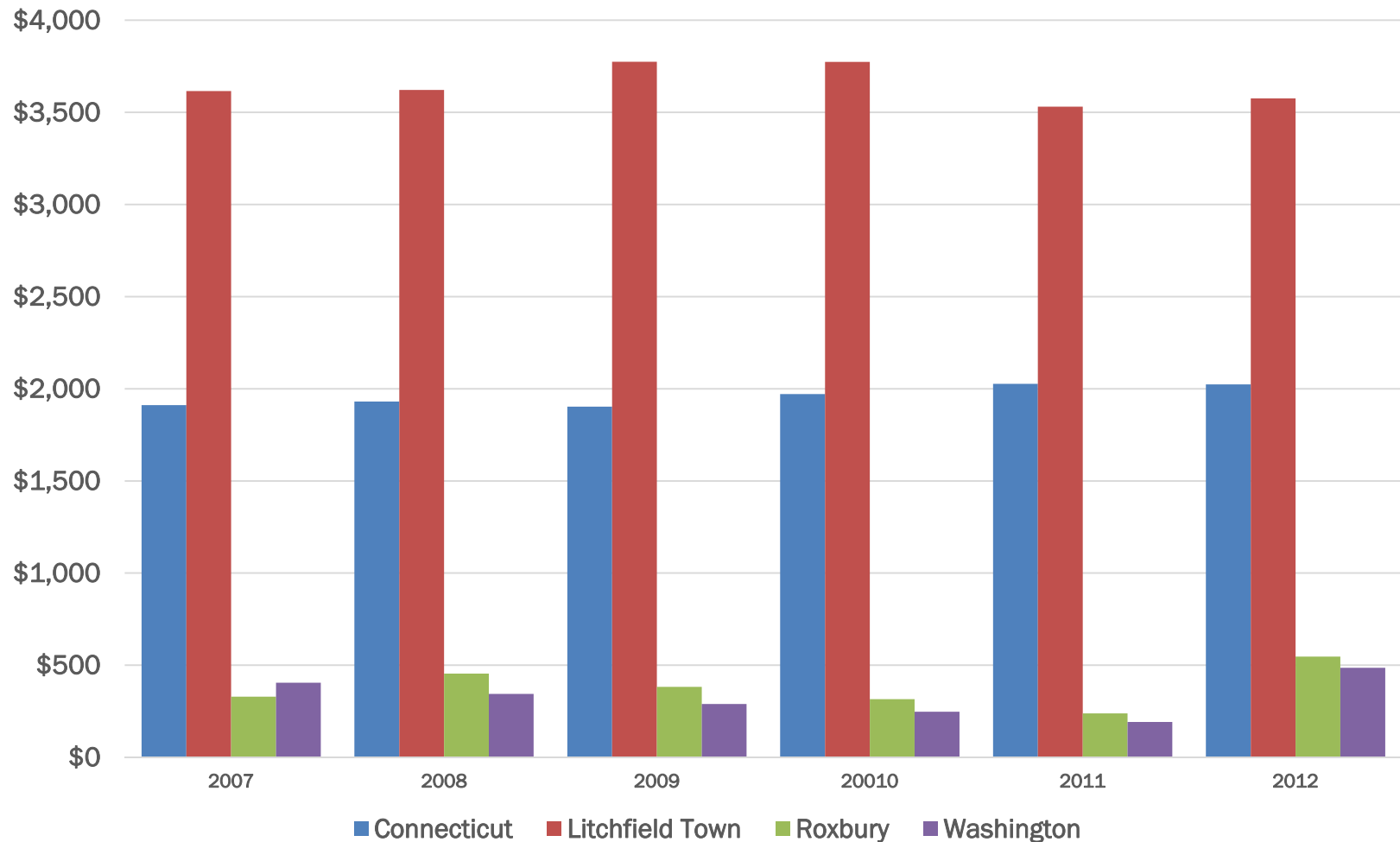


Equalized Net Grand List Per Capita



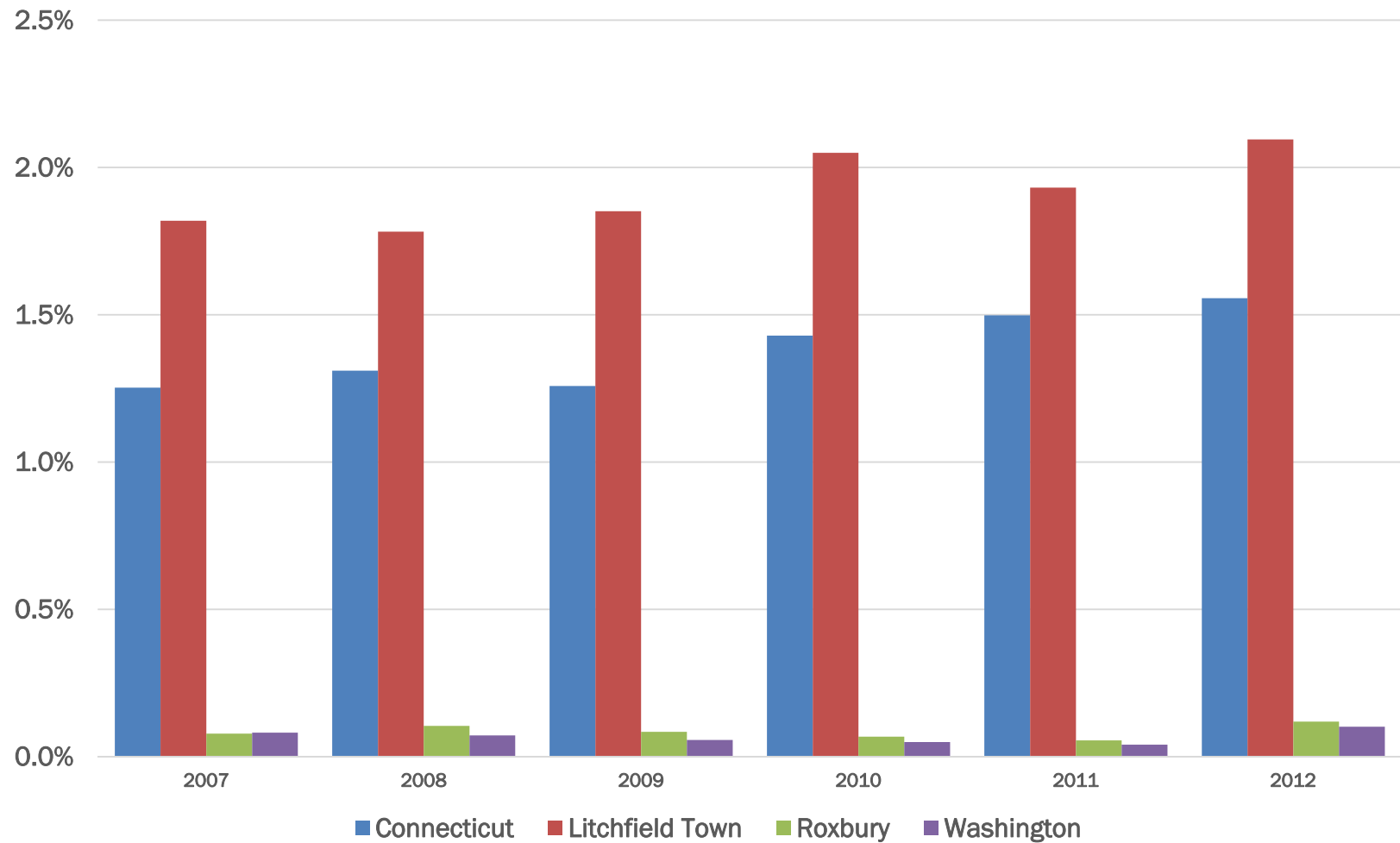
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2012.
(c) CERC2016

Bonded Long-Term Debt Per Capita



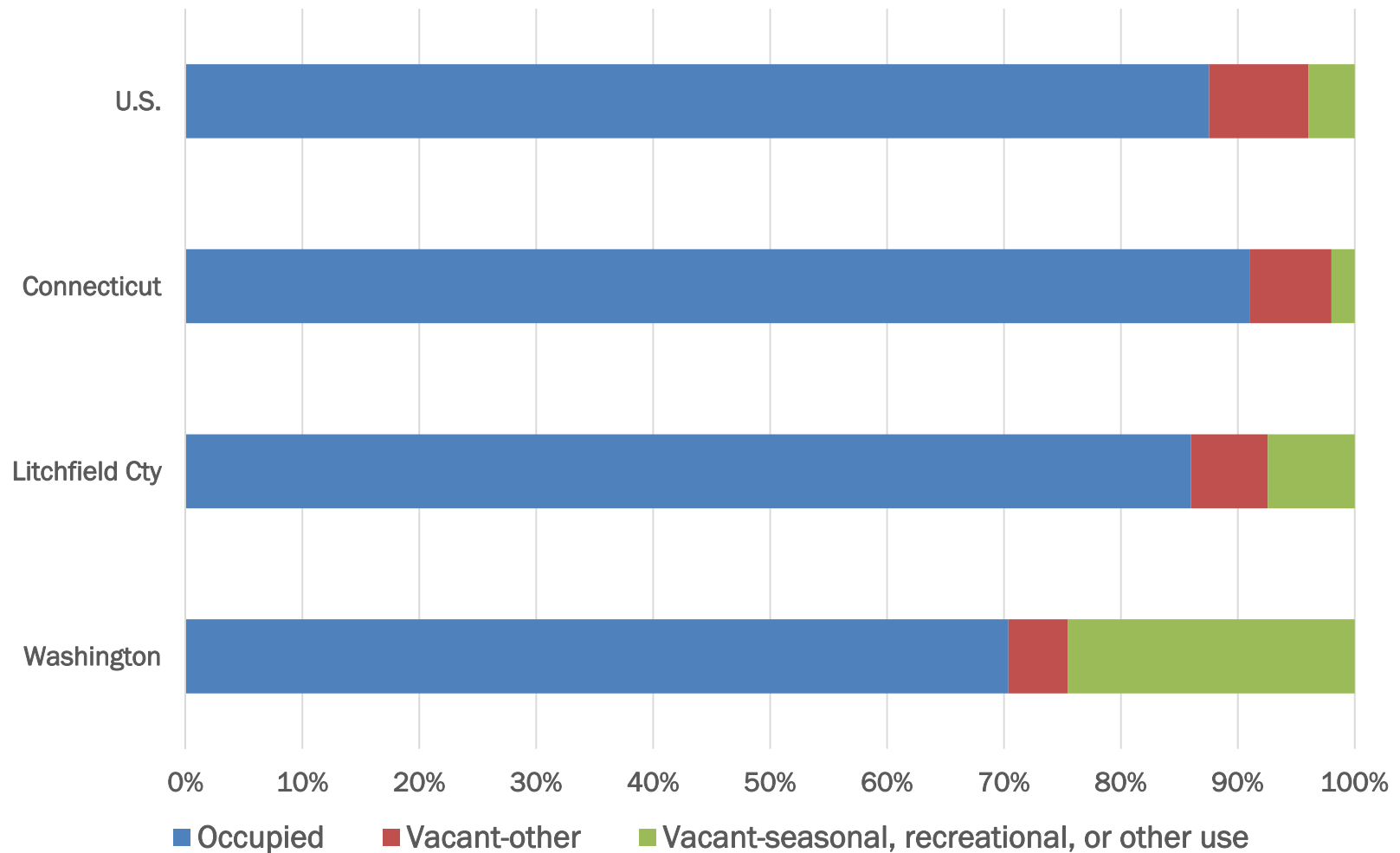
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2012.
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Debt as a Percent of Grand List



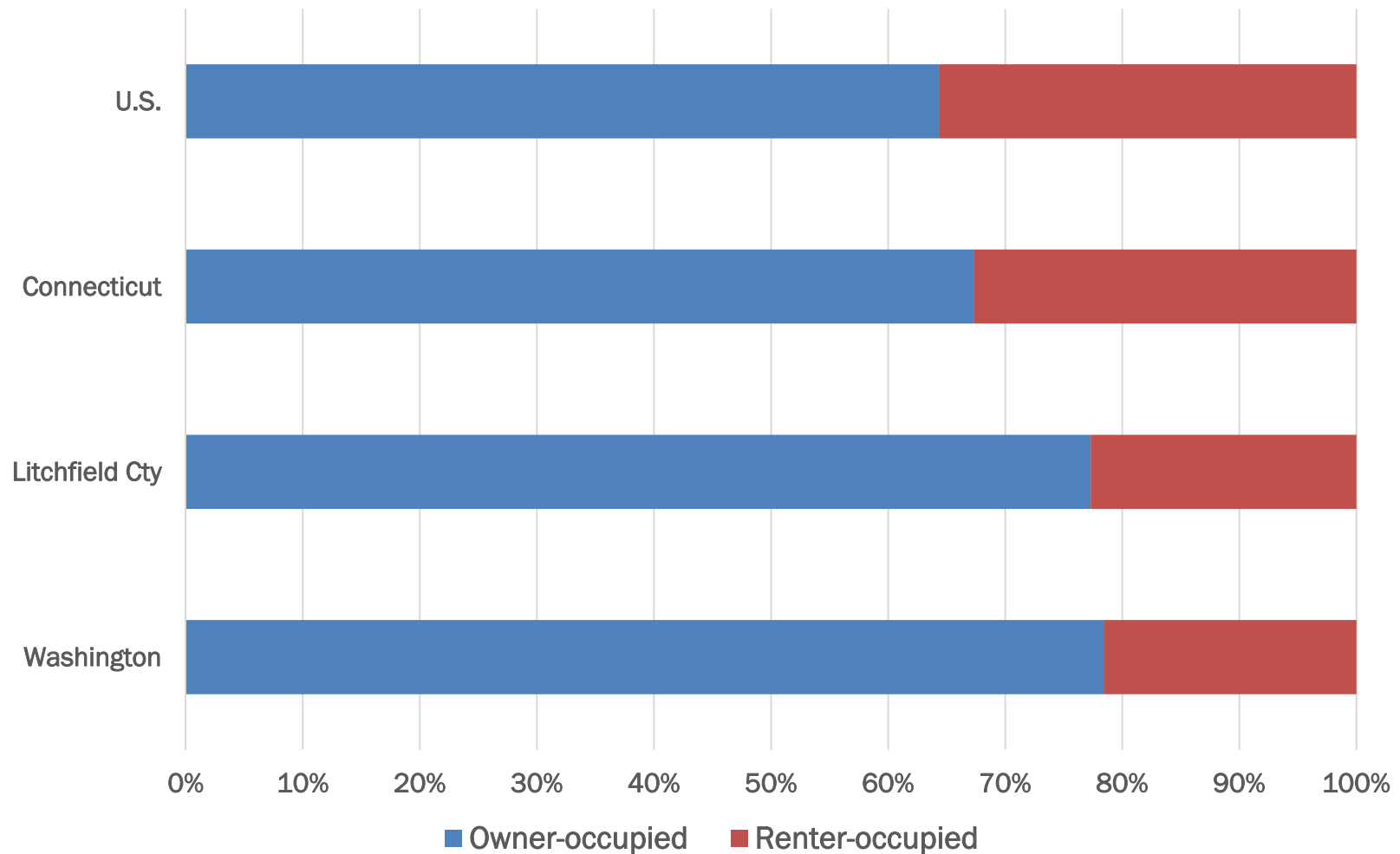
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2012.
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Occupied or Vacant Housing



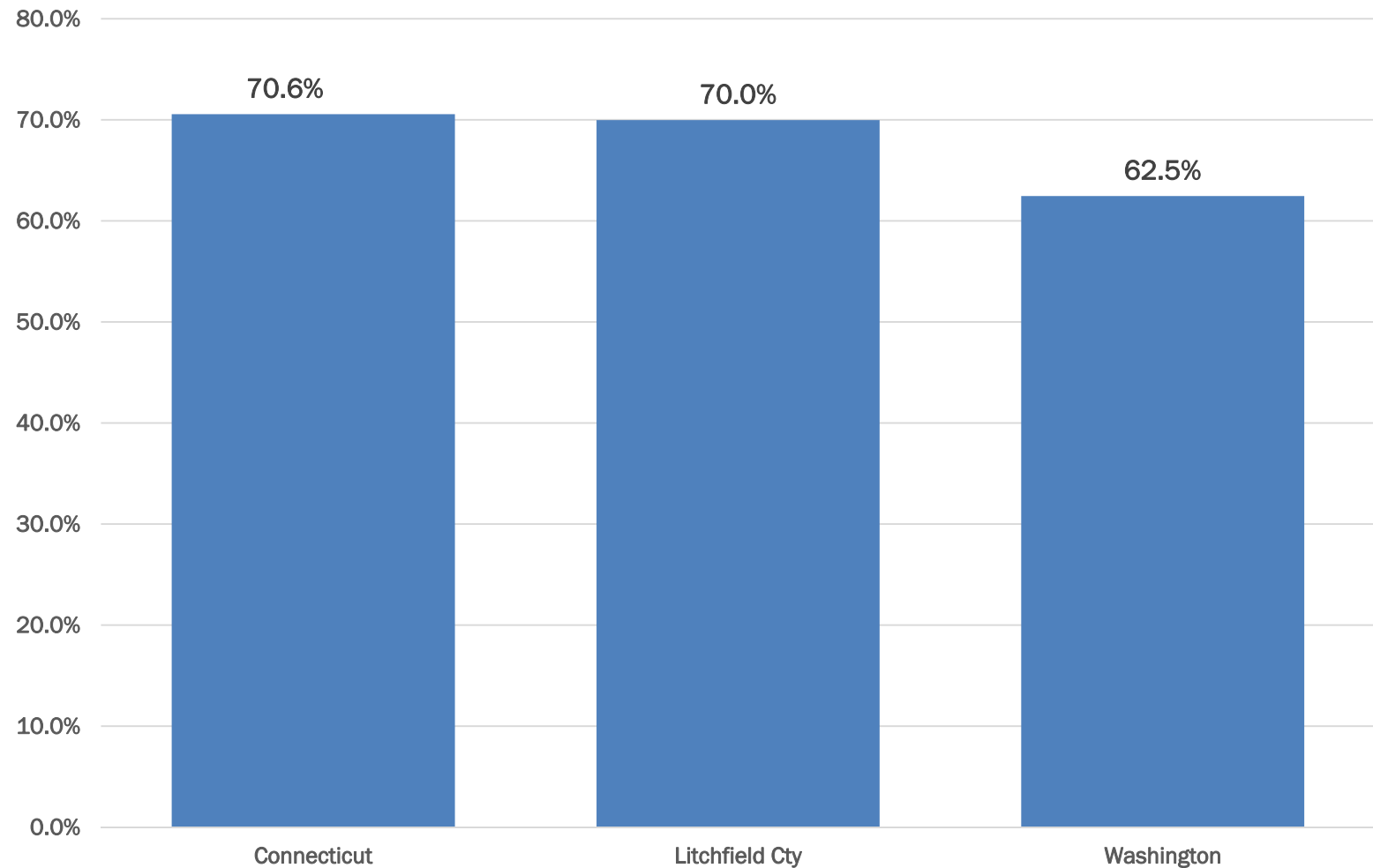
Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Owner- or Renter-Occupied Housing



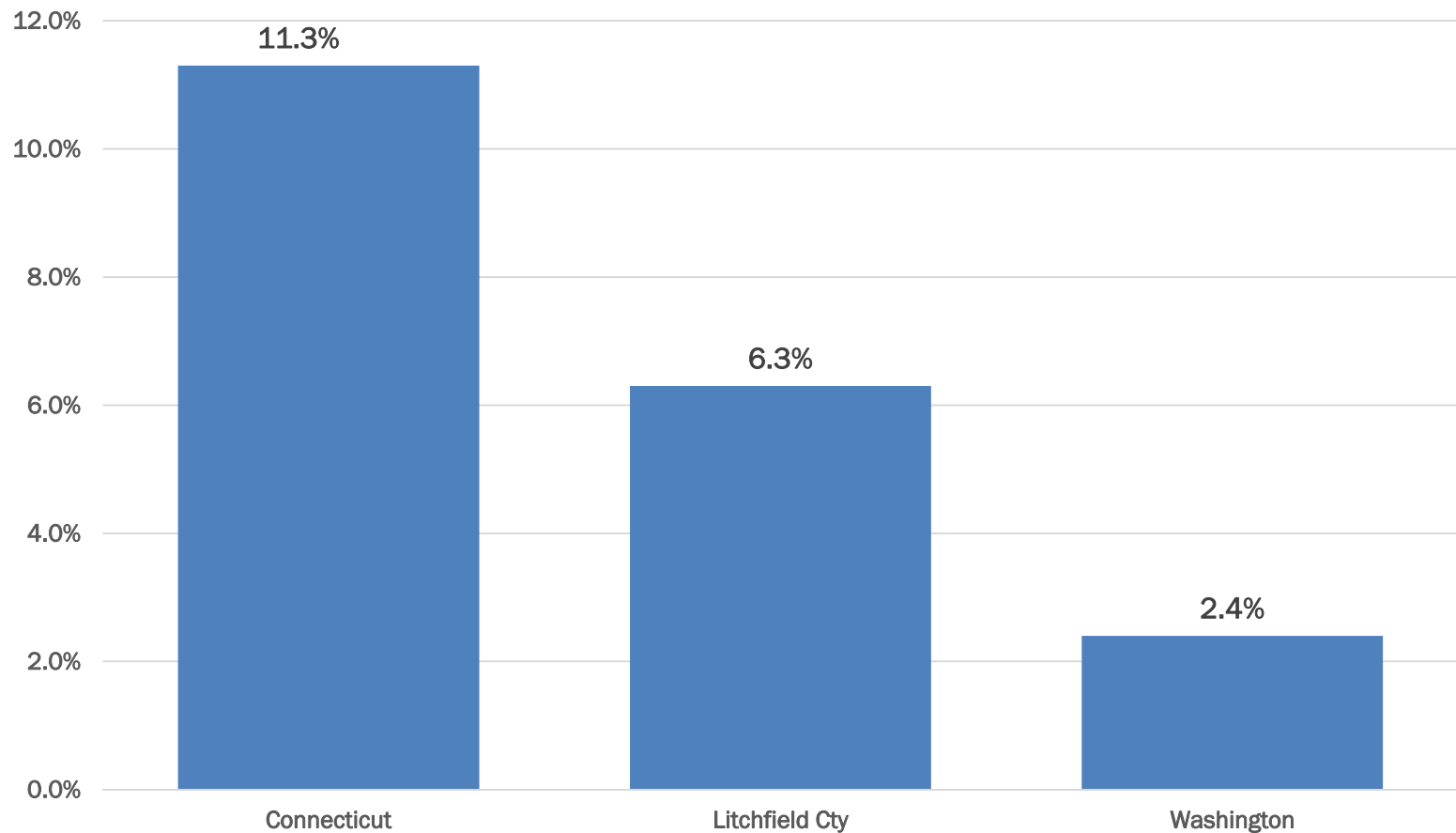
Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Homeowners with Mortgages



Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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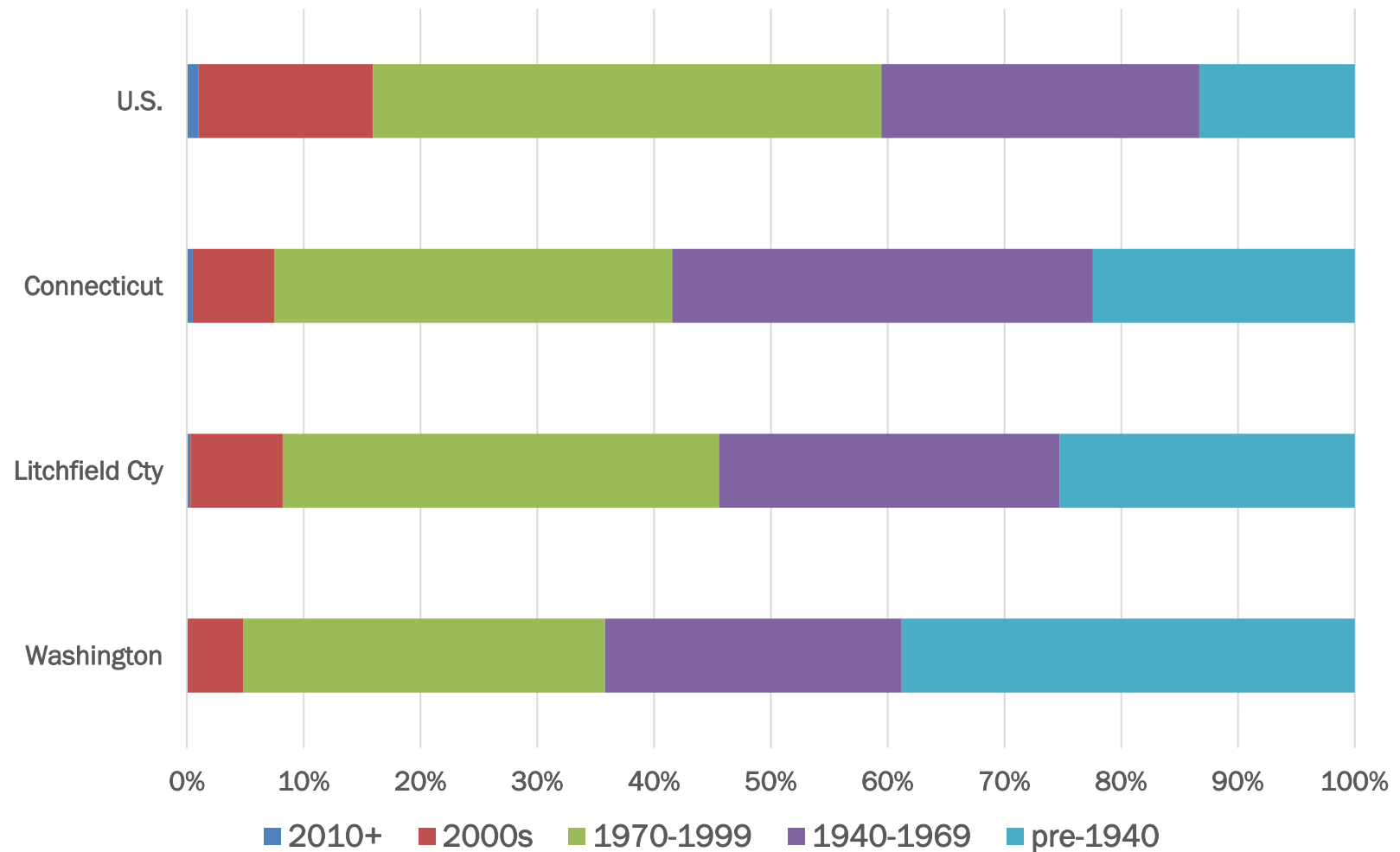
Affordable Housing as Percent of Occupied Units



Source: Housing Data Profiles. Connecticut Partnership for Strong Communities.

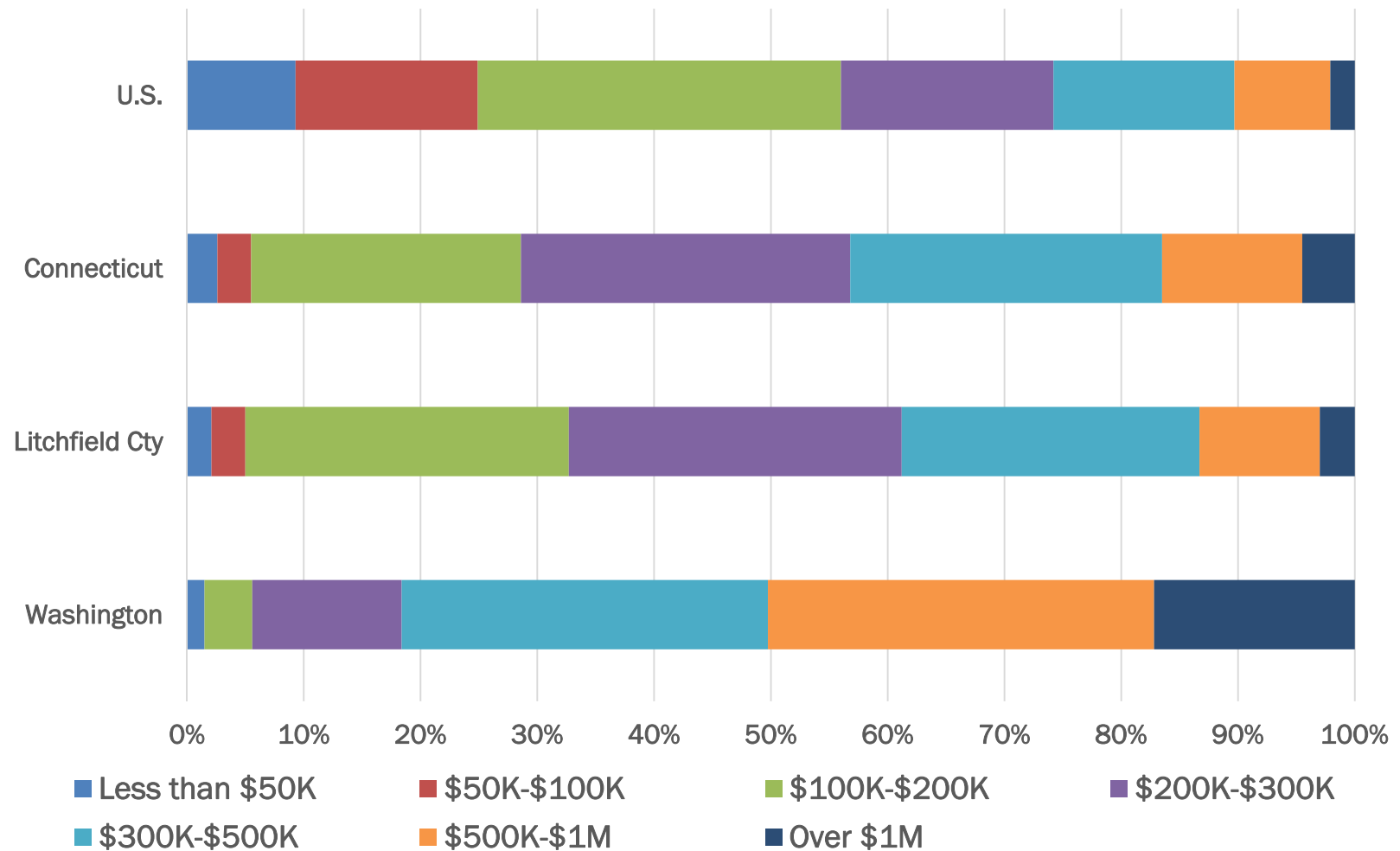
2013
© CERC2016

Age of Housing Stock



Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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Value of Owner-Occupied Housing



Source: American Community Survey. U.S. Census Bureau. 2010-2014.
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SECTION 3

Roles and Responsibilities of
the Town's Economic
Development Team

Roles and Responsibilities

- Plan of Conservation and Development (POCD) – vision
- Taking a pulse
 - *Primary assets*
 - *Challenges in the next ten years*
 - *Game changers*

Who is on the team?

- Reminder of who is on the team:
 - Elected officials/municipal offices
 - Boards and commissions (P&Z, conservation, etc.)
 - Business community and citizens
 - Schools and universities
 - Chambers, nonprofits and regional ED organizations
 - Advocates: housing, transportation, preservationists, environmentalists
 - Product/service providers: developers and real estate community, site selectors/consultants
 - Government: state and federal

Economic Development Commission & Staff

- Adopt strategic plan of economic development
- Promote economic development in town and contribute to plan of conservation & development
- Identify areas of town for development
- Make recommendations to voting boards in town
- Initiate an application to change a zoning district, propose an economic development zone, present proposed regulations
- Appear before other land use commissions meeting and present position
- Review all other commissions agendas and minutes to keep abreast of developments and timelines

Components of a Successful Economic Development Program

- Business visitation
- Liaison between the business and the town
- Ambassador efforts and partnerships
- Single point of contact for business
- Realistic understanding of the current economic situation in your community
- Know your competitive advantages
- Business attraction
- Workforce strategy that includes businesses, colleges and high school

Components of a Successful Economic Development Program

- Marketing (eNews, social media, CERC SiteFinder®)
- Intergovernmental relations – Know your reps, grants
- Financing solutions – DECD, local banks
- Incentives – both local and state
- Heritage tourism – Enhances quality of life
- Shovel-ready initiatives – DOT permits, wetlands flagging, utility extensions
- Utility economic development tools
- Useful data

Components of a Successful Economic Development Program

- Town Center/Other Commercial Areas
 - *Main Street Four Point Approach - CMSC*
 - Organization
 - Design
 - *Form Based Code, Village District, Streetscape, Facades*
 - Promotion
 - Economic Restructuring
 - *Market Analysis*
 - *Building Inventory*
- *Great downtowns don't just happen – they are created!*

What the Process Should Be When You Have a Live One

- Predictable
- Clear
- Reliable
- Consistent
- Effective (Does the right thing)
- Efficient (Does things right)

One of the best business incentives is a streamlined regulatory process.

Next Steps

- What did you learn?
- Where do you go from here?

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