Basic Economic Development for Community Developers

How to be a great partner!

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What is economic development?

- Activities that create jobs?
- Recruiting new business into the community?
- Helping existing business be more successful (profitable)?
- Raising wages in the community?
- Creating new businesses?

Other concepts?
Person on the street definition

The average citizen will probably say that economic development is an activity that is designed to bring new business to town.
Economic Development defined by International Economic Development Council

• Economic Development can be described in terms of objectives. These are most commonly described as the creation of jobs and wealth, and the improvement of quality of life. Economic development can also be described as a process that influences growth and restructuring of an economy to enhance the economic well being of a community.
Economic Development as defined by US Dept. of Commerce – Economic Development Administration

Economic development, *economic development is fundamentally about enhancing the factors of productive capacity - land, labor, capital, and technology - of a national, state or local economy.*
An “elevator” definition!

- Economic development as an organized effort ... to attract new business into an area or to encourage existing business to expand (Altus Group)
The Economic Development Team

Federal agencies and associations:

• Department of Commerce – Economic Development Administration

• Department of Agriculture – Rural Development

• National Institute of Standards and Technology

• Small Business Administration

• International Economic Development Council

• National Development Council
The Economic Development Team

State Agencies:

Oregon Business Development Department
Regional Solutions Teams
The Economic Development Team
Regional and Local

• Economic Development Districts
• Economic Development Organizations
• Port Districts
• Urban Renewal Districts
• Chambers of Commerce
• Private Economic Development Organizations
• Business Associations
• Trade Associations
• Tourism Organizations
• Community Development organizations
• Neighborhood and downtown organizations
Economic Development - Basic Approaches

Retain and Expand existing businesses

Recruit new businesses

Create new businesses
Retain & Expand existing businesses (BR & E) – WHY?

Keeping an existing business and helping them grow has a better ROI than recruiting new businesses (It’s cheaper!)

Retention & Expansion activities make it less likely that your existing businesses will be willing targets for recruitment activities by other communities

Existing businesses can help your efforts to attract new businesses to your community — or not!

Existing businesses are already making very real contributions to your community, usually without any incentives granted
Retain & Expand existing businesses — How?

• Be an active partner in an organized Business Retention and Expansion program

• Know your businesses and their industry

• Talk to them. Find out what is on their plate. What is bugging them?

• What are the issues that prevent them from being more successful?

• Be a resource with information you possess or have access to in your network

• Find out how they are being treated by your governmental agencies.

• See if there are unmet needs that could form the basis of new business formation or recruitment
**Economic Development Organization BR & E Techniques**

- Surveys
- Confidential business visits
- Business related training or events
- Cluster Development techniques
- Providing access to needed business services
- Facilitating access to industrial land for expansion
- Providing or identifying alternative financing sources
- Working with businesses as a “client”
- Advocating for and providing education for employees needed at work
- Providing access to the entire economic development focused programs and partners
- Being an advocate for existing businesses and recognizing them publically
- Creating an local entrepreneurial development environment
Recruitment of new businesses to your community

• Remember that a company that is in your community is a potential recruitment target for another community down the road or from another state or country!

• Know your target industries – The shotgun approach is ineffective!

• Know what businesses are growing and would be a good fit in your community.

• Participate as an active partner. Don’t “go it alone” especially if it is not your primary mission.

• Make sure that your funders know that this is a long term process and success may be years away!

• Make sure there is an excellent BR & E program in place, for much of that will be the foundation for any recruitment efforts and it will build support for a smart recruitment program.

• Become a skilled recruitment partner with your state recruitment staff – learn their systems and approach
More on Recruitment

• Develop your recruitment team and be prepared to handle inquiries quickly, confidentially and professionally.

• Know thyself as a community. Up to date data and information typically needs to be produced in less than a day to be considered in many proposals.

• Keep all internet based information current as most searches are done online before you are aware of any interest by a company looking for an expansion location.

• Invest in helping get correctly zoned industrial lands ‘ready” for development.
Other Economic Development Strategies

• Entrepreneurial Development – Helping start up new businesses.

• Workforce Development – Making sure there is a skilled workforce available for all those new jobs that you want to see created in your community.

• Developing an adequate inventory of “ready to permit” industrial lands and buildings available for growing businesses.

• Infrastructure development to support growing industries in the correct locations, sized correctly with industry friendly systems and rates.

• Creative financing techniques to support business investing

• Economic Gardening
How to be a great economic development partner from the community development position

• Get actively involved in your economic development efforts statewide, regionally and locally. Know what is going on and participate.

• Be responsive and prepared to be part of a BR & E or Recruitment team

• “Lean out” your permitting systems

• Keep you Comprehensive plan and zoning up to date. Create flexibility in terms of allowed uses and reduce “time to permit”.

• Make sure your staff at the counter know when to let you know of a inquiry that may be important.
More suggestions

• Make sure your facilities are up to date and have adequate capacity for any anticipated growth opportunities.

• Make sure your fees, SDC’s and rates structured correctly to encourage and support industry?

• Do your rules and processes regarding zoning encourage desired development without onerous process or delay? Conditional use permits are deal killers!

• Does your community have commercial & industrial zoned properties that are served by utilities and roads?

• How are businesses treated when they are “at the counter” with their project? Do you have a business friendly permitting process?

• What kind of technical assistance is available to expanding businesses? Economic Gardening efforts?
And even More suggestions

• Are your fees, SDC’s and rates structured correctly to encourage and support the industry the community is interested in growing?

• How educated in economic development are your elected officials? Can you help with that?

• Do you have redevelopment areas – Tax increment financing techniques

• Public infrastructure investments that create capacity adequate for business development

• Become proactive in land development
Final thoughts

• Doing the best community development work possible IS Economic development!

• Be Part of a team!

• Develop approaches that support economic growth AND pays for itself!

• Become well versed in public financing techniques that support industry.

• Be actively involved in your local Economic Development Organization.

• Love your own businesses first, otherwise, other communities may show more love for them and they will be targets for recruitment efforts by others!
Need more information – Get in touch with your state economic development team.

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