

Fundamentals of Municipal Economic Development

A Transformational Approach

Presented to the Town of Scotland
November 27, 2018



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Curriculum

1. Your Town: municipal economic indicators in a regional and state context
2. Economic Development: what is it and why is it important
3. On the Ground: roles and responsibilities of the town's economic development team

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Taking A Pulse

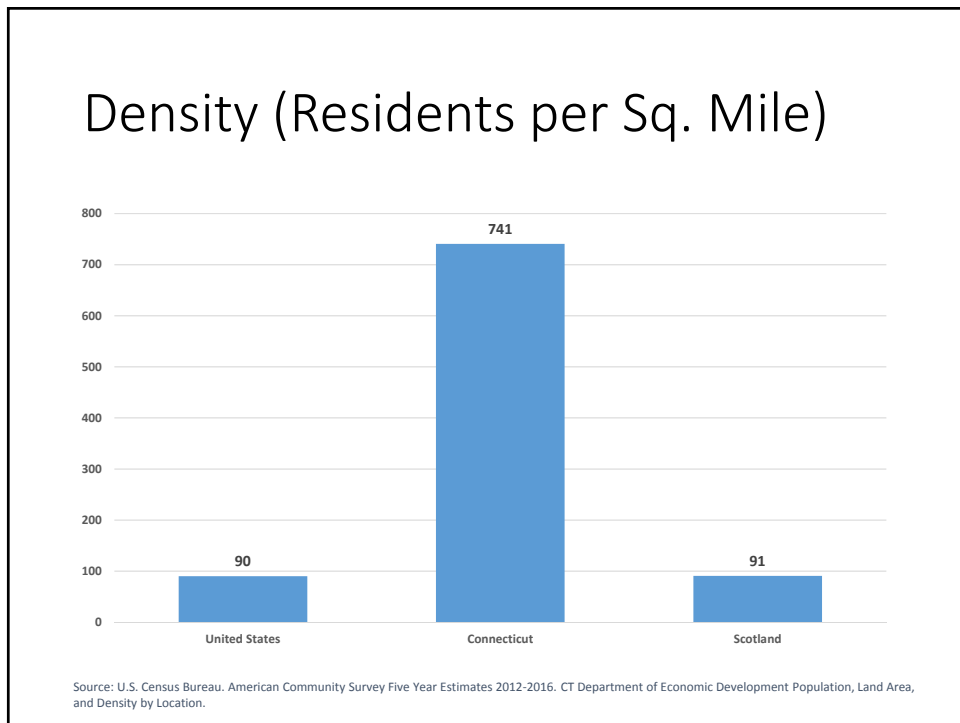
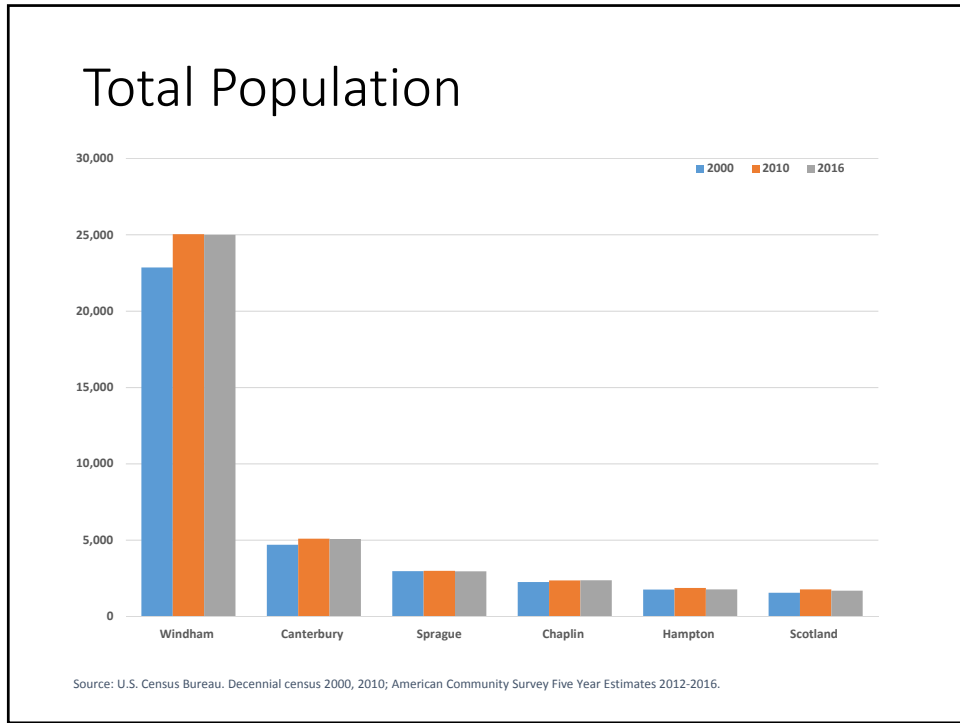
What are your primary assets?

What are your challenges in the next ten years?

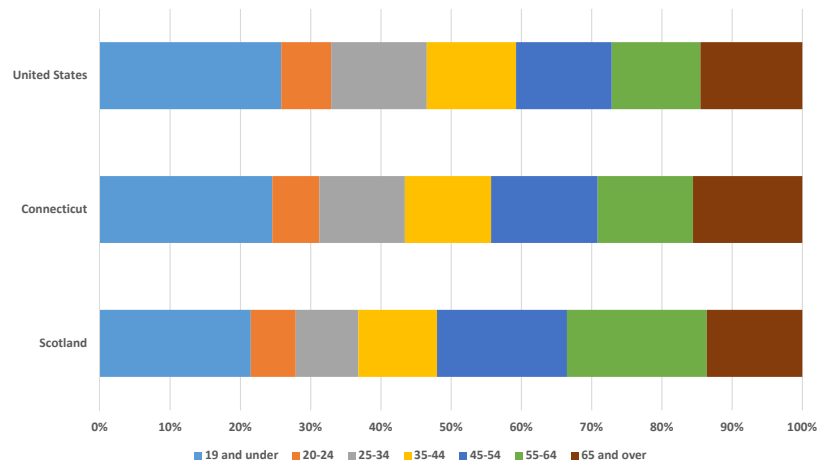
What are your game changers?

Section 1

YOUR TOWN: MUNICIPAL ECONOMIC INDICATORS
IN A REGIONAL AND STATE CONTEXT

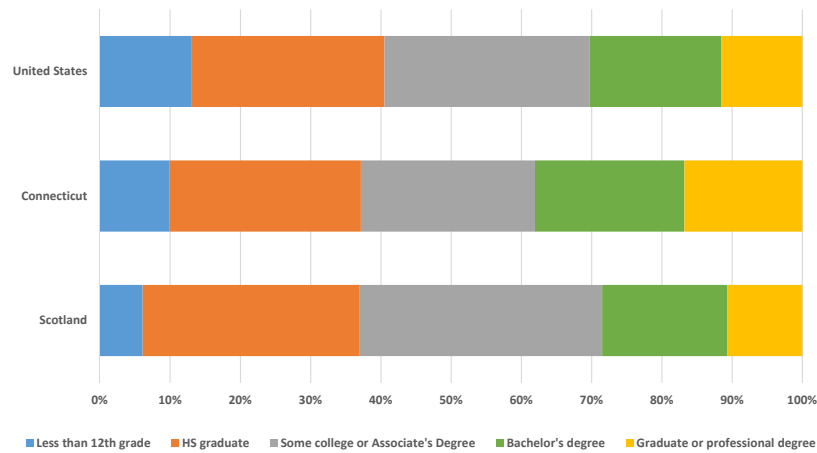


Population by Age



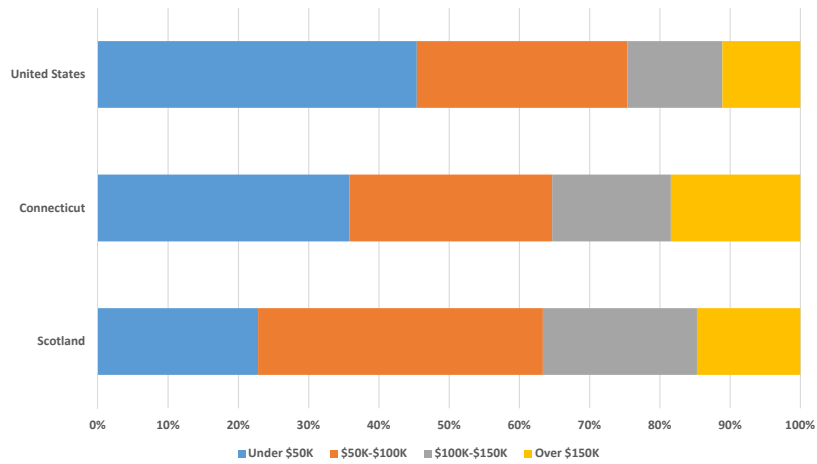
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.

Population by Educational Attainment



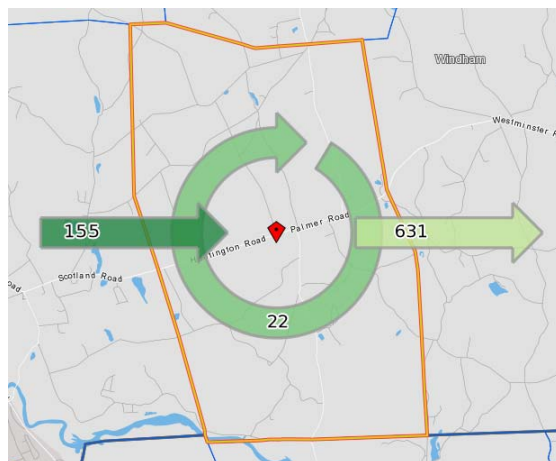
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.
Note: For population 25 years and older.

Population by Household Income



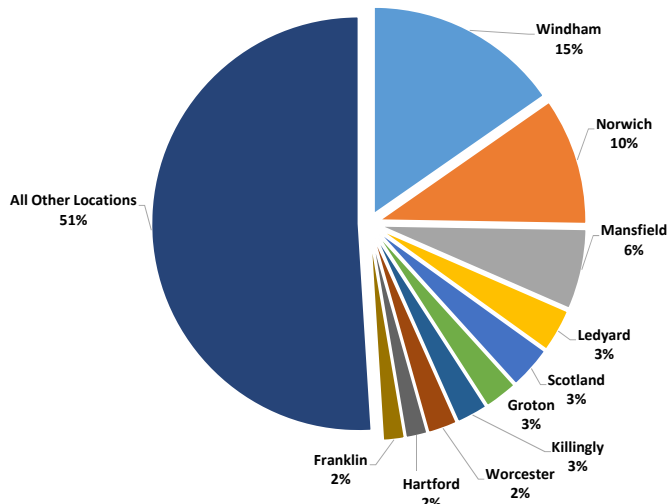
Source: U.S. Census Bureau, American Community Survey Five Year Estimates 2012-2016.

Commuting Patterns



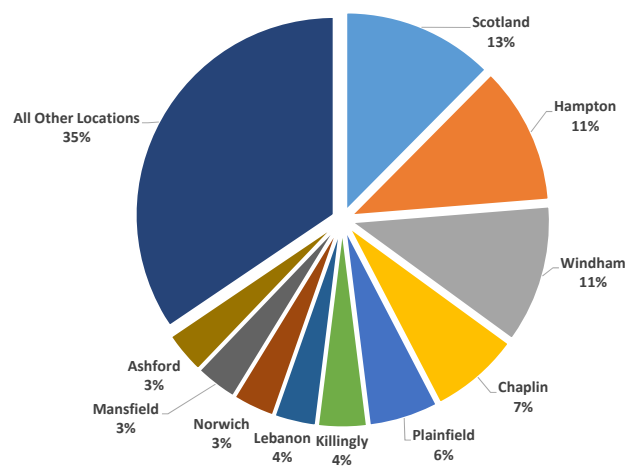
Source: U.S. Census Bureau, LEHD Origin Destination Employment Statistics, 2015.

Where Residents Work (Top 10)



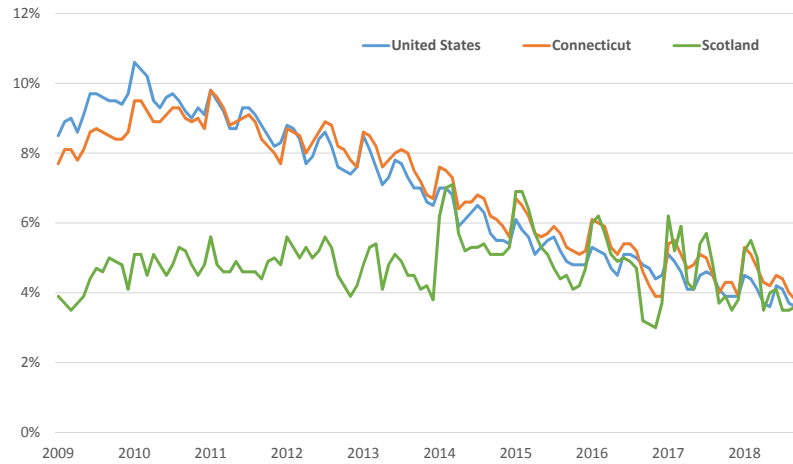
Source: U.S. Census Bureau, LEHD Origin Destination Employment Statistics, 2015.

Where Workers Live (Top 10)



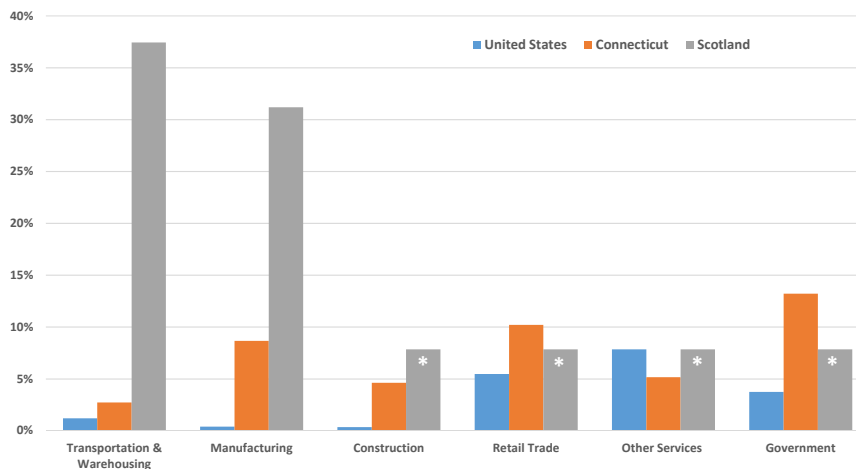
Source: U.S. Census Bureau, LEHD Origin Destination Employment Statistics, 2015.

Unemployment Rate



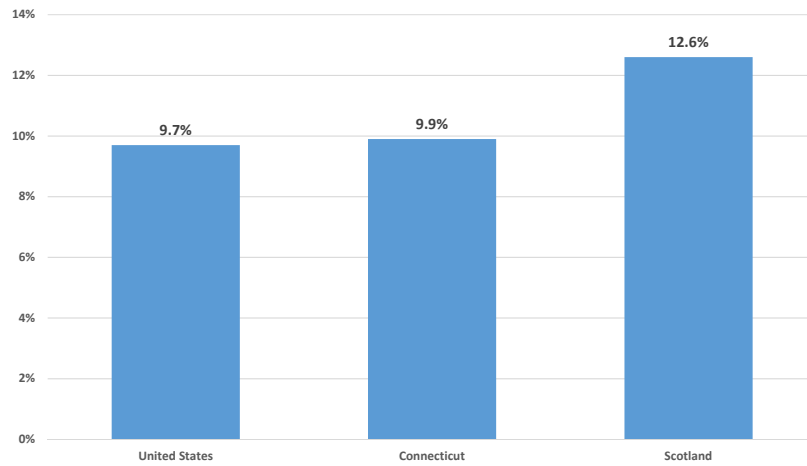
Source: CT Department of Labor Local Area Unemployment Statistics.
 Note: Not seasonally adjusted.

Largest Industries by Employment



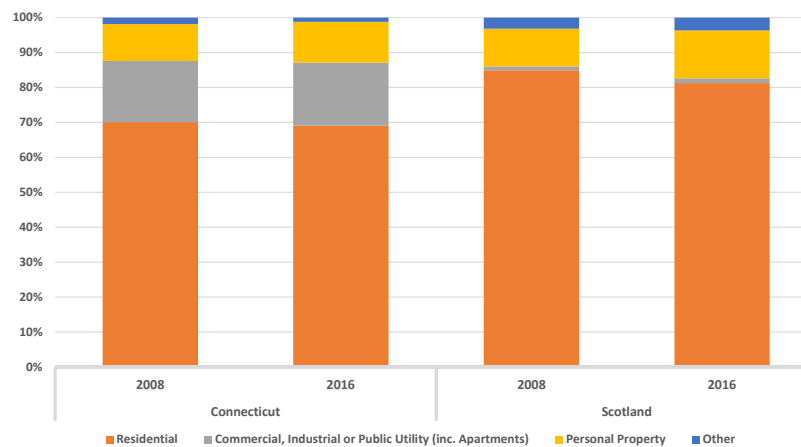
Source: EMSI, 2017. Note: Industries with * had less than 10 employees each.

Self-Employment as Percent of Employed Workers



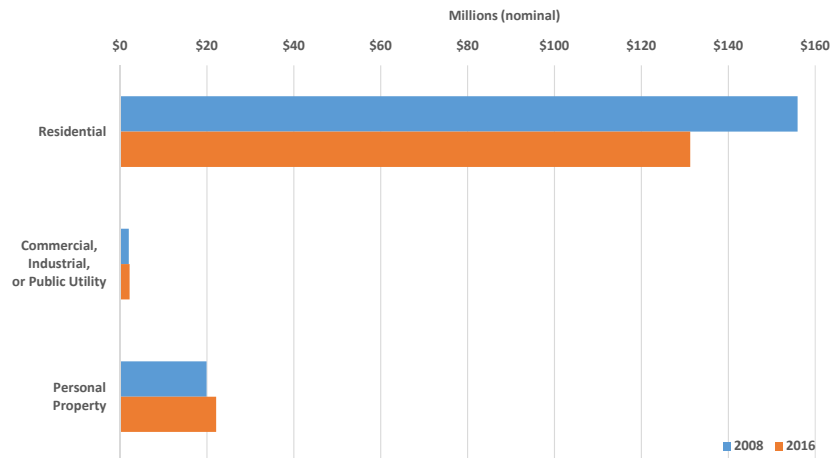
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.

Equalized Net Grand List by Share



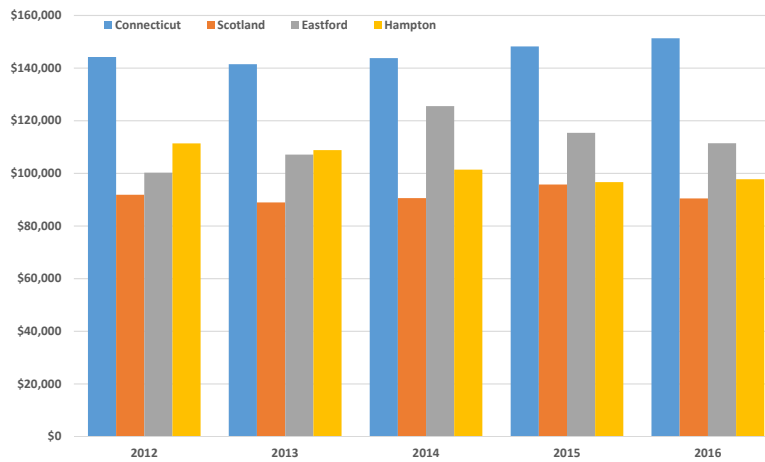
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2016.
Note: Data is for State Fiscal Years 2008 and 2016.

Scotland – Equalized Net Grand List by Value



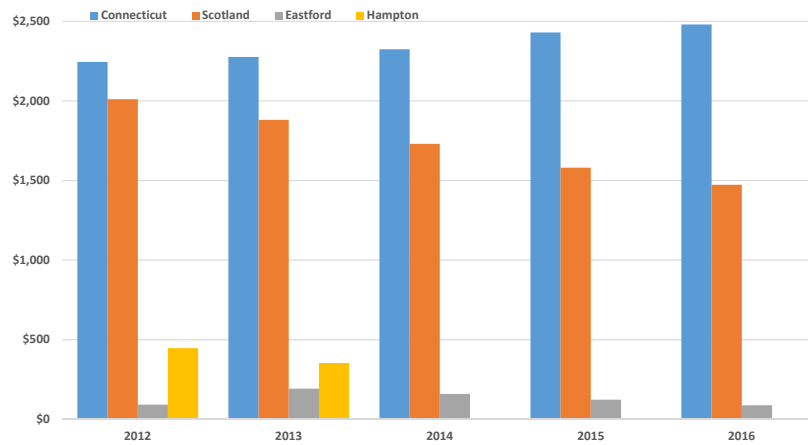
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2016.
Note: Data is for State Fiscal Years 2008 and 2016.

Equalized Net Grand List Per Capita



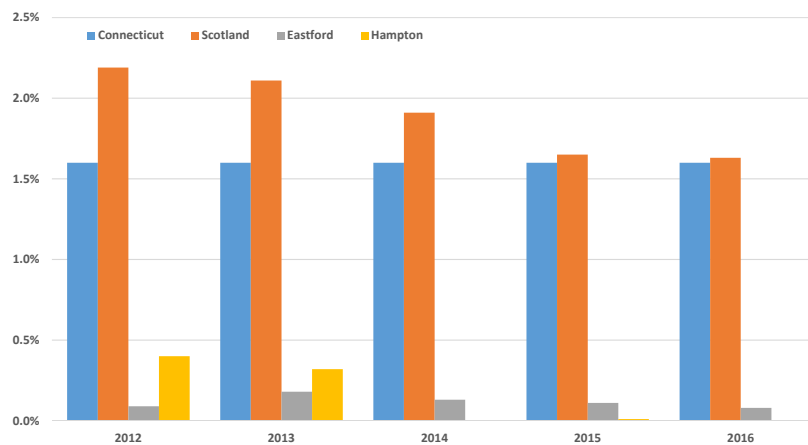
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2016.
Note: Data is for State Fiscal Years 2012 to 2016.

Bonded Long-Term Debt Per Capita



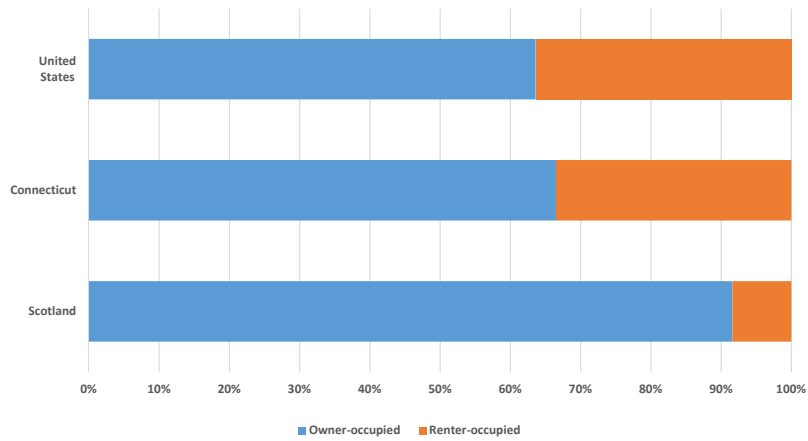
Source: Municipal Fiscal Indicators, CT Office of Policy and Management, 2016.
 Note: Data is for State Fiscal Years 2012 to 2016.

Debt as a Percent of Grand List



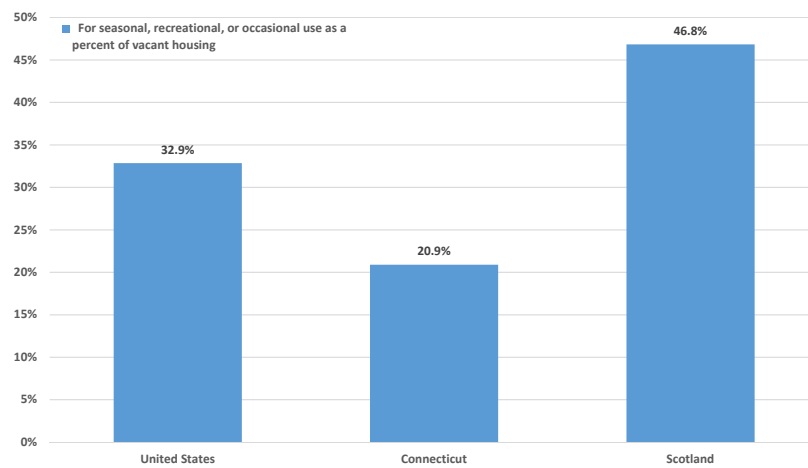
Source: Municipal Fiscal Indicators, CT Office of Policy and Management, 2016.
 Note: Data is for State Fiscal Years 2012 to 2016.

Owner- or Renter-Occupied Housing



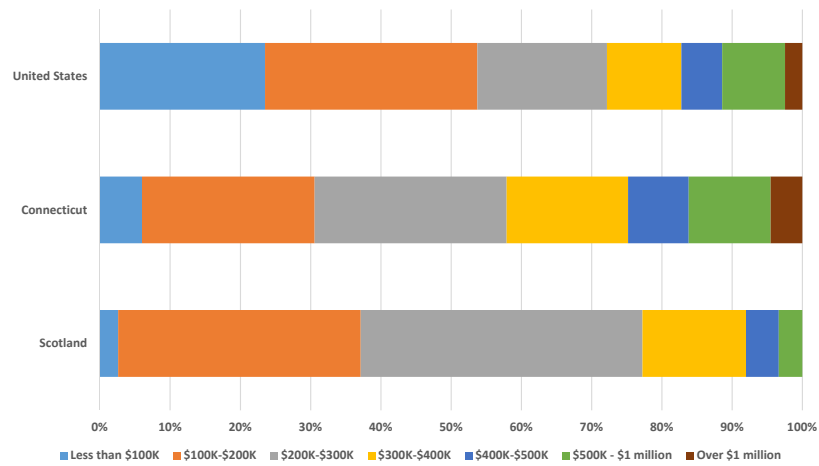
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.

Vacant Housing for Seasonal Use



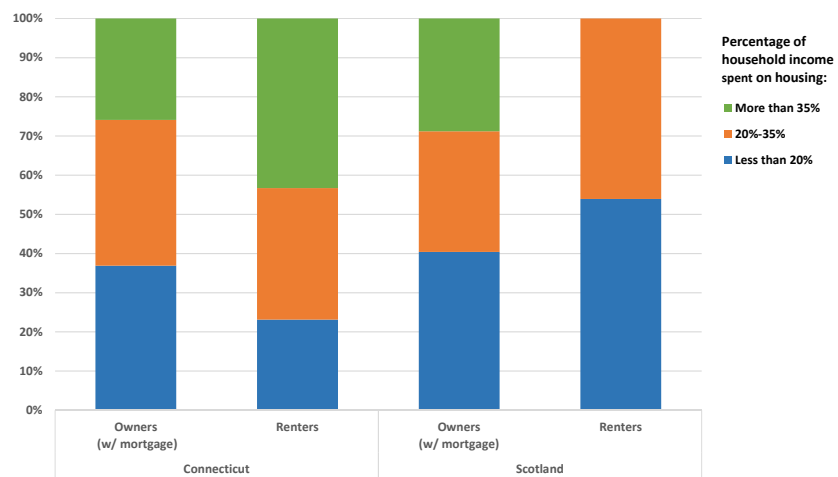
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.

Value of Owner-Occupied Housing



Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.

Housing Affordability



Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2012-2016.
 Note: Affordability for owner-occupied housing is only for households with a mortgage.

Section 2

ECONOMIC DEVELOPMENT: WHAT IS IT AND WHY IS IT IMPORTANT?

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What is Economic Development? *Why should you care?*

- **Conscious** activity designed to change the economic direction and outcomes in a community
- In the State of Connecticut, on average, revenue from residential property tax accounts for 70% of total municipal revenue.
- Fiscal Health of your community
 - Increased pressures because of state fiscal woes
 - Lack of full recovery in values of the Residential component of grand list
 - Is your bonded indebtedness under control?
- Character of your community

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What is the difference between Growth and Development?

Growth is:

- An increase in the value of everything produced (GNP)
- An “automatic” process

Development is:

- An increase in wealth of an area for the welfare of residents
- Outcome of planning and Results Oriented Activity

Growth is an essential element of Development, but **Development** encompasses lots of CONSCIOUS activities.

Example: Business Cycle – Cyclical and structural elements of downturns

Structural elements growing over past 30-40 years

What is your reputation in the Economic Development Marketplace?

- What is the Marketplace?
- What is the Product?
- Who is the Customer?
- In the absence of a clear brand, who is determining your Reputation?

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*

How do different audiences view Economic Development?

- Universally positive
- Great in the right place
- Healthy skepticism
- Don't change the character of our community
- NIMBY

Is there a difference between Economic Development, Community Development and Real Estate Development?

Transactional → Transformational

Real Estate Development →

Economic Development →

Community Development

- **Real estate development** is the development on a parcel of real estate.
- **Economic Development** is the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of a specific area...Top Down approach.
- **Community Development** is a process wither community members come together to take collective action and generate solutions to common problems...Bottom Up approach.

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

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

Cost/benefit

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

What defines your Economic Future...What are your choices?

What do you control locally?

- Land use regulations
- Property taxes
- Creating great places
- Relationship with local businesses

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

What is your place in a Regional and Global 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?
 - Unique asset – connections to large metros (NYC)
- Polycentric nodal regions
- Changing world of economic development: the playing field = the world
- Regions are units of economic competition
- Changing roles of urban centers, suburbs and rural areas (seniors and millennials)

Local Choice:
Different Development Options

Local Choice:
Different Development Options



Local Choice:
Different Development Options



Economic Development Choices: Density

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

Wilcox Street



Urban Advantage

Economic Development Choices: Big Box vs. Main Street Development



| | <u>Costco</u> | <u>Downtown Cornerstone</u> |
|-------------------------|---------------|-----------------------------|
| Land Consumed (acres) | 19.0 | 0.18 |
| Total Prop. Taxes /Year | \$366,477 | \$71,680 |
| Total Prop. Taxes /Acre | \$19,288 | \$398,222 |
| Residents/Acre | 0 | 44 |
| Jobs /Acre | 5.2 | 22 |

Enfield Big Box vs. Downtown Mixed-Use Development

Section 3

ON THE GROUND: ROLES AND RESPONSIBILITIES
OF THE TOWN'S ECONOMIC DEVELOPMENT TEAM

Definition of Economic Development

- Business retention
- Business expansion
- Business recruitment
- Business creation
- Character of your community

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
- Commercial real estate industry: brokers, developers and site selectors
- Government: state and federal

Regulatory Process Needs to Be...

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

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

Responsibilities of Economic Development Commission & Staff

- Adopt strategic plan of economic development
- Promote economic development in town and contribute to plan of conservation & development (POCD)
- 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 your community's current economic situation
 - Know what you control
 - Collect data
- Workforce strategy that includes businesses, colleges and high school
 - Anchor institutions

Components of a Successful Economic Development Program

- Marketing (eNews, social media, CERC SiteFinder®)
 - Common understanding of what the town is (and unique attributes)
 - Elevator speech
- 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 contacts

The screenshot displays the CERC SiteFinder web application. At the top, the logo consists of the letters 'CERC' in a stylized, blocky font with horizontal lines, followed by 'SITEFINDER' in a smaller, sans-serif font. Below the logo is a navigation bar with links for 'Property Search', 'Resources', 'Membership', 'About', 'Contact', and 'CERC.com'. The main interface is divided into a left sidebar and a central map area. The sidebar contains a 'SEARCH' section with tabs for 'HEAT MAPS', 'LAYERS', and 'COMPARE'. Under 'Find:', there are icons for 'Buildings', 'Sites', 'Businesses', and 'Communities'. Below these are 'Square Feet' filters with 'MIN SIZE' and 'MAX SIZE' input fields, and checkboxes for 'For Sale' and 'For Lease'. A 'Select Type' section offers radio buttons for 'Office', 'Industrial', 'Retail', and 'Special'. A 'SEARCH' button is positioned at the bottom of the sidebar. The central map area shows a map of the Hartford region with a blue outline indicating a search boundary. At the bottom of the map, there is a 'MAP TOOLS' bar with icons for 'Pinpoint', 'By location', 'Measure', 'Polygon', 'Radius', and 'Export Map'. The footer of the screenshot shows '©CERC2018' on the left and '52' on the right.

Increasing Value in Your Community

- Physically
- Socially
- Economically

Great downtowns don't just happen – they are created!

Economic Development as an Active Choice

“Cities (and read that as great places) are made not born...Nature has never made a city. Only human beings have ever made cities, and only human beings kill cities, or let them die. And human beings do both by the same means: by acts of choice.”

-Former Yale President Bart Giamatti

Next Steps

What did you learn?

Where do you go from here?

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Contact

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