Fundamentals of Municipal Economic Development

A Transformational Approach

Presented to the Town of Scotland
November 27, 2018

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
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
Regional, State and National Context

- Demographics
  - Needed services differ depending on population characteristics
  - Population characteristics to build on

- Employment and Commuting
  - Industry patterns and resilience to structural and cyclical economic changes

- Fiscal Health
  - Resources for and constraints on your local government’s ability to act

- Housing
  - Important for your town’s fiscal health and to attract and retain residents
Total Population

<table>
<thead>
<tr>
<th>Location</th>
<th>2000</th>
<th>2010</th>
<th>2016</th>
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<tbody>
<tr>
<td>Windham</td>
<td>25000</td>
<td>25000</td>
<td>25000</td>
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<tr>
<td>Canterbury</td>
<td>5000</td>
<td>5000</td>
<td>5000</td>
</tr>
<tr>
<td>Sprague</td>
<td>1000</td>
<td>1000</td>
<td>1000</td>
</tr>
<tr>
<td>Chaplin</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td>Scotland</td>
<td>25000</td>
<td>25000</td>
<td>25000</td>
</tr>
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</table>

Density (Residents per Sq. Mile)

<table>
<thead>
<tr>
<th>Location</th>
<th>2016</th>
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<tbody>
<tr>
<td>United States</td>
<td>90</td>
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<tr>
<td>Connecticut</td>
<td>741</td>
</tr>
<tr>
<td>Scotland</td>
<td>91</td>
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</tbody>
</table>

Population by Age


Population by Educational Attainment

Note: For population 25 years and older.
Population by Household Income

United States

Connecticut

Scotland


Commuting Patterns

Where Residents Work (Top 10)

- Windham: 15%
- Norwich: 10%
- Mansfield: 6%
- Ledyard: 3%
- Scotland: 3%
- Groton: 3%
- Killingly: 3%
- Worcester: 2%
- Hartford: 2%
- All Other Locations: 51%


Where Workers Live (Top 10)

- Scotland: 13%
- Hampton: 11%
- Windham: 11%
- Ashford: 9%
- Mansfield: 3%
- Norwich: 3%
- Lebanon: 4%
- Killingly: 4%
- Plainfield: 6%
- Chaplin: 7%
- All Other Locations: 35%

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


Equalized Net Grand List by Share

Note: Data is for State Fiscal Years 2008 and 2016.
Scotland –
Equalized Net Grand List by Value

Residential
Commercial, Industrial, or Public Utility
Personal Property

Note: Data is for State Fiscal Years 2008 and 2016.

Equalized Net Grand List Per Capita

Note: Data is for State Fiscal Years 2012 to 2016.
Bonded Long-Term Debt Per Capita

Note: Data is for State Fiscal Years 2012 to 2016.

Debt as a Percent of Grand List

Note: Data is for State Fiscal Years 2012 to 2016.
Owner- or Renter-Occupied Housing


Vacant Housing for Seasonal Use

Value of Owner-Occupied Housing


Housing Affordability

Note: Affordability for owner-occupied housing is only for households with a mortgage.
What is Economic Development?

\textit{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
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 with community members come together to take collective action and generate solutions to common problems...Bottom Up approach.

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**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

Source: Project for Public Spaces.
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

Economic Development Choices: Big Box vs. Main Street Development

<table>
<thead>
<tr>
<th></th>
<th>Costco</th>
<th>Downtown Cornerstone</th>
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<tbody>
<tr>
<td>Land Consumed (acres)</td>
<td>19.0</td>
<td>0.18</td>
</tr>
<tr>
<td>Total Prop. Taxes/Year</td>
<td>$366,477</td>
<td>$71,680</td>
</tr>
<tr>
<td>Total Prop. Taxes/Acre</td>
<td>$19,288</td>
<td>$398,222</td>
</tr>
<tr>
<td>Residents/Acre</td>
<td>0</td>
<td>44</td>
</tr>
<tr>
<td>Jobs/Acre</td>
<td>5.2</td>
<td>22</td>
</tr>
</tbody>
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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
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?

Contact

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