

# Fundamentals of Municipal Economic Development

## *A Transformational Approach*

Town of Southbury - 2/17/15



# Program Development Team



# Agenda

1. Definitions of economic development – transactions and transformation - Bob Santy, President and CEO, CERC
2. Overview of municipal economic indicators in a regional and state context – Alissa DeJonge, Vice President of Research, CERC
3. Roles and responsibilities of the town’s “economic development team” - including strategic planning for development – Mark Barnhart, Director of Community & Economic Development, Town of Fairfield

# Section 1

## Definitions of economic development - transactions & transformation

Presented by Bob Santy

# Framing Our Discussion

## Illustrative Questions About Economic Development Activities

- \* What is economic development? Why should you care?
- \* How does economic development differ from community development? 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?
- \* How can we all work together?
- \* 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?)

# Economic Development Definitions

## Growth vs. Development

- \* Economic growth merely refers to rise in output
- \* Development implies change in technological and institutional organization of production as well as in distributive pattern of income
- \* Building wealth for well being of inhabitants (economic, social and political) within a geographic area including local, state, region and countries
- \* Sustainable growth and multi-disciplinary initiatives
  - Workforce
  - Infrastructure
  - Environment
  - Community health and safety
  - Regulatory
  - etc.

# Economic Development Definitions

## Structural and Cyclical Factors

- \* Structural = development
- \* Cyclical = growth (rise in output)
- \* Development assumes cyclical vs. structural economic change - greater than ever need for strategic approaches to economic and community development

# Economic Development Definitions

## Key Trends

- \* “Economic Development” – all areas of community’s development
- \* Changing world of economic development – the playing field = the world
- \* Regions are units of economic competition
- \* Business turnover – jobs churning
- \* Connected workforce



# Economic Development Definitions

## Real Estate Development

- \* Developers - key coordinators?
- \* Commercial transactions
  - Plan and develop real property & infrastructure
    - Renovate existing buildings
    - Create new buildings
    - Improve raw land
  - Manage transactions
    - Finance
    - Market
    - Acquire construction professionals
    - Obtain local approvals
    - Lease or sell

# Economic Development Definitions Real Estate Development

**HARTFORD BUSINESS.com**  
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January 20, 2014

*“Expanded cast at Goman + York  
plowing fresh turf as realty adviser”*

# Economic Development Definitions

## Community Development

- \* Citizens and professionals empowered to collectively build resilient communities and improve quality of life
- \* Diversity among common economic, social, environmental and cultural goals
- \* Civic efforts and creation of government and non-government groups to address needs of community

## Economic Development Definitions

# Transactional vs. Transformational

- \* Do the deal
- \* Make the numbers work
- \* Get building permit and other approvals
- \* Decisions made without much community input
- \* Creation of wealth through retention and reinvestment of assets
- \* Focused on specific property/targeted area - real estate project based
- \* Looking for financial incentives
- \* Cost/benefit – fiscal impact
- \* Interdisciplinary approaches
- \* Creating attractive and inviting places
- \* More complex and comprehensive ways of measuring success
- \* Measure real community-wide outcomes, not just activity
- \* Focused community-wide benefits
- \* Value add
- \* Building toward 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











# Transactional vs. Transformational: Housing

- \* Different approaches to affordable housing:
  - Section 8-30g
  - HOMEConnecticut

# Transactional vs. Transformational: Housing

- \* Charrettes, public meetings, websites, surveys to glean ideas, educate residents and achieve important buy-in
- \* HOMEConnecticut grants to plan the type, amount, design and location of their new housing
- \* New Connections to zoning commissioners to expand understanding of what the market is demanding
- \* Research showing new housing options (1) are in the town's interest and (2) won't cause the problems residents have long mistakenly believed

# Economic Development Choices: Density

*We have nothing to fear but fear itself...*

*courtesy of CT Main Street Center*

## Wilcox Street



Urban Advantage

# 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

Source: Project for Public Spaces

# Economic Development Choices: Big Box vs. Main Street Development



**ASHEVILLE  
WALMART**



**DOWNTOWN  
MIXED-USE**

Asheville Big Box  
vs. Downtown  
Mixed-Use  
Development

Courtesy of CT Main Street Center

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

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

# 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



# Section 2

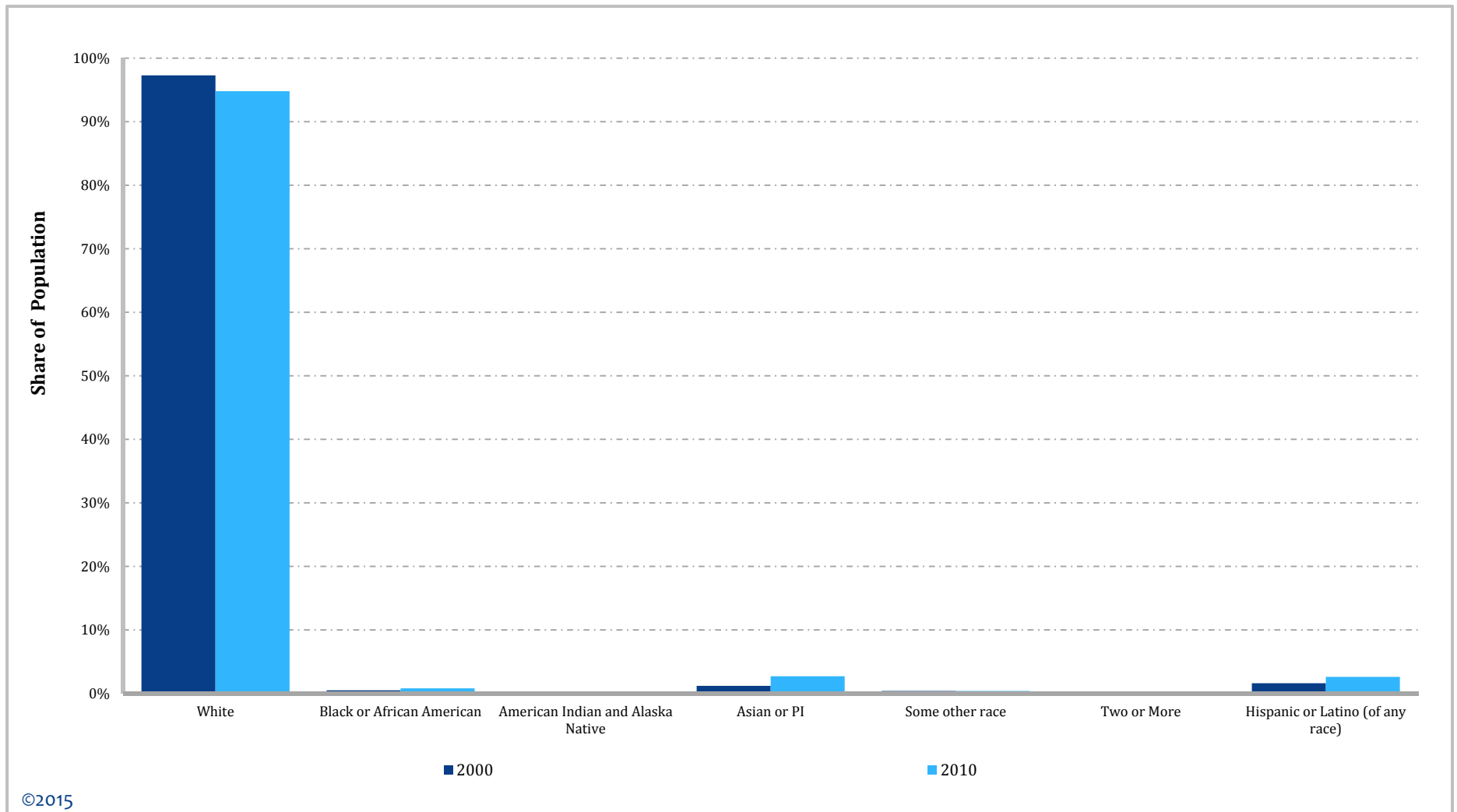
## Overview of municipal economic indicators in a regional and state context

Presented by Alissa DeJonge

# Demographic Trends

## Total Population Count by Racial and Ethnic Group

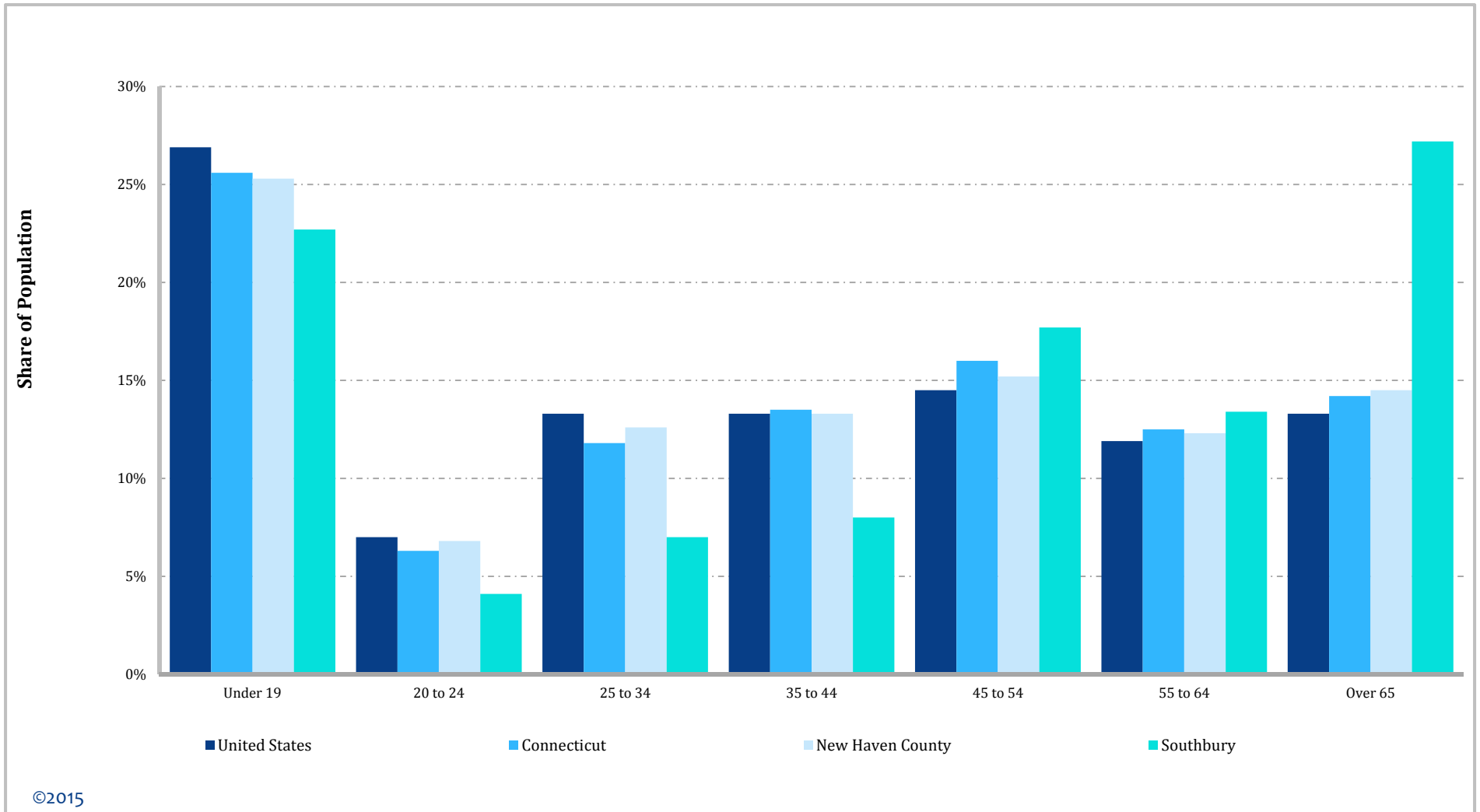
Source: Decennial Census. United States Census Bureau. 2000-10.



# Distribution of Age

## Percentage of the Population by Age

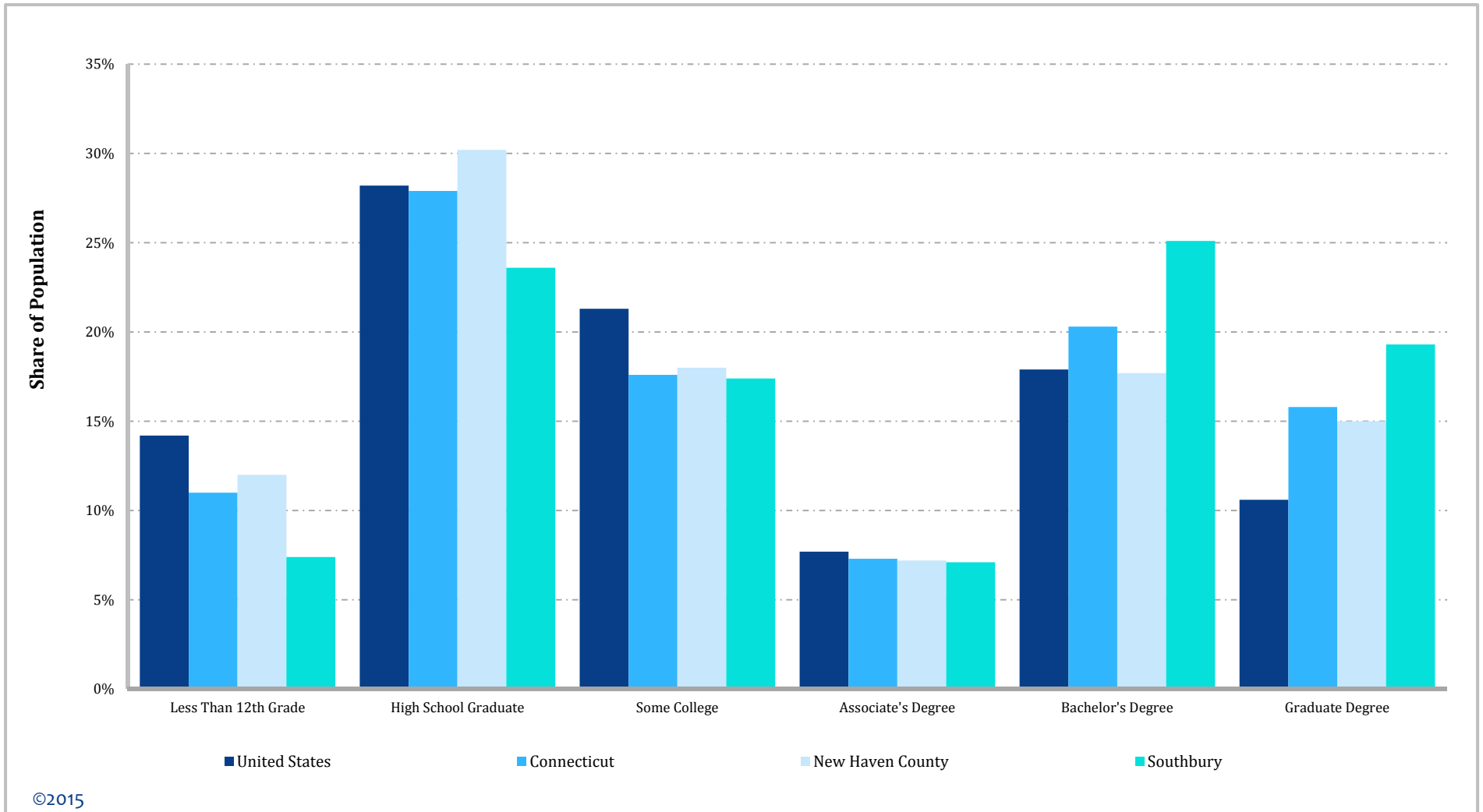
Source: American Community Survey, United States Census Bureau, 2008-12.



# Distribution of Educational Attainment

## Percentage of the Population by Educational Attainment

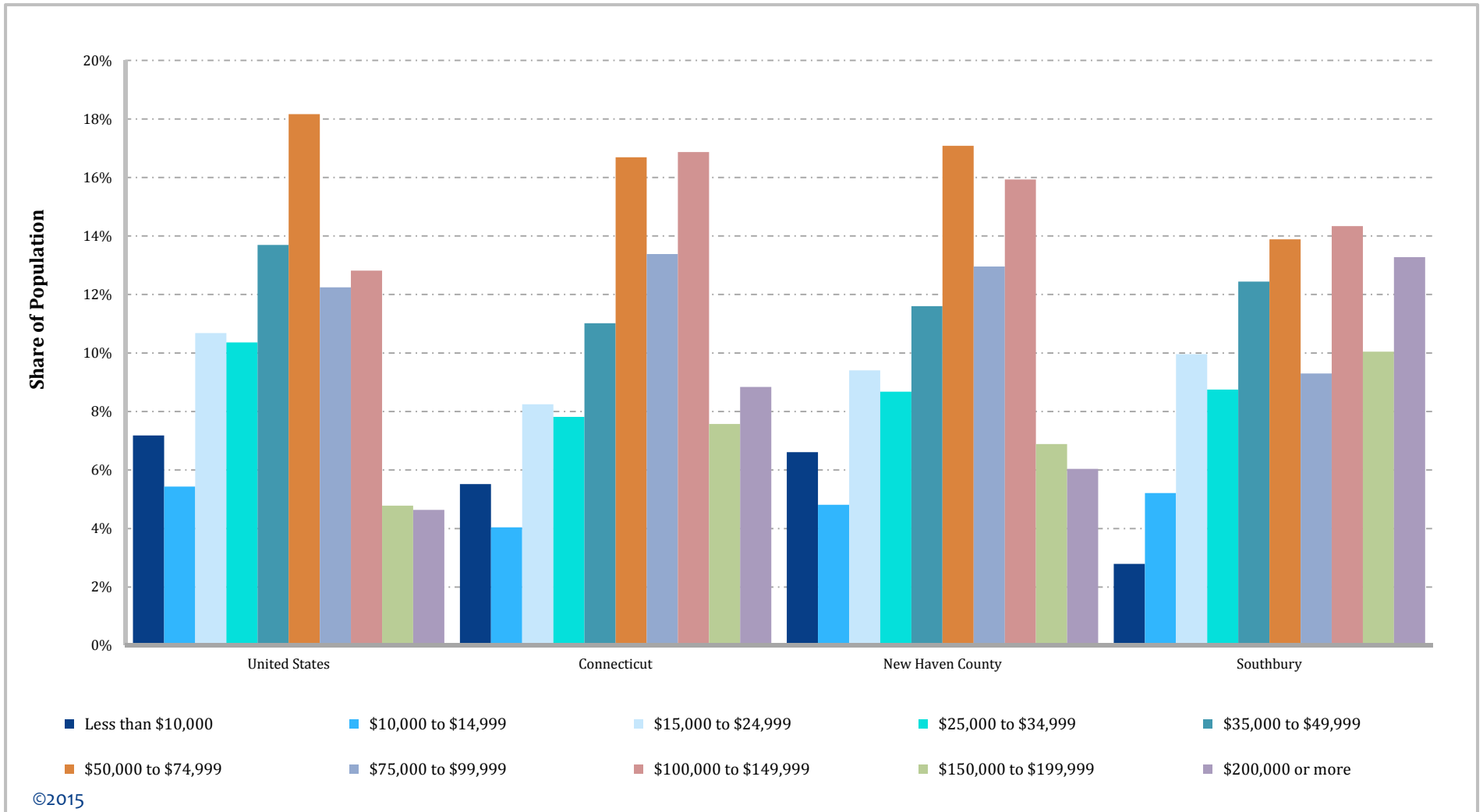
Source: American Community Survey, United States Census Bureau, 2008-12.



# Distribution of Income

## Percentage of Households by Income

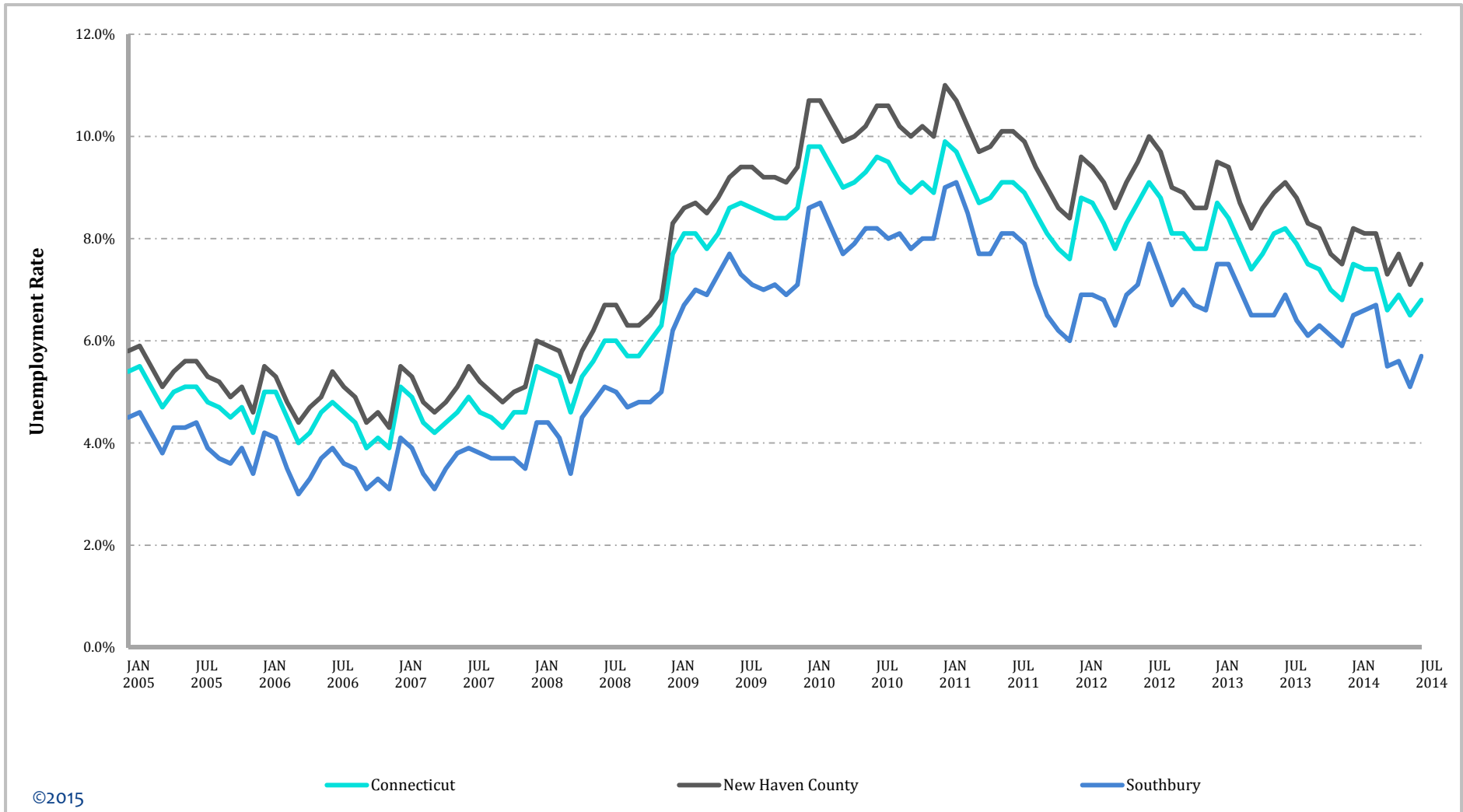
Source: American Community Survey. United States Census Bureau. 2008-12.



# Labor Market Conditions

## Monthly Unemployment Rate by Region

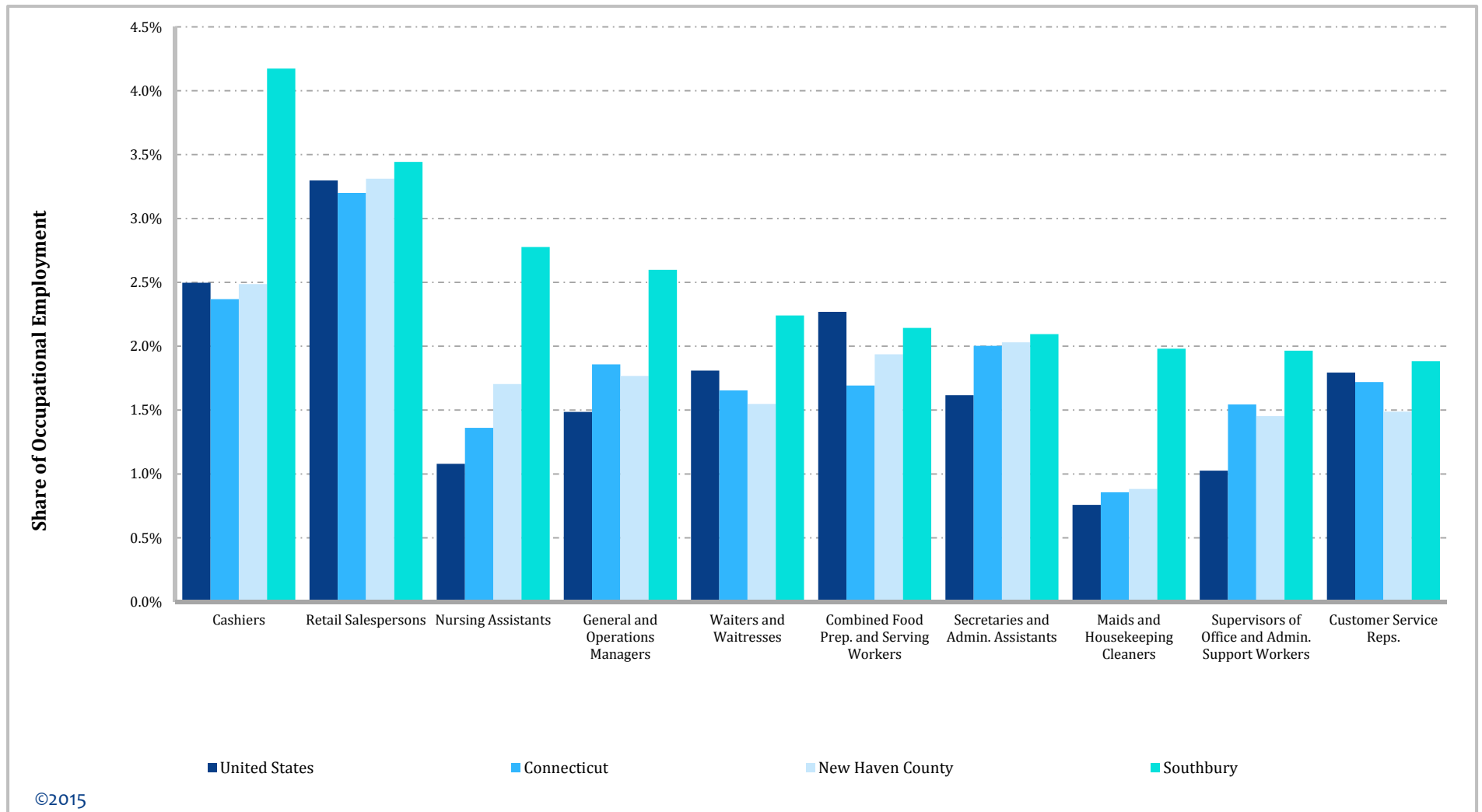
Source: Local Area Unemployment Statistics. Connecticut Department of Labor. 2013.



# Top Occupational Employment

## Occupational Employment as a Percent of Total Employment

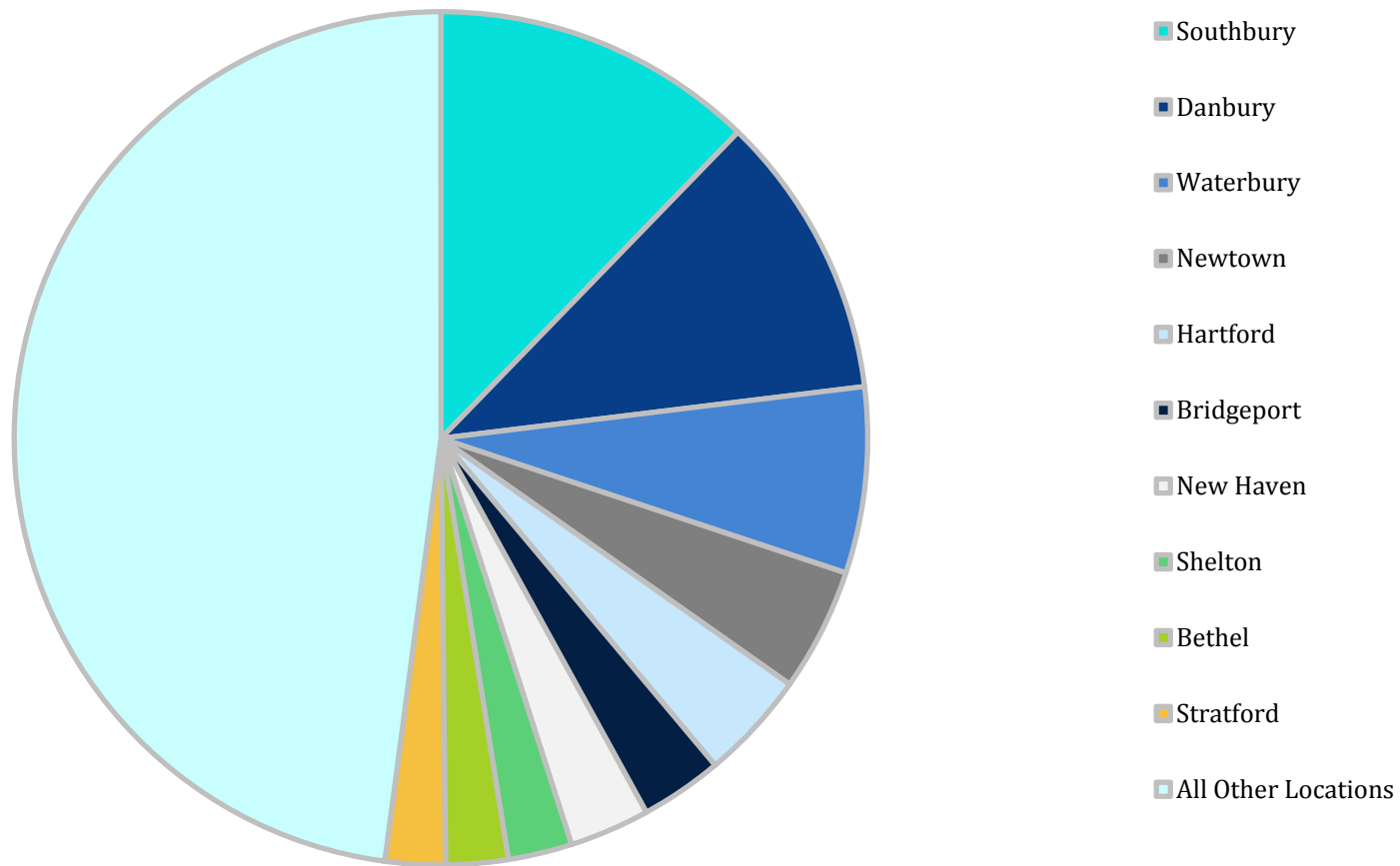
Source: OES Derived Estimates. Economic Modeling Specialists International. 2013.



# Residents by Workplace

## Proportion of Overall Residents by Workplace Location

Source: LEHD Origin Destination Employment Statistics. United States Census Bureau: Longitudinal Employer-Household Dynamics. 2013.

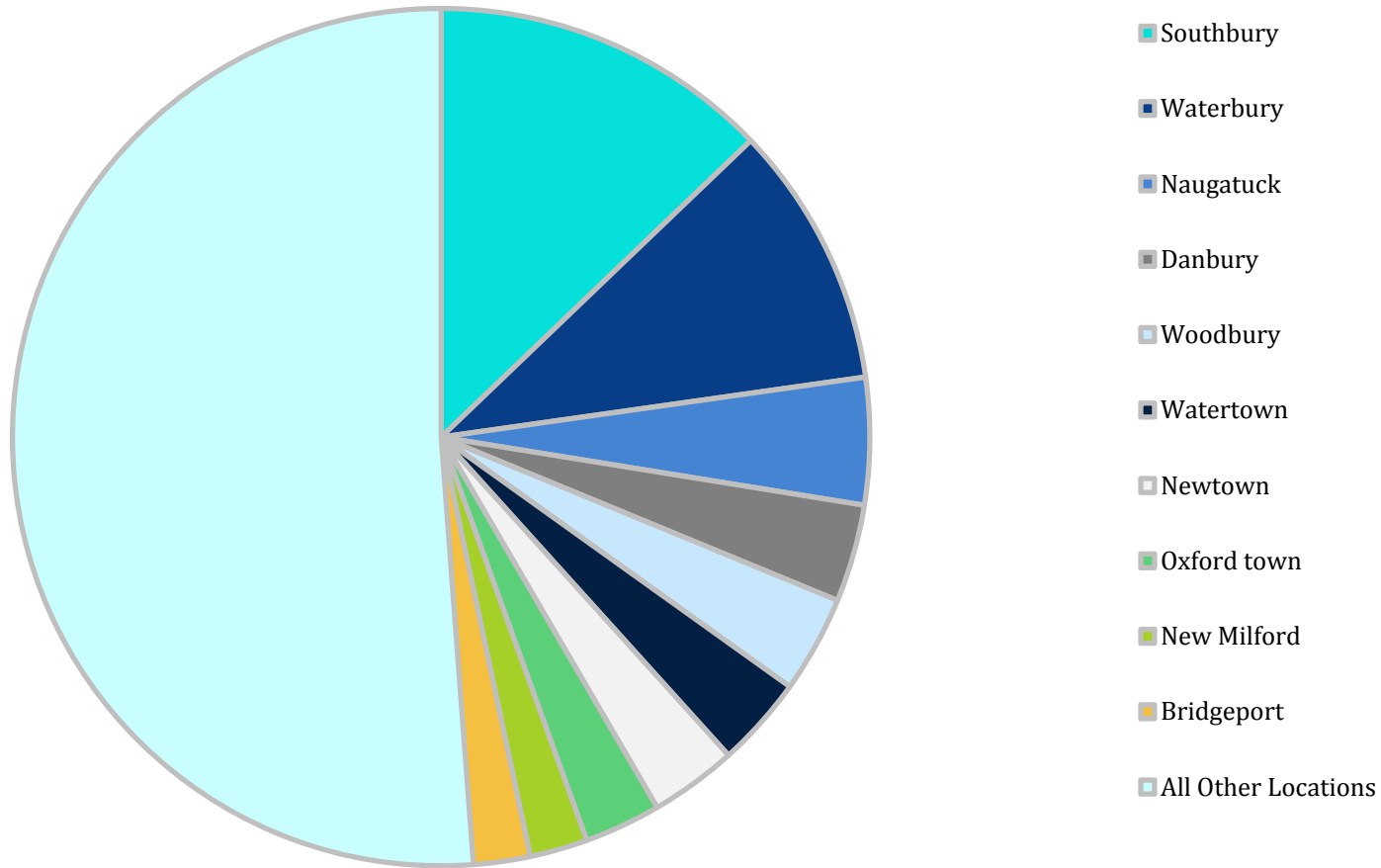




# Workers by Residence

## Proportion of Overall Workers by Residence Location

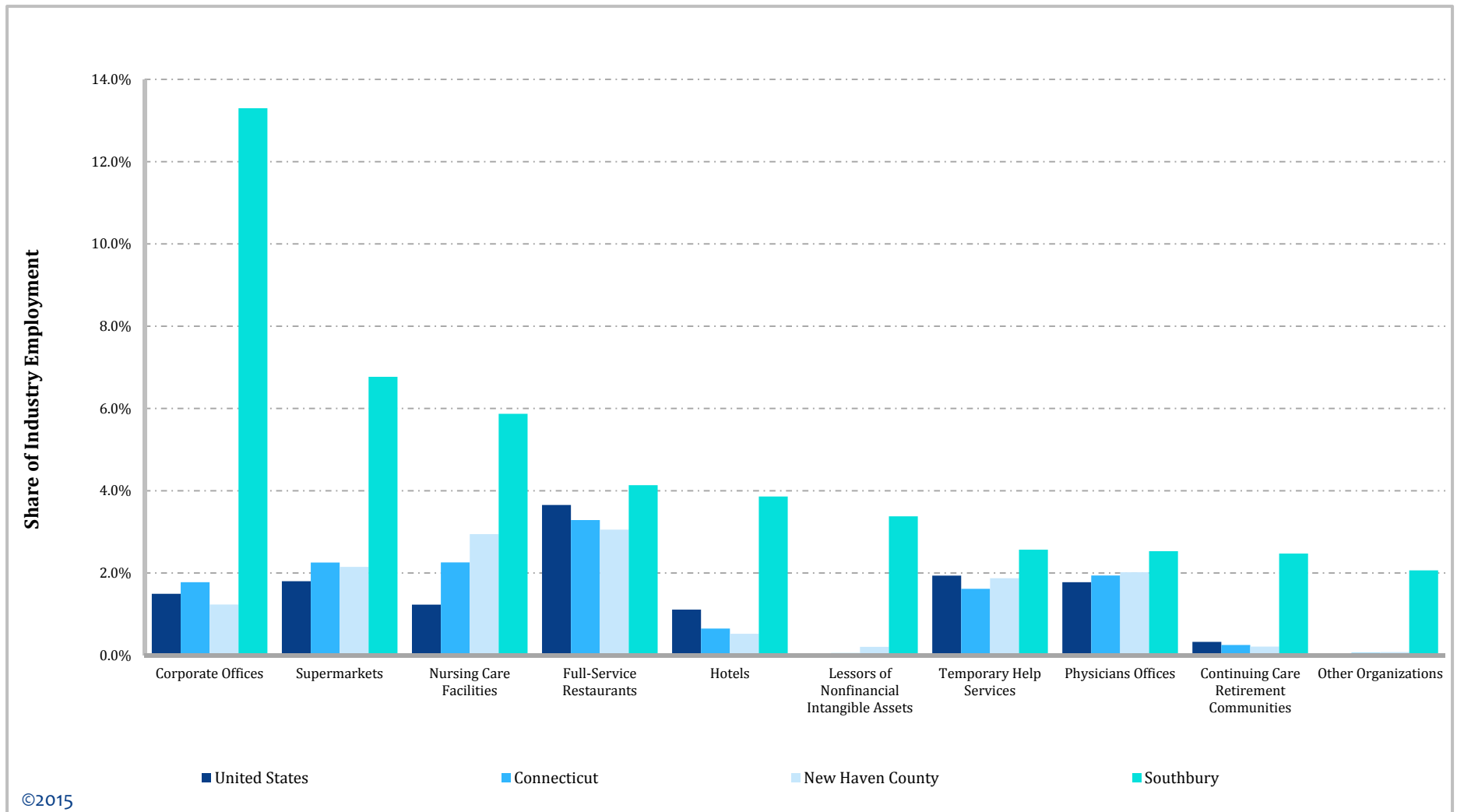
Source: LEHD Origin Destination Employment Statistics. United States Census Bureau: Longitudinal Employer-Household Dynamics. 2013.



# Top Industry Employment

## Industry Employment as a Percent of Total Employment

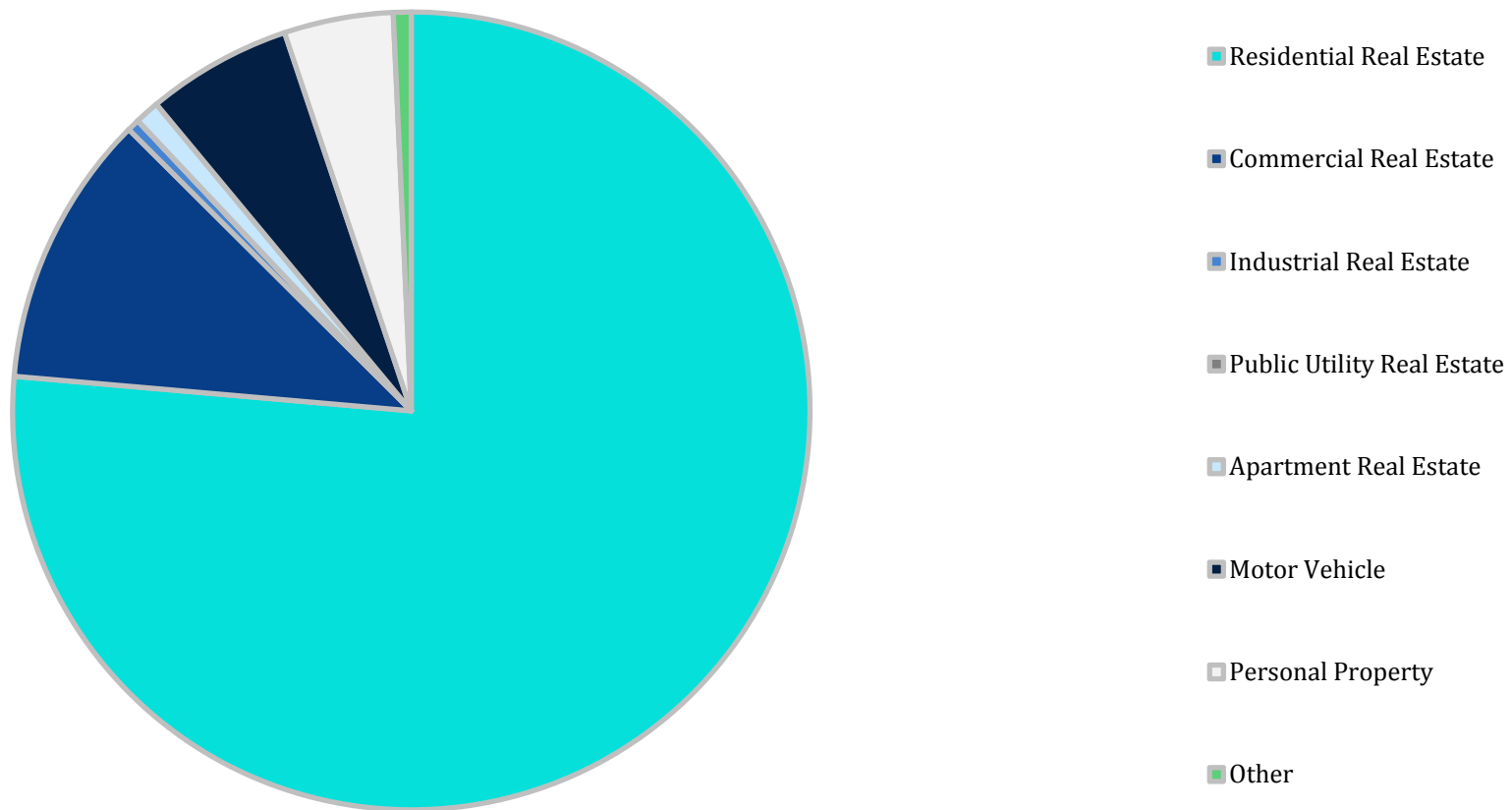
Source: QCEW Derived Estimates. Economic Modeling Specialists International. 2013.



# Distribution of Grand List

## Equalized Net Grand List by Property Category

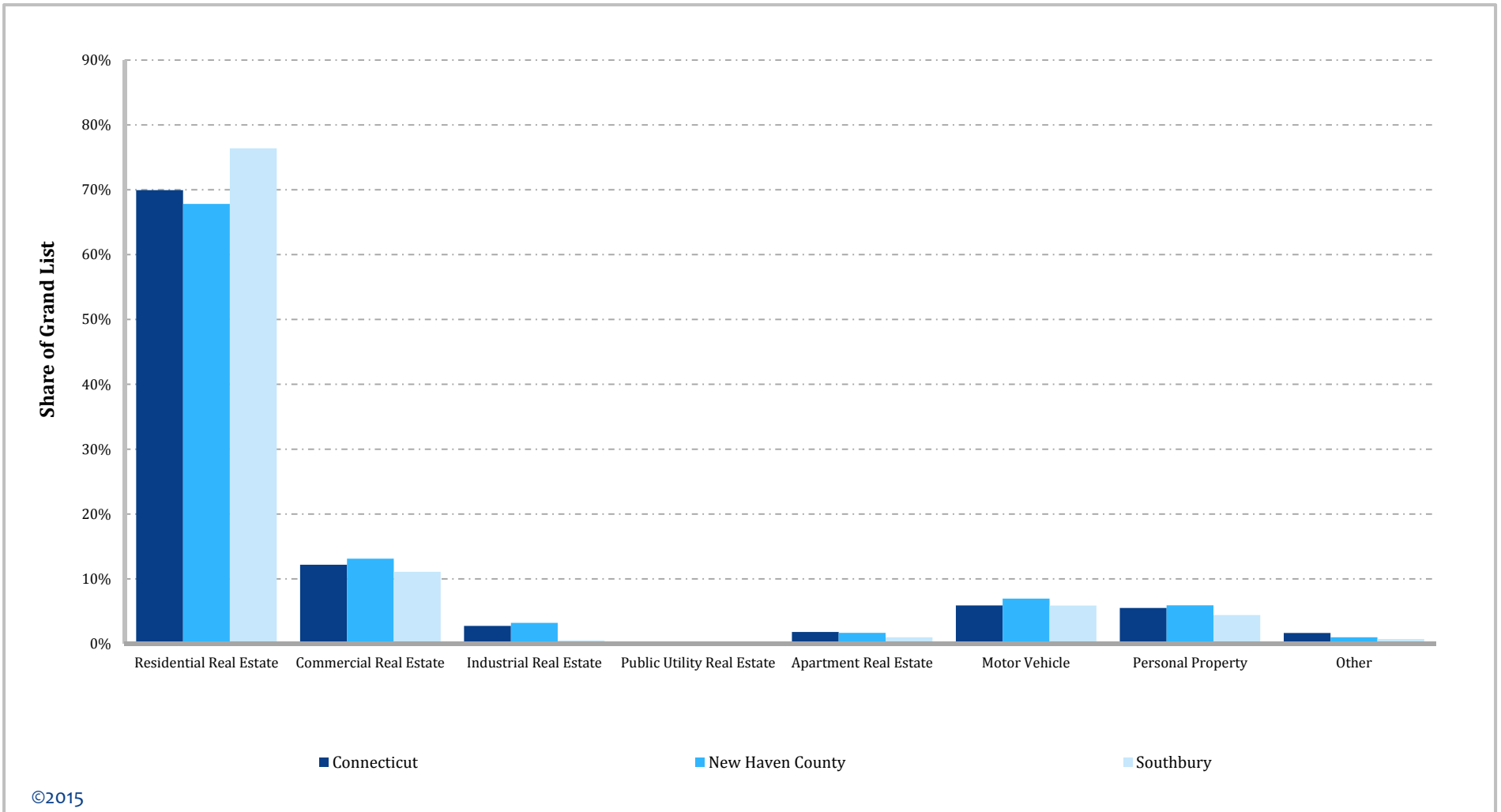
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2011.



# Distribution of Grand List

## Equalized Net Grand List by Property Category

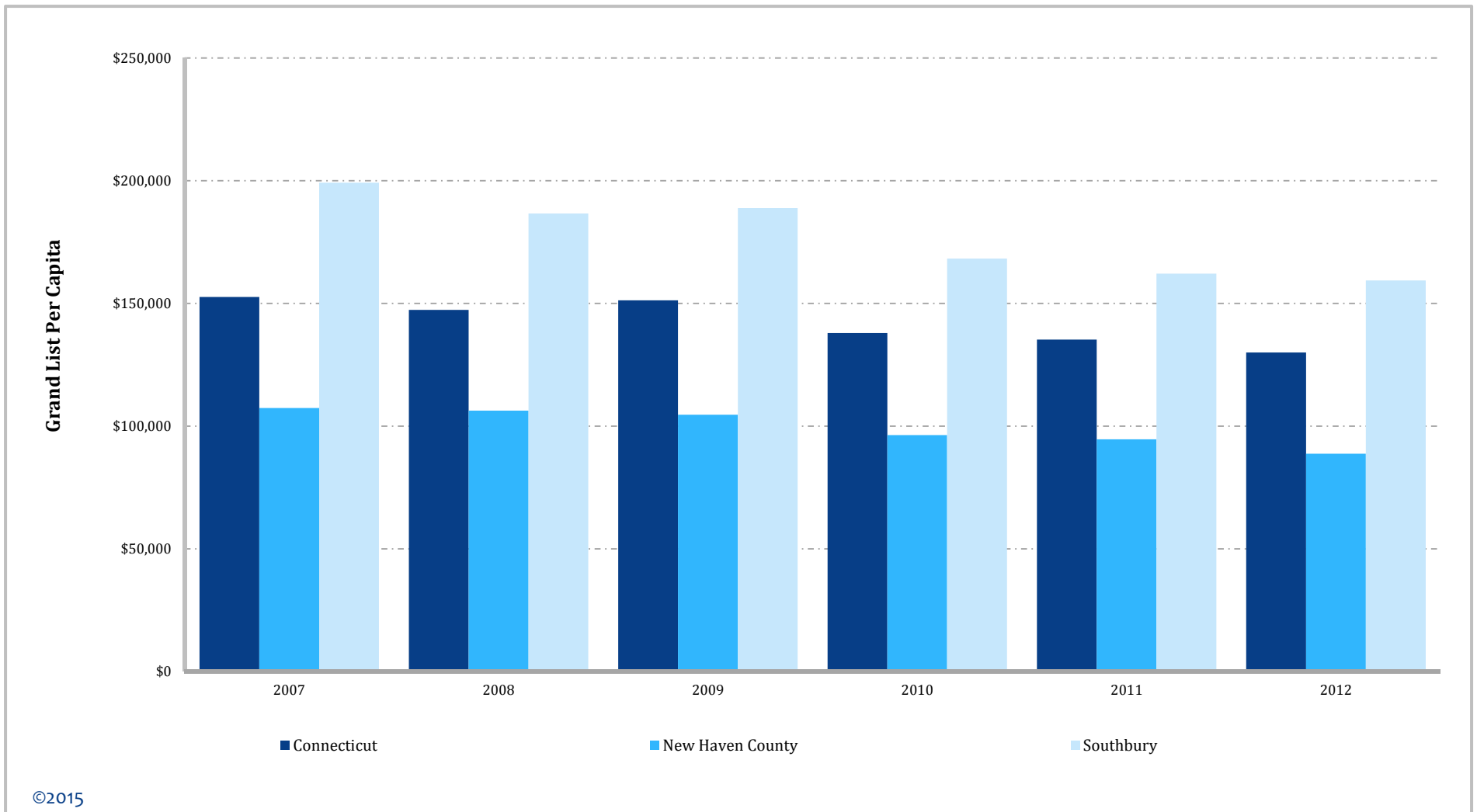
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2011.



# Equalized Net Grand List

## Total Equalized Net Grand List Per Capita

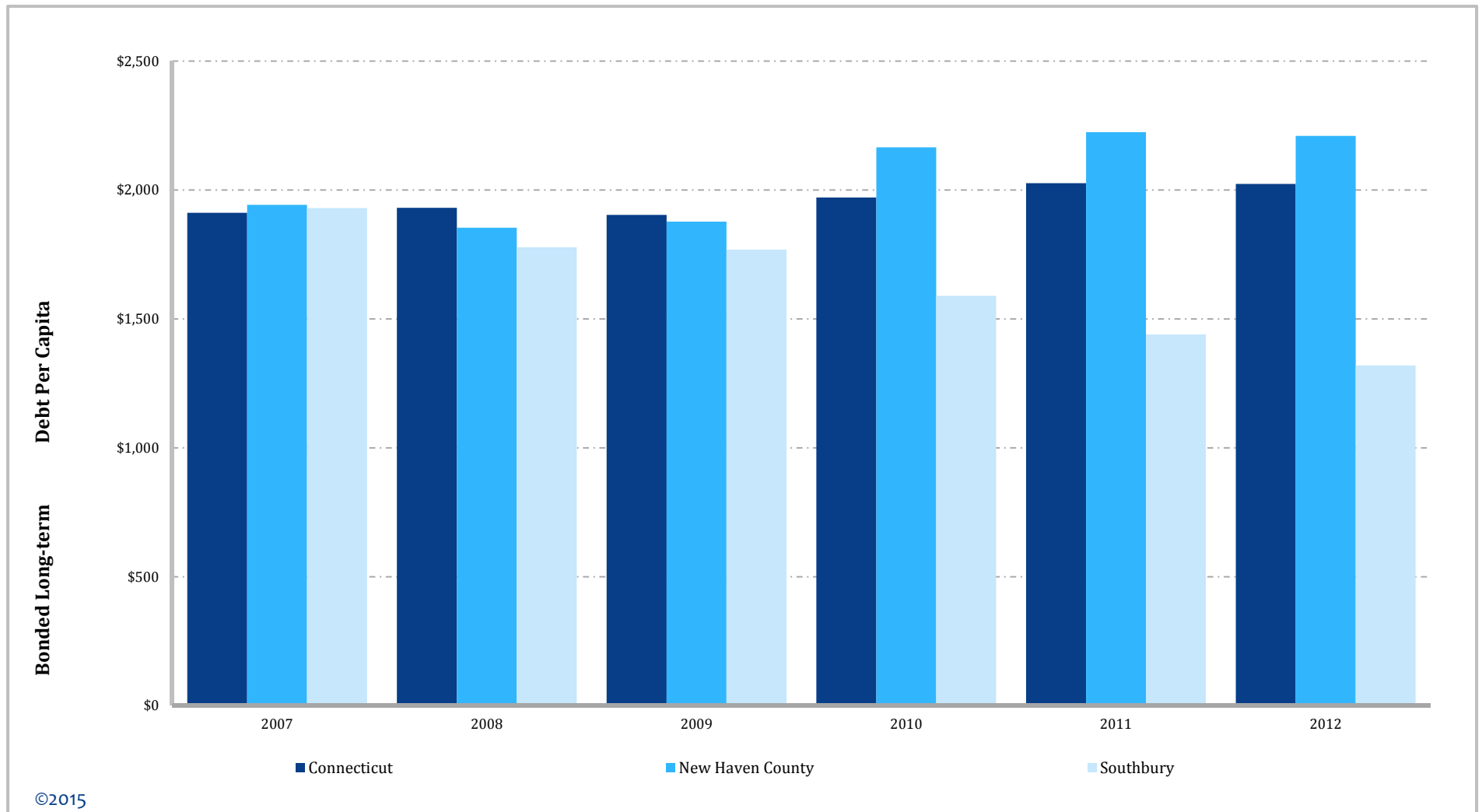
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2012.



# Bonded Long-term Debt

## Total Bonded Long-term Debt Per Capita

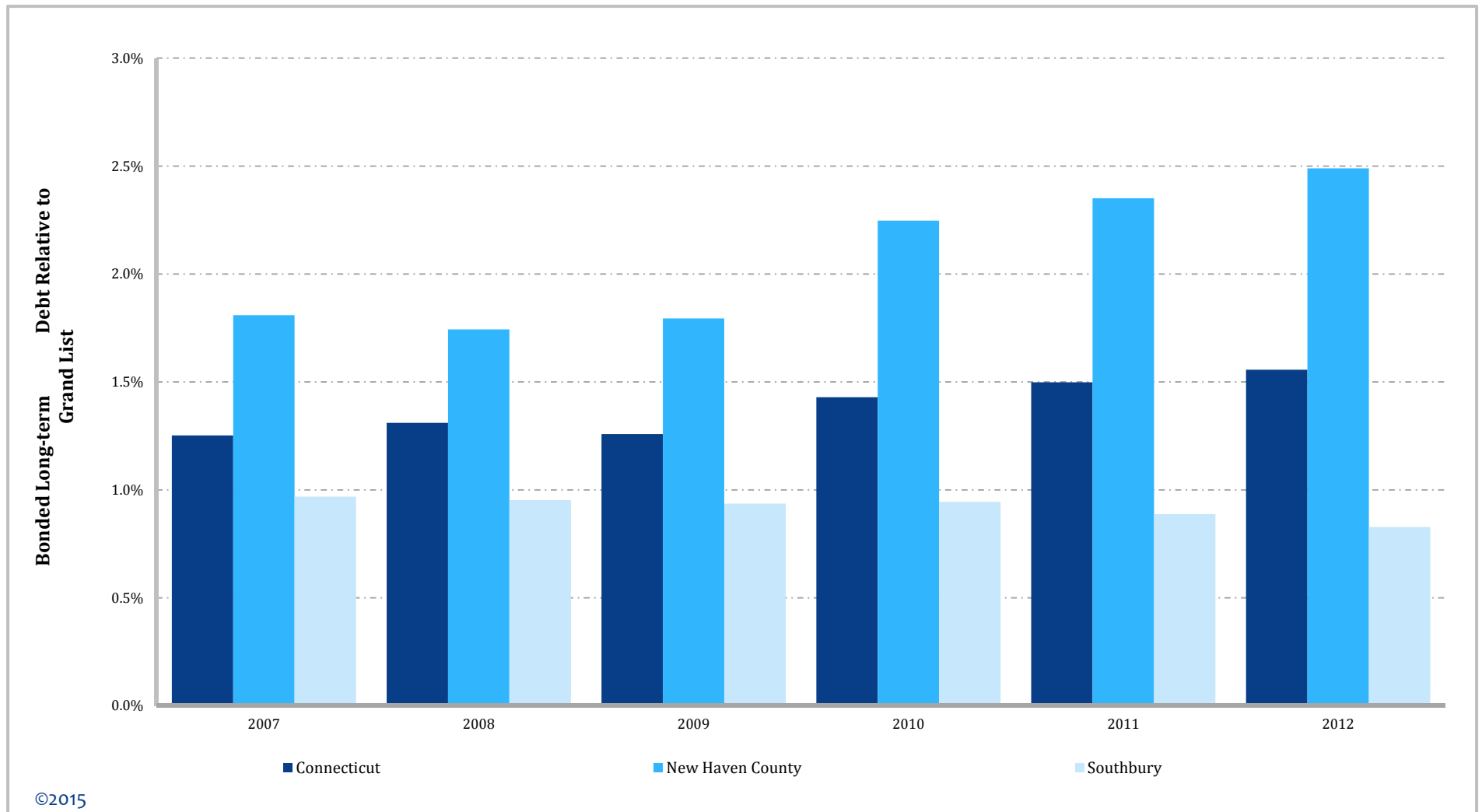
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2012.



# Debt as a Percent of Grand List

## Total Equalized Net Grand List Per Capita

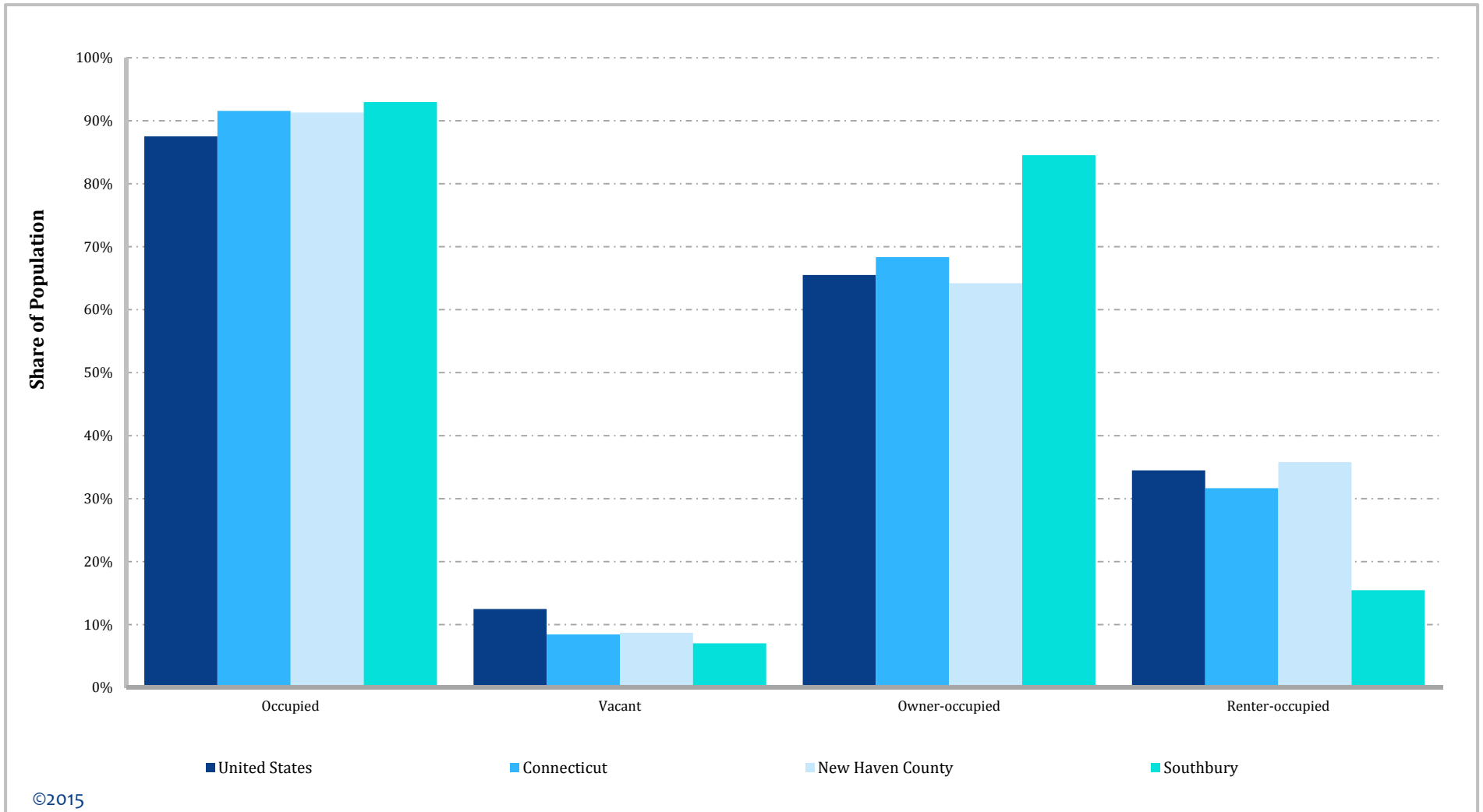
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2012.



# Housing Characteristics

## Percentage of the Housing Units by Type

Source: American Community Survey. United States Census Bureau. 2008-12.

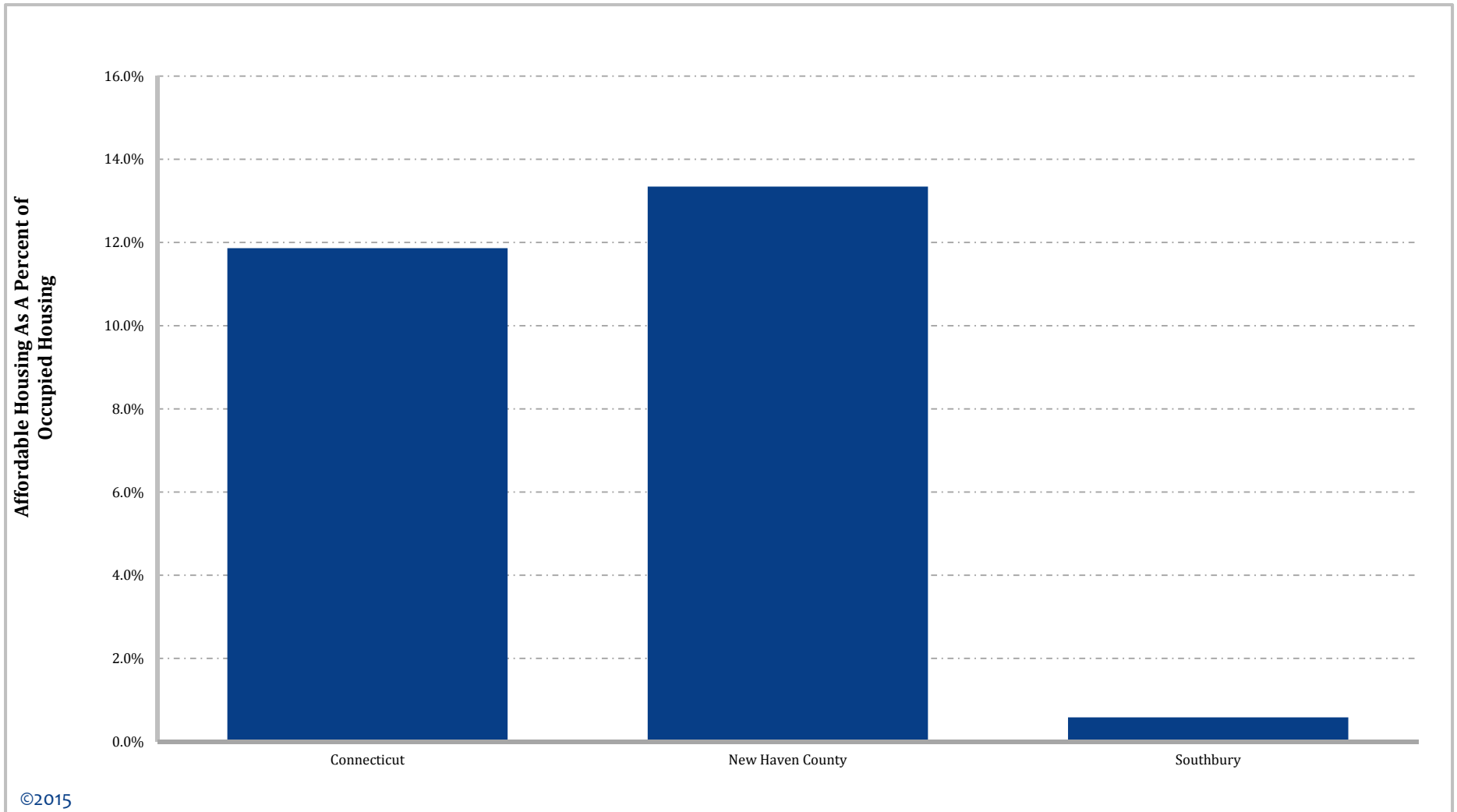




# Affordable Housing

## Percentage of the Housing Units that are Affordable

Source: Housing Data Profiles. Partnership for Strong Communities. 2013.



# Section 3

Roles and responsibilities of the town's  
“economic development team” - including  
strategic planning for development

Presented by Mark Barnhart

# Plan of Conservation and Development – ED Goals

- \* Provide for economic development that also supports in an advantageous manner a sound property tax base as the resident population grows and local government service needs and desires emerge.
- \* Provide for the best use of commercial and economic development sites already designated and in a manner that supports the country town character of Southbury, recognizes the proximity of the highway system character of most locations, avoids congestion in the streets, and avoids other adverse impacts upon the community.

# Plan of Conservation and Development – ED Goals (cont.)

- \* Maintain commercial and industrial zone patterns "as is." Do not change boundaries for the foreseeable future.
- \* Provide a wide range of goods and services desired by residents and which encourage residents to trade in Town.
- \* Avoid the occurrence of a regional center for shopping, while recognizing that small-scale inter-town trade with neighboring towns will occur.

# 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
  - Nonprofits including chambers
  - 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

# Strategic Elements

- Vision & Goals
- Needs Assessment
- Strengths & Weaknesses
- Stakeholder Involvement
- Regulatory Environment
- Communicating Your Strategy

# Be Transformational!

- \* Be Pro-active, Strategic and Successful
  - Who you want to target
  - What you want to achieve
  - Where in town you will concentrate business
  - When
  - Why
  - How



# 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

# 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

# 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.*

# Where to go from here?

## Questions or Comments?

CERC.com, @CERCInc

CEDAS.org, @CTCEDAS

CTMainStreet.org, @CTMainSt

MetroHartford.com, @MetroHartford

