

COMMUNITY DEVELOPMENT

The Economic Developer's "Other Job"

Mark D. Waterhouse, CEcD
President

Garnet Consulting Services, Inc.

157 Park Road, Pleasant Valley, CT 06063

Phone/Fax: 860-379-7449

E-mail: mwaterhouse@snet.net

A LITTLE HISTORICAL PERSPECTIVE

- ❖ The case of the purloined smithy
- ❖ Ben Franklin (or was it Alexander Hamilton?)
- ❖ Abraham Lincoln
- ❖ Railroads and electric companies
- ❖ The Chamber of Commerce movement

DEFINITIONS, CONCEPTS AND RELATIONSHIPS

The 4 Ds

- I.D.
- E.D.
- C.D.
- S.D.

I.D. INDUSTRIAL DEVELOPMENT

- ❖ What does it mean?
- ❖ Why was that important?

E.D. ECONOMIC DEVELOPMENT

- ❖ The formal definition: “The process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services.”
- ❖ The common definition:

E.D. ECONOMIC DEVELOPMENT

- ❖ The role of the economic developer: “To influence the process for the benefit of the community through expanding job opportunities and the tax base.”
- ❖ Process vs. Practice

IMPORTANT CHANGES OVER TIME

- ❑ In primary activities
 - ACRE
 - REACT

- ❑ In targets

- ❑ In primary responsibilities

CHANGES IN PRIMARY ACTIVITIES

❖ Business

Attraction

Creation

Retention

Expansion

❖ Business

Retention

Expansion

Attraction

Creation

Transition

CHANGES IN TARGETS

Don't Look at the Next Slide

What Economic Development Targets
Are Your Communities Going After?

CHANGES IN TARGETS

- ❑ Basic Manufacturing
- ❑ Tech Manufacturing
- ❑ Warehouse/
Distribution
- ❑ Offices
 - ❑ Corporate
 - ❑ Regional
 - ❑ Back
- ❑ R&D
- ❑ Services
 - ❑ Personal
 - ❑ Business
- ❑ Tourism/Hospitality
- ❑ Retail
- ❑ Education
- ❑ Agriculture
- ❑ Government

CHANGES IN PRIMARY RESPONSIBILITIES

❖ The Decades of Economic Development

- 1970s and before -- Marketing Management
- 1980s -- Growth Management
- 1990s -- Environmental Management
- 2000s - 2010s -- Relationship Management
-- Technology Management

PRIMARY REASONS COMMUNITIES INVEST IN ECONOMIC DEVELOPMENT

1. Jobs
2. Tax Revenues
3. Conveniently available goods and services
4. Other community improvements

C.D.

COMMUNITY DEVELOPMENT

From Wikipedia

- ❖ **Community development**, often abbreviated as CD, and informally called community building, is a broad term applied to the practices and academic disciplines of civic leaders, activists, involved citizens and professionals to improve various aspects of local communities.
- ❖ Community development seeks to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities.

C.D. COMMUNITY DEVELOPMENT

❖ What is a community?

❖ What is development?

DEFINITIONS OF COMMUNITY DEVELOPMENT

- ❖ A simple definition of community development: Any change that affects the people living in a community
 - You are an agent of change
- ❖ An Economic Development definition: Efforts to improve the community to make it a more competitive product and desirable location for economic development investment

S.D. SUSTAINABLE DEVELOPMENT

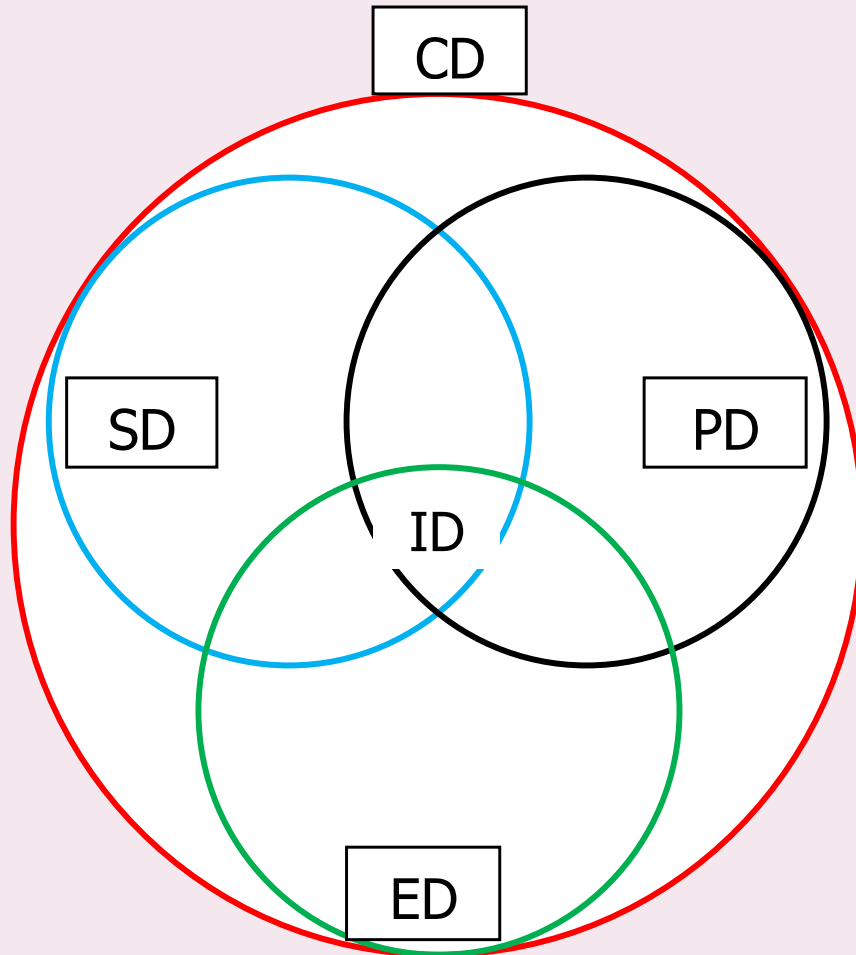
“...to meet the needs of the present without compromising the ability of future generations to meet their own needs.”

The Brundtland Commission, 1987, 2002

INTERRELATIONSHIPS

- ❖ The Old Model (the Ballentine 3 ring sign)
- ❖ The Current Model

THE 3-RING SIGN



INTERRELATIONSHIPS

- ❖ The Current Model
- ❖ The community is both the seller and the product being sold
 - Communities are commodities
 - 3,034 U.S. Counties
 - 19,424 Incorporated Cities/Towns/Villages

WHAT ECONOMIC DEVELOPERS NEED TO KNOW TO DO THEIR JOBS

❖ About the Economic Development Profession:

- ❑ Interdisciplinary

- ❑ Rapidly Changing
 - Tools
 - Terms

- ❑ Multi-hatted

- ❑ The Need for Continuing Education

DISCIPLINES WE NEED TO KNOW ABOUT

Don't look at the next slide

What disciplines do you use or think you will use regularly in your economic development work?

DISCIPLINES WE NEED TO KNOW ABOUT

- ❑ Economics
- ❑ Geography
- ❑ Government/Politics
- ❑ Marketing
- ❑ Real Estate
- ❑ Engineering/
Construction
- ❑ HR/Labor
- ❑ Education/Training
- ❑ Communications
 - ❑ Written
 - ❑ Public Speaking
- ❑ Research/Statistics
- ❑ Finance
- ❑ Business Administration
- ❑ Law

RAPIDLY CHANGING

- ❖ New Terms
- ❖ New Tools
- ❖ New Responsibilities

THE MANY HATS OF THE ECONOMIC DEVELOPER

❖ Some Examples

- ❑ Community Planner
- ❑ Environmentalist
- ❑ Policy Shaper
- ❑ Catalyst & Convener
- ❑ What else would you put on this list?

THE NEED FOR CONTINUING EDUCATION

❖ Where do you go from here?

❑ OU Economic Development Institute

-OR-

❑ IEDC Courses

❑ Professional Certification - CEcD

❑ Life-long learning

WHAT ECONOMIC DEVELOPERS NEED TO KNOW TO DO THEIR JOBS

❖ About their Communities:

- ❑ The Community *is* the Product
- ❑ Community Evaluation Topics
- ❑ Trade-offs - the costs and benefits of development

COMMUNITY EVALUATION TOPICS

Don't Look at the Next Slide

What are the Major Aspects of a Community Companies Evaluate When Considering a New Location or Comparing Their Current One with Alternatives?

COMMUNITY EVALUATION TOPICS

- ❑ Market Access
- ❑ Labor Force
- ❑ Education
- ❑ Transportation
- ❑ Utilities
- ❑ Business Climate
- ❑ Taxes
- ❑ Public Facilities & Services
- ❑ Available Sites & Buildings
- ❑ Capital & Incentives
- ❑ Parts/Supplies/Services
- ❑ Quality of Life

COMPARING COMMUNITY ATTRIBUTES WITH POTENTIAL TARGETS

- ❖ The Community Fit Matrix
- ❖ See the next slide and the separate handout

COMMUNITY FIT MATRIX

How Well Do These Uses → Match With These Attributes of Our Community? ↓	TYPE OF BUSINESS (See Use Code Below)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Market Access (Location)	3	6	5	0	5	7	7	6	NA	3	4	3	7	
Availability of Materials/Parts/Services/Supplies	5	7	6	NA	5	5	2	5	5	5	5	5	7	
Labor	4	6	5	7	2	4	7	6	5	5	3	6	NA	
Transportation	3	5	4	5	5	5	6	5	6	5	5	5	6	
Utilities	2	4	4	7	2	4	NA	5	5	5	NA	2	NA	
Available Capital and Incentives	3	4	4	4	3	3	2	2	2	2	2	2	3	
Available Sites and Buildings	1	4	3	2	2	4	NA	4	4	4	4	2	NA	
Quality of Life	8	8	8	8	8	8	10	NA	NA	8	NA	8	NA	
Business Climate	5	7	7	3	5	7	8	5	5	5	2	4	7	
Community Services and Facilities	8	8	8	8	8	8	8	8	8	8	8	8	8	
Public Acceptability	5	9	9	2	4	9	8	7	7	7	3	5	10	
TOTAL POINTS	47	68	63	46	49	64	58	53	47	57	36	50	48	
FIT SCORE (Total Points ÷ # of cells with points)	4.3	6.2	5.7	4.6	4.5	5.8	6.4	5.3	5.2	5.2	4.0	4.5	6.9	

USE CODE	
Use #	Type of Use
1	Basic Manufacturing – Large
2	Basic Manufacturing – Small
3	Technology Manufacturing
4	Distribution
5	Office
6	R&D
7	Tourism
8	Retail
9	Services – Personal
10	Services – Business
11	Agriculture
12	Educational Services
13	Cottage Industry
14	Other Types as Appropriate

KEY FOR POINT SCORES
10 = Very Strong Match
0 = Business Type Incompatible with Community Characteristic
NA = Community Characteristic Not Applicable to Business Type

TRADE-OFFS

DON'T LOOK AT THE NEXT SLIDE

❖ Good things

❖ Bad things

TRADE-OFFS: POSSIBLE IMPACTS & DOWNSIDES OF E.D.

❖ Good Things

- ❑ Jobs
- ❑ Taxes
- ❑ # of Tourists
- ❑ Retail Sales
- ❑ Desired community services & goods

❖ Bad Things

- ❑ Stress on Services
- ❑ Environmental Impacts
- ❑ Traffic
 - ❑ Congestion
 - ❑ Safety
- ❑ Waste
 - ❑ Solid
 - ❑ Hazardous
- ❑ Loss of Greenspace
- ❑ **CHANGE**

WHAT ECONOMIC DEVELOPERS REALLY DO TODAY

- ❖ Functions of the full-service EDO
- ❖ Floccinaucinihilipilification
- ❖ The Essence of Economic Development

FULL SERVICE EDO FUNCTIONS

- ❖ Research & Information
- ❖ Marketing & Promotion
- ❖ Financing & Incentives
- ❖ Training & HR Programming
- ❖ Site location assistance & development
- ❖ Market development
- ❖ Technical assistance
- ❖ Long range planning
- ❖ Ombudsman & community organizer
- ❖ Catalyst & convener

FLOCCINAUCINIHIPIILIFICATION

Anybody know what this means?

FLOCCINAUCINIHIPIILIFICATION

- ❖ The action or habit of estimating something as worthless
- ❖ Are we guilty of causing this to happen?

THE ESSENCE OF ECONOMIC & COMMUNITY DEVELOPMENT

Your Mission -
Should You Choose to Accept It
Build Better Communities

- To Live
- To Work
- To Play
- To Run a Business

BETTER YET

Your Mission -
Should You Choose To Accept It

**Build Successful
Communities**