

Managing an Effective Economic Development Organization

New England

Economic Development Course

September 13, 2011

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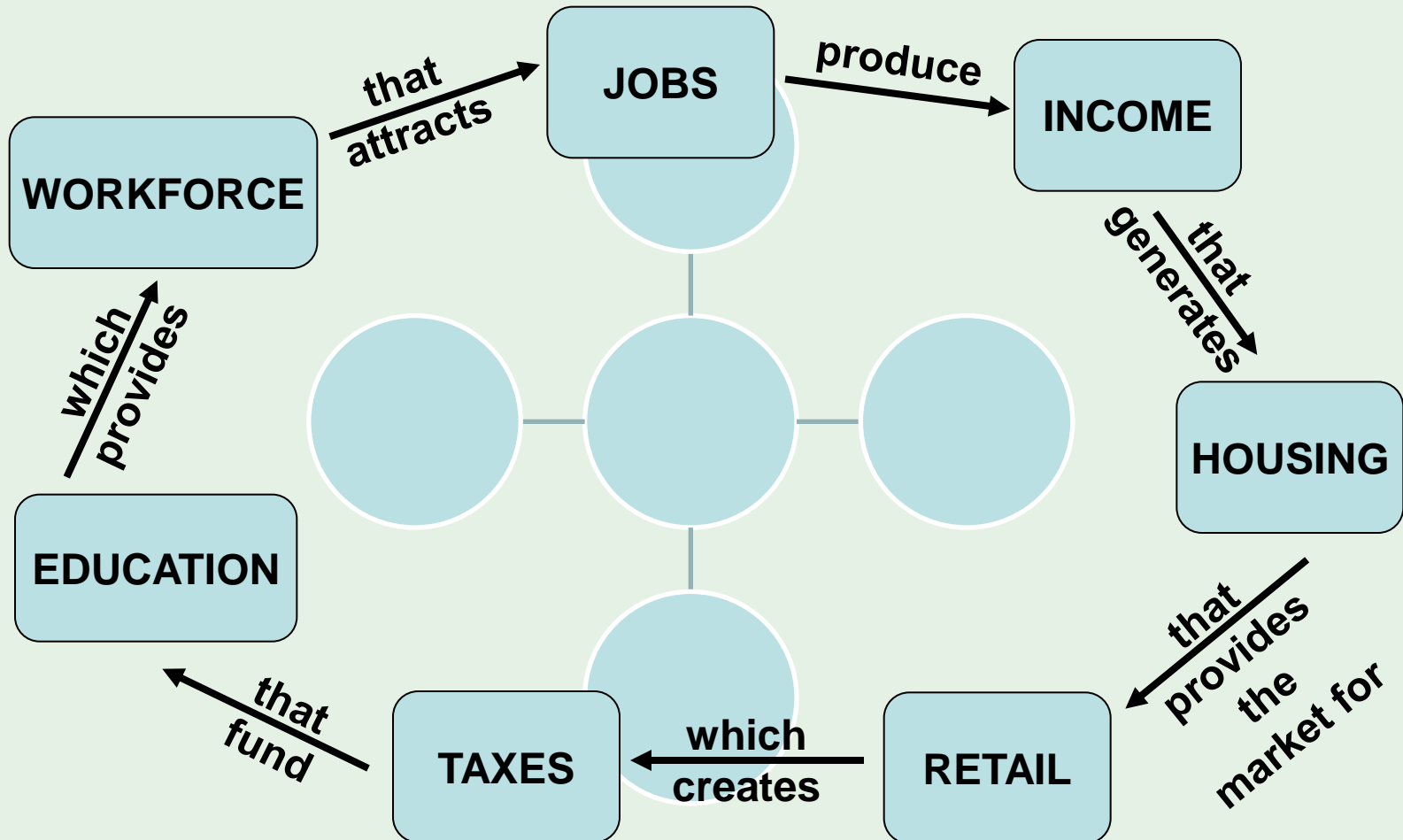
Seymour-Jackson County, Indiana

www.jcidc.com

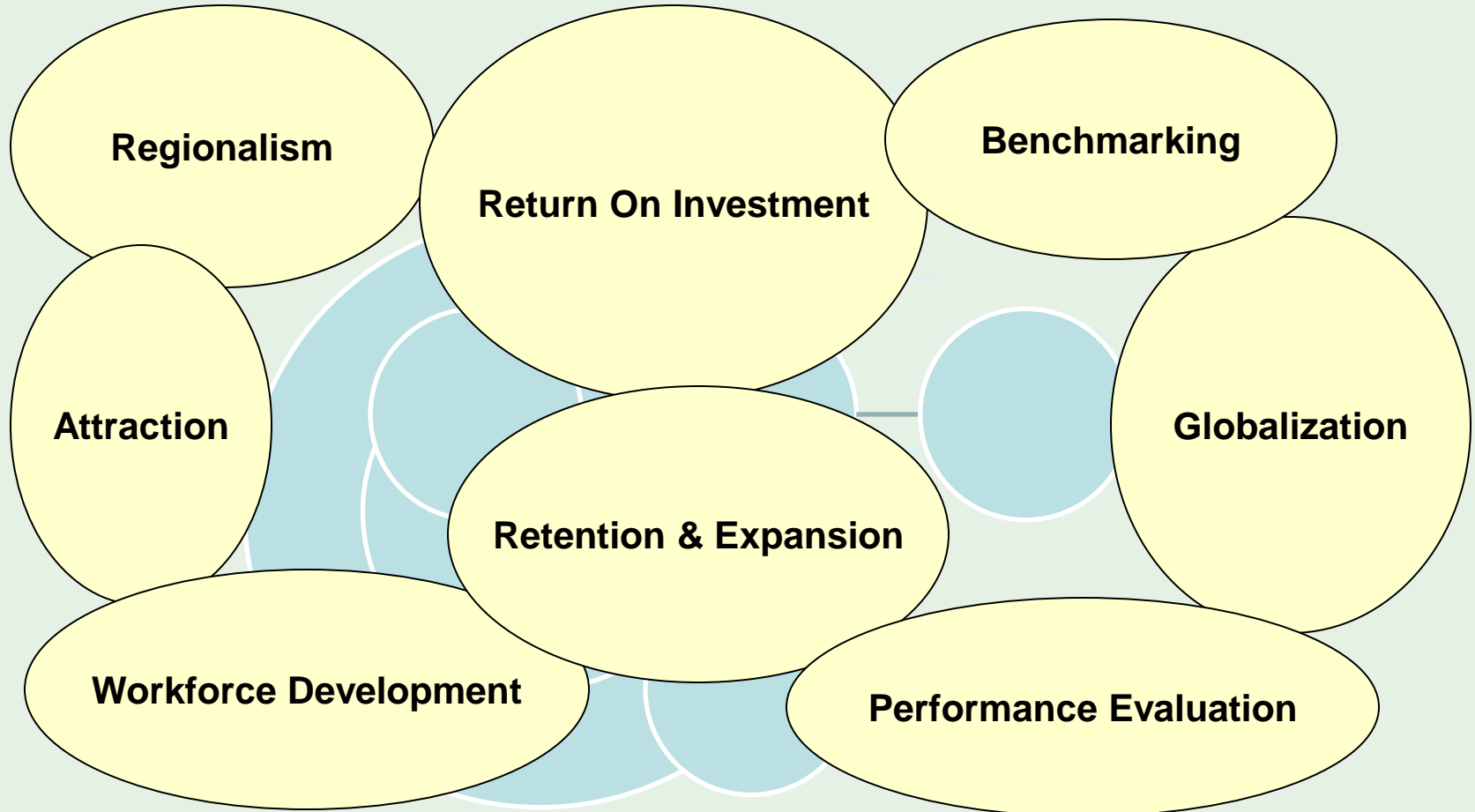
Outline

- **Overview of Economic Development**
- **Types of organizations**
- **Advantages/disadvantages**
- **Role of ED practitioner**
- **Role of Board members**
- **Case study of JCIDC**
- **Regionalism**
- **Trends**

Economic Development “101”



Economic Development Trends



Types of Organizations

EDOs may not fall neatly into one category

- State/Local/Federal Government**
- Public-Private not-for-profits**
- Chambers of Commerce**
- Port Authorities**
- Utility companies**
- Regional marketing/planning organizations**
- Development/Redevelopment organizations**
- Colleges/Universities**

Public ED Organizations

- **Established in variety of ways:**
 - Independent agencies
 - Local government departments
 - Part of one or more local departments
 - Part of Mayor's office

Advantages of Public Organization

Direct access to sources of public funding

Some have municipal powers

- **Taxing authority (TIF Zones)**
- **Eminent domain**
- **Ownership of land/Right of way**
- **Zoning/Regulatory powers**
- **Ability to construct and operate public facilities**
- **Direct access to planning, zoning public works resources, infrastructure**

Disadvantages of Public Organization

- **Direct Political influence**
- **Municipal debt limitations**
- **Prohibited from loaning money to private sector**
- **Elections can cause turnover/Inconsistent policies**

Private or Public/Private Organization

- **Also established in a variety of ways**
 - **As part of Chambers of Commerce**
 - **Community Development Corporations (CDC)**
 - **Tax exempt, 501(c)(3) or (c)(6)**

Advantages of Private Organization

- **Not directly related to political party**
- **Not directly accountable to broad constituency**
- **Organized to make decisions quickly**
- **Able to perform functions and activities in public interest without rules and regs of government**

Disadvantages of Private Organization

- **Lack power**
- **May lack public support**
- **Non-ED activities (i.e. Fundraising)**

Role of ED Board

- Policy help**
- Management help**
- Resource development**
- Program development**
- Program implementation help**
- Program accountability**

Role of ED Board

Development of leaders/volunteers

- Does the board:**
 - Take hands-on approach?**
 - Focus mostly on governance?**
 - Burp & belch?**
- Do you want to change it?**
 - Organize the work - not the people**
 - Your role in education of board and yourself**

Board Policies

- **Audits**
- **Conflict of Interest Statement**
- **Confidentially Statement**
- **Position Papers**
- **Staff Reviews**
- **Ethics Policy**

Role of ED Practitioner

Key issues you must address

- What does your board expect?
 - Is it realistic?

- What available resources do you have?
 - What resources do you need?

- Is your board active and inspired?
 - How do you retain or develop that?

- Is there a current strategic plan?
 - Yes? What is your scope of work?
 - No? Get one done!

Role of ED Practitioner

Don't forget about public relations

- Newsletter
- Newspaper articles
- Radio talk shows
- Service organizations
- Attend contributor meetings

Your Personal Development

Education Opportunities

- **Economic Development Institute (EDI)**
- **International Economic Development Council (IEDC)**
- **Regional ED organizations**
- **State ED associations**

Most offer training opportunities

Jackson County Industrial Development Corporation ... Seymour, Indiana

- Created in 1984 as non-profit 501(c)3**
- Main Focus:**
 - Business Retention & Expansion**
 - Business Attraction**
 - Workforce Development**
- 4-person staff**
- Governed by 4-member executive committee & 24 person board**
- More than 65 contributors**
- Total budget for 2011 is \$400,000 (Including Workforce Partnership)**

JCIDC Funding Breakdown

- ***2011 Budget:***
- Public Support: 32%
- Private Support: 50%
- Foundation/Grants: 17%
- Other: 1%

JCIDC Contribution Levels

| | |
|------------------------------|----------------------------|
| Board Level | \$5,000 & Up |
| Gold Level | \$2,000 - \$4,999 |
| Silver Level | \$1,000 - \$1,999 |
| Bronze Level | \$750 - \$999 |
| Contributor | Under \$750 |
| Workforce Partnership | Based on employment |

JCIDC Organization Chart



Organization Responsibilities

Executive Committee

1. Personnel
2. Annual Budget
3. Oversight of Other Committees

External Relations Committee

1. Annual Reception
2. Annual Golf Outing
3. Annual Churchill Downs Trip

Planning & Program Committee

1. Strategic Plan
2. New Programs
3. Retreat
4. Oversight of Workforce Partnership

Resource Development Committee

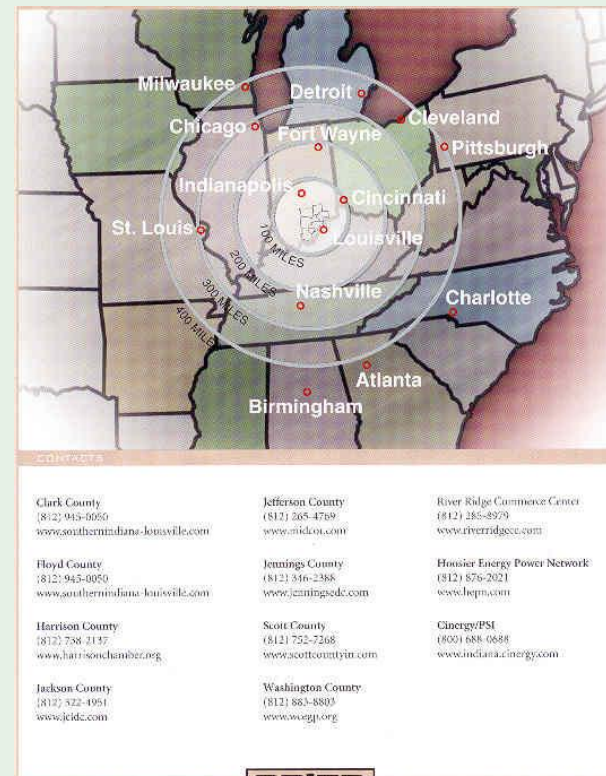
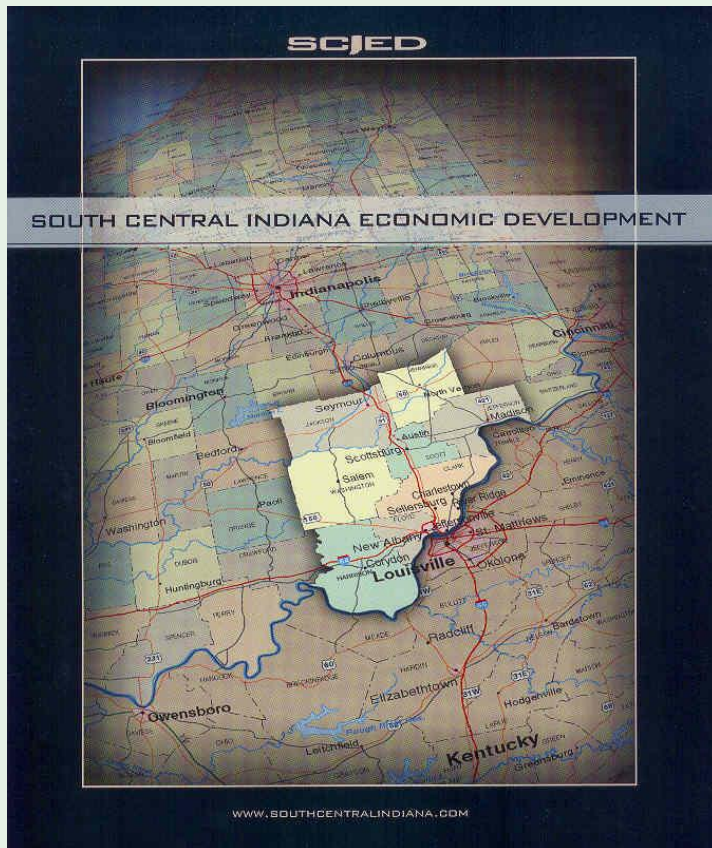
1. Fund-raising
2. Other Financial Issues
3. Oversight of Loan Committee

JCIDC Workforce Partnership

As a result of the strategic plan, JCIDC created the Jackson County Workforce Partnership in 1998. The goal is to bring industries, schools, local elected officials and economic development leaders together to make Jackson County employers more competitive.

- **20 Companies contribute to the partnership**
- **2011 Budget \$117,000**
- **Programs and highlights:**
 - **Educator Internship**
 - **The Business Profile**
 - **Workforce Brochure**
 - **School Programs: Job Shadowing, Senior Mock Interviews, 21st Century Business, Industry-To-School, Company Tours, Classroom Presentations, Career Day, Project Lead The Way, Dream It-Do It**

South Central Indiana ED 10-County Region



Regionalism

Why work with the “enemy?”

- Expands your own budget
- Companies/Consultants recognize areas more than cities or towns
- Creates larger area for statistics and demographics which will be “in play” anyway

A Word (or two) About Social & Mobile Media

- **Facebook**
- **LinkedIn**
- **Twitter**
- Social media uses web-based technologies to transform and broadcast into social media dialogues, and allow the creation and exchange of user-generated content. ...
Wikipedia

Social Media

- These are cloud-based applications designed to connect a “community” across any web-enabled device. Social media are designed for social interaction, using highly accessible and scalable publishing techniques. Social media are different from traditional media in that they allow a two-way interaction that can be done in real time, with some or all members of the community. Blogs, Twitter, YouTube, and Facebook are examples of social media.

Mobile Media

- This concept isn't so much about the medium as it is the device. The ability to receive a wide range of information, and fully engage from wherever you are, constitutes a mobile interaction. Mobile media are formatted (sometimes in the form of a mobile app) to allow communication to be received on today's smart mobile devices. Blackberry® and iPhone®, as well as digital tablets and pads, are such mobile devices

A Word (or two) About Economic Downturns

What is role of ED organization?

You are expected to be in the know

How can ED organization be pro-active?

Retention/Expansion program

National Trends

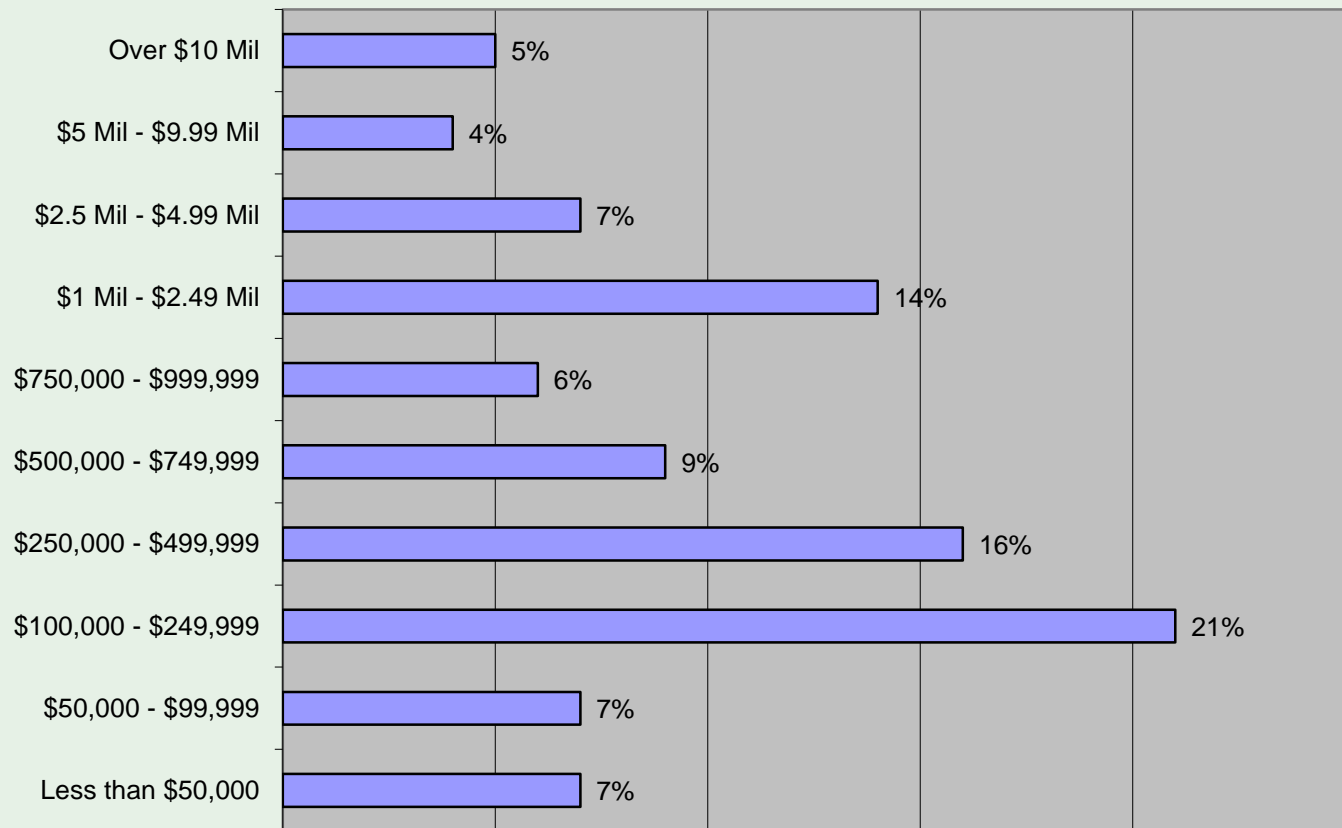
IEDC 2010 Salary Survey of Economic Development Professionals

Conducted by:

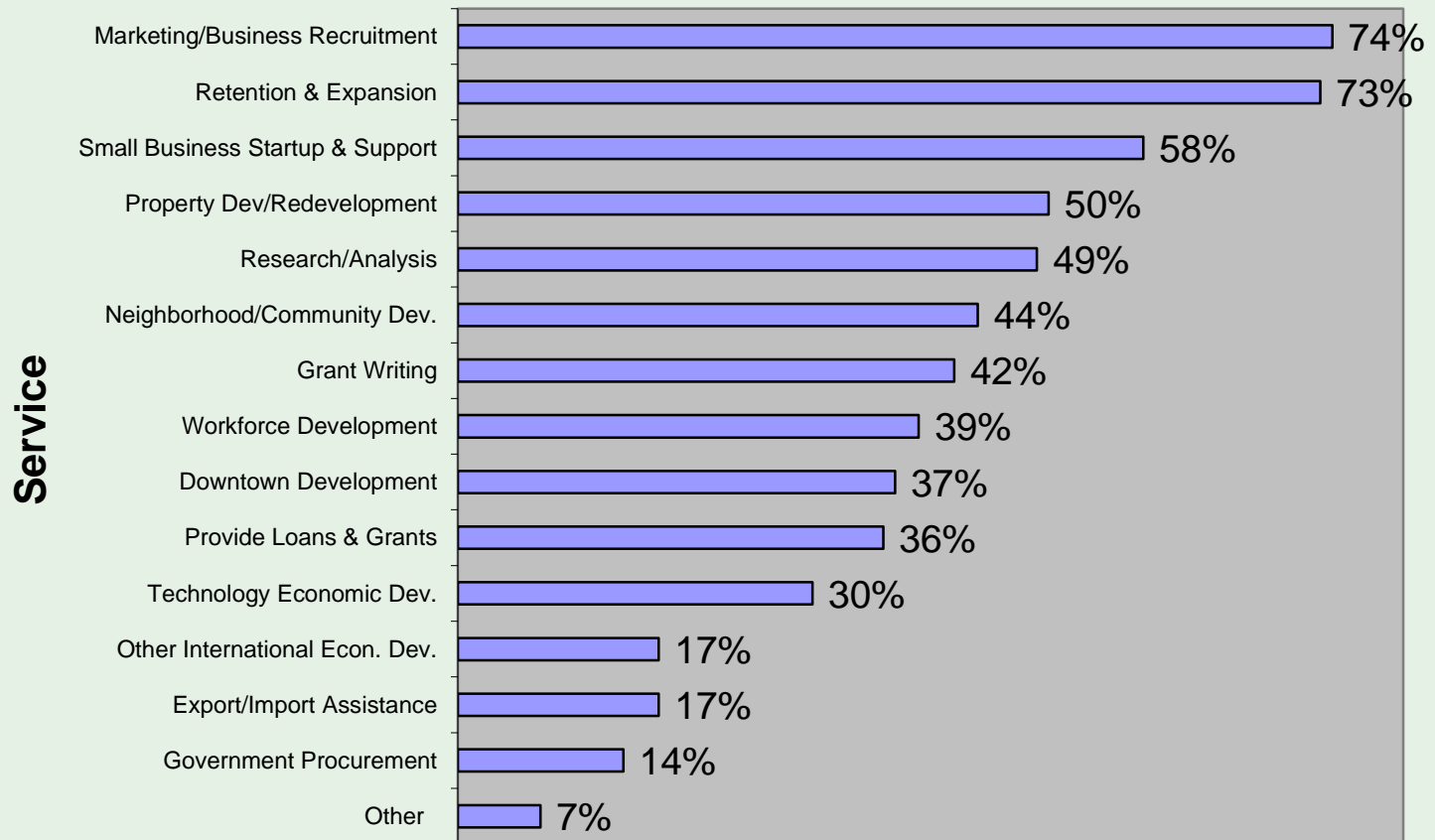
The International Economic Development Council (IEDC)

(Over 3,000 respondents)

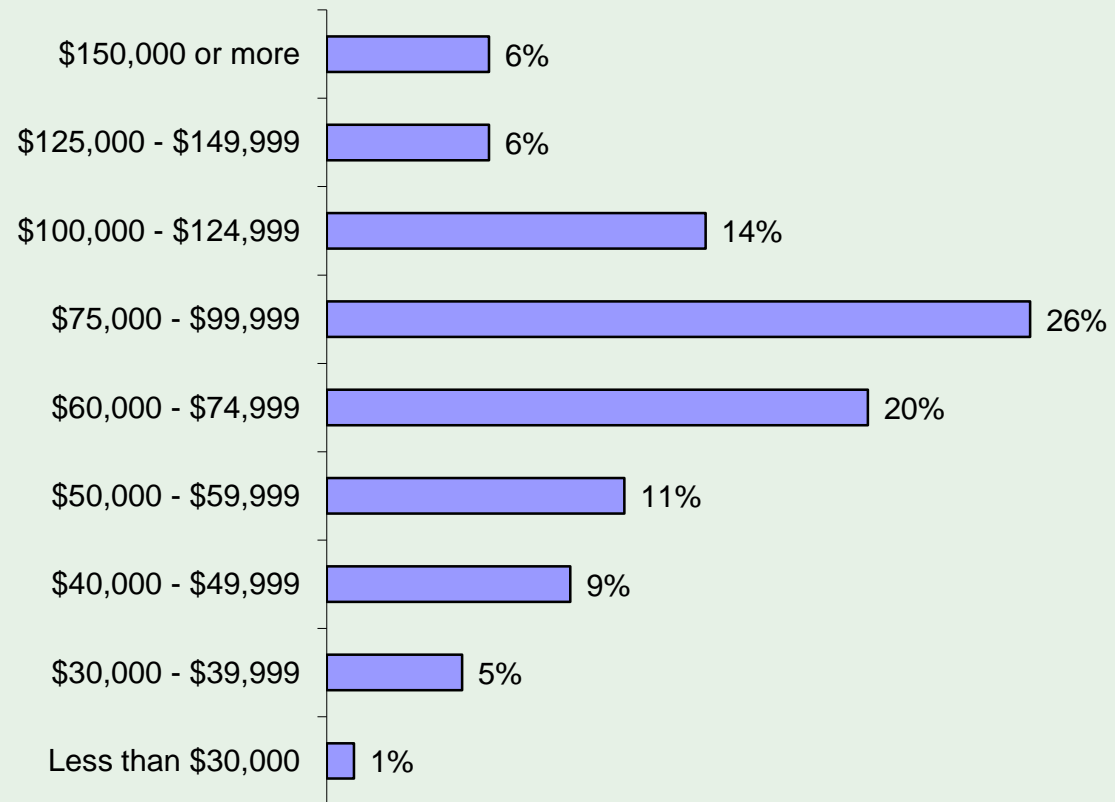
Annual Operating Budget



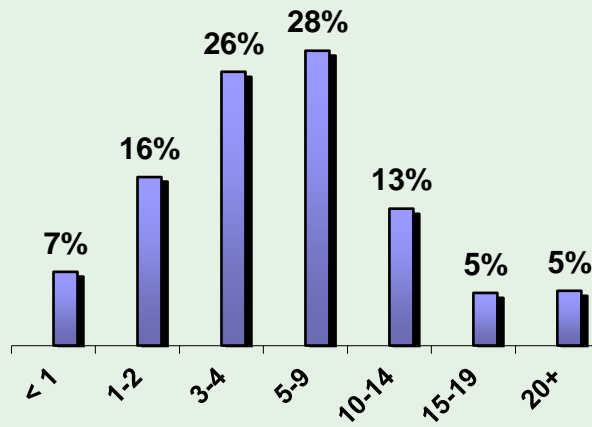
Services Provided



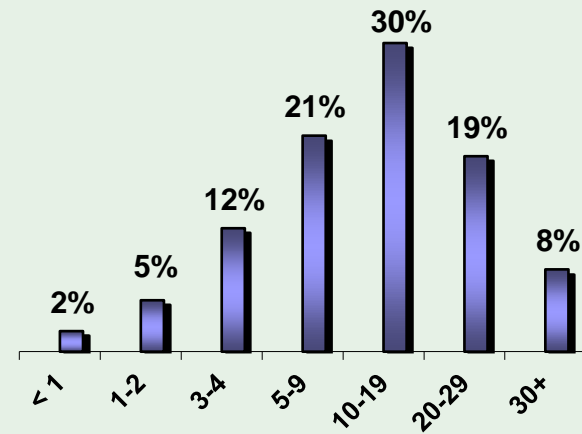
Annual Base Salary



Current Position Tenure (Years)



ED Experience (Years)



Typical Indiana ED Organization

- \$200-250K Budget
- 25-50K Population Jurisdiction
- Attraction & Retention
- 1-2 Employees
- 11-15 Person LEDO Board
- \$50-65K Salary
- 5-9 Years Experience
- 2-4 Years in Current Position

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