

Fundamentals of Municipal Economic Development

A Transformational Approach

North Haven - 4/29/15

Program Development Team



Agenda

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

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

- * Real estate development is transactional.
- * Economic development is becoming more transformative.
- * Towns and developers need help in speaking the same language.
- * Transactions need to fit into a community's transformational goals .
- * Knowing the real estate assets and market is important.

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CERC SiteFinder: Development concept plan in New Haven <http://t.co/Y7bpslmz7>
4/21/2015

CERC SiteFinder: "Our task was to try to create a sustainable market" - Carter Winstanley on development projects in New Haven
4/21/2015

CERC SiteFinder: Development currently happening in New Haven <http://t.co/Utul1JTvc3>
4/21/2015





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The Source For Commercial & Industrial Real Estate

Economic Development Definitions

Recruitment, Retention, Expansion

- * Business retention is your community's best option.
- * Entrepreneur support is a good option.
- * Keep business recruitment in perspective.
- * Understand your economic base.

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



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**

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

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

Asheville Big Box
vs. Downtown
Mixed-Use
Development

Courtesy of CT Main Street Center

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

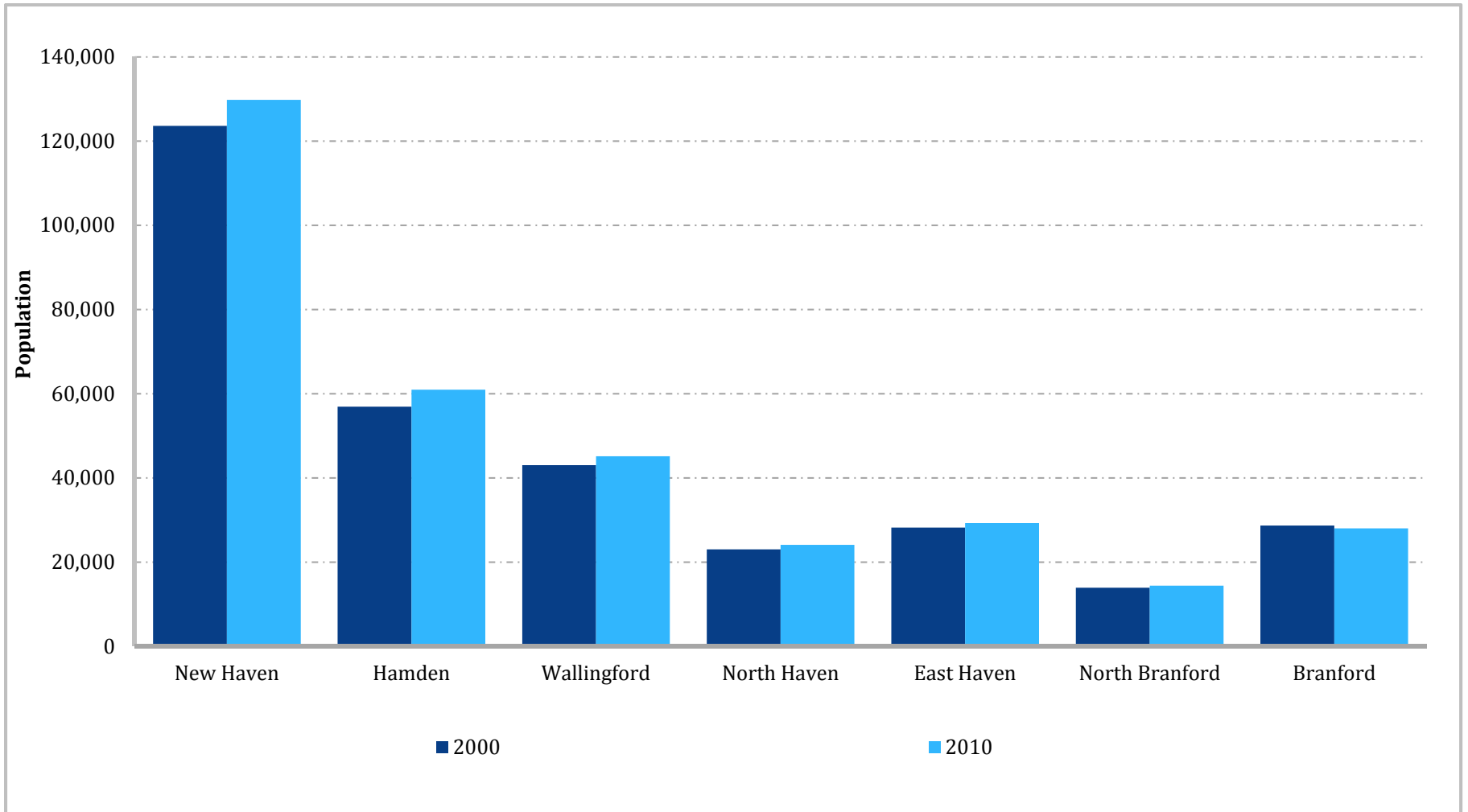
Overview of municipal economic indicators in a regional and state context

Presented by Alissa DeJonge

Population

Total Population of North Haven and Surrounding Towns

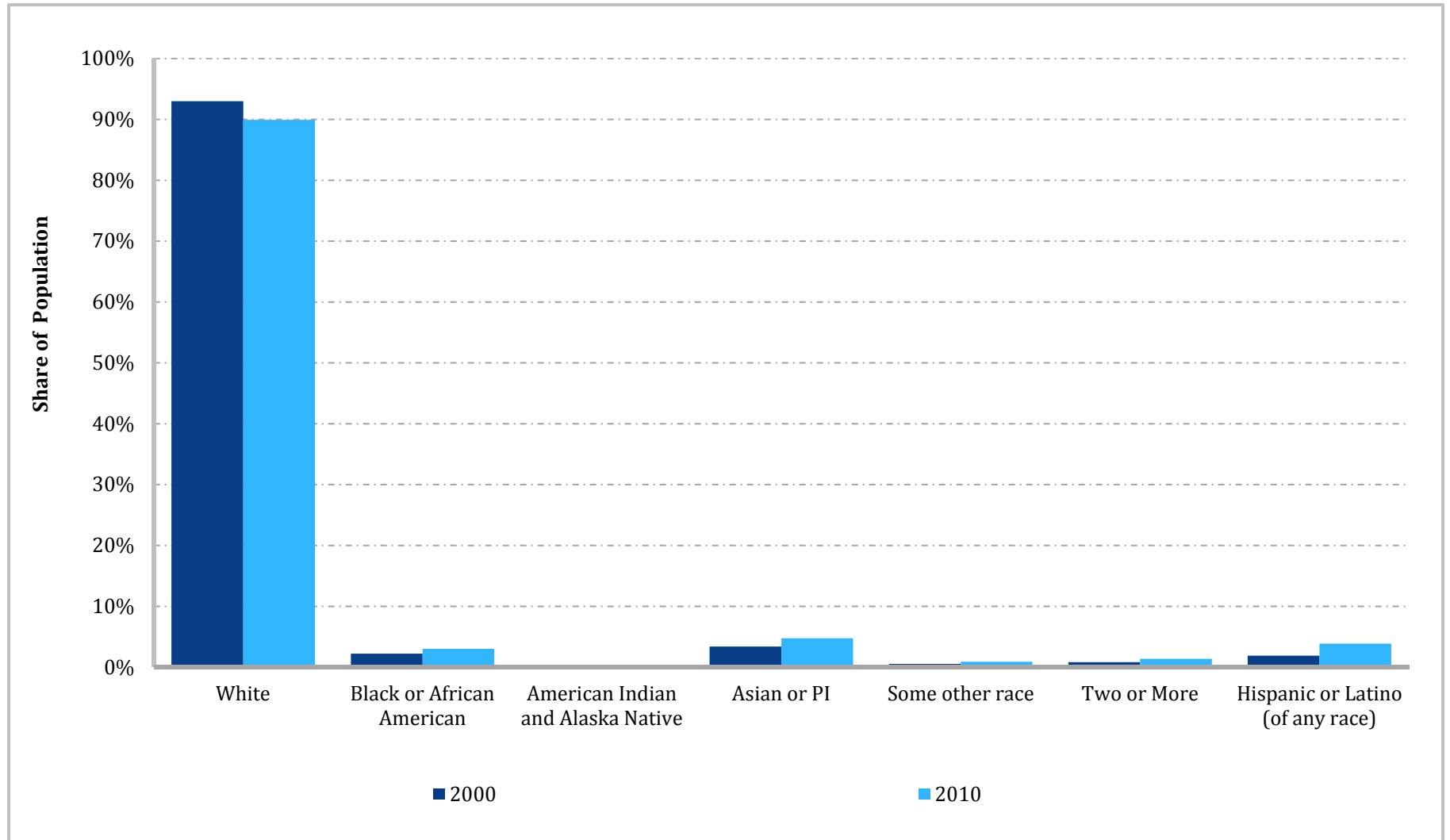
Source: Decennial Census. U.S. Census Bureau. 2000-10.



Demographic Trends

Total Population Count by Racial and Ethnic Group

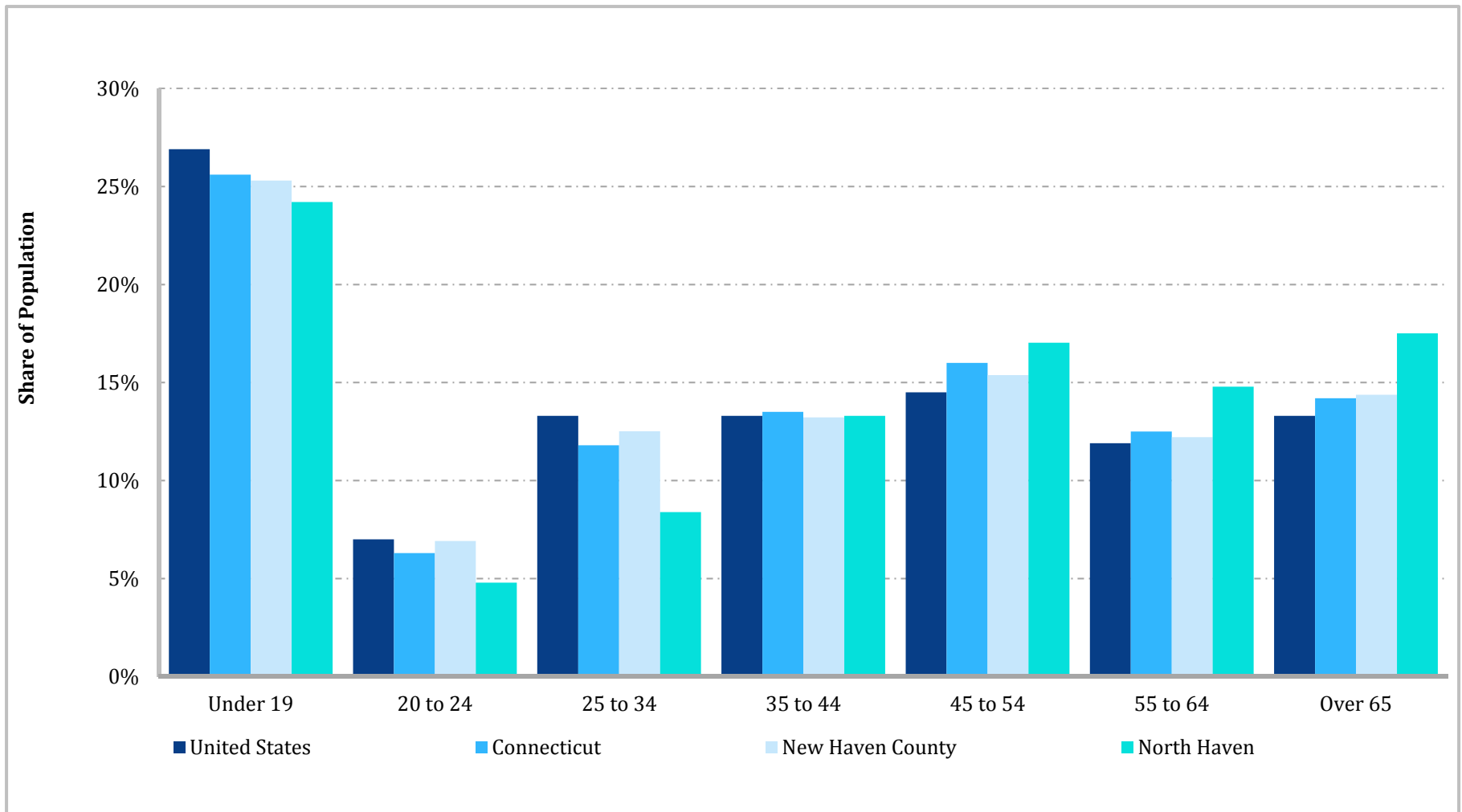
Source: Decennial Census. U.S. Census Bureau. 2000-10.



Distribution of Age

Percentage of the Population by Age

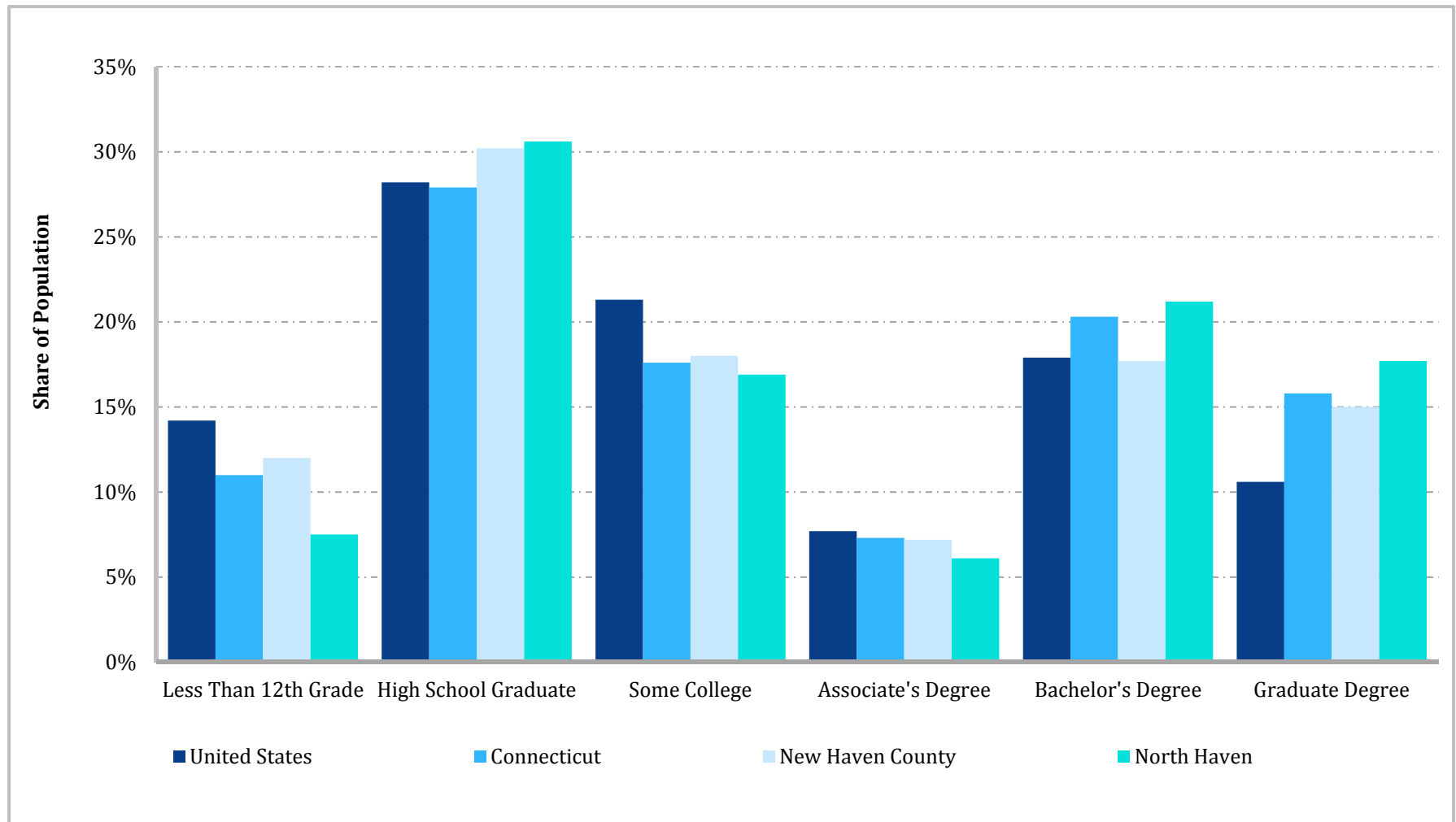
Source: American Community Survey, U.S. Census Bureau, 2008-12.



Distribution of Educational Attainment

Percentage of the Population by Educational Attainment

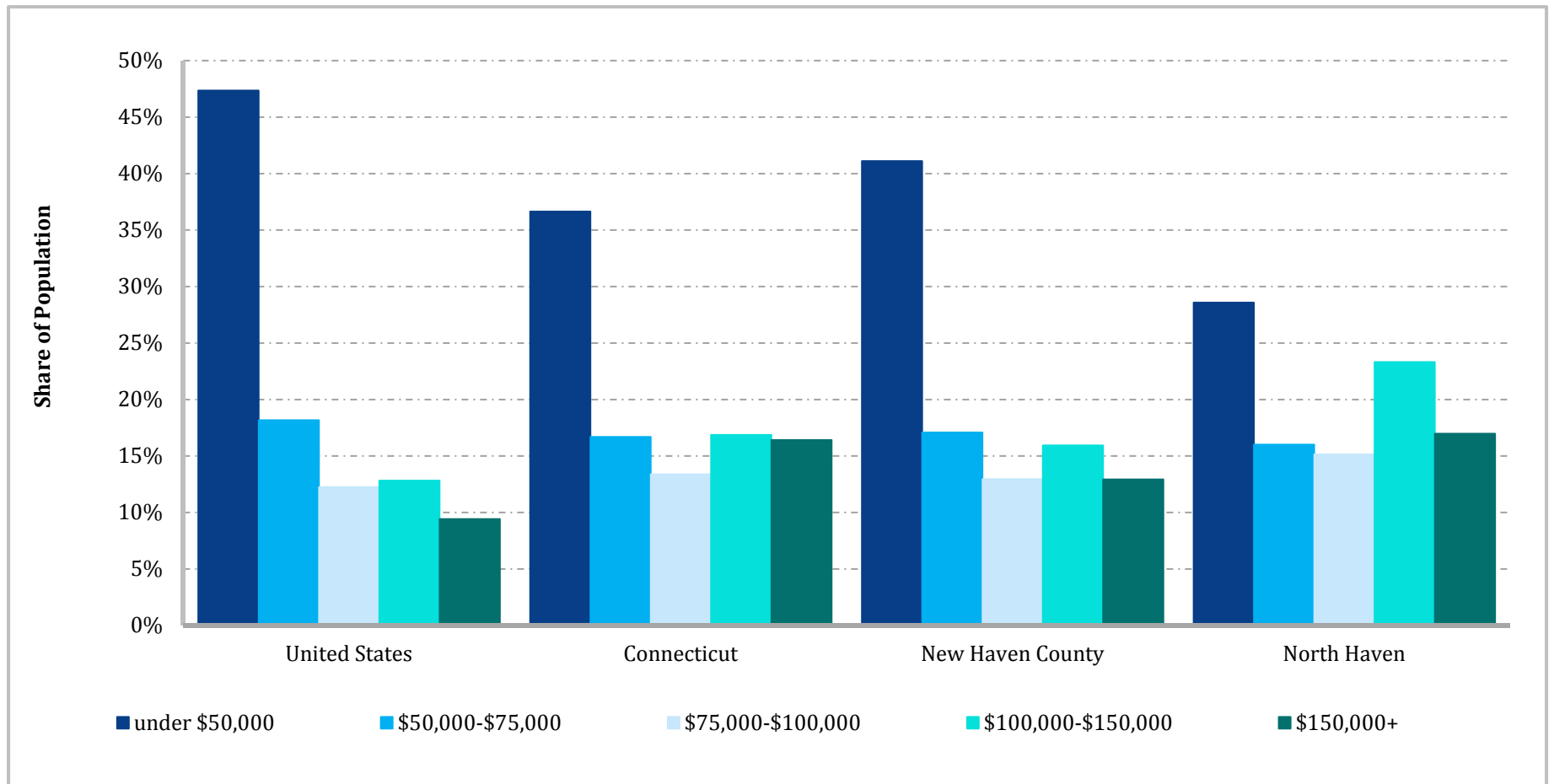
Source: American Community Survey, U.S. Census Bureau, 2008-12.



Distribution of Income

Percentage of Households by Income

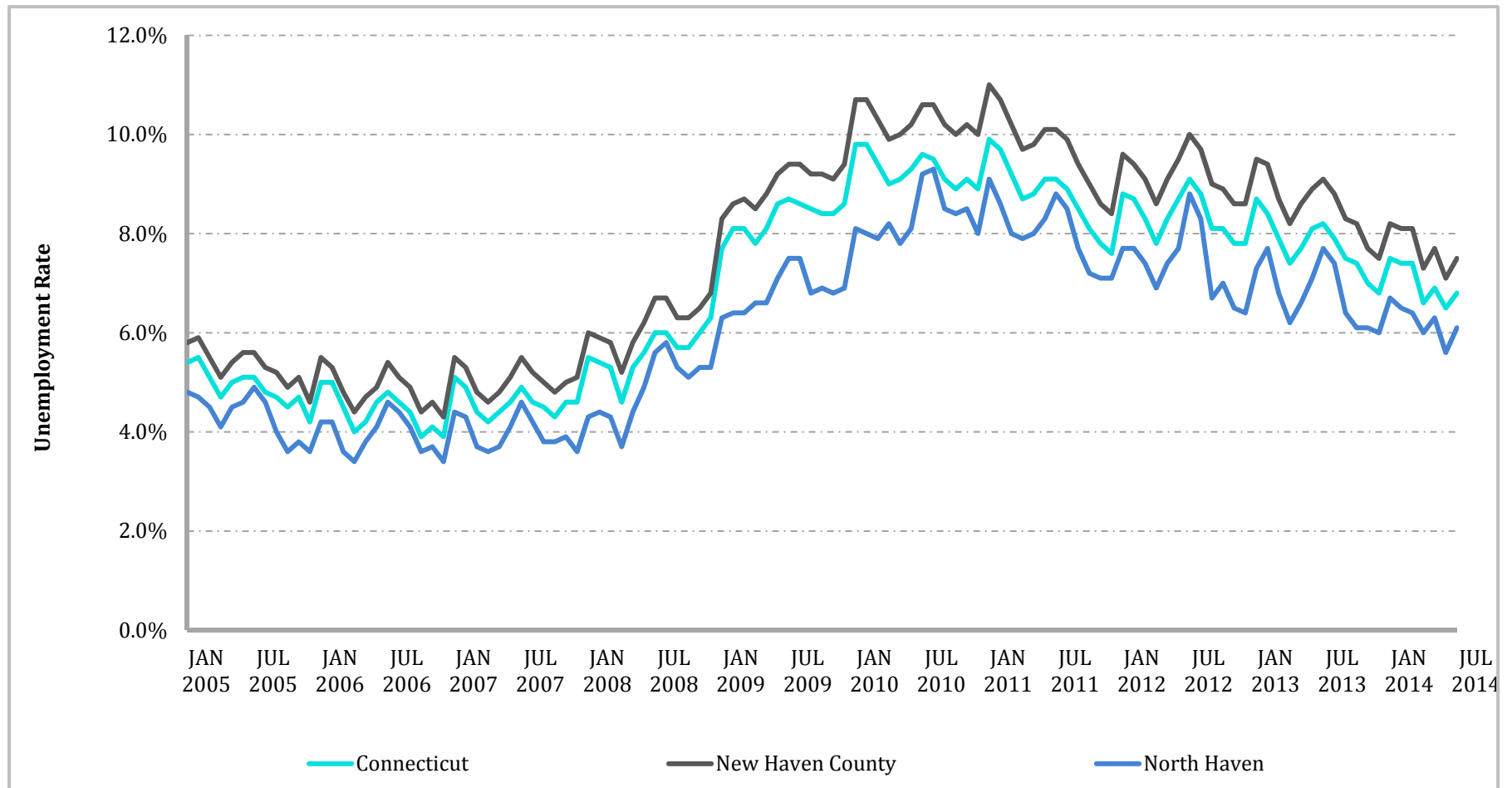
Source: American Community Survey. U.S. Census Bureau. 2008-12.



Labor Market Conditions

Monthly Unemployment Rate by Region

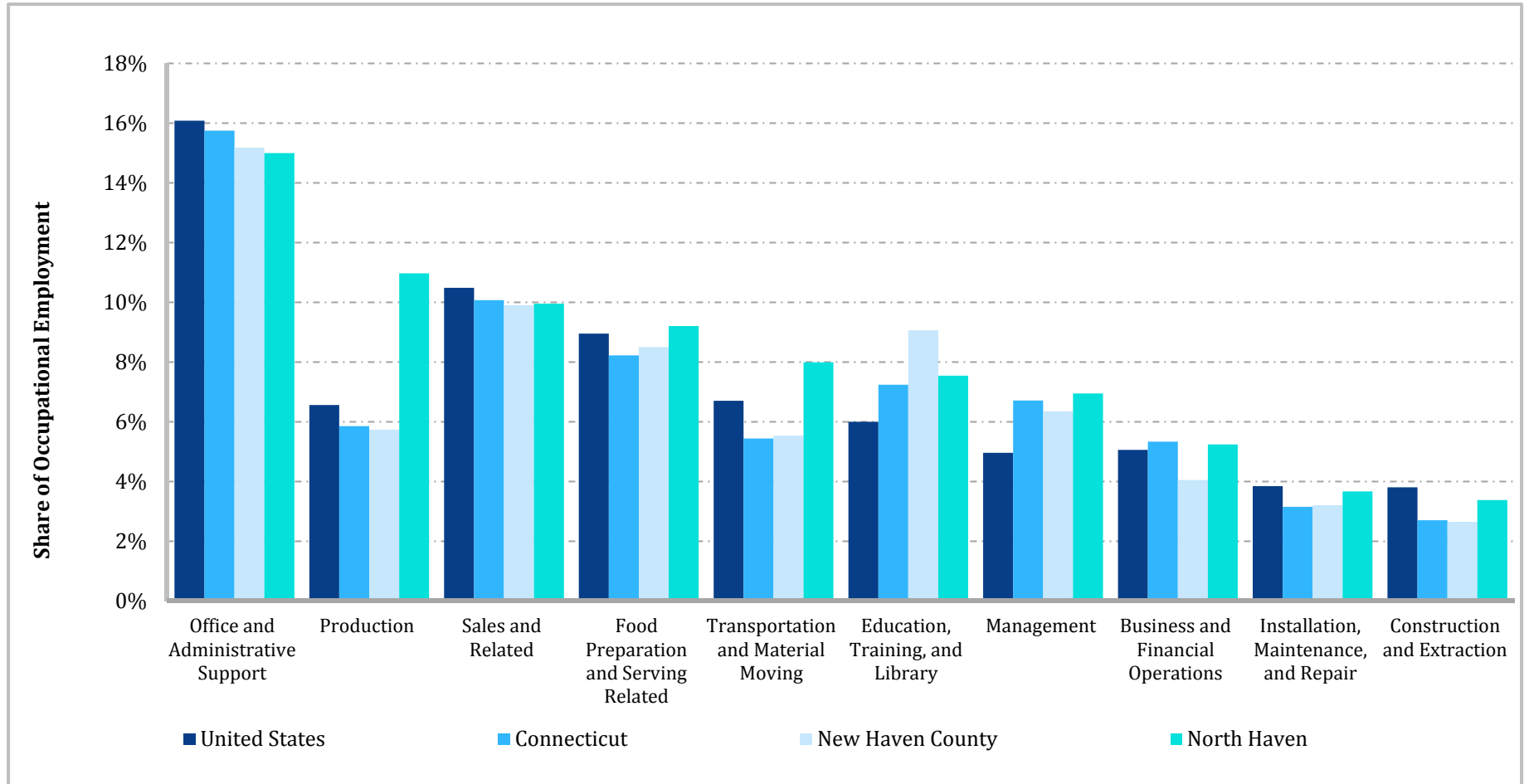
Source: Local Area Unemployment Statistics. Connecticut Department of Labor. 2013.



Top Occupational Employment

Occupational Employment as a Percent of Total Employment

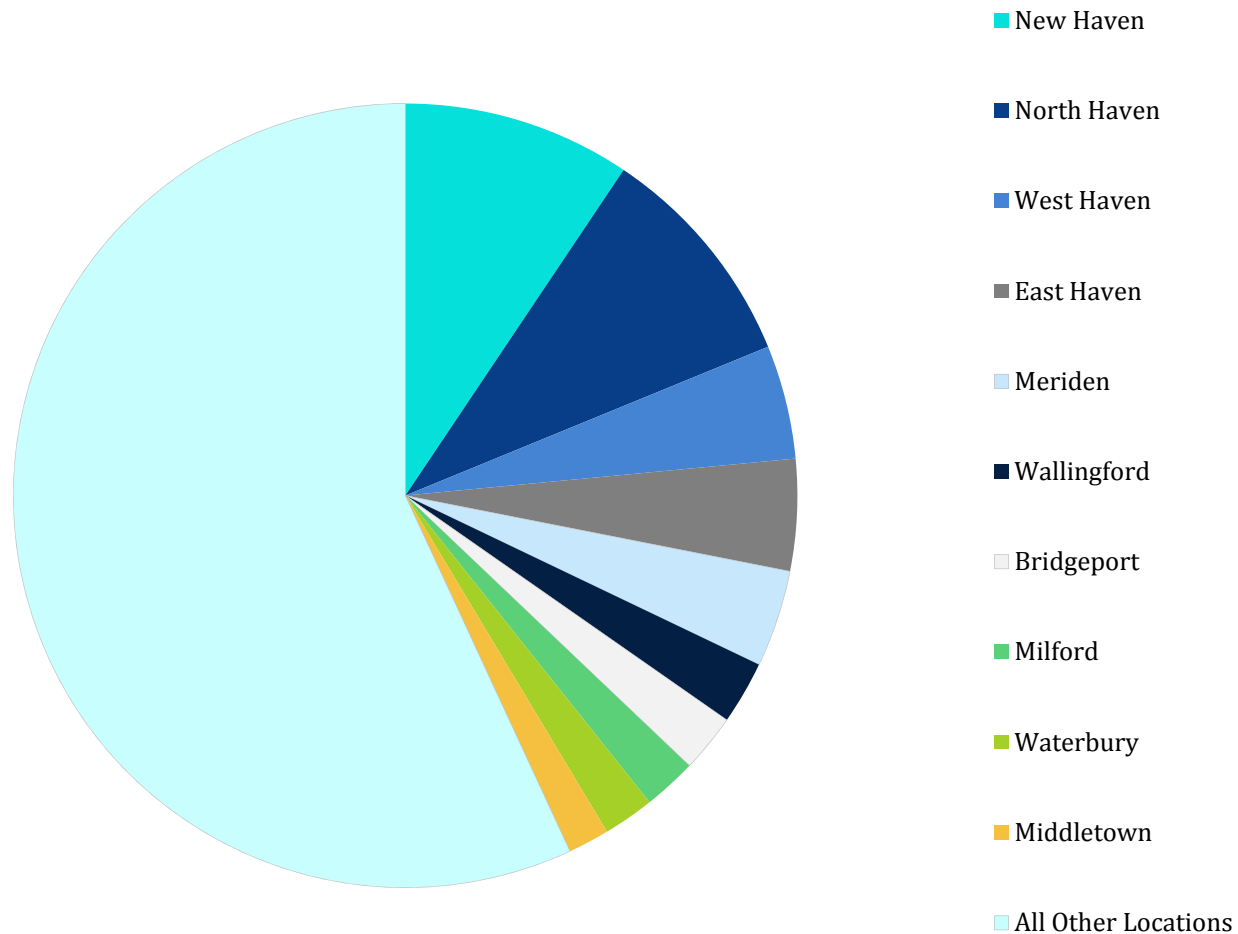
Source: OES Derived Estimates. Economic Modeling Specialists International. 2013.



Residents by Workplace

Where North Haven Residents Work

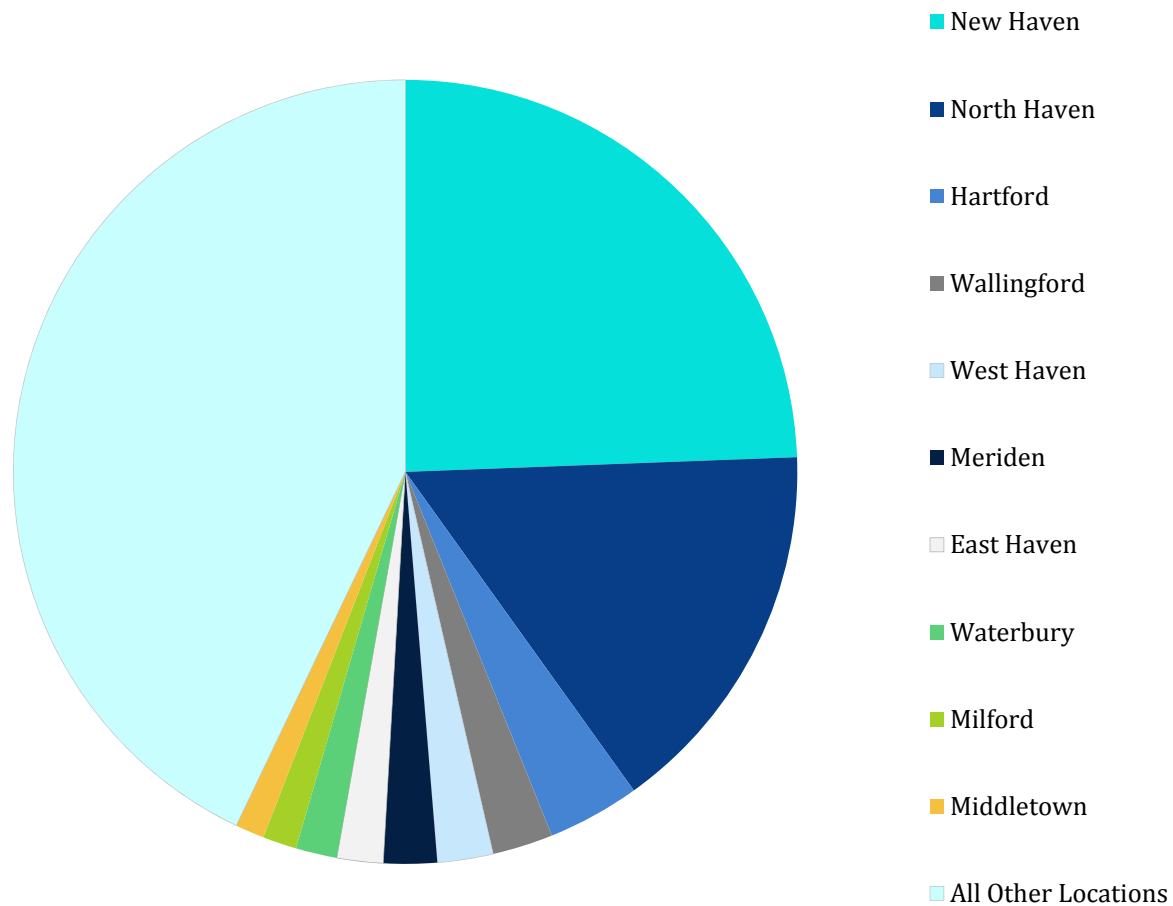
Source: LEHD Origin Destination Employment Statistics. U.S. Census Bureau: Longitudinal Employer-Household Dynamics. 2010.



Workers by Residence

Where North Haven Workers Live

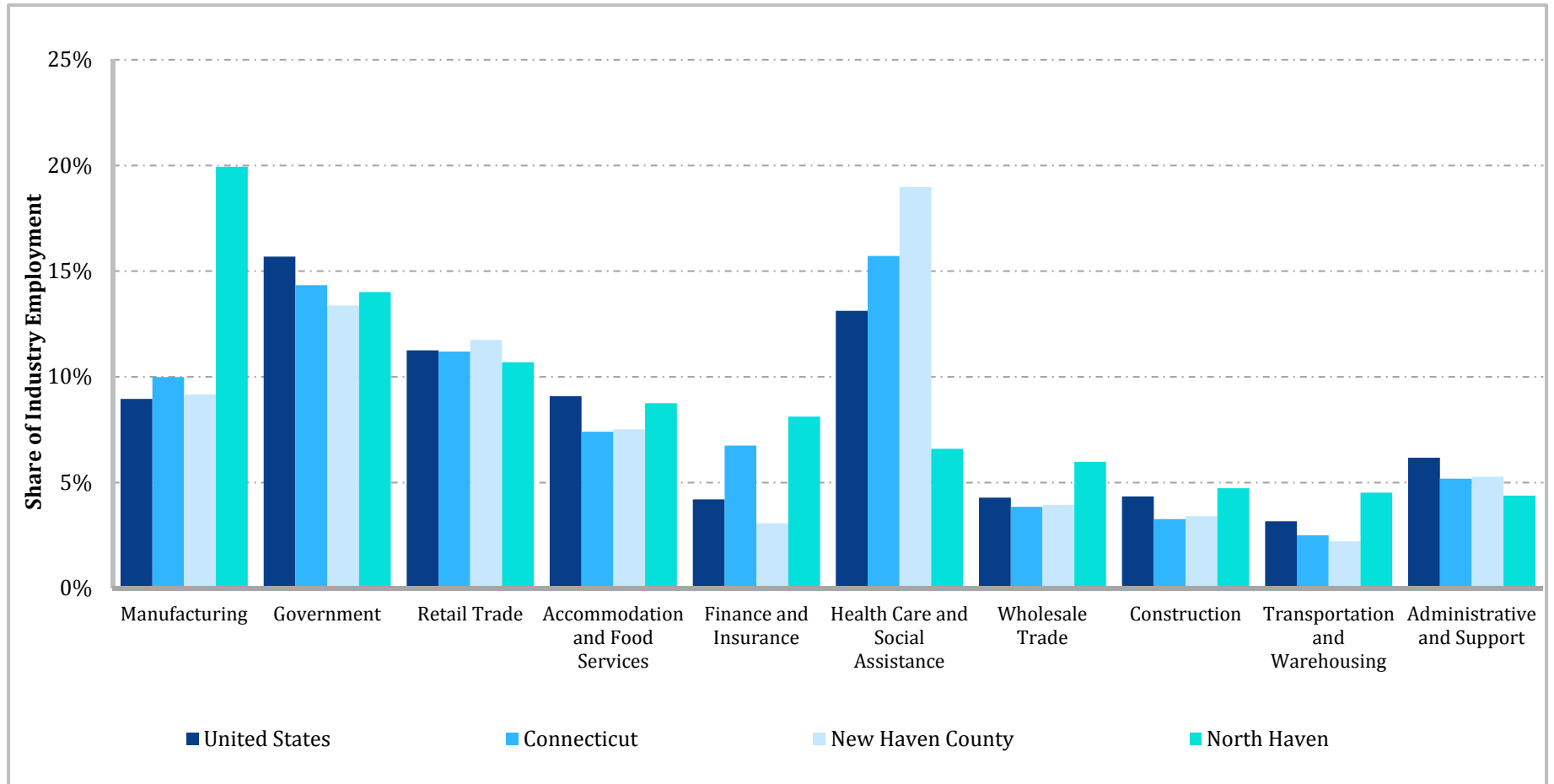
Source: LEHD Origin Destination Employment Statistics. U.S. Census Bureau: Longitudinal Employer-Household Dynamics. 2010.



Top Industry Employment

Industry Employment as a Percent of Total Employment

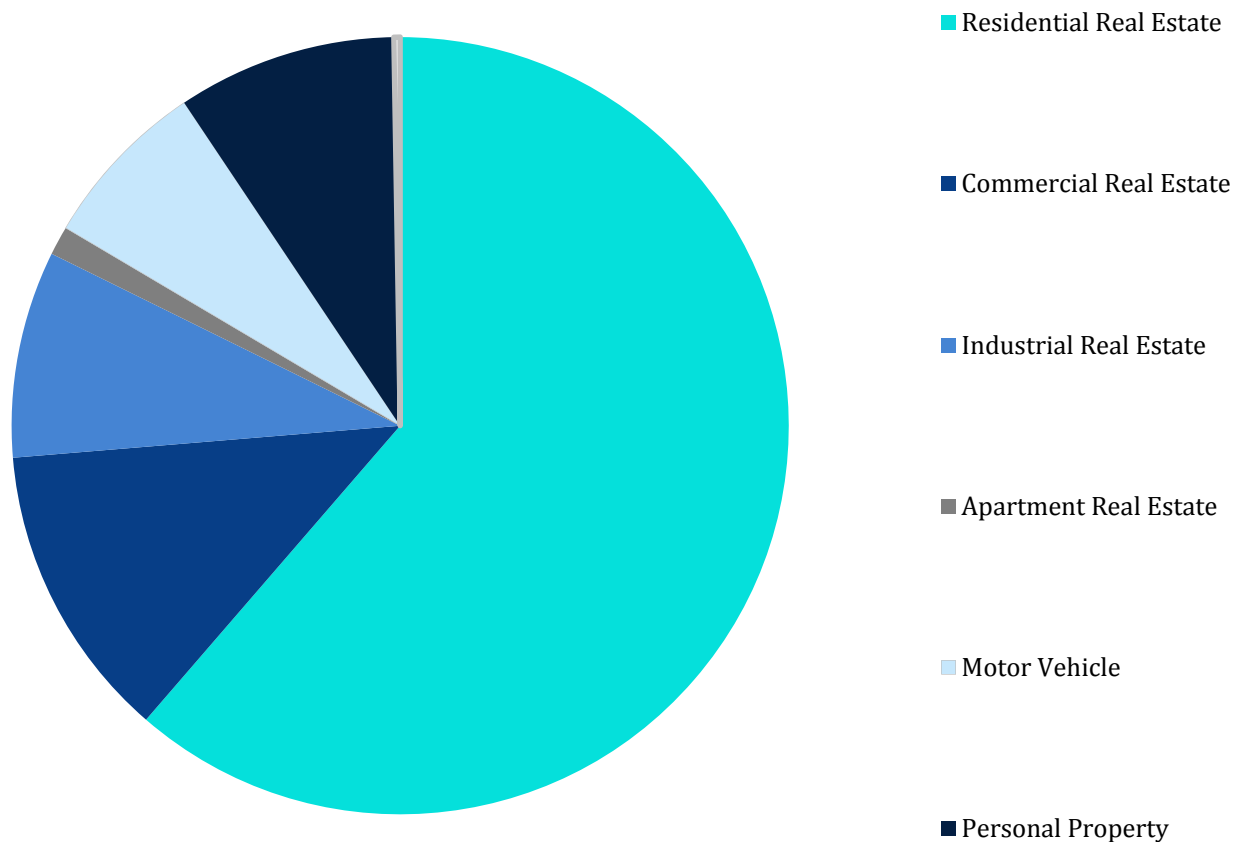
Source: QCEW Derived Estimates. Economic Modeling Specialists International. 2013.



Distribution of Grand List

Equalized Net Grand List by Property Category

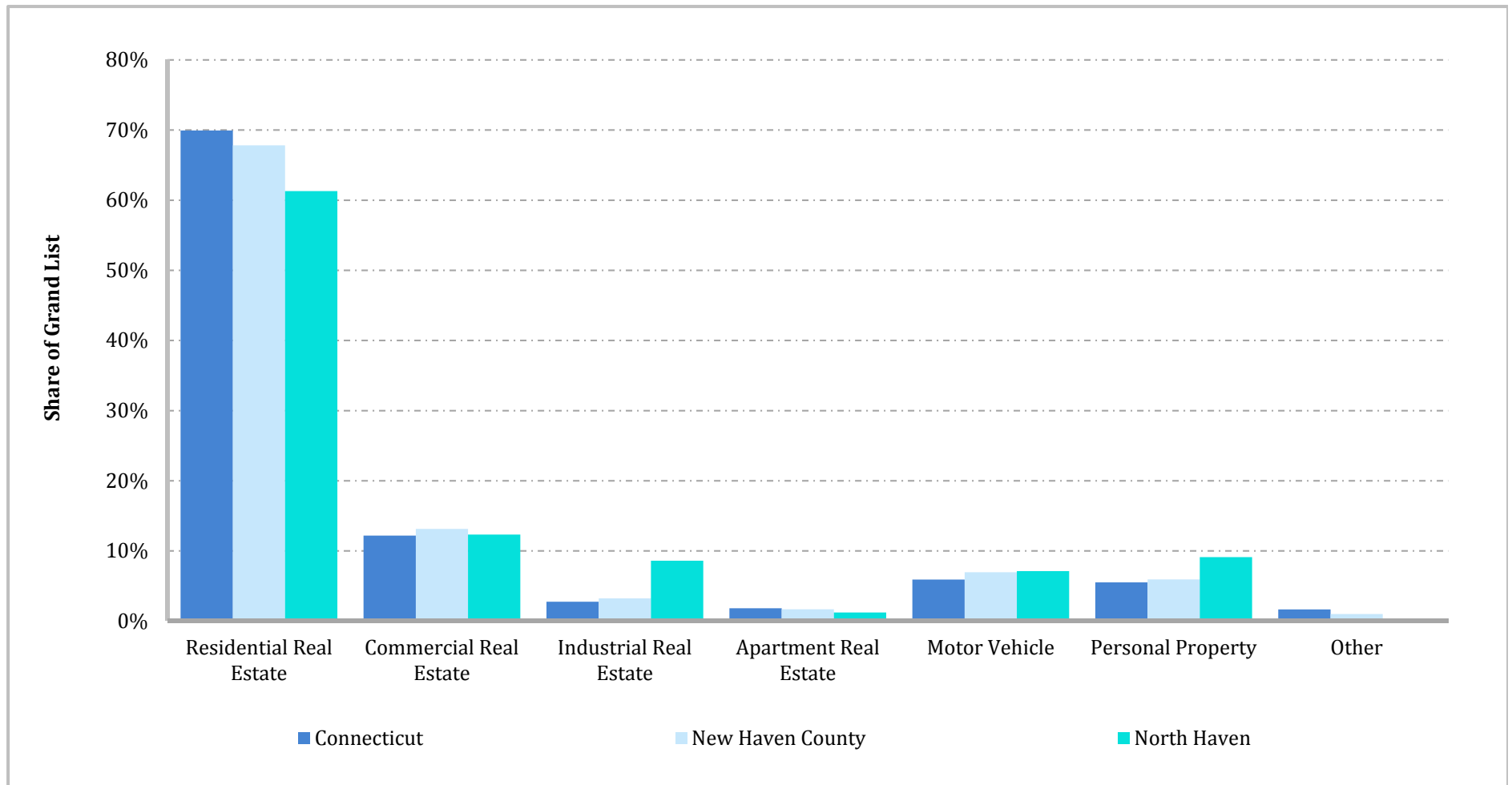
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2011.



Distribution of Grand List

Equalized Net Grand List by Property Category

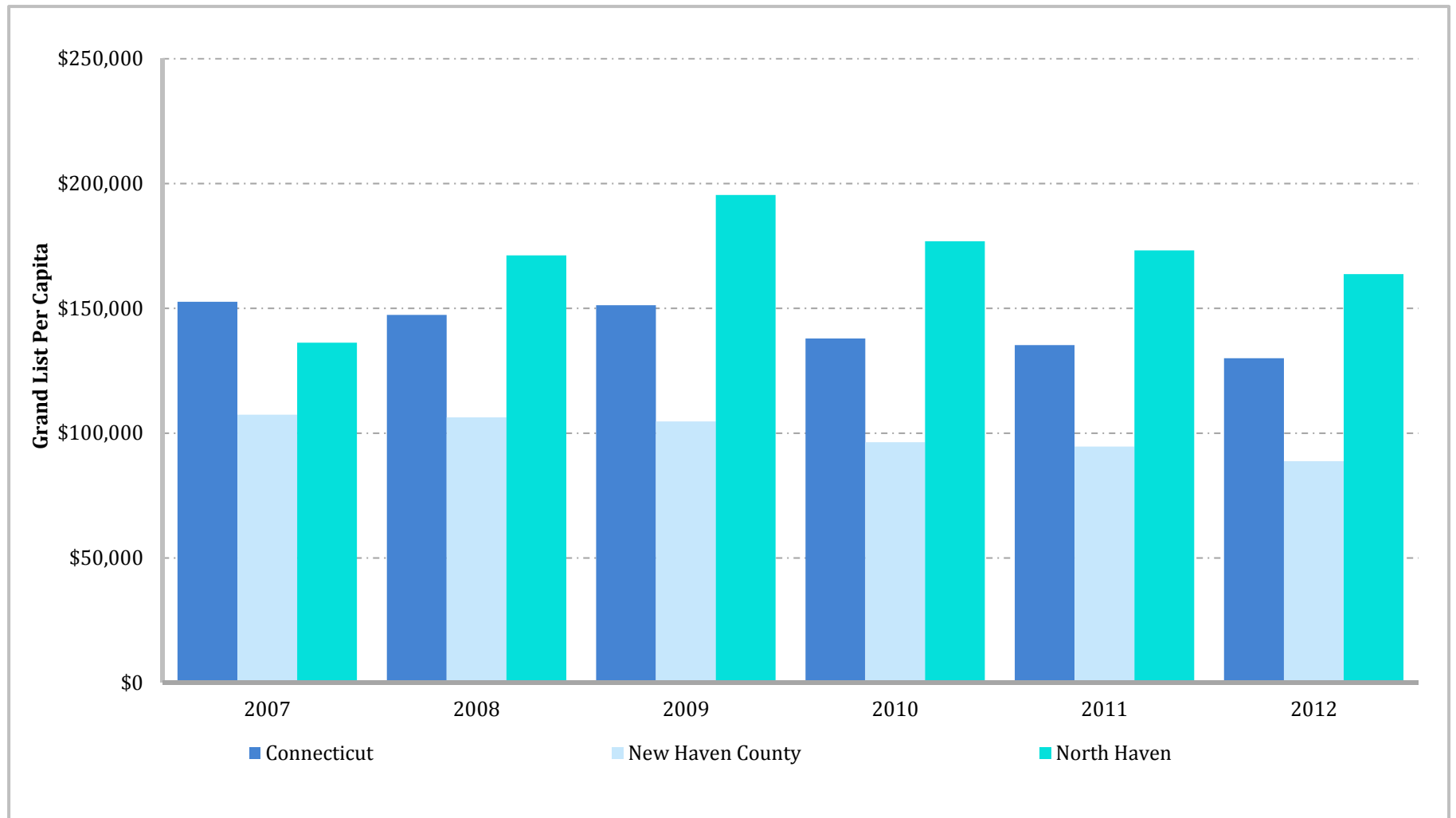
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2011.



Equalized Net Grand List

Total Equalized Net Grand List Per Capita

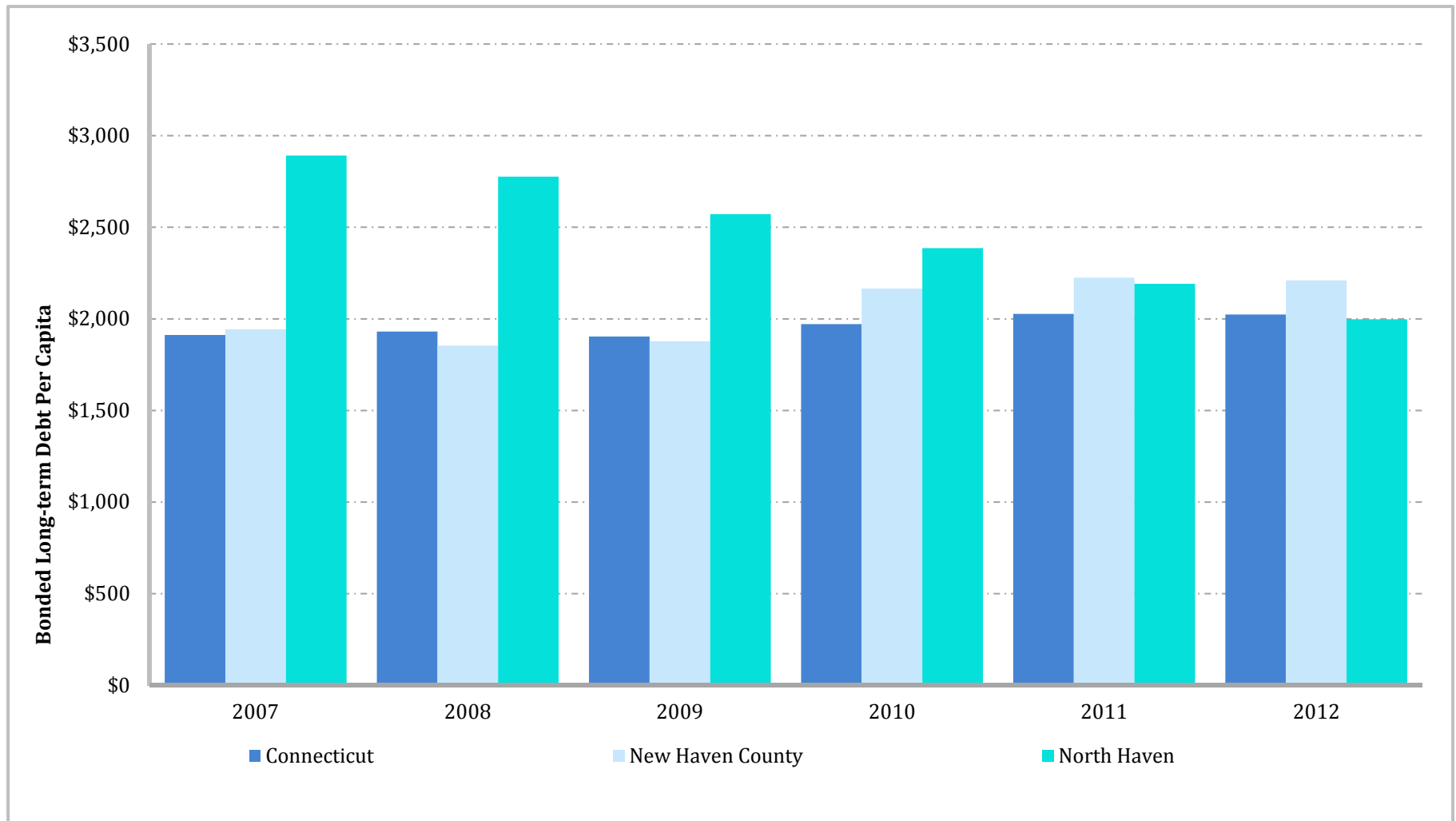
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2012.



Bonded Long-term Debt

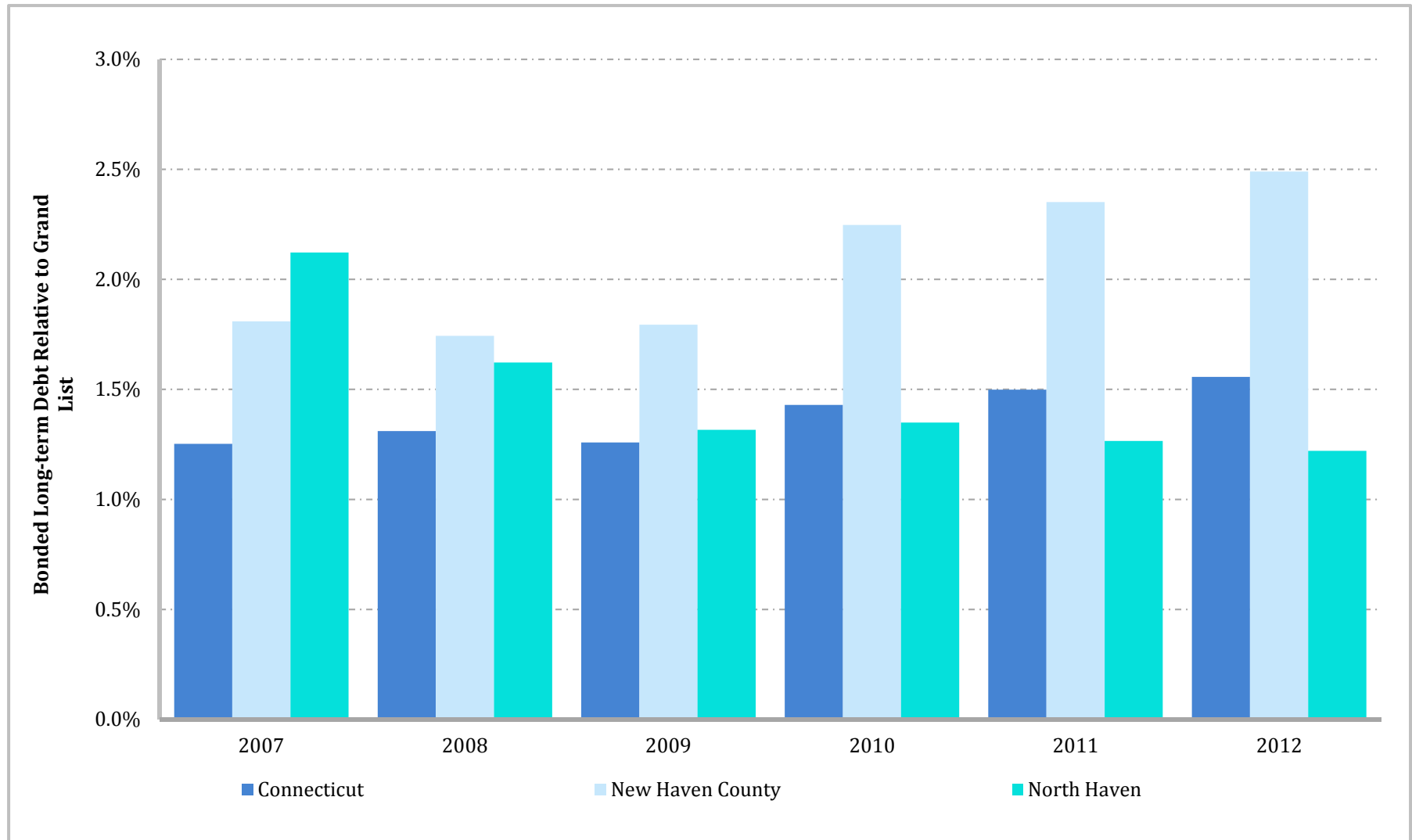
Total Bonded Long-term Debt Per Capita

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



Debt as a Percent of Grand List

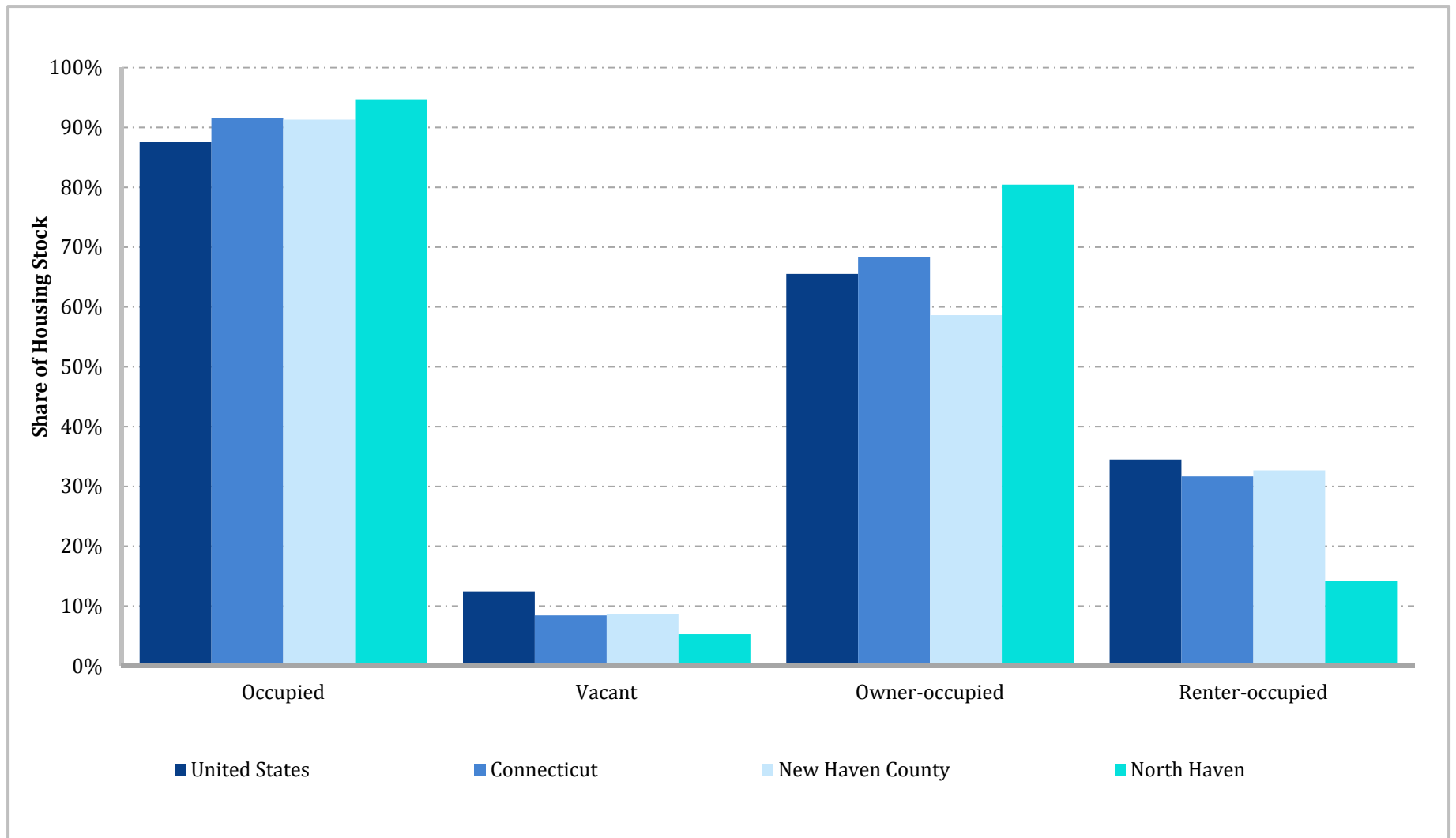
Source: Municipal Fiscal Indicators. Connecticut Office of Policy and Management. 2012.



Housing Characteristics

Percentage of the Housing Units by Type

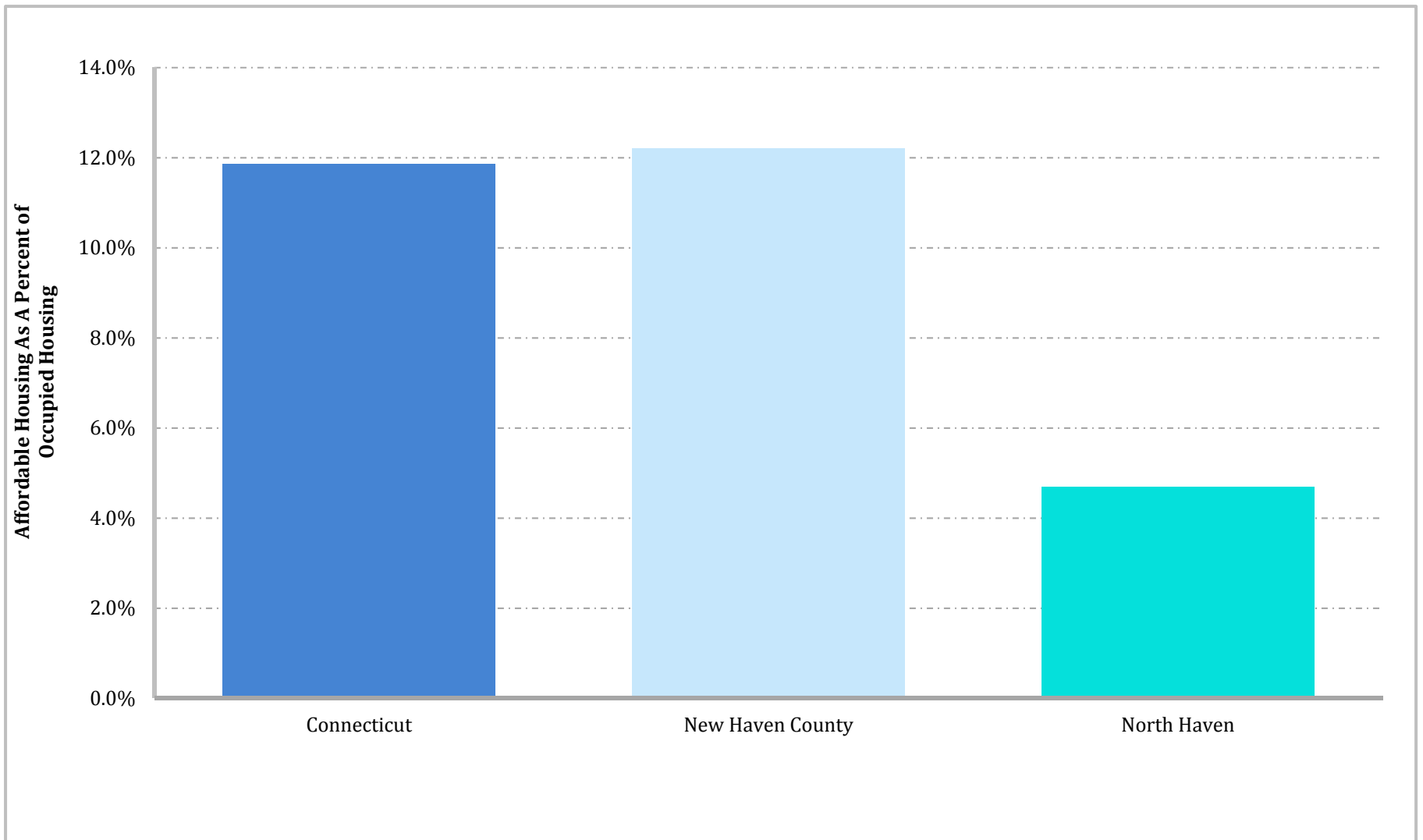
Source: American Community Survey. U.S. Census Bureau. 2008-12.



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 Patrick McMahon

Plan of Conservation & Development

- * Last updated 2005 – update planned
- * Previous plan did not have an economic development section
- * Great opportunity to reach consensus on development and conservation priorities
- * Need to be inclusive in the process – make sure residents have a say in setting priorities
- * Need to “own it” – developers and property owners need to know that if their project is consistent with the POCD, you will proceed

Primary Assets for North Haven

- * Transportation – I-91, Wilbur Cross
- * Education system
- * Sewers cover 70% of community
- * Excellent customer service
- * Available developable land – approx. 240 acres
- * Open space
- * Proximity to higher education and research
- * Proximity to airports

Challenges in the Next 10 Years

- * Higher education situation with QU regarding housing
- * Condition of roads
- * Aging demographic
- * Expensive for young people to live in CT
- * Families are having fewer children
- * Need to address senior housing needs

Possible Game Changers

- * Sewer extensions
- * Development of Northeast Gateway
- * Train station
- * Corporations for jobs

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
 - Chambers, nonprofits and regional ED organizations
 - 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

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

