

# *A Guide to Preparing the Economic Development Element of a Comprehensive Plan*

*Wisconsin Economic Development Institute, Inc.  
August, 2003*



# Table of Contents

Foreword .....	2
Acknowledgments .....	3
Chapter 1 - Wisconsin's Comprehensive Planning Law .....	4
<i>The law and its requirements for local communities</i>	
Chapter 2 - The Need for Economic Development .....	6
<i>Understanding the law's economic development element</i>	
Chapter 3 - Planning for Economic Development .....	8
<i>The basics of successful community-based economic development</i>	
Chapter 4 - Organizational Development .....	16
<i>Taking charge of economic development in your community</i>	
Chapter 5 - Infrastructure .....	21
<i>Establishing the physical foundation for economic development</i>	
Chapter 6 - Business Development .....	24
<i>Retention and expansion, attraction and entrepreneurship</i>	
Chapter 7 - Workforce Development .....	32
<i>Education, training and skill development</i>	
Chapter 8 - Community Cash Flow .....	35
<i>Bringing new dollars into a community</i>	
Chapter 9 - Regional Collaboration .....	41
<i>Increasing capacity by working together</i>	
References and Resources .....	44
Glossary .....	45
Appendices .....	47
Community Economic Development Checklist .....	47
Twenty Questions about Your Community .....	53
Business Development Resources .....	54

## Foreword

Commonly known as Wisconsin's "Smart Growth Law," significant changes to planning-related statutes were approved in Wisconsin's 1999-2001 state biennial budget.

This law describes the framework for developing comprehensive plans; a grant program, which will provide communities an incentive to begin efforts early, and a connection to other planning-related actions to provide overall consistency with the plan developed by the local community. The Wisconsin Land Council is responsible for administering the comprehensive planning grants.

The effective date of the recodification of Chapter 66, Wisconsin Statutes was January 1, 2001. **By January 1, 2010, all communities that make land use decisions will need to base those decisions on an adopted comprehensive plan derived from the new statutory language.**

The statute specifies nine required elements in each comprehensive plan, as a minimum. One of the specified elements is economic development. The statute, however, does not provide detail for each element. Consequently, handbooks are being written and made available to Wisconsin communities to assist with developing procedures for each element.

The completed handbooks are available at the Wisconsin Department of Administration Website: [www.doa.state.wi.us](http://www.doa.state.wi.us), as are filed copies of completed community comprehensive plans.



© Copyright 2003  
Wisconsin Economic Development Institute (WEDI), Inc.  
10 East Doty Street, Suite 500  
Madison, WI 53703-3397  
Phone: 608-661-4626  
FAX: 608-283-2589  
[www.wi-edi.org](http://www.wi-edi.org)

*This document is presented as a guide for local economic development planning. The views and opinions expressed in this publication are those of the ad hoc Economic Development Element Comprehensive Planning Committee authors (see next page) and not necessarily those of the reviewers or the funding partner organizations.*

# Acknowledgments

Wisconsin Economic Development Institute, Inc. and its partners:

Roger Nacker, Wisconsin Economic Development Institute, Inc.  
Jan Alf, Forward Wisconsin  
Mary Cole-Laub, Alliant Energy  
Steven Deller, Department of Agriculture & Applied Economics, UW-Madison  
Karna Hanna, Sauk County Development Corporation  
Kelly Haverkamp, Wisconsin Rural Partners, Inc.  
Kathy Heady, Wisconsin Department of Commerce - Economic Development  
Marcia Theusch, Milwaukee Economic Development Corporation

Other contributors and reviewers:

Alan Anderson, UW-Extension Center for Community Economic Development  
Todd Barman, Wisconsin Department of Commerce - Main Street Program  
Gary Becker, Vierbicher Associates, Inc.  
Steven H. Grabow, Associate Professor, UW-Extension Jefferson County  
Charyn Grandau, Wisconsin Office of Land Information Services  
Tony Hozeny, Wisconsin Department of Commerce  
Andy Lewis, UW-Extension Center for Community Economic Development  
Brian W. Ohm, Department of Urban and Regional Planning, UW-Madison/Extension  
Ted Penn, Wisconsin Public Service Corporation  
Bill Ryan, UW-Extension Center for Community Economic Development  
Eric Schmidtke, Wisconsin Office of Land Information Services  
Ron Shaffer, Prof. Emeritus, Agriculture & Applied Economics, UW-Madison/Extension  
Phyllis Wilhelm, Madison Gas & Electric Company  
WEDI Board of Directors

Funding Partners:

Alliant Energy  
Dairyland Power Cooperative  
Madison Gas & Electric Company  
Wisconsin Department of Commerce  
Wisconsin Economic Development Association  
Wisconsin Public Service Corporation  
Xcel Energy



Editing by Leah Call; Design by Kelly Haverkamp

# Chapter 1

## Wisconsin's Comprehensive Planning Law

*The law and its requirements for local communities*

---

Nine required elements for comprehensive planning under **Wisconsin's Comprehensive Planning Law:**

1. Issues and Opportunities
2. Housing
3. Transportation
4. Utilities and Community Facilities
5. Agricultural, Natural and Cultural Resources
- 6. Economic Development**
7. Intergovernmental Cooperation
8. Land-Use
9. Implementation

Wisconsin's land-use planning law (commonly called the Smart Growth Initiative) was passed as part of the 1999 biennial state budget act. It applies to all local government entities (cities, villages, towns, counties and regional planning commissions).

The law defines **comprehensive planning** in Wisconsin for the first time. The comprehensive plan definition will provide local governmental units with a framework for making more informed land-use decisions. Land use planning actions do not happen in a vacuum. The statute describes how local governmental units can better assess the impact of their decisions on all aspects of the community, by requiring that the plan include the nine elements listed in the box at left, thus making it comprehensive. One of the required elements is **economic development**.

By January 1, 2010, all incorporations, annexations, boundary changes, plat approvals and zoning ordinances -- essentially all land use regulation -- must be consistent with the adopted comprehensive plan.

Additional requirements of the law include:

- ✓ The plan is required to cover a 20-year period, including land-use projections for every five years.
- ✓ The transportation and intergovernmental cooperation elements must address joint planning with regions and other jurisdictions.
- ✓ Public utility and community facility growth and maintenance are required to have approximate timetables.
- ✓ The plan must include a plan for evaluation and updating at least every 10 years.
- ✓ The planning commission is prescribed, including a requirement for citizen members.
- ✓ Public hearings are required for adoption or amendment.

**Information on the Comprehensive Planning Law:**

The Wisconsin Department of Administration (DOA) ([www.doa.state.wi.us](http://www.doa.state.wi.us)) through its Office of Land Information Services (OLIS) is the source for: information on the comprehensive planning statutes, a list or copy of comprehensive plans which have been submitted, the location for obtaining copies of completed "Element Guides," and details on the state's grant program for local governments to produce comprehensive plans.

In addition to the requirements for local governments, the Comprehensive Planning Law sets forth **fourteen goals** of comprehensive planning which the Department of Administration is directed to give preference to in providing comprehensive planning grants. State agencies are encouraged to balance their missions with these goals, and are also encouraged to design administrative rules to further reflect that balance. Communities seeking State funding should keep these goals in mind as they undertake the comprehensive planning process.

1. Promotion of the redevelopment of lands with existing infrastructure and public services and the maintenance and rehabilitation of existing residential, commercial and industrial structures.
2. Encouragement of neighborhood designs that support a range of transportation choices.
3. Protection of natural areas, including wetlands, wildlife habitats, lakes, woodlands, open spaces and groundwater resources.
4. Protection of economically productive areas, including farmland and forests.
5. Encouragement of land uses, densities and regulations that promote efficient development patterns and relatively low municipal, state governmental and utility costs.
6. Preservation of cultural, historic and archaeological sites.
7. Encouragement of coordination and cooperation among nearby units of government.
8. Building of community identity by revitalizing main streets and enforcing design standards.
9. Providing an adequate supply of affordable housing for individuals of all income levels throughout each community.
10. Providing adequate infrastructure and public services and an adequate supply of developable land to meet existing and future market demand for residential, commercial and industrial uses.
11. Promoting the expansion or stabilization of the current economic base and the creation of a range of employment opportunities at the state, regional and local levels.
12. Balancing individual property rights with community interests and goals.
13. Planning and development of land uses that create or preserve varied and unique urban and rural communities.
14. Providing an integrated, efficient and economical transportation system that affords mobility, convenience and safety and that meets the needs of all citizens, including transit-dependent and disabled citizens.

# Chapter 2

## The Need for Economic Development *Understanding the law's economic development element*

### Economic Development Governing Language

*Sec. 66.0295(2), Wis. Stats.:*  
**Economic development  
element.**

- a) "A compilation of objectives, policies, goals, maps and programs to promote the stabilization, retention or expansion, of the economic base and quality employment opportunities in the local governmental unit,
- b) including an analysis of the labor force and economic base of the local governmental unit.
- c) The element shall assess categories or particular types of new businesses and industries that are desired by the local governmental unit.
- d) The element shall assess the local governmental unit's strengths and weaknesses with respect to attracting and retaining businesses and industries, and
- e) shall designate an adequate number of sites for such businesses and industries.
- f) The element shall also evaluate and promote the use of environmentally contaminated sites for commercial or industrial uses.
- g) The element shall also identify county, regional and state economic development programs that apply to the local governmental unit."

Economic Development Comprehensive Planning recognizes the connection between economic development and quality of life. It leverages new growth and redevelopment to improve the community.

There are a variety of community economic development plans, but successful communities tend to have one thing in common — an articulated, shared vision of where they want to go and of what things residents and businesses value in their community. Their plans for economic development reflect these shared values.

The term "Smart Growth" lacks a universal definition. Although there are many facets to the "Smart Growth" debate, it often implies judgmental definitions. Smart Growth should be just a methodology for application, given a set of value judgments. The detail of a local plan, whether called "Smart Growth" or not, will depend greatly on local issues, planning needs, and the desired level of review for issues.

In the following chapters, the interaction of the nine required comprehensive planning elements is depicted from an economic development perspective. Resources and procedures for the seven parts comprising the economic development element as stated in the statute (see sidebar), are also listed and described.

### Why is economic development important?

The reasons are quite basic. Economic development helps pay the bills. **Economic development is about working together to maintain a strong economy by creating and retaining desirable jobs, which provide a good standard of living for individuals.** Increased personal income and wealth increases the tax base, so a community, county or state can provide the level of services residents expect. A balanced, healthy economy is essential for community well-being.

Economic development expenditures are a community investment. Influencing and investing in the process of economic development allows a community to determine its future direction and guide appropriate types of development according to its own values.

Many communities and regions employ economic developers whose mission is to maintain and enhance economic vitality based on the community's values.

### **New Economy Economic Development Strategies\***

- 1) Invest in people
- 2) Build state-of-the-art infrastructure
- 3) Treat citizens as customers
- 4) Streamline taxes and regulations
- 5) Nurture entrepreneurs
- 6) Create hi-tech magnets
- 7) Preserve quality of life

\*from the National Governors' Association, Center for Best Practices.

### **Why economic development now?**

Economic development has increasingly become an integral part of public policy decision making. The recent, longest economic expansion in history has made economic development success seem continual, to the point where it has become assumed and taken for granted. This happened despite a **cyclical economy** and **structural (permanent) changes in the economy** that have occurred numerous times in the past. Now, the good times have receded, and the economy looks different than it did a decade ago. Proactive economic development is now essential.

The structure of the economy has also been evolving into the **New Knowledge Economy** (Progressive Policy Institute [PPI], see p. 44 for references). Prospering in the new economy requires:

1. Knowing your region's economic function in the **global economy**.
2. Creating a **skilled and educated** workforce.
3. Investing in an **infrastructure** for innovation.
4. Creating a great **quality of life**.
5. Fostering an **innovative business climate**.
6. **Reinventing and digitizing** government.
7. Taking **regional governance and collaboration** seriously.

### **Why plan for economic development?**

Economic development planning is the process by which a community organizes, analyzes, plans, and then applies its energies to the tasks of improving the economic well-being and quality of life for those in the community.

The nature of economics is cyclical, based on a combination of factors, including product life cycles, applications of technology, government interventions, and a host of other indicators. Because of this, development will happen in a community whether or not it is planned; the community will experience economic changes whether or not they are desired changes. The advantage in comprehensive planning is that communities can anticipate these changes and guide development to the best of their abilities and capacities. Consequently, each plan will be unique and tailored to each community's needs and desires.

# Chapter 3

## Planning for Economic Development

*The basics of successful, community-based economic development*

---

*[A comprehensive economic development framework] "is fundamentally about enhancing the factors of productive capacity - land, labor, capital, and technology - of a national, state or local economy." - U.S. EDA*

Economic development does not happen in a vacuum. To be successful, economic development must function as a part of the whole socio-economic environment. This environment is constantly evolving and changing. However, the basic components of this environment can be generalized. According to the U.S. Economic Development Administration (EDA), a comprehensive economic development framework "is fundamentally about enhancing the factors of productive capacity - land, labor, capital, and technology - of a national, state or local economy."<sup>1</sup>

The International Economic Development Council asserts that in economic development... "The creation of wealth through resource mobilization takes place whether or not developers attempt to intervene in the process. But second, economic development also is a professional practice whereby developers influence the process."<sup>2</sup> The distinction in these two applications of "economic development" is important because economic development as a practice is often confused with economic development as a process.

The goal of this document is to describe successful economic development practices and to show how the required elements of Wisconsin's new law can be incorporated into these practices.

### The Economic Development Planning Process

In order to begin the process, four questions must be answered by the economic development organization and its community:

1. Where are we now?
2. Where do we want to be?
3. How do we get there?
4. Where do we put what we want?

These questions are the essence of planning. While simple, the process is powerful. However, to be effective, this economic development planning must also adhere to some simple principles:<sup>3</sup>

---

<sup>1</sup> "Defining Economic Development," U.S. Economic Development Administration Information Clearinghouse, [http://www.osec.doc.gov/eda/html/2a1\\_whatised.htm](http://www.osec.doc.gov/eda/html/2a1_whatised.htm)

<sup>2</sup>International Economic Development Council, formerly American Economic Development Council, [www.iedconline.org](http://www.iedconline.org)

<sup>3</sup>Adapted from "Seven Points for Effective Economic Development Plans," Carnegie Mellon Center for Economic Development.

## Planning Terminology Hierarchy

**Goals** (Realistic and relating to key issues)

*Examples:*

1. Increase personal income in the area.
2. Increase the number of small manufacturing plants in the area.
3. Increase agriculture-related employment.

**Objectives** (Specific, quantified performance targets in a given time frame)

*Examples:*

1. Create 50 well-paying jobs in the next three years.
2. Establish two new manufacturing firms employing up to 50 people each in the next two years.
3. Create an incubator facility for value-added agriculture within two years.

**Strategies** (Alternative ways to achieve the objectives and meet the goals)

*Examples:*

1. Identify current high-wage-paying industries and help them expand.
2. Contact small manufacturing firms to gauge interest in expanding.
3. Provide early stage technical assistance to area entrepreneurs and growth companies.

### 1. Be current and relevant.

As markets, technology and other factors change, economic development plans that were drafted years ago may not be viable in today's economic climate. The planning process should be consistently revisited to capitalize on emerging opportunities and address competitive challenges. A "New Economy" is causing economic changes around the world.

### 2. Have clearly defined, shared goals.

As with any large-scale action, a shared vision and clearly defined goals give shape to development efforts. These "**issues and opportunities**" (required element) provide a basis for aligning resources and identifying potential partners. Goals should not be "apple pie" declarations such as "provide good jobs for all residents," nor should they merely list major development projects.

### 3. Coordinate with other local plans.

Effective development plans align economic development strategies with land use, transportation, infrastructure, and workforce development plans at regional, county and local levels. Communities should seek to align themselves with strategic partners who can bring valuable information, services, or products into the collaborative venture. **Intergovernmental cooperation** is, in fact, a required element of the new law. Economic development coalitions can help communities maximize scarce resources, generate new ideas, divide work tasks to save time, capitalize on the talents of the various partners, and project a stronger image and asset base to businesses and people outside the designated region. The actions of communities can also have significant impact on the growth of their neighbors. By coordinating their efforts, neighboring communities can:

- ✓ Anticipate and plan for regional threats and opportunities
- ✓ Effectively leverage their use of resources
- ✓ Reduce negative spillovers from new development

### 4. Know your market.

Economic analysis can uncover opportunities, expose risks, and serve as a foundation for solid planning. The best plans will include both quantitative and qualitative information on economic trends and

### Steps to Economic Development Planning

1. Organize
2. Gather and Analyze Data
3. Plan
4. Develop Resources
5. Implement Strategies
6. Evaluate and Report

consider other factors impacting the plan, such as politics, competition, and regulations. Wisconsin's planning law also specifically requires consideration of **housing, agricultural, natural and cultural resources, and land-use**. Economic development elements of the analysis must include:

- ✓ Labor Force
- ✓ Educational Infrastructure
- ✓ Physical Infrastructure (**transportation, utilities** and **community facilities** are specifically identified as planning elements)
- ✓ Economic Base
- ✓ Major Employers
- ✓ Key Industry Trends and Inter-industry Relationships
- ✓ Local Business Market Analysis

#### 5. Require open participation.

Successful economic plans include a variety of stakeholders in the drafting process. Stakeholders will not support a plan in which they were not consulted. Different strategies may be required to reach out to different stakeholders. Stakeholders should include:

- ✓ Residents across all socio-economic categories
- ✓ Government and vital institutions
- ✓ Key industries
- ✓ Large and small employers
- ✓ Civic organizations

#### 6. Define a detailed implementation strategy.

If actions and responsibilities are not clearly defined, the development plan has little chance of success. **Implementation** strategies (a required element) should:

- ✓ Identify roles and responsibilities of each organization
- ✓ Match resources (human, natural, and economic) to objectives
- ✓ Assign action items
- ✓ Assign timeframes for completion

#### 7. Define measures of success.

Measures of progress and success must be defined to evaluate the effectiveness of the strategy and implementation, and to monitor the

**Some Measures of Economic Activity**

- Population and Net Migration
- Income Levels and Sources
- Employment Levels and Sources
- Retail and Service Sector Sales
- Property Values

performance of the development team. An external, objective evaluator can reduce conflicts of interest and increase confidence in the evaluation results. Including comparisons with similar communities enhances evaluation. Appropriate measures of success should be defined prior to implementation and the following criteria should be considered::

- ✓ Measures should be related to project goals
- ✓ Measures should be replicable
- ✓ Measures should be related to implementation actions
- ✓ Measurement should be continuous

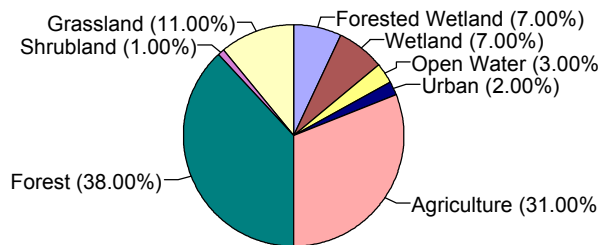
Wisconsin law calls for description of the measurements for plan goals and requires updating at least once every ten years.

**Land-Use**

In addition to the procedural steps outlined above, a successful economic development plan needs to document and describe the locational characteristics and patterns of land-use, both current and future. Where will new or expanding businesses be located? Where is housing being planned? Is there adequate and suitable land available for all current and planned uses? These are some of the questions requiring answers.

**Wisconsin Land Use Coverage**

Total = 65,499 square miles



[Source: WI DNR Draft Land Legacy Report, June, 2003]

Land coverage in Wisconsin as shown in the above figure, is abundant in natural resources. Wisconsin’s natural resources not only provide many rural communities with a stable economic base, they

also bring in a variety of related industries and businesses, generating more wages and jobs. The value of natural resources to local economies is critical, especially in rural areas of Wisconsin.

Land use in urban areas is much more intensive. In Wisconsin's urban areas and urban clusters (census definitions), population density in 2000 ranged from a high of 2,893 people per square mile in and immediately adjacent to the City of Madison to a low of 860 people per square mile in the City of Tomahawk, averaging 2,240 people per square mile for the 115 urban locations. This includes all land used for housing, retail locations, other businesses, utilities, transportation, etc. This range illustrates how different communities have different land-use needs and planning requirements. But, the key consideration is what land-uses require planning for the future.

Land use classification and areas				
Land use types	Current acres	Additional acres of land needed		
		2010	2020	Total
<b>Residential</b>				
<b>Commercial</b>				
<b>Industrial</b>				
<b>Public</b> Buildings Parks Other				
<b>Institutional</b> Private Schools				
<b>Unclassified</b>				
<b>Total developed land</b>				
<b>Vacant land</b>				
<b>Incorporated area</b>				

Adapted from: Daniels, et al., *The Small Town Planning Handbook*

### Five General Components of Economic Development Practice

- Organizational Development
- Infrastructure Development
- Business Development
- Workforce Development
- Community Cash Flow Development

adapted from "Learning to Lead: A Primer on Economic Development Strategies," by Maury Forman & Jim Mooney, Washington State, Office of Trade and Economic Development, [www.oted.wa.gov/ed/cea/publications/learningtolead/default.htm](http://www.oted.wa.gov/ed/cea/publications/learningtolead/default.htm)

### Examples of Contemporary Economic Development concepts:

- Ahwahnee Principles
- Global Competition
- Livable Communities
- New Economy
- New Urbanism
- Regionalism
- Smart Growth
- Stewardship
- Sustainable Development
- Third Stage Economic Development

*\*see glossary for definitions*

## The Five Economic Development Components

In terms of implementation, there are **five general components**, which influence the quality and effectiveness of economic development. These components, listed in the box at left are detailed later in this chapter.

For each component, there is an array of **strategies** to accomplish a community's selected goals and objectives. Some of these strategies are shown in the table on page 15. For example, business development could be accomplished through business recruitment, business retention and expansion, or entrepreneurial encouragement.

As economic development has become more ingrained in the public consciousness, strategies for implementation of economic development plans are increasingly subject to review according to contemporary **concepts and standards**. Some of these concepts are noted in the sidebar. The concepts communities choose to guide their economic development are based on value judgments. Therefore, it is necessary for communities to take the time and effort to establish a vision and plan that reflects their values. The "how-to," or **implementation**, is also a required element of the planning process.

As the practice of economic development continues to evolve, new theories and concepts will appear. Most, if not all, will emanate from one or more of the five major economic development components noted above. By utilizing the approach described in this handbook, a community that wishes to build a comprehensive economic development plan will have covered the fundamentals and set a flexible groundwork to incorporate future strategies.

# *Five General Components of Economic Development Practice*

## **Organizational Development**

To start the process, a community or region needs to have an economic development organization which is in place, involved and inclusive. Communities lay the groundwork for economic development activities by undertaking a process to determine a common future vision. By conducting an analysis of current economic conditions and completing a strategic planning process, a community can determine goals and objectives that will address local needs while working to achieve its vision. During this process, a community must also evaluate and identify the most effective organizational structure and potential resources available for carrying out its economic development activities.

## **Infrastructure Development**

Infrastructure, provided by both government and private business, is the support system needed for producing and delivering goods and services. Traditionally, infrastructure has included all forms of utilities (e.g. water, sewer, gas, electric, telephone), transportation services (e.g. roads, parking, airports, ports, rail), schools, hospitals and other public services sometimes referred to as "social infrastructure." Communications infrastructure is becoming increasingly important as businesses and residents rely on advanced data, voice and video transmissions. In addition, communities need to consider infrastructure investments in business and industrial parks and to develop an inventory of sites and buildings, including brownfields, suitable for development. Communities must identify both current and future needs and work with both public and private sector providers to ensure the provision of adequate infrastructure.

## **Business Development**

Business development is the cornerstone of a community's economic development program. Typically, a community's business development program includes a mix of three primary strategies: retention and expansion of existing businesses, entrepreneurial development, and business attraction. Within these strategies, a community may seek to target certain types of businesses after conducting an evaluation of the current economic

base. Business cluster strategies, working with companies based on various inter-relationships, has become a standard practice in recent years. A community may also focus its efforts on the development or redevelopment of its downtown and/or neighborhood business districts. Increasingly communities are also directing efforts toward the development of capital resources to support local businesses including revolving loan funds, angel networks and venture capital opportunities.

## **Workforce Development**

Communities need a quality workforce development program in place to stay competitive, to keep existing businesses strong, to keep young people in the community, and to raise residents' standard of living. Workforce development strategies include developing approaches to enhance the skills of workers so that all residents can become contributing members of the local economy. These strategies involve partnerships with educational institutions, employers, unions and state and local workforce development agencies and organizations. It is helpful to begin looking at this component by completing an analysis of the local labor market. Such an analysis will help to identify significant workforce issues that need to be considered.

## **Community Cash Flow Development**

Communities looking to bring new dollars into a community to ensure a balance of economic activity (or "community cash flow") can look at two sources of new dollars: those brought in by individuals, and those brought in by entities [organizations, businesses, government]. There are two types of new individual dollars that come into a community: earned income (wage and salary income) and transfer income (non-wage income or generated wealth). New dollars brought into a community by entities or institutions cover a wide range of sources, including tourism, expanding markets, pursuing outside investments, government contracts or grants, and developing support sectors. Many successful economic development strategies, which bring new dollars into a community, are the result of public-private partnerships that focus on serving growing sectors in the economy, and which bring in both individual and institutional dollars.

## A Strategic Overview of the Five Components of Economic Development Practice

	<b>Organizational Development</b>	<b>Infrastructure Development</b>	<b>Business Development</b>	<b>Workforce Development</b>	<b>Community Cash Flow Development</b>
<b>Data Gathering &amp; Analysis Activities</b>	<ul style="list-style-type: none"> <li>➤ Develop a common vision among community stakeholders</li> <li>➤ Create a Strategic Plan with Measurable Objectives</li> <li>➤ Perform Community Economic Analysis to identify market forces</li> </ul>	<ul style="list-style-type: none"> <li>➤ Collect data on infrastructure capacity: water, sewer, flood, storm; utilities, solid waste transportation, telecommunications</li> <li>➤ Inventory business park, sites &amp; buildings, brownfields</li> <li>➤ Identify gaps in facilities or capacity, areas of potential growth; areas needing improvement</li> </ul>	<ul style="list-style-type: none"> <li>➤ Identify current efforts at Retention &amp; Expansion</li> <li>➤ Identify current support for Entrepreneurial Development</li> <li>➤ Identify current efforts for new business attraction</li> <li>➤ Describe programs and services for Downtown Development</li> <li>➤ Identify gaps in any or all of the above</li> <li>➤ Perform industry analysis to identify types of business suitable for clusters</li> </ul>	<ul style="list-style-type: none"> <li>➤ Conduct a Labor Market Analysis</li> <li>➤ Study community demographics and trends</li> <li>➤ Analyze capacity and suitability of education system to meet needs of current and future workforce</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inventory sites and attractions for tourism</li> <li>➤ Inventory services and facilities attractive to seniors</li> <li>➤ Study economic data to identify primary sources of income and wealth in the community</li> <li>➤ Inventory and classify existing industries by type</li> <li>➤ Interview local industries to identify support/supplier systems used and needed</li> </ul>
<b>Planning &amp; Implementation Activities</b>	<ul style="list-style-type: none"> <li>➤ Develop a Checklist of things to do</li> <li>➤ Decide on sequence of strategies to implement</li> <li>➤ Define and make agreements on roles and responsibilities – who will do what, in what time frame</li> <li>➤ Study and weigh different organizational models</li> <li>➤ Explore regional opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>➤ Create plan for creating, upgrading or improving infrastructure elements</li> <li>➤ Create development plan for improving or creating buildings and sites suitable for development</li> <li>➤ Map land use development for compatible and suitable uses</li> </ul>	<ul style="list-style-type: none"> <li>➤ Create plan for improving retention and expansion capabilities of existing businesses</li> <li>➤ Create plan for developing or improving the support system for entrepreneurial development</li> <li>➤ Create plan for targeting and attracting new businesses</li> <li>➤ Create plan for downtown development</li> <li>➤ Plot land use development for compatible and desired uses</li> </ul>	<ul style="list-style-type: none"> <li>➤ Form partnerships with local, regional and state organizations to assist in matching trained workforce needed with jobs available and envisioned</li> <li>➤ Create continuum of opportunities that promote lifelong learning</li> </ul>	<ul style="list-style-type: none"> <li>➤ Create a marketing and development plan for attracting individuals identified – both temporary (tourists) and permanent (residents)</li> <li>➤ Target business attraction toward support/supplier industries to current economic base</li> <li>➤ Create plan for pursuing outside investments in current economic activity</li> <li>➤ Create plan to meet needs for new products and services</li> </ul>
<b>Resource Identification Activities</b>	<ul style="list-style-type: none"> <li>➤ Explore stakeholder interest and potential for investment: municipal, county, state, federal, private</li> <li>➤ Determine human resources necessary and available to implement activities: paid and volunteer</li> </ul>	<ul style="list-style-type: none"> <li>➤ Identify capital resources such as revolving loan funds, angel networks, venture capital, development authorities</li> <li>➤ Identify resources and capacities for residual development such as housing, education systems, health care systems, etc.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Search local, regional, state and federal government agencies for financial resources available to meet implementation plan</li> <li>➤ Assign tasks and deadlines to certain entities or individuals</li> </ul>	<ul style="list-style-type: none"> <li>➤ Investigate financial and technical assistance programs to assist in implementation of workforce development plan, such as K12 school-to-work and apprenticeships; technical college specialized training; UW System and Extension programs and services; also private and non-profit grants</li> </ul>	<ul style="list-style-type: none"> <li>➤ Investigate financial and technical assistance programs to assist in implementation of community cash flow development plan, such as tourism and marketing; health care system development; product development innovation and investment</li> <li>➤ Pursue government grants and contracts to support basic industries</li> </ul>

# Chapter 4

## Organizational Development

Taking charge of economic development in your community

*“A vision is like a lighthouse, which illuminates rather than limits, giving direction rather than destination.” - James J. Mapes, Foresight First*

### Tool Box

“Guidelines for Establishing an Economic Development Organization,” published by the American Economic Development Council (now IEDC) at [www.iedconline.org](http://www.iedconline.org)

“Learning to Lead: A Primer on Economic Development Strategies,” Maury Forman and Jim Mooney, Washington State Office of Trade and Economic Development, [www.oted.wa.gov/ed/cea/publications/learningtolead/default.htm](http://www.oted.wa.gov/ed/cea/publications/learningtolead/default.htm)

Wisconsin Community Preparedness Manual, 1986, Wisconsin Department of Development (now Commerce) and the Wisconsin Economic Development Association (WEDA) online at [commerce.state.wi.us](http://commerce.state.wi.us)

Organizational development sets the foundation and framework for a community’s economic development strategies.

### Organizing

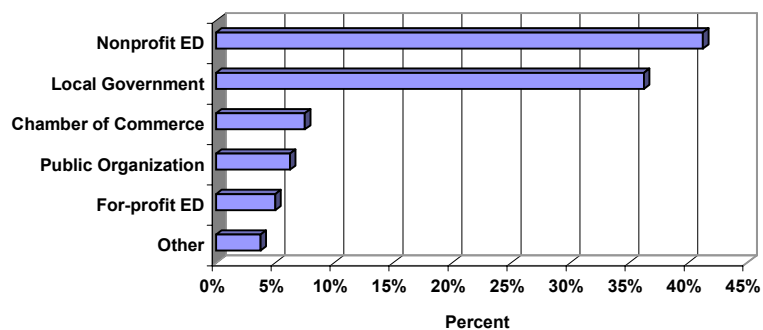
The type of organizational structure or procedure the community chooses depends on a variety of factors:

- ✓ How broad or narrow the mission of the organization will be;
- ✓ Whether the structure will operate as a public entity (e.g. within an existing municipal or county government structure) or as a private entity (non-stock or stock corporation);
- ✓ Whether the organization will have members;
- ✓ What the organizing individuals’ governance goals are; and
- ✓ Whether the organization will hire employees or rely on volunteers for its work.

In Wisconsin, most economic development organizations are non-profit, local ED organizations, or some unit of local government. There are also newer organizational structures which reflect combinations of traditional models, such as public/private partnerships or project partnerships, where the “organization” is two or more entities establishing an agreement for a focused purpose and limited duration of a project.

Comprehensive planning in economic development also calls for careful data gathering and analysis; planning; resource development;

Types of ED Organizations in Wisconsin, 2002



Source: Random sample of ED organizations in Wisconsin conducted by WEDI and UW-Extension Center for Community Economic Development

## COMPARISON OF ECONOMIC DEVELOPMENT ORGANIZATIONAL MODELS

	PRIVATE	PUBLIC	PUBLIC/PRIVATE PARTNERSHIPS
Funding sources	Contributions of businesses, local industries, chambers of commerce, and individuals	Government funds (taxes); grants	Contributions of business, industry, and private individuals; grants
Governing body	Board of directors elected by membership	Mayor and city council elected by public	Elected and appointed individuals
Legal form	Nonprofit 501(c)(6) corporation	Government agency	Nonprofit 501(c)(6), (5), (4), or (3) corporation
Operational advantages	<ul style="list-style-type: none"> <li>■ Not restricted by political boundaries</li> <li>■ Structure allows maintenance of confidentiality on important issues (e.g., identity of prospects)</li> </ul>	<ul style="list-style-type: none"> <li>■ Effective in providing development infrastructure: roads, sewer lines, water lines, etc.</li> <li>■ Direct access to incentives: property tax abatement, urban development assistance grants, etc. <i>**see footnote</i></li> <li>■ Access to policy makers</li> </ul>	<ul style="list-style-type: none"> <li>■ Not restricted by political boundaries</li> <li>■ Structure allows maintenance of confidentiality on important issues (e.g., identity of prospects)</li> </ul>
Representation	Speaks effectively on business sector's interests	Speaks effectively on public sector interests	Structure allows input from all sectors of community via elected city officials
Board size	Tends to be small: 5 to 10 members	Tends to be large: 15+ members	Tends to be moderate: 7 to 13 members
Examples	<ul style="list-style-type: none"> <li>■ Development corporations</li> <li>■ Chambers of commerce</li> </ul>	<ul style="list-style-type: none"> <li>■ Ports</li> <li>■ Local government programs</li> </ul>	<ul style="list-style-type: none"> <li>■ Economic development organizations</li> </ul>

Used with permission from "LEARNING TO LEAD: A Primer on Economic Development Strategies" by Maury Forman and James Mooney, et. al., Washington State Community, Trade and Economic Development, 1999. \*\*FOOTNOTE: Property Tax Abatement, as listed under "Operational Advantages: Public," is not allowable under Wisconsin law.

### Community Visioning Resources

"Building our Future: A Guide to Community Visioning," Gary Green, et. al.  
[www1.uwex.edu/ces/pubs/pdf/G3708.pdf](http://www1.uwex.edu/ces/pubs/pdf/G3708.pdf)

"Using Visioning in a Comprehensive Planning Process," Anna Haines,  
[www1.uwex.edu/ces/pubs/pdf/G3752.pdf](http://www1.uwex.edu/ces/pubs/pdf/G3752.pdf)

### Hard Data Resources

Wisconsin Department of Workforce Development  
[www.dwd.state.wi.us](http://www.dwd.state.wi.us),  
Labor Market Information

Wisconsin Department of Administration  
[www.doa.state.wi.us](http://www.doa.state.wi.us),  
Population/Demographics

Wisconsin Department of Revenue,  
[www.dor.state.wi.us/report.index.html](http://www.dor.state.wi.us/report.index.html)  
Personal Income/Economic Forecasts

U.S. Bureau of Census  
[www.census.gov](http://www.census.gov)

University of Wisconsin-Madison Center for Demography and Ecology  
[www.ssc.wisc.edu/cde/library/demores.htm](http://www.ssc.wisc.edu/cde/library/demores.htm)  
Demographics and Other Social Statistics

and implementation of strategies which serve the long-term interests of the community for each of the five major economic development components described in Chapter 3.

## Building a Vision

Regardless of the formal organizational structure chosen, all economic development organizations need to lay the groundwork for economic development activities by undertaking a process to determine a common future vision. No doubt many people in a community already have an idea of what they would like the community to look like or be like in the future. Chances are that these visions will vary from person to person. The challenge for economic developers is to identify the common elements and help to create a **consensus** vision. All community **stakeholders** should have an opportunity to participate in building that vision. Wisconsin's Comprehensive Planning law requires the inclusion of public participation processes. Community visioning is a good starting point, and a variety of resources are available to help organizations design a visioning process to suit their needs.

While there are many techniques to develop a community vision, the process is very straightforward:

- ✓ Identify and invite stakeholders
- ✓ Build consensus
- ✓ Evaluate the product

## Designing a Strategy

### Step 1: Gathering data

Once a community vision has been developed, the organization needs to design a strategy to achieve that vision. Imagine a road map. In order to determine a future direction for your community in its Smart Growth plan, you need to start with "where you are." A well-defined analysis of the community's current status is the first step in creating your strategy. On your road map, imagine a schematic that shows "You are Here." Your description of "Here" begins with gathering data about your community's **demographics** (Who lives here? Who works here? How old are they?), **economics** (What is the average local income? Wage? Who is in the workforce?), **and business sector** (Who are our community's employers? Who are their suppli-

### Soft Data Instruments

- ✓ Surveys
- ✓ Interviews
- ✓ Focus Groups

### Data Analysis Tools

Community Economic Development Checklist  
[see appendix for copy]

Twenty Questions about Your Community  
[see appendix for copy]

SWOT Analysis; Listing Strengths, Weaknesses, Opportunities and Threats - described in "Building our Future: A Guide to Community Visioning," see sidebar, page 18.

"Community Economic Analysis: A How-to Manual" includes tools such as Location Quotients, Shift-Share Analysis, Trade Area Analysis, Reilly's Law of Retail Gravitation, Multipliers and others. By Hustedde, Shaffer, Pulver, available online at [www.epa.gov/greenkit/howto.pdf](http://www.epa.gov/greenkit/howto.pdf) (A revised, paper version is available for order from the North Central Regional Center for Rural Development at [www.ag.iastate.edu/centers/rdev/pubs/contents/141.htm](http://www.ag.iastate.edu/centers/rdev/pubs/contents/141.htm))

ers and customers? What raw materials are available locally?) To determine the feasibility of strategies down the road, it is helpful for communities to gather both **hard data** (facts, statistics, measurements) and **soft data** (ideas, attitudes, impressions). Hard data is readily available from state and federal government sources for most localities. Soft data can be collected through survey instruments, interviews, and focus groups with local residents.

### Step 2: Analyzing the data

After describing in detail where the community is, the next step in developing a strategy is to analyze the data. A community needs to look critically at its hard and soft data to determine whether its socio-economic needs are being recognized and met, and to what degree there is room or necessity for improvement. For instance, although a community may have a health care system that is able to serve the *number* of local residents (hard data), the public's evaluation of the *quality* of care (soft data) may be less than stellar. Such an analysis indicates that the infrastructure is adequate, but operations need to improve in order to economically maintain that system, or it will start to decline, resulting in the loss of a valuable local asset. An excellent tool for beginning this analysis is the Community Economic Development Checklist found in the appendices. Another popular tool is "SWOT" analysis, or Strengths, Weaknesses, Opportunities, Threats. See the side bar on this page for some helpful links.

### Step 3: Planning

Once a community has completed an analysis of its assets and capacities (where it is), it needs to determine where it wants to go. The next step, after data gathering and analysis, is planning — the development of goals and objectives that will help the community achieve its vision. It is important that the goals and objectives developed reflect the "common good" or consensus of the broader community so that implementation of the plan effectively engages all sectors, and ownership is shared community-wide. A good way to achieve this is to conduct participatory goal-setting processes in public settings.

The analysis will likely have revealed "weaknesses" or gaps in the community's assets or capacities. Planning goals and objectives to address these gaps is a good place to start for your community's plan. The plan should also ensure that existing "strengths" and assets are preserved and enhanced.

#### Step 4: Defining Roles & Responsibilities in the Organization

Though critical to the success of the overall effort, the assignment and agreement of roles, responsibilities and time frames for carrying out the plan can often be overlooked. Key to this process is the need for clear leadership. The community also needs to ensure there is sufficient **organizational capacity** to carry out the plan to completion. This means securing and aligning financial, technical and human resources for the duration of the plan. Establishing periodic **benchmarks**, such as dividing a large goal into smaller goals to be achieved by a certain date, allows the organization to keep abreast of progress and achievements, as well as problems, as they arise. An established communications system within the organization, along with attention to detail in planning, will ensure good organizational capacity for economic development. Developing adequate organizational capacity is critical to the success of your economic development effort.

Often, the implementation of a strategy will require pooled finances and the commitment of multiple individuals, agencies and organizations. It is prudent for the community to spend some time evaluating, arranging and prioritizing strategies so that resources are used to their most efficient purpose.

#### Evaluating, Arranging and Prioritizing Strategies: Guiding Questions

- |   |   |
|---|---|
| What is the cost?   | Do the strategies need to be implemented in any particular order?                               |
| How will it be funded?  | Which strategies are central to the success of the whole plan? To the other strategies?         |
| How stable/accessible is the funding?   | Which strategies are time sensitive?  |
| Who is likely to support/oppose the action?   | Which strategies can be implemented quickly to demonstrate tangible results and build momentum? |
| What are the benefits?  | Which strategies can be linked successfully?  |
| Who will implement the strategy?  | Which strategies are mutually exclusive, duplicative or negating?                               |
| How long will it take?  | Which strategies will achieve multiple goals?   |
| Has this been tried before? What happened?  | Which strategies are clearly a lower priority?  |
| Will this create jobs or expand the revenue base?   |   |
| What legal issues are associated with this strategy?                                      |   |
| What are the environmental impacts of this strategy?                                      |   |
| What are the likely results of this action (short-term, long-term, intended, unintended)? |   |

Source: Wisconsin Rural Partners, Inc.

# Chapter 5

## Infrastructure Development

*Establishing the physical foundation for economic development*

---

### Transportation Infrastructure

Signage  
Streets  
Sidewalks  
Public Transit  
Bridges  
Access Improvements  
Parking Facilities

Roads  
Railroads  
Airports  
Water Ports  
Bike Trails

### Communications Infrastructure

Telephone  
Radio and Television  
Telegraph and Telex  
Cable and Video  
Satellite and Cellular  
Microwave and Wireless  
Data Transmission Services

### Utility Infrastructure

Water Supply  
Wastewater Treatment  
Stormwater Systems  
Other Public Services  
Electricity  
Natural Gas Distribution

### Social Infrastructure

Schools  
Hospitals  
Other Public Services  
Civic Organizations  
Local Government

Physical infrastructure encompasses existing transportation, communications and utility networks. Rebuilding the physical infrastructure of a community improves the local business climate and is critical to the redevelopment of distressed neighborhoods. Infrastructure, provided by both government and private business, is the support system needed for delivering goods and services. Its construction and maintenance requires ongoing long-term capital improvement planning by communities, involving many agencies. It usually requires capital outlays as well as the use of debt financing, which is repaid from tax revenues and user fees. It is important for a community to assess its existing infrastructure capacity to identify shortcomings and adequacies in current and future needs.

**Transportation Infrastructure** traditionally refers to the physical structures and systems which together make up the array of services provided to enable the movement of goods and people. Examples are noted in the box at left.

**Communications Infrastructure** refers to the systems and capacities a community has to communicate locally, regionally, and globally. Two-way voice and data, and broadband communication capabilities for residents, government and businesses are essential to a prepared community. Mobile offices and “telecommuting” are commonplace.

**Public Utility Infrastructure** refers to the basic services and commodities which are provided locally to the public at large. Water, sewer, stormwater and energy are the most common of these essentials. Utility capacity and maintenance are important functions that are technically complex and capital intensive.

According to the International Economic Development Council, the following trends in infrastructure are now very important. The need for fast, reliable and cost effective transportation and communications is driven by businesses operating in competitive global markets. Many manufacturers operate ‘just in time’ supply and delivery process, which requires a highly efficient transportation infrastructure. Thus, community, regional and national infrastructures are under pressure to improve road, rail, air and even waterway transportation.

**Social Infrastructure** is the people-oriented aspect of communities. Depicting quality of life for residents, these factors of health, education, government services, etc., are also often called “location factors”

### Tool Box

Telecommunications Infrastructure Readiness Index, University of Illinois, Laboratory for Community and Economic Development: [www.communitydevelopment.uiuc.edu/commtele/telecommindex.htm](http://www.communitydevelopment.uiuc.edu/commtele/telecommindex.htm)

Electronic Commerce Readiness Guide: A Self-Assessment Tool for Communities: [www.cspp.org/projects/readiness/order.htm](http://www.cspp.org/projects/readiness/order.htm) (Computer Systems Policy Project - CSPP)

IEDC Economic Development Reference Guide: Brownfields. [www.iedconline.org/hotlinks/brownfields.html](http://www.iedconline.org/hotlinks/brownfields.html)

The Financial Resource Guide for Cleanup and Redevelopment: Wisconsin Departments of Commerce and Natural Resources: [www.dnr.state.wi.us/org/aw/rr/archives/pubs/RR539.pdf](http://www.dnr.state.wi.us/org/aw/rr/archives/pubs/RR539.pdf)

"Community Guide to Development Impact Analysis," by Mary M. Edwards, UW-Madison. [www.wisc.edu/pats/abscomguide.htm](http://www.wisc.edu/pats/abscomguide.htm)

Report Card on Wisconsin's Infrastructure, American Society of Civil Engineers, Wisconsin Section: [sections.asce.org/wisconsin/wi\\_asce.html](http://sections.asce.org/wisconsin/wi_asce.html)

in economic development analyses. Housing availability is often associated with this category.

### Infrastructure for Economic Development

In addition to the infrastructures listed above, economic development also requires investment. These investments provide competitive advantages for the community and assist in obtaining economic diversification. These are also commonly called location factors and fall into several broad categories:

**Sites and Buildings** - available facilities; speculative buildings; infill opportunities; industrial and business parks; available sites with transportation, communications and utility infrastructure in place; and brownfield conversions.

**Financial resources** - revolving loan funds, venture capital, angel investors, investment capital.

**Entrepreneurial support** - training and education, business incubators, universities and colleges, technical colleges, associations and trade groups.

### Brownfields/Remediation

Brownfields are abandoned, idle or underused properties where expansion or redevelopment has not occurred due to known or perceived environmental contamination. Brownfield remediation is a special case, recently made feasible by the desire of governments to invest in these types of projects. Since communities pursue brownfield redevelopment to meet economic as well as social goals, programs should track economic benefits, which tend to be measured quantitatively, as well as important social and community benefits, which require additional and qualitative information. This is especially true since brownfield redevelopment usually costs more than an undeveloped site and because brownfield projects often take longer to implement. Successful brownfield remediation requires:

1. managing the liabilities
2. conducting the clean-up (including finding funding)
3. implementing the redevelopment project

See sidebar for reference guide.

# Infrastructure Assessment Questions\*

---

1. Will the benefits of having this improved infrastructure be worth the costs to the community?
2. Would having this particular infrastructure in place before there are customers to use it make our community sufficiently more attractive to new businesses?
3. What are the risks in waiting to build this infrastructure? What are the risks in moving forward now?
4. Will the increased taxes or user charges for this upgraded infrastructure hurt existing businesses? If so, how much?
5. Are there other ways to solve the problem other than developing new infrastructure?
6. How else can we pay for this infrastructure other than what has been proposed?
7. Is the infrastructure at this site going to be balanced? For example, if there is no way to get water to the site, is there any point in installing electric lines?
8. Can our community take advantage of existing infrastructure in nearby communities?
9. Would sharing facilities with other communities reduce the costs of this infrastructure?
10. What could we gain by having this infrastructure plan verified by someone outside of our community?
11. How else could we beneficially spend our money for economic development than having this infrastructure?
12. Have we asked managers in the kinds of businesses we desire to tell us what their infrastructure requirements are?
13. How might the infrastructure being proposed for this site be extended efficiently to serve other sites?
14. Is this particular infrastructure consistent with our economic development strategy?
15. As long as we are digging a trench for one kind of infrastructure (cables, water mains), can any other kind of infrastructure be placed in the trench at the same time?
16. What is the budget for all of the operating and maintenance costs that this new infrastructure will generate?
17. Do any pending regulatory changes make our infrastructure plans potentially more risky or more costly?
18. Can we support any regulatory or legislative changes to help our community get the infrastructure we need sooner?
19. What technology alternatives have been considered in this infrastructure proposal?
20. What are the rates for this kind of utility service in communities with whom we compete or compare?

\* Reprinted with permission from "Learning to Lead: A Primer on Economic Development Strategies," by Maury Forman and Jim Mooney, Washington State Department of Community, Trade and Economic Development, 1999.

---

## Transportation Infrastructure

American Association of State Highway and Transportation Officials (AASHTO): [www.aashto.org](http://www.aashto.org)

American Public Transportation Association (APTA): [www.anta.com](http://www.anta.com)

Federal Highway Administration (FHWA): [www.fhwa.dot.gov](http://www.fhwa.dot.gov)

Federal Transit Administration (FTA): [www.fta.dot.gov](http://www.fta.dot.gov)

Wisconsin Department of Transportation, Programs for Local Community: [www.dot.wisconsin.gov/localgov/index.htm](http://www.dot.wisconsin.gov/localgov/index.htm)

## Communications Infrastructure

Center for Civic Networking (CCN): [www.civic.net](http://www.civic.net)

Telecomm Network: [www.abag.ca.gov](http://www.abag.ca.gov)

## Utility Infrastructure

Association of Metropolitan Planning Organizations (AMPO): [www.ampo.org/mpo\\_issues/bestpractices/](http://www.ampo.org/mpo_issues/bestpractices/)

U.S. Department of Energy: [www.energy.gov](http://www.energy.gov)

## Economic Development Infrastructure

Aspen Institute: [www.aspeninst.org](http://www.aspeninst.org)

Association of University Related Research Parks: [www.aurp.org](http://www.aurp.org)

Council for Entrepreneurial Development (CED): [www.cednc.org](http://www.cednc.org)

EntreWorld: [www.entreworld.org](http://www.entreworld.org)

National Business Incubation Association: [www.nbia.org](http://www.nbia.org)

# Chapter 6

## Business Development

*Retention and expansion, attraction and entrepreneurship*

### **Business Development includes:**

- ✓ *Business Retention and Expansion*
- ✓ *Business Attraction*
- ✓ *Entrepreneurship*

### **Tools for Business Development Assessment**

Community Economic Development Checklist [see appendix for copy]

Community Economic Analysis: A How-to Manual: [www.epa.gov/greenkit/pdfs/howto.pdf](http://www.epa.gov/greenkit/pdfs/howto.pdf)

"Socioeconomic Data for Understanding Your Regional Economy," Cortright and Reamer, [www.econdata.net](http://www.econdata.net)

### **"WIBRES" (Wisconsin Business Retention and Expansion Survey) Program**

Since 1984, Wisconsin Bell (which became Ameritech Wisconsin and now SBC) and the Wisconsin Department of Commerce have conducted this program designed to help Wisconsin communities determine the factors that affect business retention and growth. Over 150 surveys have been produced, with several communities having completed several surveys over time.

**Business development** is the cornerstone of a community's economic development program and is where the most resources should be directed. Business development includes three primary activities: **Business Retention, Business Attraction** and **New Business/Entrepreneurship Development**. All are important to a community's healthy business climate and diversified business base.

Expanding and diversifying the types of businesses in a community increases employment opportunities, generates additional tax revenues, diversifies the economic base, and improves the quality of life for residents. Since the 1980s, structural changes in the economy associated with increasing global competition, changing consumer preferences, mergers and acquisitions, corporate downsizing, availability of workforce, and rapid technological changes have reshaped the business landscape and created new challenges for economic development.

### **Community Business Assessment**

To begin to formulate strategies for business development, it is important to understand the community's existing business base. The community assessment, recommended early in the development of a comprehensive economic development program and plan, should include data gathering and an analysis of the mix of businesses in the community.

The following data is important to understand the strengths and weaknesses of a community's business base:

- The number of businesses in each sector or industry code according to the North American Industry Classification System (NAICS).<sup>1</sup> This includes manufacturing, retail, service, distribution, agriculture, etc.
- Major employers in each industry sector.
- Employment levels by each industry sector.
- Employment wage information for each industry sector.
- Business regulatory climate (i.e. local and state permitting, zoning, and licensing).

<sup>1</sup>The classification system, and this publication, use the term "industry" to refer to the classification of establishments according to the type of activities in which they are engaged from agriculture through manufacturing and retail to public administration.

### Three Goals of Business Retention and Expansion Strategies:

- Reduce the costs of doing business for local employers.
  - ✓ *business assistance centers*
  - ✓ *energy efficiency programs*
  - ✓ *low interest loans*
- Improve competitiveness for local employers.
  - ✓ *modernize processes*
  - ✓ *workforce training*
- Increase markets for existing business
  - ✓ *export assistance*
  - ✓ *link local buyers / suppliers*

### Benefits of Business Retention and Expansion Visitation Programs:

- Identification of at-risk companies.
- Identification of business issues and concerns impacting the competitiveness.
- Updating of data including employment levels and recruitment/retention issues.
- Discovery of future plans for expansion and capital investment.

*continued next page...*

- General business climate and community support for business development.
- The demographics and skills of the workforce.

The concept of working with businesses in **'clusters'** has become fairly standard in recent years. Clustering consists of geographically grouping companies for improved efficiency and competitiveness. The cluster may be built on buyer-supplier relationships or collaborative groups of the same industry working together on process improvements and new market opportunities. A third model consists of firms using the same sources of raw materials, human resources, and technology, even though their markets may be different. The cluster concept can also be used to define and analyze retail/commercial market centers. There are various methodologies and strategies to work with businesses in clusters.

### Business Retention and Expansion

Business retention and expansion (BRE) programs are designed to support existing businesses and prevent them from leaving the community or going out of business. It is estimated that 85 percent of the employment in an area is generated by the existing enterprises. They form the foundation of the community's employment opportunities and stabilize the tax base.

Typically, a strong BRE program should be allocated the majority of the economic development resources. Benefits to a strong BRE program include the ability to identify and work with at-risk companies early; and having local business owners promote the community as a good place for business. It is also easier to attract new businesses if existing businesses are expanding and remaining in the community.

The objectives of a business retention and expansion program are to identify the businesses' existing and changing needs and address those needs with resources and tools. It is important to remove obstacles that restrict the growth of existing businesses and assist them to remain competitive.

There are essentially two ways a community can assist its existing firms. The first is to provide direct assistance through management training, workforce development programs, access to capital, and resources for exporting, technology, and government procurement. The second way to assist existing businesses is to deal with external

continued from previous page...

- Establishment of an ongoing communication process.
- Making industry aware that they are a valued part of the community.
- Publicizing the positive impact on the community.
- Indicating the willingness of economic development organization to work with firms and solve problems.

### Agri-Business Resources

Wisconsin Department of Agriculture, Trade & Consumer Protection: [www.datcp.state.wi.us/core/business/index.html](http://www.datcp.state.wi.us/core/business/index.html)

Wisconsin Department of Commerce, Agricultural Development Zone Program: [commerce.state.wi.us/cd/cd-bed-az-general.html](http://commerce.state.wi.us/cd/cd-bed-az-general.html)

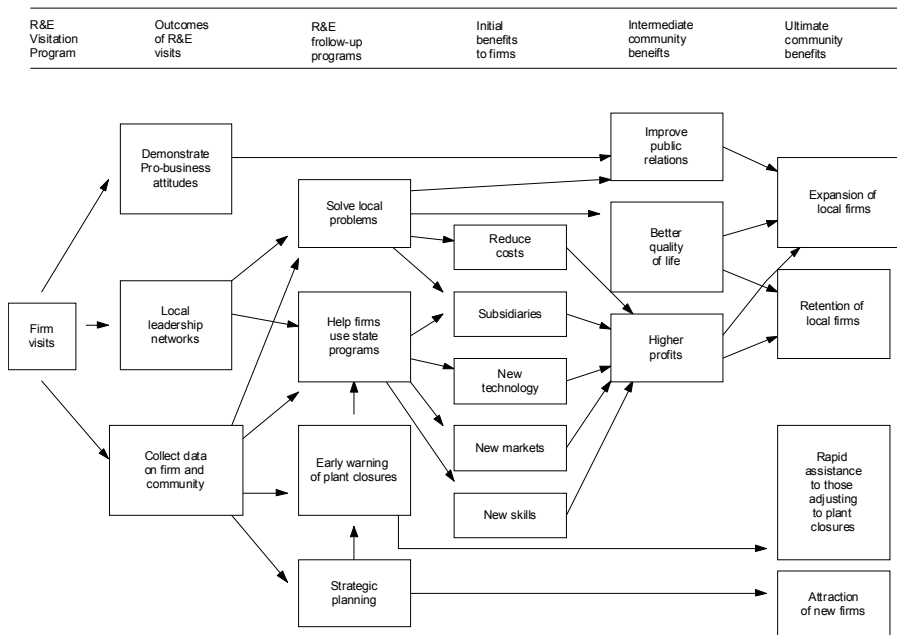
Wisconsin Housing & Economic Development Authority: [www.wheda.com/sb\\_ag.asp](http://www.wheda.com/sb_ag.asp)

Wisconsin Agri-Business Council: [www.wisagri.com/](http://www.wisagri.com/)

Wisconsin Milk Marketing Board: [www.wisdairy.com](http://www.wisdairy.com)

USDA Rural Development: [www.rurdev.usda.gov/wi/programs/rbs/index.htm](http://www.rurdev.usda.gov/wi/programs/rbs/index.htm)

### CONCEPTUAL MODEL OF THE R&E BUSINESS VISITATION PROGRAM



Source: George Morris, Community and Rural Development Institute, Cornell University

barriers to business growth including overly restrictive regulatory processes, availability of space to expand, transportation and other infrastructure needs, and quality of life amenities in the community.

Suggested activities for a business retention and expansion program include an ongoing business visitation program, personal contacts, inventories of existing space, business management seminars and educational programming, industry appreciation events, networking opportunities and business associations. Rapid response teams and resources are also encouraged to respond quickly when an at-risk firm is identified.

**Agricultural businesses** should also be part of a BRE program. Especially in Wisconsin, agriculture is a primary contributor of many community economies, and provides a stable market for many service and retail businesses. Economic developers can provide agri-businesses with assistance in planning, marketing, equipment and management systems improvement, workforce development, accessing government assistance, and many of the issues that other types of small businesses face. Some resources for agri-business are noted in the sidebar at left.

**Business Attraction  
Promotion Strategies:**

- advertising
- direct mail
- promotional materials
- websites
- prospecting trips
- trade shows
- special events
- personal selling

*“Basic employers can include manufacturers, tourism businesses, agriculture producers and processors, insurance companies and service firms, and non-local government units.”  
- Glen Pulver*

## **Business Attraction**

Business attraction activities are designed to encourage businesses that are expanding or planning to relocate, to choose your community. New businesses enhance and diversify the economic base, and improve the quality of life. Bringing new ‘basic’ employers to a community will create a multiplier effect and add other jobs and income. Basic employers produce goods and services locally, bringing “new” dollars into the local economy. This is necessary in order to counteract “dollar leakage” out of the community due to purchasing goods and services made elsewhere. Basic employers can include manufacturers, tourism businesses, agriculture producers and processors, insurance companies and service firms, and non-local government units. While business attraction efforts have historically targeted manufacturing businesses, today communities also seek to attract retail, tourism, technology, service sector, and entertainment venues to diversify and expand their business clusters and community.

In order to attract new businesses, a community must provide a competitive and attractive environment. Marketing and promotion are used extensively to promote the positive business climate, environment and services available for targeted firms.

There is a wide range of marketing and promotion activities that can be used to reach a target audience and attract potential investors. Some are listed in the box at left. Each has advantages and disadvantages that should be explored thoroughly by the community before committing extensive resources.

With thousands of communities vying for a limited number of prospective businesses, attracting new businesses is a highly competitive strategy. The challenge for economic developers is to determine which businesses are the best prospects and most compatible with the community’s needs and resources. It is also important to understand the market that is identified and targeted in order to focus attraction efforts and community resources in areas that will be effective.

Businesses take multiple factors into consideration when seeking a location. The responsiveness of the economic development organization with this information will improve the competitive position of the community. It is important to have an extensive database of informa-

### Business Location Factors

**Location:** access to customers/markets, suppliers, transportation (highway, rail, port, air) facilities.

**Facilities:** buildings, land, incubators, office space, land, water, sewer, transportation and telecommunication infrastructure.

**Business costs:** cost of facilities, labor, taxes, energy.

**Financial:** availability and cost of capital, community/state economic development resources.

**Workforce:** availability of workforce, cost, skill levels, productivity

**Business Climate:** permitting, regulations, zoning, government responsiveness to business

**Knowledge Resources:** training resources, universities, colleges, research parks, labs.

**Business Resources:** networking, trade associations, training, exporting, procurement resources.

**Quality of Life:** cost of housing, quality of schools, low crime rates, recreation and cultural amenities.

tion on the community: the types of businesses, the costs of doing business, available land and buildings, market research, and quality-of-life information. See the sidebar for detail. Communities should also have this information available in summary form - often called a "community profile."

Studies have shown that several conditions need to exist in a community in order for business attraction to be a wise, productive strategy in which a community invests as part of its overall economic development plan. One such study proposes 10 basic things economic developers can do to meet the needs of locating a new facility:<sup>1</sup>

1. Make sure community leaders are ready, willing and able to assist in attracting prospective industries.
2. Conduct periodic labor surveys to keep tabs on the labor supply.
3. Have managers of local, existing industries meet with prospective industries to discuss suitable wage rates, benefits, etc.
4. Identify several good industrial sites that have good roads and utilities in place, or can be developed quickly.
5. Have local technical colleges host tours of their facilities and provide information on their services to prospective industries.
6. Use state government resources for financial and technical assistance available to new industry.
7. Communicate with federal and state elected officials about issues affecting development in the area.
8. Have up-to-date community information, which presents pertinent data that a company requires.
9. Maintain a small local development team to support prospect needs and maintain the confidentiality of the prospect's interest.
10. Make sure the community attitude is attractive to industry. A good business climate will retain existing businesses and attract new ones.

<sup>1</sup>Adapted from "How to Meet the Needs of Corporations in Locating New Facilities," by Allen R. Wood, Economic Development Review, Winter 1990.

*Building an effective support system for small and emerging businesses is an increasingly important responsibility of the economic developer.*

## Entrepreneurship and New Business Development

Entrepreneurship, the development of new business, has become increasingly significant in economic development policy. Since 1978, research has shown that small firms are the main source of job creation in the U.S. economy. In the United States, between 600,000 and 800,000 new businesses are started each year.

Characteristics of new and small businesses include the willingness and ability to innovate and respond quickly to rapid changes in the market, strong ties to the community and less willingness to relocate, and high profit margins if successful.

Small business development meets the economic development objectives of diversifying the economic base and creating new jobs, but also provides stability to the economic base. Small firms can respond quickly and easily to remain competitive in economic downturns.

Failure rates are high for start-up businesses. Typically, only four of ten business start-ups survive the first five years. As a result, building an effective support system for small and emerging businesses is an important responsibility of the economic developer. It is most effectively accomplished through partnerships with other business development resources. See sidebar at left.

### Resources for New and Emerging Businesses:

**Management assistance:** programs on entrepreneurship, business accounting, market research, product development, management

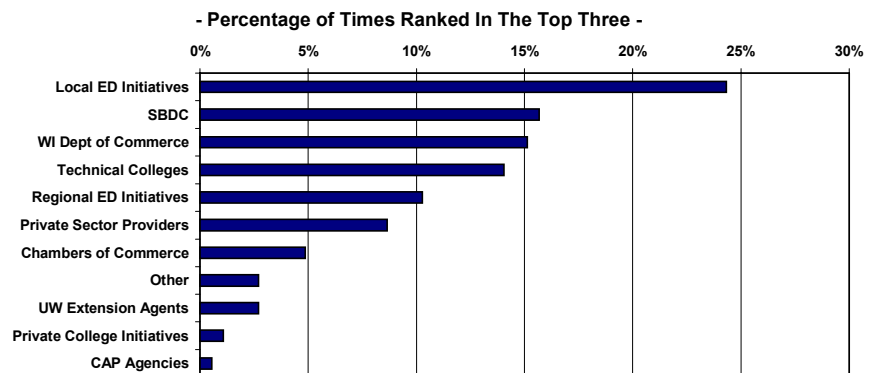
**Overhead assistance:** incubators, shared services, below market rents

**Financial assistance:** microloan programs, Community Action Agency programs, U.S. Small Business Administration, revolving loan funds

**Networking opportunities:** roundtables, CEO networking groups, trade associations

**Feedback:** business appreciation events and promotion of the successes of your small and emerging businesses

### Entrepreneurial Growth Company Service Providers in WI



Source: WEDI 2001 Survey of local ED professionals on use of sources for entrepreneurial assistance.

**Incentives for Business Development:****Operating Assistance:**

tax incentives, infrastructure assistance, financing, site costs, technical assistance, permitting, energy efficiency programs

**Infrastructure Assistance:**

improve or assist with highway, port, air, digital access and improvements, access, utility extensions, capacity expansions.

**Workforce Assistance:**

hiring, training, relocation

**Tool Box**

UW Extension Online "Downtown and Business District Market Analysis Tool Box":  
[www.uwex.edu/ces/cced/dma/](http://www.uwex.edu/ces/cced/dma/)

Wisconsin Business Climate, Wisconsin Department of Commerce:  
[commerce.state.wi.us/MT/MT-FAX-0702.html](http://commerce.state.wi.us/MT/MT-FAX-0702.html)

Major Taxes of Interest to Business, Wisconsin Department of Commerce:  
[commerce.state.wi.us/MT/MT-FAX-0709.html](http://commerce.state.wi.us/MT/MT-FAX-0709.html)

State Tax Incentives for Economic Development in Wisconsin, Wisconsin Department of Revenue: [www.dor.state.wi.us/ra/incent03.pdf](http://www.dor.state.wi.us/ra/incent03.pdf)

Services and activities that assist small and new business development should include technical assistance, entrepreneurial (management) training, networking opportunities, business classes, accounting and legal services, and trade associations. These services can be designed to address obstacles to small business development and generally serve a wider audience than just the new start-up business.

**Technology-Based New Business Development**

Within the development of new businesses and support of entrepreneurship is the development of technology-based businesses or those that make efficient use of knowledge. As structural changes in the economy take hold, the transition from industrial age to a knowledge-based economy becomes more evident. In the knowledge economy, the value-added product of the company has shifted from factories and warehousing to knowledge. While still a small portion of overall business development, it remains important for the community to identify and support these individuals and businesses which may attract a highly-skilled workforce and provide high-paying jobs.

Issues key to the development of technology based businesses include the availability of the Internet with high speed access, permits for home-based business, and office buildings that can accommodate intense computer-based activity with adequate backup power sources. The availability of efficient and reliable electricity and access to financing (including equity financing) is critical. (See resource section at end of handbook.)

**Downtown Development**

Downtowns present a key economic opportunity in economic development comprehensive plans. Existing downtowns provide a head start for many communities planning for sensible growth. They use land efficiently and already have public infrastructure such as streets and utilities. Downtowns are by nature compact developments and provide many infill opportunities. They are "center focused" with a mixture of uses. Downtowns often have existing transportation options in place, including public transit and bicycle access, and are typically pedestrian friendly. Finally, they convey the character and history of the community, celebrating the community's unique sense of place. Consequently, keeping a downtown economically viable is often an important part of an economic development plan.

## **Incentives for Business Development**

Incentives may be used to attract and retain investment in a community or a targeted area of a community. Incentives are intended to lower the cost of doing business and may give a community a competitive edge over other communities. A few incentives are highlighted in the box on the facing page. It is important to note that incentives will not overcome fundamental cost or location differences in the prospect's consideration of all potential sites. Before offering incentives, a thoughtful analysis should be completed for assessing the return on investment [ROI] and the point at which the incentive exceeds its benefit to the community.

## **Contemporary Business Development Strategies**

The following strategies reflect business development trends in Wisconsin. They fit the comprehensive planning definition because they take into account land-use considerations, target resources based on research, and improve the existing resource base of the community:

- ✓ Target specific, high-growth industries that offer higher salaries rather than attracting "any" new jobs.
- ✓ Recruit advanced manufacturing companies with more focus on emerging firms, which align with existing "clusters" and capabilities of the local area.
- ✓ Continue recruitment of companies that best match the resources and business benefits in Wisconsin.
- ✓ Diversify and strengthen local economies by broadening the tax base to share the cost of government and public services.
- ✓ Replace jobs lost by companies going out of business or moving.
- ✓ Expand, renew and protect the resource base (raw materials, etc.).
- ✓ Identify companies that fill a gap (contribute a needed product or service).
- ✓ Attract firms that complement existing industries and increase business for established companies.
- ✓ Encourage reinvestment and redevelopment in previously used properties, versus greenfield development.

*Business Development resources and partners are listed in the Appendix.*

# Chapter 7

## Workforce Development

Education, training, skill development

### Partners in Workforce Development

- K-12 Educational System
- Technical Colleges -classes and customized labor training
- Colleges and Universities
- Trade Unions
- Training Consultants
- Professional and Trade Associations
- Wisconsin Department of Workforce Development
- Workforce Development Boards
- Wisconsin Job Centers
- Economic Development Corporations
- Employers
- Wisconsin Department of Commerce

### What is Workforce Development?

Workforce Development is a critical component in any economic development effort. According to Maury Forman and Jim Mooney,<sup>1</sup> "Workforce development includes:

- ✓ **Education reform** - adjusting the local education system to produce graduates who have skills necessary for the future.
- ✓ **Skill development for displaced workers** -making sure that people who have lost their jobs never have it happen again due to their job skills.
- ✓ **On-the-job training** - to help workers gain new skills and handle the increasing use of technology in the workplace.
- ✓ **Welfare-to-work programs (W2)** - to help people become economically self-sufficient by removing barriers, building skills, and meeting the individual's basic needs."

### Why is Workforce Development Important?

If a skilled labor supply, educational institutions, or programs to train the workforce are missing from a community's asset base, growth will be stymied and options to attract desired businesses will be limited. Communities need a good **workforce development program** in place to stay competitive, to keep existing businesses strong, to keep young people in the community, and to raise residents' standard of living through higher-skilled jobs.

Employers need access to good workforce development and training programs to become more competitive, increase productivity, retain workers, and to improve their attractiveness to prospective employees. Companies also need a trained workforce to be able to expand or relocate.

Workers need workforce training to insure their long-term employability and to increase their upward mobility and wages. They need good information about the types of job skills that are in demand, both now and in the future.

<sup>1</sup>Forman, Maury, and Mooney, Jim, "Learning to Lead: A Primer on Economic Development Strategies," Washington Department of Community, Trade & Economic Development, Seattle, WA, 1999.

### Types of Workforce Development Programs

1. School-to-Work Programs
2. Apprenticeships Job-Shadowing
3. Cooperative Education Programs
4. Youth Entrepreneurship Program
5. High School Curriculum Development
6. Mentoring Programs
7. On-the-Job Training
8. Training Workshops
9. Customized Labor Training
10. Pre-Employment Training for Grants
11. Mentoring Programs
12. Degreed/Credit Educational Programs
13. Job Search and Job Placement - e.g., JobNet
14. Adults with Barriers: Life Skills
15. Language Training
16. Literacy/Numeracy Training
17. Academic Upgrading
18. Job Training and Retraining
19. Assistance in removing other barriers such as childcare, transportation, health-related costs, disability-related costs, and skills accreditation

Economic developers, educators and trainers should maintain an active dialogue with employers to understand the skill sets needed from their employees and should modify curricula as necessary to respond to changing workforce needs. Educational resources for training and retraining need to be clearly identified for employers and job seekers. Lifelong learning should be emphasized as an ongoing component of any workforce development program.

### How is the Workforce Changing? How Are Jobs Changing?

The United States' economy is rapidly evolving from an industrial economy to a **knowledge-based economy**. Employees in all types of jobs must be able to use increasingly complex technology involving more computerization and mechanization, to be good problem solvers, to be flexible in meeting individual customer needs, and to work in teams.

According to a recent labor market analysis by the Wisconsin Department of Workforce Development:

- ✓ The state is losing young people at an alarming rate, particularly our college-educated young people.
- ✓ Wisconsin has one of the highest female labor force participation rates in the United States.
- ✓ Wisconsin has a very high concentration of employment in manufacturing, which in and of itself is probably desirable, but it makes us very vulnerable in economic downturn cycles such as the present situation.
- ✓ We have a very large Baby Boom age cohort that is fast approaching retirement age. The oldest Baby Boomers are now about 58 years old.
- ✓ Over the next several decades, these changes will likely result in tight labor markets, slowing growth in state tax revenues, shifts in state spending, and shifts in Wisconsin's economic structure.

**Competition** for new jobs is coming from around the world. Lower-skilled manufacturing jobs in particular are increasingly leaving the country. Jobs that remain tend to be higher-skilled jobs. The greatest number of new job opportunities in Wisconsin will require some post-secondary education, but not necessarily a four-year degree from a college or university.

### Workforce Data

"County Workforce Profiles," Wisconsin Department of Workforce Development: [www.dwd.state.wi.us/lmi/cp\\_pdf/cp\\_mainx.htm](http://www.dwd.state.wi.us/lmi/cp_pdf/cp_mainx.htm)

"Sample Wisconsin County Labor Reports," Gary P. Green, UW-Madison, (includes survey forms): [www.drs.wisc.edu/personnel/faculty/green/lmr.htm](http://www.drs.wisc.edu/personnel/faculty/green/lmr.htm)

## The Role of the Professional Economic Developer

Although the profession of "economic developer" is barely thirty years old, the economic developer's role has changed several times. Starting as a "salesman," in the 1970s, the economic developer became a recruiter, then an ombudsman to existing business. One thing remained consistent: the success of the economic developer has ultimately been measured in the number of jobs created in a community.

According to "Economic Development in the New Millennium,"<sup>1</sup> not only is the role of the economic developer changing again, the measurement of "jobs created" has taken a back seat to overall quality (particularly wage levels and benefits) of the jobs in the community. One of the primary reasons this is true is because of workforce conditions. As the United States moves from a primarily physical-labor, industrial age economy to a intellectual-labor, information age economy, job distinctions are now necessary in economic development. Employers' need for specifically-skilled labor has made development of a diverse, skilled, and adaptable workforce a primary key to success. Consequently, economic developers are becoming skilled in helping identify workforce development needs in their community, and bringing together the resources to develop programs and strategies to meet those needs. Business Retention and Expansion programs, as discussed in Chapter 6, help the economic developer stay abreast of changing workforce needs. Current labor force statistics are also available from the Wisconsin Department of Workforce Development. Local surveys are recommended to flesh out the details (see side bar).

## Workforce Development Strategies

Workforce development requires the collaborative, coordinated efforts of many different organizations with similar goals and objectives. The range of potential workforce development strategies is infinite, but any successful workforce development strategy should include key players and programs as described in the sidebars on pages 32 and 33.

---

<sup>1</sup> "Economic Development in the New Millennium," Morrison/Dodd Group, Shreveport, LA, [www.aedc.org/publications/](http://www.aedc.org/publications/)

# Chapter 8

## Community Cash Flow Development

*Bringing new dollars into a community*

---

*Dollars invested or spent in a community generate more economic activity, creating a “multiplier” effect which enhances local business and industry.*

### Individual Dollars

#### Earned Income

- Wages and Salaries

#### Transfer Income

- Government Payments
- Investment Dividends

### Institutional/ Organizational Dollars

- Outside Investment
- New Activities/Services
- Product Development
- Government Payments
- Expanded Markets
- Tourism Receipts

In today’s global economy, the economic health of a community can become unstable if there is an imbalance between the amount of local income and wealth that leaves a community, and the extent to which “new” dollars come into the community. A community needs to employ a strategy to create a healthy “**community cash flow.**”

New dollars are generally described as income and wealth generated outside of a community, but invested or spent in the community. Dollars invested or spent in a community generate more economic activity, creating a “multiplier” effect which enhances local business and industry.

Communities looking to bring in new dollars to ensure a balance of economic activity, can consider two sources of new dollars: those brought in by **individuals**, and those brought in by entities (**organizations, businesses, and government**).

There are two types of new dollars that come into a community through individuals: **earned income** (wage and salary income) and **transfer income** (non-wage income or generated wealth). Workers in the labor market produce earned income. Transfer payments, or generated wealth, are dollars brought in by individuals through public sources such as Social Security, Medicare and Unemployment, or through private sources such as investment dividends and interest.

New dollars from entities or institutions come from a wide range of sources. Organizations and businesses, for instance, can expand their markets to serve a larger number of clients so that business income increases. They can also pursue investment in their operations from outside sources, such as foundations, investment corporations, and new partners. Likewise, they can develop new activities such as housing and tourism development that attract new public and/or private investments that build the local economic base. Grants and government contracts are another source of new dollars for a community.

Many successful economic development strategies which bring in both individual and institutional dollars to a community are the result of public-private partnerships that focus on serving growing sectors in the economy.

### Community Cash Flow Strategies

- ✓ Locate convenience services in high traffic areas
- ✓ Keep business hours of operation coincidental with customer base
- ✓ Start a "Buy Local" campaign
- ✓ Provide housing and clustered services for elderly
- ✓ Develop excellent educational facilities to attract students
- ✓ Institute a beautification program
- ✓ Improve infrastructure
- ✓ Develop tourism attractions
- ✓ Provide visitor information
- ✓ Seek government and private foundation grants
- ✓ Promote high-amenity retirement area
- ✓ Consider cluster business development
- ✓ Provide technical assistance to businesses
- ✓ Provide business incubators
- ✓ Ensure access to broadband technology

## Create Positive Community Cash Flow Through Individuals

Some people may live in your community but work elsewhere. They generate income from an "outside" source and hopefully bringing that income back to your community to pay for goods and services. They pay property and other taxes that become part of the stable economic base of the community. The opportunity lies in capturing the discretionary portion of these residents' income.

A community can better capture individual discretionary dollars of residents who work outside of the community if it provides a range of convenient and accessible retail and commercial services at times when those workers are in your community, e.g. commuting hours and weekends. These dollars tend to leak away when local service availability and delivery does not meet the needs of the consumer. Typically these consumers purchase goods and services based on convenience and selection, unless proactively influenced otherwise, such as through a "buy local" campaign.

Another opportunity to capture new individual dollars is to focus on strategies that attract new residents who bring transfer payments or generated wealth with them. Examples of strategies include housing, service and retail development for senior citizen needs; or high-end housing development for higher-income residents.

## New Dollars through Institutions or Entities

In many communities, the educational and health care systems are the largest employers. Development strategies of previous decades often included infrastructure development to support growth in those sectors. Many schools now face declining enrollments and struggle to retain their capacities developed during peak population-growth years. New policies also allow student migration from one district to another, accompanied by the state's share of per-pupil funding.

Health care industries continue to grow with the general aging of the population. Areas that have created health care centers with a wide range of health services have expanded their market area and increased their market share.

Communities can undertake a variety of tourism development strategies to increase the number of short-term visitors who spend money

in the community. Strategies include developing and enhancing facilities and attractions; providing information and assistance to visitors; and coordinating services to ensure a complete, memorable tourism experience.

Helping local businesses and organizations expand their markets is another viable opportunity for communities to capture new economic dollars. Strategies might include encouraging relationships between local producers, suppliers and retailers. Including everyone involved from the production of a commodity to its end consumer, will help ensure that economic activity continues to cycle throughout the community. An example would be to establish a relationship between loggers, wood milling operations, wholesale lumber companies and home construction contractors; or between lumber mills, a local furniture manufacturer, and an associated local retailer.

Another strategy would be to develop clusters of certain types of businesses to create a market center which attracts a broader consumer base, such as several auto dealers, furniture stores - usually based on items where consumers make purchases based on comparison shopping and have a variety of choices.

Another cluster strategy is to develop complementary services that attract and retain a certain clientele. For example, a cluster could be developed that caters to the needs of seniors — easy access and mobility. This might include developing senior housing close to basic retail (food, hardware) shops and necessary service providers (health care, pharmacy, banking).

Creating a local business development and support climate is another way to increase the flow of new dollars coming into a community. New dollars are generated by new businesses: the community could develop a support system to help new businesses get up and running, such as a business incubator, "how-to" classes, or an ombudsman to provide technical assistance.

A major source of potential new dollars is "broader levels of government," that is, tax dollars managed by the state and federal governments that are available through a variety of loan and grant programs for local development projects. Funds are available, for instance, to help communities develop and/or extend water and sewer service for new business or housing; for single- and multi-family affordable

housing development; and for a variety of natural resource and business enhancement strategies. Local governments and public-private partnerships can work to use these programs to build the infrastructure that supports the type of economic activity the community has deemed desirable.

Technology also provides an opportunity for bringing new dollars into a community. Some of the largest grossing retailers are in fact virtual stores: they sell products through the Internet, without ever having a geographical place of business. Technology has created the potential for global markets, and transportation and delivery systems provide us the means to reach those markets. Businesses and organizations have the ability to sell goods and services to consumers far and wide, bringing that income back to their community. Communities can create a climate for technology-based businesses by ensuring that adequate telecommunications and business support infrastructure is readily available.

### **Economic Development and Community Cash Flow**

Many communities mistakenly look for a “magic bullet” development opportunity that will quickly create a high number of good paying jobs in a manufacturing or service industry. Economic developers used to refer to this as “smokestack chasing,” but in recent years these efforts have gone beyond traditional manufacturing to include more controversial manufacturing such as ethanol plants, meat processing, or mining operations, as well as high-paying service industries such as casinos and prisons.

So why not concentrate on attracting one large employer? In the 1990s, the American Economic Development Council reported that for every new manufacturing facility looking for a site, there were more than 2,000 communities competing for that facility. For communities with meager resources, this would not seem to be a high-producing strategy. Likewise, communities whose economies are dependent on a sole employer or even a concentrated industry with several employers, are vulnerable to the economic cycles of that particular employer or industry, and may experience a short-term “boom,” followed by a long-term “bust.”

Comprehensive planning for communities calls for communities to look beyond a “quick-fix” type of economic development strategy, to a

long-term investment strategy based on **diversification** of the economic base. Conducting an impact analysis of various types of businesses and industries can help guide the community toward strategies that are suitable, feasible, and economically healthy for that community. A good impact analysis tool is presented on the next page. After a community has conducted an impact analysis, and that analysis has indicated a need for attracting new dollars into the community, then it is ready to investigate the various strategies to pursue new dollars.

### **Seven Strategies for Creating Positive Community Cash Flow\***

by Glen C. Pulver

- 1) Surveys of consumer needs and buying habits can identify the market potential of retail and service outlets. Once opportunities are identified individuals of firms can be encouraged to do more specific market and financial feasibility analysis. Support mechanisms can also be provided which help individuals through the difficult business analysis.
- 2) The share of the retail market captured can be improved through downtown analysis and renewal. Highly sophisticated and costly plans and drawings are seldom implemented without early and active merchant and local government participation in the entire process. Often times public funding assistance can be provided through state and national historic preservation programs.
- 3) Quality service is critical if dollars are to be kept in town. Friendly and efficient service is the cornerstone of all successful businesses. Employers can be aided in developing employee-training programs.
- 4) Purchases by non-local people (tourists, citizens of neighboring communities) can be expanded by appropriate promotion and advertising. Every place is unique in some way (natural resources, historic events, ethnic heritage, creative imagination). This uniqueness is exploitable. Organized effort by a number of people is required.
- 5) Local citizens and businesses can be encouraged to buy locally through informational programs. The critical element is the use of contemporary purchasing and marketing techniques by those who have something to sell. Advertising, merchandising, and buying systems which served well five or ten years ago are now badly out of date. The competition is often not next door or in the next town but in the large shopping mall or discount store in a city miles away. Community leaders can help organize educational programs and joint promotional efforts.
- 6) The most vibrant and alive retailing centers are those which combine effective product and service merchandising with recreational activities. In days gone by people went to the city center to buy goods and to meet their friends. The city park, courthouse square and bandshell are symbols of the era. Large shopping malls and more recently large city centers have rediscovered the rewards of combining fun and sales.
- 7) Collective action through the formation of organizations such as chambers of commerce, business clubs, and downtown associations can breathe life back into many retail and business communities. These organizations can serve as useful catalysts in encouraging industrial and government leaders to buy as much as possible locally.

\*title added; excerpt taken from "IMPROVING ABILITY TO CAPTURE DOLLARS," *Community Economics* Newsletter, No. 113, March 1986, published by the Center for Community Economic Development, University of Wisconsin- Cooperative Extension.

## *Community Guide to Development Impact Analysis*

by Mary M. Edwards, UW-Madison  
[[www.wisc.edu/pats/abscomguide.htm](http://www.wisc.edu/pats/abscomguide.htm)]

### **What Types of Impacts Matter and Why?**

#### **FISCAL IMPACTS**

Fiscal analysis involves assessing the public service costs and revenues associated with the development. Such an analysis projects the net cost of the development on the fiscal balance sheet of the community. Since fiscal feasibility plays an important role in determining whether or not to proceed with a proposed development, fiscal impact analysis is a critical component of any development impact assessment.

#### **ENVIRONMENTAL IMPACTS**

Development often leads to environmental impacts including, but not limited to, loss of open space, impacts on groundwater and surface water quantity and quality (e.g., drinking water supplies), changes in air quality, increases in impervious cover (e.g., paved roads, parking lots), alteration of wildlife habitat and changes in landscape aesthetics. To the extent that a proposed development affects natural resources in a community, an environmental impact assessment is designed to identify the level of impact and assist the community in ensuring that development plans avoid and/or mitigate associated environmental impacts.

#### **SOCIO-ECONOMIC IMPACTS**

Socio-economic impact assessment focuses on evaluating the impacts development has on community social and economic well-being. This analysis relies on both quantitative and qualitative measures of impacts. Development

impacts are generally evaluated in terms of changes in community demographics, housing, employment and income, market effects, public services, and aesthetic qualities of the community. Qualitative assessment of community perceptions about development is an equally important measure of development impacts. Assessing proposed developments in a socio-economic context will help community leaders and residents identify potential social equity issues, evaluate the adequacy of social services and determine whether the project may adversely affect overall social well-being.

#### **TRAFFIC IMPACTS**

Traffic is a natural result of many development projects. Thus, in considering a development proposal, it is important to evaluate potential transportation-related impacts including additional infrastructure requirements (e.g., more roads, traffic lights), and increased traffic congestion. A transportation impact assessment will assist the community in ensuring that traffic in the community continues to flow adequately. When prepared in conjunction with the other impact assessment components included in this guide, the transportation impact assessment will help determine the feasibility of additional transportation projects needed to accommodate growth and whether there are environmental and social issues that need to be addressed if additional infrastructure is required and/or traffic increases.

# Chapter 9

## Regional Collaboration

*Increasing capacity by working together*

---

### What is Collaboration?

Collaboration is a high degree of commitment to working with others. It goes far beyond cooperation, which features mutual respect and a laissez faire approach to development. Collaboration even goes beyond coordination, which features partnering that creates specific gains for each partner. Collaboration features a long-term investment of human and economic resources in building a total result that is greater than the sum of its parts.

**The Comprehensive Planning Law requires (at a minimum) that the following be considered in preparing the Intergovernmental Cooperation Element of a plan:**

- ✓ Adjacent Governmental Units
- ✓ Counties
- ✓ School Districts
- ✓ Regional Planning Commissions (RPCs)
- ✓ Metropolitan Planning Organizations (MPOs)
- ✓ State Agencies

### Regional Collaboration and Economic Development

Regional collaboration - communities working together across political boundaries - is essential for successful economic development in today's business world. Since people, dollars, goods and services are all very mobile, the challenge to local communities is to form effective **regional coalitions** that develop, support and promote common economic objectives.

The "New Economy" that is based more on the exchange of information and ideas, and is widely dependent on technology, virtually ignores traditional political boundaries in its application. Due to wireless services and other continually advancing technologies, people can conduct business successfully, whether they are in the Town of Rome, the Village of Poplar, or the City of Milwaukee. It is the support systems that communities create - most notably infrastructure and technical assistance services - that allow seamless business to happen. It makes sense that establishing a reasonably uniform level and overall compatibility of services from community to community would be in the best interests of ensuring a healthy economy.

Economies based on regions are also beginning to appear as a result of location decisions by major retail outlets in smaller markets. Large discount and warehouse retailers such as Wal-Mart, ShopKo, Home Depot and Menard's, for example, locate in areas where they are sure to draw their customer base from a large regional market area. Consequently, the customer traffic generated by these stores spurs adjacent developments that result in a "new," regional retail market. Retail centers often spur housing developments, and new industries are likely to locate where there is a good labor supply.

### Healthy Collaborations:

- Are LESS COMPETITIVE than traditional decision-making.
- Are based on JOINT LEARNING and fact finding.
- Feature opportunities for CREATIVE AND SYSTEMIC THINKING.
- Encourage parties to PARTICIPATE JOINTLY in the decision-making process.
- Can be ONGOING PROCESSES that accept NEW PLAYERS.
- Structure participant interaction to encourage CONSTRUCTIVE DIALOGUE, DISCUSSION and DELIBERATION.
- Accommodate MUTUAL GAIN NEGOTIATION.
- Address matters of PROCEDURE and RELATIONSHIPS as well as substance.
- Allocate IMPLEMENTATION RESPONSIBILITY across as many parties in the process as the situation warrants.

Source: Daniels & Walker, Oregon State University

## Regional Development and the New Economy

According to a study done in 1998 by The James Irvine Foundation, economic transitions force realignments of communities throughout America<sup>1</sup>: *"Successful 'economic communities' are places with strong, responsive relationships between the economy and the community that provide companies and communities with sustained advantage and resilience."*

Critical factors in meeting the needs of the New Economy are clustering in economic regions; a distinctive quality of life which attracts knowledge workers; opportunities for re-integrating home and work lives; speed and adaptability; and a natural environment as a compatible element of the community.

### Why Collaborate?

Seldom can any one community provide all of the features necessary to support the quickly emerging needs of the New Economy, especially if it has an undiversified manufacturing or agricultural economic base. Regional collaboration of communities is a natural and economically feasible response to the New Economy needs. By banding together to create compatible and mutually supportive comprehensive plans, communities are able to create a number of competitive advantages:

- ✓ Provide a wider network of compatible businesses for clustering.
- ✓ Provide a greater array of services available to a larger market.
- ✓ Create traffic patterns that capitalize on the contributions of multiple communities, while retaining a greater number of dollars within the region.
- ✓ Pool government resources to prevent overlapping or duplicative services.
- ✓ Consolidate heavy-cost services.
- ✓ Pool government purchasing to achieve volumes necessary to access deep discounts not available individually.
- ✓ Share financial resources to protect natural resources.

<sup>1</sup> "Linking the New Economy to the Livable Community," by Doug Henton and Kim Walesh, Collaborative Economics, sponsored by The James Irvine Foundation, presented at the 1998 Ahwahnee Conference, April 1998.

*"When the elephants fight,  
the grass suffers."  
- African Proverb*

#### **Tool Box**

Interagency governing statutes, agreements, and sample ordinances are available in:

"A Guide to Preparing the Intergovernmental Cooperation Element of a Local Comprehensive Plan," Wisconsin Department of Administration: [http://www.doa.state.wi.us/dhir/documents/wi\\_intergovernmental\\_guide.pdf](http://www.doa.state.wi.us/dhir/documents/wi_intergovernmental_guide.pdf)

"Growing to Greatness" - a manual to assist National Association of Industrial and Office Properties (NAIOP) Chapters in dealing with the challenges of growth management: <http://www.naiop.org/governmentaffairs/growth/991201gtg.cfm>

## **Regional Collaboration in Economic Development**

In a world where in ten short years, the Internet has become a dominant force in the way we communicate, people have access to so much more information than they ever dreamed possible. The community that seeks to "go it alone" in the field of economic development, is unnecessarily isolating itself from a wealth of resources.

Economic development coalitions can help communities:

- ✓ Maximize scarce resources
- ✓ Generate new ideas
- ✓ Divide work tasks to save time
- ✓ Capitalize on the talents of the various partners
- ✓ Project a stronger image and asset base to businesses and people outside the designated region - this is especially important when global competition is a factor

Communities should seek to align themselves with strategic partners who can bring valuable information, services, or products into the collaborative venture. Partners invited to the table to explore collaboration across a region should be as broad and diverse as the stakeholders in the community: public, private, non-profit and education sectors with a range of expertise; community businesspeople and residents who are interested and willing to participate, including youth. Regional organizations such as planning commissions, technical colleges and community action agencies are valuable partners. Regional representatives of state and federal agencies can often offer assistance in helping regions collaborate.

# References and Resources

## Wisconsin's Planning Statute

### Guide and Links to Wisconsin's Planning Statute and Element Guides,

[www.doa.state.wi.us/pagesubtext\\_detail.asp?linksubcatid=366](http://www.doa.state.wi.us/pagesubtext_detail.asp?linksubcatid=366)

"**Smart Growth**," WI Legislative Reference Bureau, Budget Brief 99-12, [www.legis.state.wi.us/lrb/pubs/budbriefs/99bb12.pdf](http://www.legis.state.wi.us/lrb/pubs/budbriefs/99bb12.pdf)

"**Wisconsin's New Comprehensive Planning & Smart Growth Law**," UW-Ext Fact Sheet Number 15, Revised May 2000, [www.uwex.edu/lgc/program/pdf/fact15.pdf](http://www.uwex.edu/lgc/program/pdf/fact15.pdf)

## Economic Development

"**Community Preparedness Handbook**," see sidebar, page 16.

"**Learning to Lead: A Primer on Economic Development Strategies**," see sidebar, page 13 or page 16.

"**What is Economic Development**," US Department of Commerce, EDA, [www.osec.doc.gov/eda/html/2a1\\_whatised.htm](http://www.osec.doc.gov/eda/html/2a1_whatised.htm)

"**What is Economic Development or Why the Buck (\$) Starts Here**," Produced by WEDA and WEDI - a brochure describing the reasons for participating in ED: [www.weda.org/ed-benefits.html](http://www.weda.org/ed-benefits.html)

## Community Development

"**Community Economic Analysis: A How To Manual**," see sidebar page 19.

"**Community Economic Development Strategies**," 1986, UW Extension, Glenn Pulver, [www1.uwex.edu/ces/pubs/pdf/G3366.PDF](http://www1.uwex.edu/ces/pubs/pdf/G3366.PDF)

"**Community Guide to Development Impact Analysis**," Mary Edwards, UW-Madison, [www.wisc.edu/pats/pdf%20documents/CommDev.pdf](http://www.wisc.edu/pats/pdf%20documents/CommDev.pdf)

"**A Guide to Community Visioning**," see sidebar, page 18.

"**Using Visioning in a Comprehensive Planning Process**," see sidebar, page 18.

**UW-Extension Center for Community Economic Development** [www.uwex.edu/cced](http://www.uwex.edu/cced)

**Wisconsin Rural Partners, Inc.** [www.wirural.org](http://www.wirural.org)

## Smart Growth General

**AEDC Position on Smart Growth & Economic Development**, [www.aedc.org/publicAffairs/smartgrowth.pdf](http://www.aedc.org/publicAffairs/smartgrowth.pdf)

"**Smart Growth Definition**," US Department of Commerce, EDA, [www.osec.doc.gov/eda/html/2b2\\_2\\_smartgrowth.htm](http://www.osec.doc.gov/eda/html/2b2_2_smartgrowth.htm)

**The Ahwahnee Principles for Smart Economic Development**, Prologue and list of 15 principles, [www.lgc.org/ahwahnee/econ\\_principles.html](http://www.lgc.org/ahwahnee/econ_principles.html)

## New Economy

"**The State New Economy Index: Benchmarking Economic Transformation in the States**," Progressive Policy Institute (PPI), [www.neweconomyindex.org/states/2002/](http://www.neweconomyindex.org/states/2002/)

"**Linking the New Economy to the Livable Community**," The James Irving Foundation, [www.irvine.org/pdfs/LinkingtheNewEconomy.pdf](http://www.irvine.org/pdfs/LinkingtheNewEconomy.pdf)

## Comprehensive Planning Economic Development Handbook

**Community Economic Development Checklist**, (Revised Version), [www.midwestsites.com/communities/pdf/community\\_assessment\\_form.pdf](http://www.midwestsites.com/communities/pdf/community_assessment_form.pdf)

**Smart Growth Checklist**, [www.lic.wisc.edu/shapingdane/resources/planning/library/process/checklist.htm](http://www.lic.wisc.edu/shapingdane/resources/planning/library/process/checklist.htm)

## Wisconsin Information and Data Resources

"**Measuring Economic Development Return on Investment (ROI): Wisconsin Models**," WEDA and WEDI white paper written for Economic Summit III, [www.wisconsin.edu/summit/papers/nacker.pdf](http://www.wisconsin.edu/summit/papers/nacker.pdf)

"**Socioeconomic Data For Understanding Your Regional Economy: A Users Guide**," Cortright and Reamer, EDA: [www.econdata.net](http://www.econdata.net). Provides references to federal and state sources of local economic data and tells how to use them.

**UW-Madison Center for Demography & Ecology**, Demographics and other social

statistics, [www.ssc.wisc.edu/cde/library/demores.htm](http://www.ssc.wisc.edu/cde/library/demores.htm)

**Wisconsin Labor Market Information**, Employment, Employers, Labor Market Profiles, Department of Workforce Development, [www.dwd.state.wi.us/lmi/](http://www.dwd.state.wi.us/lmi/)

**Wisconsin Income Statistics, Economic Forecasts and Property Values**, Department of Revenue, [www.dor.state.wi.us/report/e.html#dev](http://www.dor.state.wi.us/report/e.html#dev)

**Wisconsin Business Statistics and Data**, Department of Commerce: [www.commerce.state.wi.us/MT/MT-COM-3999.html](http://www.commerce.state.wi.us/MT/MT-COM-3999.html)

**Wisconsin Population and Housing Information**, Department of Administration, [www.doa.state.wi.us/dhir/index.asp](http://www.doa.state.wi.us/dhir/index.asp)

## Wisconsin State and Local Economic Development Programs

The **Wisconsin Department of Commerce (COMMERCE)** has programs to help businesses and communities undertake economic development. These quick reference guides identify these programs and selected programs from other agencies.

"**Financing Your Business in Wisconsin**," [commerce.state.wi.us/MT/MT-COM-2000.html](http://commerce.state.wi.us/MT/MT-COM-2000.html)

"**Financial Assistance for Wisconsin's Communities**," [commerce.state.wi.us/MT/MT-COM-4200.html](http://commerce.state.wi.us/MT/MT-COM-4200.html)

"**Technical Assistance for Wisconsin's Communities**," [commerce.state.wi.us/MT/MT-COM-4500.html](http://commerce.state.wi.us/MT/MT-COM-4500.html)

"**Technical Resources for Business**," [commerce.state.wi.us/MT/MT-COM-2900.html](http://commerce.state.wi.us/MT/MT-COM-2900.html)

"**Financial Resources for Redevelopment**," The Wisconsin Department of Commerce and the Wisconsin Department of Natural Resources prepared this guide to provide information on the numerous options available to finance brownfield cleanup and redevelopment, [www.dnr.state.wi.us/org/aw/rr/financial/frg\\_00\\_index.html](http://www.dnr.state.wi.us/org/aw/rr/financial/frg_00_index.html)

"**Wisconsin Catalog of Community Assistance**," Lists state aids for communities offered by various state agencies, [www.doa.state.wi.us/dhir/wcca.asp](http://www.doa.state.wi.us/dhir/wcca.asp)

# Glossary

**Ahwahnee Principles.** In 1991, the Local Government Commission brought together a group of leading architects to synthesize new ideas and trends in community land-use planning. The ideas were drafted into a vision document for local elected officials as an alternative to urban sprawl. The document was presented to 100 local elected officials in the Fall of 1991 at a conference at the Ahwahnee Hotel in Yosemite where it received great acclaim. *The Ahwahnee Principles have three parts:* 1) **Community Principles** provide a definition of land-use ideals for communities; 2) **Regional Principles** describe how communities should relate to each other within a region; 3) **Implementation Strategy** creates a plan for local officials.

**Cluster.** Wisconsin Department of Commerce ([commerce.state.wi.us/MT/MT-IndustrialClusters-whatareclusters.html](http://commerce.state.wi.us/MT/MT-IndustrialClusters-whatareclusters.html)). Clusters can be described as groups of companies located in a certain area and engaged in similar or related activities. The concept behind using clusters for economic development lies in the simple concept that by cooperating, large and small companies in similar or related industries will achieve and gain much more by collaborating together than they would operating individually.

**Community Development.** A group of people in a locality initiating a social action process (i.e., planned intervention) to change their economic, social, cultural and/or environmental situation. Christenson, J. A. and J. W. Robinson, Editors. *Community Development in Perspective*. Ames, Iowa: Iowa State Univ. Press, 1989.

**Comprehensive Planning.** [s. 66.1001 Wis. Stats.] Defines a comprehensive plan as containing nine required elements, requiring public participation at every stage of the process, with standardized procedures for adopting the plan and requiring that copies of the draft and final comprehensive plans be sent to adjacent and contiguous communities.

**Economic Development.** American Economic Development Council (AEDC) operating definition (1983), "the process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services. The economic developer's role is to influence the process for the benefit of the community through expanding job opportunities and the tax base."

**Infrastructure.** Resources for Economists on the Internet ([www.rfe.org](http://www.rfe.org)). Capital used for transportation, communications and utility delivery. This is often termed social overhead capital because it provides the basic capital foundation needed by an economy before business capital can adequately do its job.

**Livable Communities.** Local Government Center for Livable Communities ([www.lgc.org/center](http://www.lgc.org/center)), A Set of Principles for Building Prosperous and Livable Communities, "Prosperity in the 21st Century will be based on creating and maintaining a sustainable standard of living and a high quality of life for all. To meet this challenge, a comprehensive new model is emerging which recognizes the economic value of natural and human capital. Embracing economic, social, and environmental responsibility, this approach focuses on the most critical building blocks for success, the community and the region. It emphasizes community-wide and regional collaboration for building prosperous and livable places. While each community and region has unique challenges and opportunities, the following common principles should guide an integrated approach by all sectors to promoting economic vitality within their communities, and in partnership with their neighbors in the larger region."

**New Economy.** A knowledge and idea-based economy where the keys to wealth and job creation are the extent to which ideas, innovation, and technology are embedded in all sectors of the economy. Defined by The Progressive Policy Institute, ([www.ppionline.org](http://www.ppionline.org)).

**New Urbanism.** Promotes the creation and restoration of diverse, walkable, compact, mixed-use communities composed of the same components as conventional development, but assembled in a more integrated fashion, in the form of complete communities. The Congress for the New Urbanism. ([www.newurbanism.org](http://www.newurbanism.org)).

# Glossary

The goal of **Regionalism** is to develop innovative state government policies and strategies that will encourage and support regional collaboration among local governments; and to encourage regional collaboration among local governments and civic, business, and other community organizations, to better enable our governments and our citizens to address major economic, social, and environmental challenges in the years ahead. ([www.regionalism.org/about/mission.html](http://www.regionalism.org/about/mission.html))

**Smart Growth.** Wisconsin Chapter of the American Planning Association. Smart Growth is economically sound, environmentally friendly and supportive of community livability. It enhances our quality of life.

**Smart Growth Network.** In 1996, the U.S. Environmental Protection Agency joined with several non-profit and government organizations to form the Smart Growth Network (SGN). The Network was formed in response to increasing community concerns about the need for new ways to grow that boost the economy, protect the environment, and enhance community vitality. The Network's partners include environmental groups, historic preservation organizations, professional organizations, developers, real estate interests; local and state government entities. The SGN works to encourage development that serves the economy, community and the environment.

**Stewardship** is responsible management, generated from a land-based theory that humans do not "own" a parcel of land for their own consumption, but rather are responsible for its use and caretaking as part of the overall ecosystem to which it belongs. (Wisconsin Department of Natural Resources).

**Sustainable Development,** as defined by the World Commission on Environment and Development (the Brundtland Commission), is "the capacity to meet the needs of the present without compromising the ability of future generations to meet their own needs." Development needs are now understood to go beyond economic issues to encompass the full range of social and political issues that define the overall quality of life.

**SWOT Analysis.** An acronym for Strengths, Weaknesses, Opportunities, and Threats. A basic, straightforward analysis model that provides direction and serves as a basis for the development of plans. It assesses an organization's strengths (assets or what it can do) and weaknesses (internal limitations or what it cannot do) in addition to opportunities (potential favorable conditions) and threats (external limitations or unfavorable conditions).

# Appendices

---

## Community Economic Development Checklist\*

The purpose of a community checklist is to help you analyze your community’s strengths and weaknesses *before* you develop a plan to improve economic development opportunities in your community. It is a list of activities and conditions over which you *may or may not* have some level of control. When completed, your answers will be a reflection of your community’s *readiness* to retain existing businesses, to attract new businesses and residents, and to grow small businesses within your community.

The community checklist tool is intended for a group assessment of a community. A group of individuals (at least four) from your community should each complete the form by answering “yes”, “no” or “don’t know” for each item. After completion, the group should discuss how each question was answered. To evaluate and improve your community’s readiness, identify strengths (“yes” answers) and weaknesses (“no” and “don’t know” answers).

### I. ORGANIZATIONAL CAPACITY FOR ECONOMIC DEVELOPMENT

	Yes	No	Don't Know
1. Our city council/village board has a pro-business attitude - actively supporting economic development activities through funding, policies and programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Key local business leaders are actively involved in:			
a. the governmental process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. economic development efforts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Our community has a local economic development corporation, commission or committee responsible for economic development activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The organization that is most responsible for economic development in our community is made up of both public and private sector members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Our community is a member of a regional organization actively engaged in economic development efforts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Our community has (or has access to) a full-time economic development professional.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Our community leaders work together with other economic development related professionals or organizations (such as regional planning commissions, state agencies, utilities, technical colleges and universities).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Members of our community have access to a community-based leadership training program.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

---

\*courtesy of Alliant Energy -- continued on next page

## II. STRATEGIES FOR ECONOMIC DEVELOPMENT

	Yes	No	Don't Know
9. The community has a comprehensive land use plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Our community has a zoning ordinance that designates an adequate supply of residential, commercial and industrial-zoned land for future development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Our community has a current written economic development plan that was prepared by an economic development committee and formally adopted by local government.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Our economic development plan is part of a larger area economic development plan (multi-community, county or regional).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. The community has identified the types of businesses that fit the needs and are desired by the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. The community has an active program to encourage and support existing businesses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. We have a current marketing plan that targets businesses that are most likely to locate in our community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A. EXISTING BUSINESS RETENTION			
16. A formal business retention and expansion study has been completed within the last three years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. The chamber of commerce or the economic development organization makes regular visits to businesses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. An annual business recognition event is held in the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. The community has an active downtown program to support downtown development and revitalization.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Local government is responsive to the problems of existing businesses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. NEW BUSINESS FORMATION			
21. Our community has an active business development program to assist new businesses with their start-up issues (i.e. business plan preparation, financing, recruitment of people, management, accounting, production and marketing).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Our community has a systematic program to check on the progress of new businesses to see if they need help before they get into serious trouble.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. ATTRACTING NEW BUSINESSES Yes                      No                      Don't Know

- 23. We have a marketing program targeted toward industries that have been researched to determine the likelihood of locating in our community.
- 24. Our community actively recruits targeted industries.
- 25. We have an organized, trained business attraction team comprised of people from both the private and public sectors.
- 26. The existing businesses in our community are helpful in recruiting new firms to the area.

D. TOURISM

- 27. The community has completed a tourism assets and marketing analysis within the past three years and reported the results to local businesses.
- 28. The community has an active tourism promotion program.
- 29. The community has an active chamber of commerce or visitor and convention bureau.
- 30. We have a regular calendar of promotion activities (i.e. monthly trade days, main street programs, arts and crafts, festivals).

**III. INFORMATION FOR ECONOMIC DEVELOPMENT**

- 31. Our community has completed a "Community Profile" (fact sheet) that includes basic information about the community (i.e. major employers, education, health care, population, services).
- 32. We have a "promotional" brochure to use with tourism, relocation packets and recruitment of new businesses.
- 33. All information contained in the community profile and in promotional materials is available and up-to-date on the Internet.
- 34. The community maintains a current database of available commercial and industrial buildings and sites.

**IV. LABOR FORCE**

- 35. Our community has access to current (less than 3 years old) labor force information on the following:
  - a. wages and benefits
  - b. labor supply by occupational categories
  - c. productivity of the workforce
  - d. training opportunities
  - e. employment data (employment, unemployment, underemployment and turnover rates)
- 36. The relationship between labor and management in our local businesses/organizations is positive.
- 37. The wages in our community are at a high enough level to help retain our existing work force and attract new labor to the area.

	Yes	No	Don't Know
38. Training opportunities exist within the region to meet existing and prospective employer training needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. Our community has resources to help businesses hire and train a diverse work force.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. New or expanding employers would be able to find adequate numbers of qualified employees in our labor area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**V. INFRASTRUCTURE CAPACITY**

41. Our community has an infrastructure capital improvements plan for the next five years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42. At least 40 acres of industrial-zoned land is owned or optioned by the community for an industrial park, or is being developed by a private developer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. A copy of site restrictions and covenants is readily available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. There are adequate water (10" or greater) and sewer lines (12" or greater) to the property line.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. An environmental assessment has been completed for the industrial park property.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Soil test borings have been made on the industrial site.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. We have at least one vacant industrial building to attract the interest of potential new businesses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. There is a business incubator in the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45. Our community has a group of local investors who could assist in financing a speculative or build-to-suit building.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46. The highways serving our community are adequate for most manufacturing and distribution operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. We have adequate common carrier trucking services for most manufacturing and distribution operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. Active rail lines serve some of our industrial sites.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49. Our community is within a one-hour drive of an airport with scheduled commercial air service by at least one of the major airlines.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50. We have enough excess water capacity (gpd and bod) to serve the requirements of most new manufacturing operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51. We have enough sewage treatment capacity to serve the requirements of most new manufacturing operations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52. The community has access to or control of an environmentally sound waste disposal site for at least 5 years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	Don't Know
53. Our electric and natural gas rates are competitive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
54. Our community has access to adequate future supplies of electric and natural gas to satisfy expansion and attraction activities for the next 5 years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
55. A broadband high speed fiber optic cable system serves our community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
56. We have total digital switching capability.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>VI. FINANCIAL RESOURCES</b>			
57. Adequate financing can be found in our community for new business start-ups and business expansions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
58. Our economic development organization helps businesses acquire financing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
59. Local government is aware of, and has used, municipal financing vehicles to assist economic development efforts such as Tax Incremental Financing (TIF), Business Improvement Districts (BID) and Industrial Revenue Bonds (IRB).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
60. Our community has submitted proposals for state and/or federal funding for development programs, housing, and/or infrastructure development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
61. Local banks support community economic development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>VII. QUALITY OF LIFE</b>			
62. The people in the community are generally proud of the quality of life here.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
63. Property in our community is generally well maintained.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
64. Our central business district and shopping areas are attractive, well-landscaped, free of trash, painted and well cared for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
65. Our community has shared ride and/or taxi service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66. We have a public transportation system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
67. Our community has a good variety of available housing (different prices, styles and locations).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68. We have an adequate supply of moderately priced housing in our community affordable to entry-level workers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
69. We have an adequate supply of housing suitable for seniors and/or special needs populations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
70. The community banks support housing initiatives through home financing and/or first buyer programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
71. Our K-12 schools compare favorably with top-quality schools elsewhere in the state.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	Don't Know
72. Highly educated executives and managers considering moving to the area will recognize and value our schools as an excellent educational system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
73. Our community has a technical college within a 30-minute drive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
74. Our vocational programs are aligned with the needs of local employers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
75. Our community has a two or four-year college or university within a 30-minute drive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
76. We have a research university within a one-hour drive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
77. Our local educational institutions are graduating students with the skills and knowledge that meet the needs of existing employers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
78. Our local educational institutions are graduating students with the skills and knowledge required by employers using high technology applications.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
79. We have a hospital or affiliated clinic in our community that provides quality specialized care including the latest diagnostic and treatment equipment available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
80. Our hospital or affiliated clinic offers 24-hour emergency service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
81. Our community has a sufficient number of child care facilities available for parents who work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
82. Most of our childcare programs are well managed and highly rated by parents who use them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
83. Our community has adequate public parks for citizen and tourist recreational needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
84. Our community's recreational facilities and programs compare favorably with state and national standards.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
85. Our community offers a variety of cultural programs and activities for different ages and tastes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
86. We have a variety of active service organizations in our community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
87. Crime rates are low in our community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## *Twenty Questions About Your Community\**

1. *What firm/sector is the largest employer? Now? Five years ago?*
2. *How has the number of jobs changed in the last year? Five years?*
3. *What firm/sector has experienced the greatest turmoil (layoffs) in the last five years?*
4. *What wage and fringe benefits are associated with most of the new jobs in the county?*
5. *Which firm/sector pays the highest annual average wages?*
6. *What proportion of county total personal income is from passive income (dividends, interest, rent, plus transfers)?*
7. *What proportion of county employment is from farming, manufacturing, retail, services, health, government?*
8. *What proportion of county income is from farming, manufacturing, retail, services, health, government?*
9. *If one were going to get their first job where might they look in your county? As a teenager? As a middle-aged, first-time worker?*
10. *What share of local employment is contained in non-farm businesses of less than 20 employees?*
11. *Name the businesses that started in the last year? Last two years?*
12. *Name the businesses that closed in the last year? Last two years?*
13. *What's it like to start a new business?*
14. *Where do people shop for most of their personal consumption? Has this changed in the last five years? Why?*
15. *How has population changed in the last five years?*
16. *What age group has grown the most?*
17. *What type or in what sector do most of the women hold jobs?*
18. *Is adequate housing (including affordable) available in the county?*
19. *What was the most recent development project undertaken? Was it successful? Why?*
20. *What do you see as the biggest obstacle for the county and its residents achieving their desired future?*

*\*courtesy of Ron Shaffer, Professor Emeritus, University of Wisconsin*

# Business Development Resources

---

## **BUSINESS FINANCING:**

Wisconsin Dept of Commerce  
[www.commerce.state.wi.us](http://www.commerce.state.wi.us)

WI Dept. of Financial Institutions  
345 W Washington Avenue  
Madison, WI 53703  
[www.wdfi.org](http://www.wdfi.org)  
Provides information and resources that promote capital formation in Wisconsin.

U.S. Small Business Administration (SBA) [www.sba.gov](http://www.sba.gov)

Wisconsin Women's Business Initiative (WWBIC) [www.wwbic.com](http://www.wwbic.com)

Wisconsin Housing and Economic Development Authority (WHEDA)  
[www.wheda.com](http://www.wheda.com)

Wisconsin Bankers Association  
Economic Development Resources  
[www.wisbank.com/edr/index.htm](http://www.wisbank.com/edr/index.htm)

Community Development Block Grant Revolving Loan Funds:  
[www.commerce.state.wi.us/MT/MT-FAX-0963.htm](http://www.commerce.state.wi.us/MT/MT-FAX-0963.htm)

Wisconsin Business Development Finance Corporation (WBD)  
[www.wbd.org](http://www.wbd.org)

## **BUSINESS PLANNING ASSISTANCE:**

Build your Business ([Wisconsin.gov](http://Wisconsin.gov))  
State resources available for entrepreneurs and businesses.  
[www.wisconsin.gov/state/byb/finance](http://www.wisconsin.gov/state/byb/finance)

U.S. Small Business Administration  
[www.sba.gov](http://www.sba.gov)

Service Corps of Retired Executives (SCORE) [www.score.org](http://www.score.org)  
Milwaukee SCORE Office:  
[mktgcamp.matc.edu/score](http://mktgcamp.matc.edu/score)

Online Women's Business Center  
[www.onlinewbc.org](http://www.onlinewbc.org)

National Center for Entrepreneurship  
[www.ncoe.org](http://www.ncoe.org)

Wisconsin Dept. of Commerce  
[www.commerce.wi.state.us](http://www.commerce.wi.state.us)

Wisconsin Innovation Service Center (WISC) - UW Whitewater  
800 W. Main  
Whitewater, WI 53190-1790  
[www.uww.edu/business](http://www.uww.edu/business)

Virtual Business Incubator  
[www.virtualincubate.com](http://www.virtualincubate.com)

Wisconsin Manufacturing Extension Partnership: [www.wmep.org](http://www.wmep.org)

Wisconsin Manufacturers & Commerce (WMC): [www.wmc.org](http://www.wmc.org)

National Federation of Independent Business (NFIB), Wisconsin Chapter:  
[www.nfib.com](http://www.nfib.com)

Business Incubators  
Wisconsin Business Incubator Association, c/o Coulee Region Business Center  
1100 Kane St.  
LaCrosse, WI 54603  
Tel: (608) 782-8022  
Fax: (608) 784-5505  
E-Mail: [dloomis@execpc.com](mailto:dloomis@execpc.com)

State Bar of Wisconsin  
[www.legalexplorer.com/legal/legal-QA.asp](http://www.legalexplorer.com/legal/legal-QA.asp)

Wisconsin Business Resource Network:  
[helpbusiness-wi.com](http://helpbusiness-wi.com)

Wisconsin Women's Business Initiative Corporation (WWBIC) [www.wwbic.com](http://www.wwbic.com)

UW-Small Business Development Center  
[www.uwex.edu/sbdc](http://www.uwex.edu/sbdc)

Technical Colleges  
[www.tech.state.wi.us](http://www.tech.state.wi.us)

Public Libraries

## **WORKFORCE:**

Wisconsin Department of Workforce Development  
[www.dwd.state.wi.us](http://www.dwd.state.wi.us)

Wisconsin Department of Commerce (Customized Labor Training Grants and Business Employees' Skills Training (BEST) Program)  
[www.commerce.state.wi.us](http://www.commerce.state.wi.us)

Milwaukee Workforce Development Board (Private Industry Council)  
[www.milwjobs.com](http://www.milwjobs.com)

Wisconsin JobNet  
[www.dwd.state.wi.us/jobnet](http://www.dwd.state.wi.us/jobnet)

Wisconsin Job Exchange  
[www.wisconsinjobexchange.com](http://www.wisconsinjobexchange.com) (under construction)

## **TECHNOLOGY BUSINESS RESOURCES:**

UW-Madison Office of Corporate Relations: [www.corprelations.wisc.edu](http://www.corprelations.wisc.edu)

Office of Tech Transfer, UW-Milwaukee School of Business Administration  
P.O. Box 742  
Milwaukee, WI 53201  
[www.cti.sba.uwm.edu/index.html](http://www.cti.sba.uwm.edu/index.html)

Wisconsin Technology Council  
[www.wistec.com](http://www.wistec.com)

Technology Incubators

Northwest Wisconsin Manufacturing Outreach Center:  
[nwmoc.uwstout.edu](http://nwmoc.uwstout.edu)

## **RURAL DEVELOPMENT**

U.S. Department of Agriculture - Rural Development: [www.rurdev.usda.gov/wi](http://www.rurdev.usda.gov/wi)

Wisconsin Rural Partners, Inc  
[www.wirural.org](http://www.wirural.org)



Wisconsin Economic Development Institute (WEDI), Inc.  
10 East Doty Street, Suite 500  
Madison, WI 53703-3397  
Phone: 608-661-4626  
FAX: 608-283-2589  
[www.wi-edi.org](http://www.wi-edi.org)