

# Cultivating Community Prosperity

Economic Development 101



## Welcome!

- Thank you to Evergy & Sunflower Electric!
- About the series
- Today's speakers from the Institute for Decision Making at the University of Northern Iowa:
  - Karla Organist, CEcD
  - James Hoelscher, CEcD



## Institute for Decision Making

- Nearly 35 years of work in economic and community development outreach
- Our Services:
  - Planning
  - Technical assistance
  - Applied research
  - Training
- Our Clients:
  - EDO's, Chambers of Commerce, Main Streets, CVB's and other nonprofits
  - Utilities
  - Agencies – IEDA, IWD, Dept of Educ., DNR, Cultural Affairs
  - Associations – PDI, IBC, TFI, MEDC, NREDA
  - Heartland
  - Community Colleges



## Heartland Economic Development Course



Kansas Board Members: Barb Hake & Beth Johnson

### Enroll for Heartland 2022

April 26-29 in Blue Springs, MO!

#### Intensive ED Fundamentals

- ✓ IEDC certified Basic Economic Development Course
- ✓ BRE, workforce, entrepreneurship, real estate, financing, community development, working with site locators, managing an EDO, ethics, marketing, strategic planning
- ✓ Nationally recognized faculty
- ✓ Tours, networking, mentoring

#### Build Your Network: 90 participants – six states

- Kansas, Iowa, Missouri, Nebraska, Oklahoma & South Dakota
- Over 1,400 graduates
- Scholarships available in KS

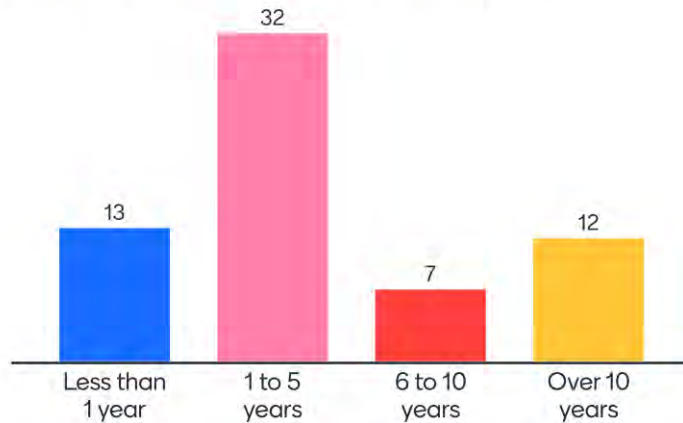


Register: [bcs.uni.edu/heartland/](https://bcs.uni.edu/heartland/)



## How long have you been engaged in economic development in your community or county?

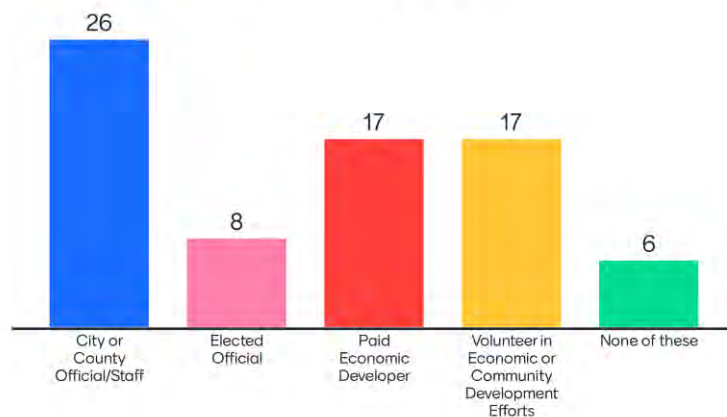
Mentimeter



64

## How would you describe your role?

Mentimeter



67

## Today's Agenda

1. Economic Development Defined
2. Benefits of Economic Development
3. Economic Development Strategies
4. Managing Economic Development Organizationally
5. Partners in Economic Development
6. Final Questions & Wrap Up



## What Is Economic Development?

And why do we “do” it?



## IEDC Defines Economic Development as...

A program, group of policies or activity that seeks to improve the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base.

- *International Economic Development Council*



## Economic Development is also described as:

- Implementing intentional activities to improve an area's economic wellbeing and quality of life
- The process of creating and sustaining prosperity through job creation and retention and an improved standard of living for all residents
- Encouraging a tax base that can keep pace with the cost of needed government services
- Growth that makes communities better – not necessarily bigger



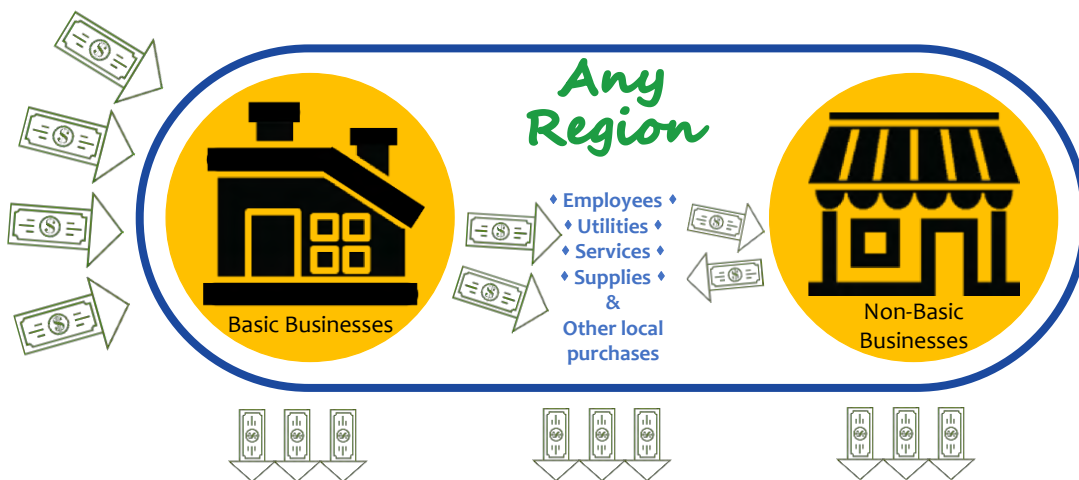
## Why do we “do” it?

Economic Development Benefits include:

- Maintain, increase and diversify tax base
- Business expansion and retention (innovative, high-performing existing businesses)
- Economic vitality and diversification for commercial and industrial areas
- Create and retain jobs – increase per capita income
- Diverse, skilled, productive & adaptive workforce
- Recognition of local products
- Partnerships between local governments, businesses and community members
- High quality of “place”



## How Does it Work?



# Examples

| Basic  | Non-Basic   |
|--|---|
| Manufacturing                                | Auto repair services                              |
| Tourism                                      | Convenient store                                  |
| Some hospitals<br>✓ Mayo Clinic              | Outpatient medical clinic                         |
| Regional shopping malls<br>✓ Mall of America | Personal services<br>✓ barber shop or dry cleaner |
| Agriculture exports                          | Print and copy shops                              |

\*\*\* A sector or industry can have establishments in each category



# Economic Development is Part of an Ecosystem

## Communities use Tax Revenues to:

- Support public safety
- Build and maintain recreational assets
- Ensure adequate public infrastructure
- Build and maintain community facilities
- Provide incentives for housing and business development
- Hire public employees



- ED Practitioners Support Businesses & Communities by:**
- Asking & Listening
  - Researching & Exploring
  - Assisting & Informing
  - Responding & Connecting

- Successful Businesses:**
- Pay/generate taxes
  - Hire employees
  - Create a quality of place





# Economic Development in Practice

A deeper look at common strategies



# GRASSROOTS ECONOMIC DEVELOPMENT TRAINING



## There is No Universal Checklist

- Each community, region & state is unique in its:
  - Reason for investing in economic development
  - Approach to economic development
  - Assets and strengths
  - Challenges and barriers
  - Needs
- Economic Development activities should:
  - Build on your strengths
  - Fix or address barriers
  - Fill gaps to meet needs



## Common Strategies or Areas of Activity

- Business Retention and Expansion
- Business & Industrial Attraction/Recruitment
- Site and Building Development
- New Business Start-ups or Entrepreneurial Development
- Commercial/Retail Development
- Retail Promotions
- Financing
- Agriculture
- Downtown Revitalization
- Research & Data
- Workforce Development
- Talent Attraction/Retention
- Community Development: Housing, Childcare, Recreation, Culture
- Tourism

As examples are shared, think about:

- Scaling to your size
- R & D (rip-off & duplicate!)



## Business Retention/Expansion

- Interviewing to identify red flag issues that may lead to closings, layoffs and/ or business interruption AND needs to enable growth and expansion
- Following up on identified business needs by connecting them to service providers and information
- **75-85% of all growth will come from BRE**

Examples:

- Existing industry survey and visitation program  
Headquarters, owners, manager visits
- Referral to [Kansas Manufacturing Solutions](#) (MEP)
- CEO Roundtables and Business Education seminars
- Assisting a business grow its exports through referral to [Kansas Department of Commerce](#)



Is this activity in our lane?

- Do we have "basic" businesses and who is visiting them?
- What is being done with the information collected?
- Are referrals actually being made?
- Are service providers stumbling over each other in an effort to "help"?



## Common Types of Assistance

- Technical assistance
- Business seminars
- Appreciation/Recognition initiatives
- Export assistance
- Business roundtables
- Government procurement
- Cluster development



## Business Attraction

- Focus on attracting new industry and private sector investment.

### Examples:

- Conducting mock site visits with local volunteers to prepare for actual visits
- Having current and easy to access information on sites, transportation, utilities etc. online ([LOIS](#))
- Direct marketing campaigns to suspect companies and site selection consultants
- Hosting a business prospect or site selector
- Participating in trade shows and site selector conferences and events

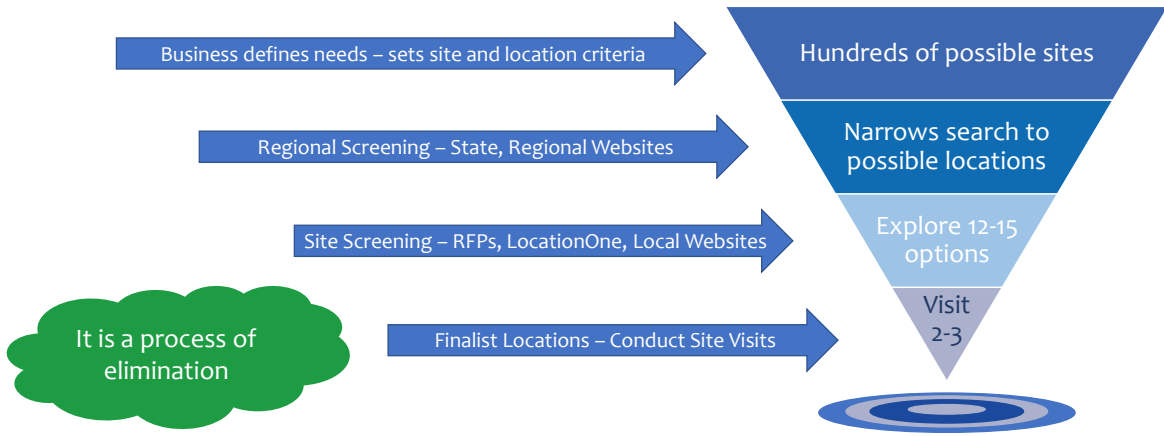


### Is this activity in our lane?

- Do we have sites or buildings or just green space?
- What kind of workforce do we have and are they available?
- Are our permitting offices, councils, revolving loan committees ready to move at the speed of business?
- What have we learned from BRE?



# How Do Basic Businesses Decide?



# Site and Building Development

- Providing a location for a potential new or expanding existing business.
- HUGE difference between greenspace and a fully serviced site

Examples:

- Sedgwick Industrial Park
- [Certified “Shovel Ready” Industrial site](#)





Is this activity in our lane?

- Do we have product?
- What is our location, transportation and rail access?
- What is our utility capacity?
- Do we have an inventory of available buildings? On [LOIS](#)?
- What are our existing businesses telling us they need?



## Entrepreneurial Development/Small Business Development

- Focus on growing new businesses and sustaining existing through technical assistance, training, financing and/or facilities.

### Examples:

- Technical assistance and mentoring
- Creating a small business visitation blitz & [SBDC](#) referrals
- 1 Million Cups, Code & Coffee, Pitch Battles and other networking opportunities
- Providing online resources through [NetWork Kansas](#)
- Co-working Space (e.g. [The Hive](#), [Groover Labs](#))



Is this activity in our lane?

- Who are our entrepreneurs?
- How are our existing small businesses doing and what do they need?
- Are our entrepreneurs connecting?
- Who is celebrating entrepreneurship and business ownership?



## Commercial/Retail Development

- Focus on attracting new or expanding existing retail, professional and service businesses.

### Examples:

- Business Succession - KU's [RedTire](#) Program
- Recruiting a grocery store to expand into a community, or saving an existing grocery KSU's [Rural Grocery Initiative](#)
- Recruiting doctors or dentists to a community ([Kansas Initiative for New Dentists – KIND](#))



Is this activity in our lane?

- Do we have empty buildings?
- What are people leaving to buy?
- Who are our business owners – and are they getting older?



## Retail Promotions

- Activities involving events and programs designed to enhance business sales for existing retail and service business.

### Examples:

- Coordinating themed retail promotions and events to encourage shoppers to shop locally
- [Occasional Shopping](#) & Ladies Day Out – Buffalo, MN



Is this activity in our lane?

- How do we make registers ring?
- Are retailers selling online?
- Are our stores open when our residents are in town? Do they need to change the hours or days?



## Financing/Incentives/Financial Packaging

- Providing financial capital for new and expanding businesses.
- Examples:
- Revolving Loan Funds
  - Equity funding
- Providing other resource/liaison assistance to an expanding or relocating business.

### Examples:

- Financial assistance and tax credits through state programs ([PEAK](#), [HPIP](#)...)
- Tax abatement or other in-kind from local government
- “Gap financing” through a consortium of local financial institutions



Is this activity in our lane?

- Have you been proactive in developing a process and conducting dry runs to ensure efficiency?
- Are there claw back performance clauses?
- What are the state's programs?



# Agriculture

- Working to connect local economic development efforts with agriculture

Examples of Resources:

- Kansas [Growing Growers](#) Training Program
- [KSU Research and Extension](#)
- [Kansas City Food Circle](#)
- [Kansas Rural Center](#)



Is this activity in our lane?

- How can we build relationships?
- Are there opportunities to support value-added agriculture?
- How are farmers in our area utilizing Industry 4.0 strategies and technology that could help other businesses?



# Redevelopment/Revitalization

- Activities focusing on improving a downtown or a “brownfield” area designed to encourage private investment.

Examples:

- Hoke Building in Hutchinson
- McPherson Community Building
- Library in Eureka – former brownfield
- The “[Nudgers](#)” in Perry, IA



Is this activity in our lane?

- Do we have empty buildings downtown?
- Is there an area no one will touch?
- Do you have second story housing?
- Do you have a group of passionate and inspired individuals?



## Research & Data Collection and Dissemination

- Collecting and providing up-to-date and timely information on available sites/buildings, workforce data, training programs, financing and incentive options, etc.

### Examples:

- Laborshed Study estimating potential available workforce
- Up-to-date information on the LocationOne Information System ([LOIS](#))
- Accurate data to respond to Requests for Information (RFIs)



### Is this activity in our lane?

- Do you know from where your businesses are drawing their labor?
- Is the information on your website updated?
- Are you evaluating the impact of your programming?



## Workforce Development

- Focus on upgrading skills of existing workers and improving the basic skills of entry-level workers
- ED Role: convener & connector

### Examples:

- Participating in industry sector workforce boards
- Job fairs and internship programs for local business & industry
- Catalyst for career centers and school/industry collaboration
- Sharing best practices in [automation](#)/Industry 4.0



### Is this activity in our lane?

- How can we grow our own?
- Are industry, k-12 & colleges/universities developing unique solutions?
- Does someone just need to call the meeting?
- Who is telling the story of workforce effort and progress?





## Talent Attraction & Retention

- Activities that attract new people to a region or to help new people feel a part of the community.
- Retaining students to work or return to raise families

### Examples:

- Regional Rural Partnerships ([Iowa South](#))
- Provide businesses with recruitment tools ([Choose Wichita](#))
- Offer matching incentives ([Choose Topeka](#))
- Boomerang Programs ([Back to Michigan](#))
- Newcomer Services Programs ([Thrive Dubuque](#))



### Is this activity in our lane?

- Do we know who is living, leaving, returning and why?
- What is our available housing stock?
- Is anyone telling the stories of those staying or returning or researching best practices?
- Are we working to plant the seed early with our students?
- How willing are employers for unique scheduling? P-T retirees?



## Community Development

- Focus on activities such as housing development, child care, parks, arts/ cultural facilities and recreational facilities.

### Examples:

- Serve as a liaison between housing developers and state programs
- Guide a housing assessment
- [Workforce Housing Efforts](#)
- Be the developer! ([Stafford County Economic Development \(EcoDevo\)](#))
- Child Care ([Fairfield Economic Development Association](#) – Iowa)



### Is this activity in our lane?

- What assets are the required basics?
- What assets could be the difference makers? What could make us unique?



## Tourism Services or Development

- Activities accommodating current tourism activity including marketing and providing information.

Examples:

- Operating a welcome center or visitor information center
- Providing step-on guide service to bus tour groups
- Websites, apps, visitor guides, etc.
- Actions designed to increase the potential for tourism growth and expansion.
  - Water/kayak trails - Bike trails
  - Unique Festivals



Is this activity in our lane?

- How can we get people to stop in our community?
- How do we get them to extend their time in our community by one day, one hour, one stop?
- Who are the audiences for our current events and festivals? What is the purpose of "done it forever events"?
- What is the actual economic impact – new money?



## Karla's Wish: Every Grain Elevator is Painted!





## 10 Things You Should Know!

**THE  
BIG  
PICTURE**

1. Your local economic strengths and weaknesses.
2. Your community's place in the broader regional economy.
3. Your community's economic development vision and goals.
4. Your community's strategy to attain its goals.
5. Connections between economic development and other city/county policies.



## 10 Things You Should Know!

**THE  
BIG  
PICTURE**

6. Your regulatory environment.
7. Your local economic development stakeholders and partners.
8. The needs of your local business community.
9. Your community's economic development message.
10. Your economic development staff.



Source: *The Role of Local Elected Officials in Economic Development* – National League of Cities & International Economic Development Council

# Types of Development Organizations

Formalizing Your Efforts



## Who is Doing What? In General...

| Economic Development Organization (EDO)  | Chamber of Commerce   | Main Street Organization  | Tourism or Convention & Visitors Bureau (CVB)  |
|--|---|---|--|
| <ul style="list-style-type: none"> <li>• "Basic" Business Attraction</li> <li>• Business Retention &amp; Expansion</li> <li>• Land and site development and/or marketing</li> <li>• Talent development, retention and/or attraction</li> </ul> | <ul style="list-style-type: none"> <li>• "Non-basic" Business Assistance</li> <li>• Small business, retail attraction and development</li> <li>• Cooperative events to help "cash registers ring"</li> <li>• Shared business and community marketing</li> </ul> | <ul style="list-style-type: none"> <li>• Geographically designated</li> <li>• Four Point Approach:               <ul style="list-style-type: none"> <li>• Economic Vitality (business assistance within the district)</li> <li>• Design (aesthetics within the district)</li> <li>• Promotion (of the district &amp; its businesses)</li> <li>• Organization</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Marketing of tourism or convention assets</li> <li>• Visitor services</li> <li>• Development of tourism assets or events</li> </ul> |

- There is a lot of overlap in the real world
- Other activities include: housing, child care, downtown revitalization, community beautification, programs for start-ups and entrepreneurs, advocacy

## Typical Legal Structures & Affiliations

- **Public Entity**
  - Department of a Local government
  - 28-E Organization
- **Public-Private Partnership or Private Entities**
  - 501(c)(3) – “Public Charity”
  - 501(c)(4) – Allowed to lobby
  - 501(c)(6) – “Business Association”
  - Some EDOs have multiple legal corporations
- **Basic Models of Nonprofit Affiliation**
  - Contractual Relationship
  - Strategic Alliance
  - Consolidation
  - Nonprofit Merger



## Pros and Cons

| Public EDOs  |  | Private EDOs   |   | Public-Private EDOs  |   |
|--|--|--|---|--|---|
| Pros   | Cons   | Pros   | Cons  | Pros   | Cons  |
| <ul style="list-style-type: none"> <li>• Access to public funding and mechanisms (e.g. industrial bonds)</li> <li>• Attracts buy-in from public leaders</li> <li>• Coordinates policy/strategy across the local jurisdiction</li> <li>• Easy access to other local public departments</li> <li>• Wields local powers (taxing authority, zoning)</li> </ul> | <ul style="list-style-type: none"> <li>• Turnover of elected officials</li> <li>• Potentially reduces ability to negotiate in confidence</li> <li>• Reduces flexibility in hiring</li> <li>• Risks lack of coordination with business</li> <li>• Limits activity to its political jurisdiction</li> <li>• Restricts amount of debt financing</li> <li>• Prohibits lending to private sector</li> </ul> | <ul style="list-style-type: none"> <li>• Make decisions quickly</li> <li>• Greater hiring flexibility</li> <li>• Serves as intermediary between individuals and government</li> <li>• Can receive donations</li> <li>• Leverages private market sources of financing</li> <li>• Enables option for equity investment and profit-generating activities</li> </ul> | <ul style="list-style-type: none"> <li>• Could lack public sector buy-in</li> <li>• Devotes significant effort to self-sustainment</li> <li>• Can lack capacity to engage in full range of economic development activities</li> <li>• Lacks eminent domain and other public land management powers</li> </ul> | <ul style="list-style-type: none"> <li>• Avoids excessive politicization</li> <li>• Uses public resources without some public limitations</li> <li>• Leverages knowledge, support, and finances of both business and government</li> </ul> | <ul style="list-style-type: none"> <li>• Risks internal divisions when public and private interests diverge</li> <li>• Possibly has less influence than a public EDO, as a result of less accountability to the public</li> </ul> |

# Sitting at the Table

Tips for Being an Active Participant



## What role can you play?

1. Be an informed and open-minded decision maker
2. Be a promoter of your community and of the importance of economic development
3. Be a distributor & overseer of resources (funding, land, incentives, permits, zoning admins, inspectors, etc.)
4. Include economic development among your local government's priorities
5. Remember and appreciate that economic development is a process and not an event!
6. Providing information and assistance to instill confidence that your community is the place for these risky endeavors (e.g., staying, moving, expanding, hiring, starting up, investing, enticing, promoting)



## Personas of the Weak

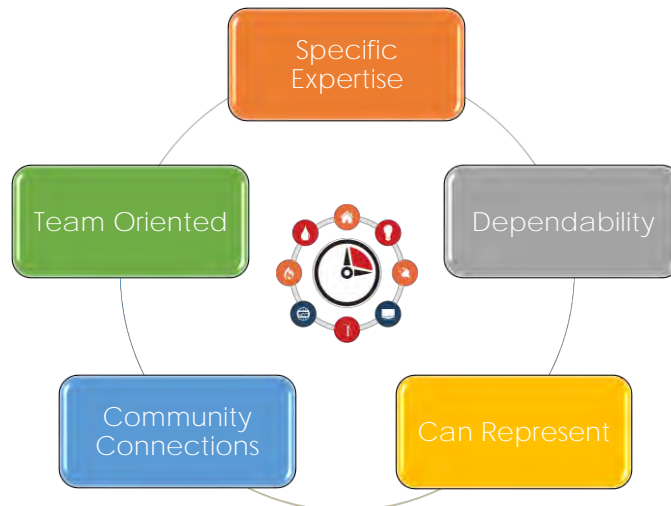


- **Turkeys** - just like a big turkey dinner once or twice a year, these individuals show up only once or twice a year to attend meetings, meaning that if you have a formalized group, these AWOL 'members' take up valuable spots that others who would be more committed could fill
- **Skunks** - these people are involved for business development purposes rather than to serve the broader community or advance the cause of the nonprofit organization; you can smell these stinkers a mile away
- **Show Horses** - these people show up to take the credit for work done by others, often stomping on the toes of those who went the extra mile behind the scenes to ensure that the communities' important programs happened
- **Mockingbirds** - these people show up to cackle and listen to their own voices rather than to add real value or insight (turkeys are bad, but at least they don't actively disrupt like mockingbirds do)
- **Chameleons** - these creatures agree to do things, but then disappear, never to be found when everyone else is counting on them to deliver the promised work
- **Flavor of the Day** - just want to implement because others are doing it. Little insight into true requirements, resources or ramifications



Source: National Council of Nonprofits [www.councilofnonprofits.org](http://www.councilofnonprofits.org)

## Qualities of Effective Doers



Source: Top Qualities of Effective Board Members– Kat Boogaard

## Take Advantage of Professional Development Opportunities – like today!

- Kansas Economic Development Alliance ([KEDA](#))
- Heartland Economic Development Course ([HEDC](#))
- Economic Development Institute University of Oklahoma ([OU EDI](#))
- National Rural Economic Developers Association ([NREDA](#))
- International Economic Development Council ([IEDC](#))
- And more!

**Heartland**  
Economic Development Course

 EXTENDED CAMPUS  
ECONOMIC DEVELOPMENT  
INSTITUTE  
The UNIVERSITY of OKLAHOMA



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

**KEDA**  
Kansas Economic Development Alliance

 **NREDA**  
National. Rural. Connected.

  
**Kansas**  
Department of Commerce

## Economic Development Partners

  
**Kansas**  
Office of Rural Prosperity

**GRASSROOTS**  
ECONOMIC DEVELOPMENT  
**TRAINING**



  
AD ASTRA



## Alignment & Resources Matter!

- Local Public-Private Partnerships
- Local & State Governments
- Utilities – public, co-op and investor owned
- Educational Institutions
- Federal Government
- Others
  - Councils of Government
  - Foundations
  - Nonprofits
  - Financial Institutions
  - Kansas Association of Certified Development Companies ([KACDC](#))



## Supporting Economic Development in Kansas

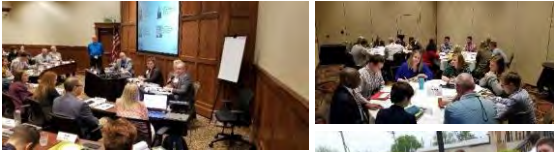






# Heartland

## Economic Development Course



## Enroll for Heartland 2022

April 26-29 in Blue Springs, MO!

### Comments from Heartland Grads:

"I am just blown away by how much I learned in such a short time!"

"I felt a lot more competent and confident after each daily session!"

"Outstanding caliber of presenters"

"The class, the speakers, the relevance of the content all exceeded my expectations!

I enjoyed every minute of it."

[bcs.uni.edu/heartland/](https://bcs.uni.edu/heartland/)

## Thank You!



- Upcoming Trainings:
  - Kansas Economic Development Programs - December 13, 3:00 p.m.
  - Investing in Growth for the Community Organization - December 16, 3:00 p.m.
  - Business Retention & Expansion – January 5, 10am
  - Business Attraction – January 10
  - Entrepreneurship and Small Business Development – January 13\* (tentative date)
  - Workforce Development / Talent Engagement – January 19\* (tentative date)
  - Community Development – January 24 and 27
- Feel Free to Reach Out:
  - [Trisha Purdon](#), Deputy Director, [Kansas Office of Rural Prosperity](#)
  - [Sarah Karns](#), Project Coordinator, [Kansas Office of Rural Prosperity](#)
  - [James Hoelscher](#) or [Karla Organist](#), [Heartland Economic Development Course & Institute for Decision Making | University of Northern Iowa](#)