

APA

The American Planning Association's
Professional Institute
**American Institute
of Certified Planners**
Making Great Communities Happen

AICP

Tools-of-the-Trade: Economic Development Strategies and Techniques

American Institute of Certified Planners (AICP)
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Making Great Communities Happen



A Grant Partnership with the American Planning Association (APA) and the
U.S. Department of Commerce Economic Development Administration (EDA)

Introduction

- This series was developed through a partnership with the U.S. Department of Commerce's Economic Development Administration (EDA). The partnership is devoted to best practices and information dissemination for practitioners serving economically distressed areas.
- As part of this joint effort, APA is releasing critical and timely economic development tools and techniques as well as highlighting important discussions among leaders and practitioners through a variety of outlets including an e-newsletter, quarterly publication, and several broadcasts over the next year.
- Each part of the series will serve as a practical guide for community leaders planning for economic development.
- For full access to and more information about this partnership and the resources described, please visit <http://www.eda.gov/NewsEvents/Edevinfoalition.xml>.

Introduction

- Many of the strategies and methods discussed in this series can be found in more detail from two of APA's Planning Advisory Service (PAS) Reports: *An Economic Development Toolbox: Strategies and Methods* (PAS 541) and *Community Indicators* (PAS 517).
- To find these two reports and additional materials on planning and economic development issues, please visit <http://www.planning.org/APAStore/Search/Default.aspx?a=1006>.

Part One: *First Steps*

- A standard planning process starts with goals (values, principles, a vision) and then looks at actions (strategies, policies, investments, initiatives) that seem to increase the odds of achieving that vision and do so in an affordable and cost-effective way.
- An economic vision is the formal expression of what the local government and its citizens want to be at some point in the future. Visioning processes frequently use public or town meetings, focus groups, questionnaires, newsletters, and computers to engage citizens in identifying problems and opportunities facing their community, and to depict a formal expression of what citizens want their community to be.

Case Study: Washington County, Utah's "Core Values"

- These "core values" arise from the vision statement in Washington County's 2003 strategic plan for economic development.
- ***Expanding diversified economy with increasing wages:*** We encourage a diverse mix of growth from both existing value-added businesses as well as those we recruit that will provide high-quality career opportunities for our citizens and their children, and that will increase wages and income, enabling our citizens to improve their standard of living.
- ***Advanced quality of education:*** We value quality education for our youth and life-long learners, which includes the technical advanced skill courses necessary for our workforce and employers. We seek to deliver this education through neighborhood schools, Dixie Applied Technology Center, and increasing four-year offerings at Dixie State College.
- ***Essential services and infrastructure:*** We are committed to ensuring the availability of services that are essential to sustain our growth and business development. This includes, but is not limited to, improving airport services, enhancing traffic flow, increasing telecommunications capability, and maintaining adequate supplies of water, sewer, electrical power, and natural gas.

Case Study: Washington County, Utah's "Core Values"

- ***Cooperation among communities and the region:*** We value a spirit of cooperation and coordination between all cities within the county, region, and state to resolve issues of common concern, and recognize the need to work together to promote the economic development of the region.
- ***Maintain quality of life:*** Any economic development must maintain our traditional quality of life, which consists of quiet neighborhoods, supports and cultivates the arts and culture, and encourages affordable housing, especially for young families.
- ***Stewardship of our natural beauty and preservation of open space:*** All economic development must be consistent with the stewardship we have over the natural scenic beauty that is an inherent part of our environment and natural surroundings. In doing so, we seek only those economic business opportunities that will enhance our natural environment and preserve the quality of our air and water. We maintain the amount of county land under private ownership by balancing public and private land development with the active preservation of targeted lands for open space.

Part Two: *Quality of Life*

- “Quality of life” is a term used to describe various, sometimes intangible factors that make a community attractive to live. A quality-of-life strategy assumes government of some type of public/private partnership is able to have a significant influence on these factors and improve them over time.
- In theory new businesses will be attracted to communities with the most appropriate combination of factors, and existing businesses will expand for the same reason. People also use quality of life indicators to measure neighborhood and community desirability.

ALPHABETICAL LIST OF QULAITY-OF-LIFE ATTRACTION FACTORS

- Affordable car insurance
- Affordable medical care
- Clean air
- Clean water
- Close to big airport
- Close to colleges/universities
- Close to relatives
- Close to skiing area
- Diversity of local firms
- Far from nuclear reactors
- Good public transportation
- Good schools
- High civic involvement
- High marks from ecologists

ALPHABETICAL LIST OF QULAITY-OF-LIFE ATTRACTION FACTORS

- Housing appreciation
- Inexpensive living
- Lack of hazardous wastes
- Local symphony orchestra
- Low crime rate
- Low housing prices
- Low income taxes
- Low property taxes
- Low risk of natural disasters
- Low risk of tax increase
- Low sales tax
- Low unemployment
- Many hospitals
- Museums nearby
- Near a big city

ALPHABETICAL LIST OF QULAITY-OF-LIFE ATTRACTION FACTORS

- Near amusement parks
- Near lakes or ocean
- Near national forests and parks
- Near places of worship
- New business potential
- Plentiful doctors
- Proximity to major league sports
- Proximity to minor league sports
- Recent job growth
- Short commutes
- Strong state government
- Sunny weather
- Zoos or aquariums

Part Three: *Selecting Strategies*

- The process for selecting strategies and particular actions for economic development planning is not always a straightforward one and indeed can sometimes present uncertainty. Clearly, it should relate to the evaluation of the strengths and weaknesses of the area economy and the organizational capacity of the local government and potential partners.
- Here are some questions that local officials should ask themselves when deciding and detailing different courses of action:

Selecting Strategies

- What are the direct costs of the strategy?
- How is the strategy to be funded?
- How stable or accessible is the funding?
- Who is to implement the strategy?
- What are the benefits? Can those benefits be quantified?
- How long will it take?
- Has it been tried before, either in our community or in others? If so, what were the outcomes?

Selecting Strategies

- What are the legal implications of the strategy? Does the local government actually have the authority to carry out the strategy, or will it need to rely on other public or private partners to implement it?
- What is the anticipated outcome?
- Do the strategies need to be implemented in any particular order?
- Which strategies are central to the success of the whole plan? To other strategies?
- Which strategies are time-sensitive (e.g., those that depend on a funding source with a cut-off date)?
- What strategies can be implemented quickly in order to demonstrate tangible results and build momentum?
- What strategies are mutually exclusive, duplicative, or negating?
- What strategies clearly have lower priorities? (WEDI 2003, 20)

Part Four: *Selecting Strategies for Economic Development*

- There are several different ways to categorize economic development strategies. The following tables are illustrative, not comprehensive.
- Please see attached handout.

Part Five: *Visioning Economic Development*

- A visioning process yields the statement of what the local government hopes to become. Technical analyses components including setting a context for the vision process by putting some realistic boundaries for the vision statement; and determining which actions will most effectively move a jurisdiction toward its vision help create the economic development strategy.
- Please see attached handout.

Part Six: *Principles for Sustained Economic Development*

- In 1996, an international group of practitioners and researchers, concerned with measuring and assessing progress towards sustainable development, convened in Bellagio, Italy.
- From this meeting, overseen by the International Institute for Sustainable Development (IISD), located in Winnipeg, Manitoba, came the Bellagio Principles for Assessment. These principles have exerted significant influence on subsequent sustainable development activities, policies, and study. The 10 Bellagio principles are:

Principles for Sustained Economic Development

- ***Guiding Vision and Goals:*** develop a clear vision of sustainable development and goals to define that vision
- ***Holistic Perspective:*** consider the well-being of social, ecological, and economic subsystems in monetary and non-monetary terms
- ***Essential Elements:*** consider equity and disparity issues, ecological conditions, economic development, and other non-market activities contributing to human and social well-being
- ***Adequate Scope:*** adopt a time horizon long enough to capture both human and ecological time scales; build on historic and current conditions to anticipate future conditions
- ***Practical Focus:*** generate explicit set of categories or organizing framework to link vision and goals to indicators and assessment criteria

Principles for Sustained Economic Development

- ***Openness:*** make methods and data accessible to all; make explicit all judgments and assumptions in data and interpretations
- ***Effective Communication:*** design to address needs of users; draw from indicators and other tools to engage decision makers
- ***Broad Participation:*** provide for inclusive representation and participation
- ***Ongoing Assessment:*** ensure capacity for repeated measurement; adjust goals and framework as new insights gained
- ***Institutional Capacity:*** clearly assign responsibilities; support development of local assessment capacity (adapted from Hardi and Zdan 1997, 2-4)

Part Seven: *Economic Development Indicators (One of Three)*

- While specific indicators will vary depending on a community's needs and desires, there are several common criteria.

Economic Development Indicators (One of Three)

- **CRITERIA FOR SELECTING SUCCESSFUL INDICATORS**
- ***Validity:*** well grounded in sound data and accurately depicts a real situation
- ***Relevance:*** appropriate for an important to the community's important issues
- ***Consistency and reliability:*** data can be researched reliably over a period of time
- ***Measurability:*** data can be obtained for the community
- ***Clarity:*** unambiguous; understandable by a diverse group of people
- ***Comprehensiveness:*** represent many parts of an issue and reduces the need for an excessive number of indicators
- ***Cost-effectiveness:*** data collection is not overly expensive
- ***Attractiveness to the media:*** the press is likely to embrace it

Economic Development Indicators (One of Three)

- **A SUCCESSFUL INDICATOR SHOULD ALSO...**
- Be appropriate to its political, institutional, jurisdictional, or other contexts;
- Be meaningful and useful to stakeholders;
- Use affordable, relevant, and accessible data sources;
- Clearly state and accurately reflect its intent;
- Result from close collaboration with stakeholders during selection, application, and review processes; and
- Connect and be consistent with well-articulated vision statements and goals
(Seasons 2001, 9)

Part Eight: *Economic Development Indicators (Two of Three)*

- Some planners now consider community indicators projects as proactive tools, not reactive records: these projects can be precursors to change and tools used to create positive effects.
- Thomas Kingsley, in his work with 19 community indicators projects, supports this view. He believes that the most exciting things about indicators is that they move people off dead center—new information is brought to bear so people can act now and come together (Kingsley 2002).

Economic Development Indicators

(Two of Three)

- **WHY PLANNERS SHOULD USE INDICATORS**
- Indicators democratize information, ideally leading to positive change through community activism by many constituencies.
- Indicators can embody the inherent values of community, encouraging public sector responses that reflect these values. Likewise, working toward common goals can reduce conflict in communities.
- Indicators represent a method to gauge accurately the economic, environmental, and social conditions within a community over the long term, allowing for more effective and informed decision making.
- Indicators systems or projects, when effectively designed and implemented, can improve evaluation of planning policy and actions by helping establish causality between planning interventions and outcomes.

Part Nine: *Economic Development Indicators (Three of Three)*

- The strength of a community indicators measuring system lies in the involvement of citizens. The process of designing an indicators project can be invaluable to a community. By participating in the development of a project, residents can contribute to finding solutions to common problems.
- Bringing residents together to envision their community's future establish specific goals, and select indicators for gauging progress can foster residents' sense of belonging to their community and encourage stronger interest in outcomes.

Examples of 21 Indicators for Citizen Participation

- Please see attached handout.

Part Ten: *Integrating Community Indicators With Planning*

- The indicators process varies from community to community. The following 10 steps are commonly used to identify, develop, and integrate a set of indicators.
- Step 1: **Form a working group.** Build cross-sectoral and personal relationships.
- Step 2: Clarify your **purpose.** Develop a strategy for broad-based community involvement.
- Step 3: Identify your community's shared **values and vision.** Consider how your project links to other local efforts.
- Step 4: **Review** existing models, indicators, and data. Tailor your project to local needs.
- Step 5: **Draft** a set of proposed indicators. Draw on local experts.

Integrating Community Indicators With Planning

- Step 6: **Convene** a participatory selection process. Narrow the list to a manageable number.
- Step 7: Perform a **technical review**. Retain indicators that were popular with the selection panel if possible.
- Step 8: **Research** the data. Make additional adjustments to indicator list as needed.
- Step 9: **Publish and promote** the report. Mobilize community action.
- Step 10: **Update** the report regularly.

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FOR ADDITIONAL INFORMATION
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