

Improving Economic Resiliency in the Town of Union, New York

Technical Assistance Report



JOBS REDEVELOPMENT COMMERCIALIZATION PARTNERSHIPS COLLABORATION
SUSTAINABILITY CAPITAL PLANNING GLOBAL BUSINESS RETENTION TRENDS
COLLABORATION LEADERSHIP ENTREPRENEURSHIP
ECONOMIC TRANSFORMATION
VISION GROWTH TALENT DIVERSIFICATION
REDEVELOPMENT SITE SELECTION JOBS RESOURCES WORKFORCE
CREATIVITY UNEMPLOYMENT FORESIGHT BRANDING REGIONALISM GREEN MANAGEMENT WEALTH MARKETING MITIGATION
BUSINESS CONTINUITY POLICY INNOVATION COMMUNITY LEVERAGE STRATEGIC PRIVATE SECTOR STAKEHOLDERS PARTNERSHIPS COMMUNICATION PREPARATION



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

The Power of Knowledge and Leadership

Improving Economic Resiliency in the Town of Union, New York

Technical Assistance Final Report

June 2014



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

734 15th Street NW, Suite 900
Washington, DC 20005
202.223.7800

International Economic Development Council

The International Economic Development Council (IEDC) is the world's largest membership organization serving the economic development profession with nearly 4,500 members and a network of over 25,000 economic development professionals and allies. From public to private, rural to urban, and local to international, the IEDC's members represent the entire range of economic development experience. Through a range of services including conferences, training courses, webinars, publications, research, and technical assistance efforts the IEDC strives to provide practical economic development advice and solutions to the economic development community and its stakeholders. For more information about IEDC, please visit www.iedconline.org.

IEDC Leadership

Bill Sproull

President and CEO of the Richardson Chamber of Commerce
IEDC Board Chairman

Jeffrey A. Finkle, CEcD

President and CEO
International Economic Development Council

Acknowledgements

This technical assistance project was funded through a grant from the U.S. Economic Development Administration (EDA), Economic Adjustment Assistance Project No. 08-79-04593. The grant is focused on long-term economic recovery of FY2011 disaster-impacted communities and regions in the EDA Philadelphia office region. The statements, findings, conclusions, recommendations, and other data in this report are solely those of IEDC and do not necessarily reflect the views of the U.S. Economic Development Administration (EDA).

Technical Assistance Panel

The IEDC greatly appreciates input and assistance received from its members and stakeholders who participated on this project, and would like to acknowledge and thank the project's Advisory Panel for its time and contributions:

Chuck Wolfe

President

Claggett Wolfe Associates

Sara Dunnigan, CEcD

Principal

SJ Dunnigan Consulting

Julie Glover

Economic Development Program Administrator

City of Denton, Texas

Rob Camoin, CEcD

President & CEO

Camoin Associates

Project Staff

IEDC acknowledges the following staff members for their work on this project and their contributions to this background report.

Primary Author

Scott Annis | Economic Development Specialist, IEDC

Contributors

Lynn A. Knight, CEcD | Vice President, Knowledge Management & Development, IEDC

Dan Gundersen | IEDC Board Member, Senior Advisor, Econsult Solutions

Carrie Mulcaire | Director, Federal Grants & Technical Assistance, IEDC

SECTION I. EXECUTIVE SUMMARY.....	6
Recommendations Overview	6
SECTION II. INTRODUCTION.....	9
Purpose and Scope	9
IEDC Technical Assistance Process	10
SECTION III. OBSERVATIONS.....	12
Current Economic Development Climate.....	12
Business Retention and Expansion.....	13
Identity	14
Business Friendly Environment.....	14
Innovation	15
Business Districts.....	15
Perceived Public Safety Concerns	16
Additional Challenges.....	16
Availability of land and move-in ready retail and office space	16
SECTION IV. RECOMMENDATIONS.....	17
Strategic Planning.....	17
Business Retention and Expansion.....	21
Business Attraction.....	32
Planning and Permitting Process.....	34
Financing and Incentives	35
Innovation	37
Downtown Revitalization	37
Summary Chart.....	43
APPENDIX.....	44
Case Studies.....	45
IEDC Team Biographies.....	52

SECTION I. EXECUTIVE SUMMARY

This report outlines the findings of the technical assistance to the Town of Union, New York. The [International Economic Development Council](#) (IEDC), with funding from the [U.S. Economic Development Administration](#) (EDA), was retained to assist the Town of Union. This report is based off a three day site visit and background report of the Town.

Below is a summary of the key recommendations from the IEDC panel. These recommendations are fully explained [later in the report](#). All of the following recommendations are important, and the order in which Town of Union undertakes these does not need to follow the order in which they are listed. At the end of the report is a summary chart that shows the recommendations level of priority and level of resources required to complete the recommendation. It is also important to note that a large amount of these recommendations require an increase in staff size of the Town of Union Economic Development Department. This need for capacity is further explained in the [observations section](#).

Recommendations Overview

[Recommendation: Forego Business Accelerator idea at this time](#)

As a means of conserving resources, avoiding duplication of efforts and leveraging community partners, the IEDC Advisory Panel recommends that the Town of Union foregoes an investment in its own business accelerator at this point in time. Instead, it is recommended that the Town of Union support the development of the Binghamton University (BU) incubator that is already under development in Binghamton, as well as the BU Pre-Seed Workshop.

[Recommendation: Develop a strategic, focused, formal business outreach program](#)

While the Town of Union currently does business outreach informally, it is recommended by the panel to develop a formal business retention and expansion outreach program. Retaining and expanding existing businesses that have already invested in the destination is a faster means of achieving goals in economic development than recruiting new ones from other locations.

[Recommendation: Leverage the knowledge and resources of regional partners](#)

Money flows in and out of the economy of the Town of Union from around the region; business does not stop at the Town's jurisdictional lines. Therefore, it is important to both consider and leverage the needs, opportunities and resources of regional partners in the Town's economic development plans and activities.

[Recommendation: Capitalize on Start-Up NY](#)

It is recommended that the Town of Union capitalize on this new State of New York initiative by identifying and marketing opportunities at the Huron Campus and surrounding areas within the one

mile sphere of the university's physical presence on the campus. The Town should also seek to identify other specific ways it can leverage the state program.

[Recommendation: Develop and market electronic database of sites](#)

Competitive business attraction in today's technologically-advanced economic development field includes providing access to an up-to-date electronic database of potential sites that are ready for business uses. It is recommended that the Town of Union work to establish an up-to-date electronic database of available sites and market this through its website, marketing materials of the City and other media channels.

[Recommendation: Enhance perception as pro-business environment](#)

Building the reputation of a jurisdiction as pro-business versus one that requires costly red tape and processes that slow growth and opportunity takes time, but it is often a major deciding factor in where businesses choose to operate. Site selectors tend to seek input and recommendations from existing businesses when considering a new location. Fostering a pro-business environment encompasses a range of activities – from streamlining business licensing and development processes, to providing incentives, a favorable tax climate, low fees and minimal regulations, to technical assistance programs and a welcoming customer service attitude.

[Recommendation: Consolidate downtown revitalization efforts to build capacity.](#)

The IEDC Advisory Panel recommends that the Town of Union works to assist in the consolidation of downtown associations and revitalization efforts. The current disjointed efforts of multiple downtown associations are not as effective and beneficial to the Town as a whole. There is a need to share a full-time or part-time person to coordinate with all business districts.

[Recommendation: Improve perception of public safety in business districts](#)

Negative safety perceptions are affecting business investment and vitality in the downtown. The IEDC Advisory Panel recommends that the Town of Union works to address the poor perception of public safety that currently exists through a collaborative effort by business owners, local police, downtown associations, and the economic development department.

[Recommendation: Broaden the use of 485\(b\) into targeted areas](#)

Currently, the Town of Union has the tax exemption program 485(b) limited to geographic areas in Endwell and Johnson City. It is recommended that the Town expand the use of this tax exemption into targeted areas to spur reinvestment.

[Recommendation: Develop a comprehensive package for emerging entrepreneurs](#)

It is recommended that the Town of Union be prepared to embrace entrepreneurial graduates from various programs (BU incubator, BU Pre-Seed Workshop, etc.) by creating a value package highlighting

the Town's assets and benefits for continuing the growth of their business (e.g., space, financing, resource linkages, partner opportunities with local corporation, BU CAM facility at Huron Campus, etc..

[Recommendation: Formalize communications between planning and ED](#)

It is recommended that a formal communication plan between the Planning Department and Economic Development should be created. This will help ensure that there is a clear, professional channel of communication to promote essential cooperation, sharing of information, avoidance of duplication of efforts, and synergistic leveraging of resources.

[Recommendation: Develop a strategic plan](#)

Currently, the Town of Union is operating without a strategic economic development plan. The IEDC Advisory Panel suggests the Town of Union develop a plan as it is perhaps the most important tool that economic development organizations use to guide successful development. With the right level of community engagement and input, a strategic plan is meant to establish a vision, goals and objectives for economic development, and maintain effective programs based on the economic opportunities, constraints and needs of the community. A strategic plan that is adopted by the community will also help guide the proper allocation of resources and provide an opportunity for measurement and monitoring of the achievement of its goals.

[Recommendation: Adopt National Main Street Methodology](#)

The IEDC Advisory Panel recommends that the Town of Union adopts the National Main Street Center's Main Street Approach, a system and support mechanisms to revitalizing its downtown.

[Recommendation: Encourage social media use to connect and engage merchants and property owners](#)

Highlighting the human factor of an area can create strong relationships between customers and a business. Social media is also a growing, inexpensive means of marketing and staying in touch with partners and the community in real time. It is the recommendation of the IEDC Advisory Panel that the Town of Union work with the businesses in its jurisdiction to engage in social media.

[Recommendation: Champion broadband development and access](#)

In today's competitive business environment, infrastructure is a deciding factor for where businesses may locate or relocate. Broadband access has become a basic infrastructure component that businesses need to access data, research, financial institutions, customers and suppliers. It is also used heavily for recruitment and training of workers. The Advisory Panel recommends that the Town of Union get actively involved in the current development of the broadband network that is being built in the Southern Tier to help guide development and access to targeted development areas within the Town of Union.

SECTION II. INTRODUCTION

Purpose and Scope

As part of a grant from the U.S. Economic Development Administration (EDA), IEDC was retained by the Town of Union, NY to review its economic development organization's operations, organizational and programmatic capacity and staff resources with a specific focus on marketing, business attraction, retention, and expansion. The IEDC conducted this study with the goal of providing specific advice on how to strengthen existing programs and to develop new programs or strategies so that businesses, the organization, and the community can be more resilient from an economic perspective to handle any future crisis. The IEDC closely examined the current programs and strategies that address disaster resilience, including planning efforts that are already underway.

Also, as part of this scope of work, the panel conducted a preliminary feasibility study as to whether or not the Town of Union should formalize and develop a business accelerator-incubator to further the entrepreneurship of the region. Currently, the City of Binghamton is developing a business incubator, so to help foster a regional entrepreneurship ecosystem the Town of Union asked the panel to look at a business accelerator. In other words, instead of focusing on businesses that are starting up as the City of Binghamton will be doing, the Town of Union's accelerator will focus on growth of businesses after their second or third year of operations. This will assist in keeping new businesses alive and assist those impacted by the recent hurricane to grow and keep their business in the Town of Union.

Additionally, specific areas the panel looked at during the visit incorporated the downtowns that comprise different areas of the Town of Union. The panel provided practical advice on how to keep and attract businesses in these areas, while taking into consideration current and planned efforts and programs.

Background on Flooding Damage

In early September of 2011 (7th-9th) record flooding inundated the Town of Union from remnants of Hurricane Lee. Broome County suffered the most damage in the state of New York, accounting for 36% of the most severely damaged homes and 30% of the severely damaged businesses statewide. Within the county, the Town of Union suffered the biggest concentration of damage, resulting in unmet needs that were sufficient enough to warrant the Town of Union receiving a direct grant award from Department of



Housing and Urban Development (HUD) of \$10 million¹. Major flooding also hit the Town in 2005 with 100 year flooding levels, and in 2006 with 500 year levels of flooding. The flooding that occurred both in 2005 and 2006 were confined to two major areas in the Town, those being the South Endwell area and the Fairmont Park subdivision. In 2011, in addition to these two areas, the Westover and West Corners areas were severely affected by flooding.

While the Southern Tier has a long history of floods, the 2011 floods impacted greater swaths of the Town of Union than ever before. Heavy rains over a two-day period, on top of record rainfall levels earlier in the year, deposited large amounts of debris into creeks that clogged drainage structures. The heavy rainfall also caused nearly all flood control structures in Broome County to overflow for the first

time in history. This additional surge of water caused extensive damage to roads and parks. All of these factors contributed to neighborhoods being inundated, including those protected by earthen levees and even some that are outside of the 500-year floodplain.



Businesses were severely impacted by the 2011 flooding as documented by a survey completed by The Town of Union Planning Department. It surveyed businesses and non-profit organizations post storm after

the majority received federal assistance. The survey found that businesses and non-profits had remaining unmet needs totaling more than \$3 million, or an average of \$100,043 per organization.

IEDC Technical Assistance Process

To assist the Town of Union, the IEDC Advisory Panel was formed to participate in a three-day project site visit from March 3 to 5, 2014. Members of the IEDC Advisory Panel were chosen for their expertise and experience in downtown redevelopment, entrepreneurship, business incubation, and business retention, expansion, and attraction. The IEDC Advisory Panel included Chuck Wolfe (Claggett Wolfe Associates), Sara Dunnigan, CECd (SJ Dunnigan Consulting), Julie Glover (City of Denton, Texas), and Rob Camoin, CECd (Camoin Associates)

To prepare for the site visit, IEDC staff members compiled a detailed background report for the Advisory Panel to review the current economic development tools and environment in the Town of Union, briefed them on current planning efforts, and analyzed demographic and socio-economic information. The IEDC Advisory Panel met with or spoke to more than 75 local and regional stakeholders including

¹ <https://www.onecpd.info/onecpd/assets/File/Town-of-Union-CDBG-DR-Program-Slides.pdf>

Town department heads, real estate brokers, business and property owners, developers, college administrative staff, village leaders and other local stakeholders. At the conclusion of the site visit, the IEDC Advisory Panel presented its preliminary findings to key stakeholders of the Town.

Final Report Structure and Format

This final report builds off of the observations and preliminary recommendations from the IEDC Advisory Panel's earlier site visit to the Town of Union. The report includes additional research from IEDC staff and the IEDC Advisory Panel. The report is structured as follows:

- SECTION I: EXECUTIVE SUMMARY — Section I is an Executive Summary of the IEDC Advisory Panel's recommendations.
- SECTION II: INTRODUCTION
- SECTION III: OBSERVATIONS — Section III reviews the IEDC Advisory Panel's observations, which are broken into key topics that include current economic development efforts, business districts, other challenges, and Town assets.
- SECTION IV: RECOMMENDATIONS — Section IV offers recommendations from the IEDC Advisory Panel to improve the business retention, expansion and attraction environment for the Town of Union.

SECTION III. OBSERVATIONS

The following section examines the assets, strengths, and challenges of the Town of Union. The IEDC panel identified these observations during and after its site visit on March 3 to 5, 2014. This section provides context and lays the foundation for recommendations made in the latter portion of the report.

Current Economic Development Climate

Committed Economic Development Department

The Town of Union Economic Development department currently has a professional and committed staff of one full-time employee and one half-time employee. The Economic Development department covers all hamlets in the Town of Union, the hamlet of Endwell, and the Villages of Johnson City, Endwell, and Endicott.

Throughout the site visit, the panel learned of the high volume of work of which the economic development department is responsible. While the two employees are highly efficient, the department faces a capacity issue. For a population of 60,000, the department could benefit from additional staff members to not only address the substantial needs of current businesses, but also to undertake new programs and initiatives to improve resiliency and the economic environment and expand the tax base in the Town of Union. Based on the IEDC 2012 Salary Survey of 2,762 Economic Development Professionals, 81% of responses from agencies with a jurisdiction of 50,000-99,999 had two or more full-time employees. The median response of all agencies with a jurisdiction of 50,000 to 99,000 was three, and the mean was 4.5. Another example of the appropriate number of staff for economic development in a jurisdiction of this size can be seen in the neighboring City of Binghamton. With just under 47,000 in population, its economic development has three full-time employees.



Although the department is under-staffed, it has a proven track record with seven different high-performing business assistance loans. The department is able to tout an impressive, above-average pay-back rate of 98.4 percent. The department was also quick to respond to the flooding in 2011 and developed a revolving loan fund of more than \$500,000. Since the flood, the Economic Development Department has received a 100 percent return of this fund.

Business Retention and Expansion

Retaining and expanding existing businesses is a surer economic development bet than recruiting new ones from other towns because of the simple fact that existing businesses have already made a commitment to the Town and are in a position to expand more quickly. Currently, the Town of Union has an informal business retention and expansion program that aims to accomplish this goal. Given capacity issues of staffing, however, it is impossible for the department to meet with all of the businesses each year. In 2013, the department was able to meet with 100 small and large businesses from the over 600 businesses in the Town.

Currently, the department uses a non-electronic format of collecting information with a double-sided sheet of paper used to capture data and notes about the businesses. The department has an informal process that identifies businesses which haven't been visited for a few years or businesses that are reportedly looking to expand or leave.

Business Attraction

During the visit, the panel noted many effective efforts currently in place for business attraction through multiple agencies in the Town. These efforts, though, appear to be dis-jointed, and do not present a clear path for the establishment of new businesses. It appears they have to go to multiple agencies throughout the towns, which presents another hurdle to doing business.

Some of the efforts for business attraction include an informative website that features available lots and program information. The website also plays a marketing commercial automatically, when one visits the website, which can come as a surprise and may be a feature that should be activated optionally by the visitor to the site. The panel also learned that the same commercial is played in other parts of New York and Pennsylvania, encompassing a 13 county area around Broome County. The commercial promotes the many economic development incentives and loan programs that are available to existing or start-up businesses. Overall, this commercial is a positive outreach effort, but for business attraction, it has the potential to poach regional companies since it is only advertised in the region.



Not a clear path for businesses

Multiple business assistance agencies that were interviewed by the IEDC panel indicated that there are plenty of resources for new business to tap into, including the SBDC, SCORE, and services at Binghamton University. However, the panel observed these agencies were not necessarily working in coordinated

manor that would simplify the user's experience (i.e., entrepreneurs and small business owners) and maximize the impact of the services provided.

With new business prospects, the Town of Union Economic Development Department will surely meet with prospective clients. However, with limited in-house services, prospects are given a lengthy list of other agencies serving the region with the department relinquishing control of what services are provided, the effectiveness of these services, and the prospect's ultimate impression (positive or negative) of the Town's interest in their business. In many instances, this requires a prospect to weed through the maze of organizations to determine what services they offer and how they might be used to meet their current needs. This is further complicated by the physical dispersion of these organizations within the region which further complicates the process. In the end, this is an additional barrier to new and existing small businesses as they consider the Town of Union as a potential place to locate their business.

Identity

The identity of the Town of Union is complicated with its unique governing structure. Representing numerous governing bodies, businesses must work with multiple parties of interest that each have their own identity, procedures and policies. These multiple identities leave the Town in a gray area, from an outsider perspective, in terms of who they are and what they have the authority to do.

This unclear identity is compounded by the fact that when an individual types the name of the Town of Union into Google Maps, the Town does not come up at all. The user would have to know one of the three major villages or hamlets that belong to the Town to locate it on the map. The inability to locate the Town of Union on Google Maps hampers marketing efforts as potential businesses, tourists, and individuals who are trying to research the Town of Union.

Business Friendly Environment

The Town of Union faces certain challenges with regard to its proximity to Pennsylvania. Pennsylvania has lower taxes, which was often the first competitive advantage brought up as an issue for the business environment of New York. The issue of higher taxes impedes the perception of a business-friendly destination. To address this, the Advisory Panel outlines several recommendations, embracing certain programs and marketing that it believes can work in the Town's favor. These can be found on page 35.

Additionally, another challenge was identified as to the Town's perception of "business friendly". Multiple stakeholders were asked about the business friendliness of the Town of Union by the Advisory Panel during the visit. Current businesses suggest that they have great interactions with the Town's Economic Development Department, but often run into barriers with Planning and Zoning. It is perceived that Planning and Zoning do not enforce a level playing field with the zoning code, and, depending upon the circumstances, pick and choose which codes to enforce based on current priorities. Accurate or inaccurate, this perception of an uneven planning process is a barrier to economic

development, as some site selectors may avoid a town based on recommendations from existing businesses within the jurisdiction.

Strategic Plan

The Town of Union Economic Development department currently is without a strategic plan. Without a plan, it leaves the department and the departments it works with without a common goal or vision. Economic development strategic planning is a best practice and a vehicle for organizing local stakeholders to engage in everyday strategic thinking, to define where a community wants to go, and to create a road map for how to get there.

Innovation

The Town of Union is a center for innovative practices, even if it is not the perception of residents and officials. Proof that the area is a hotbed of activity can be measured by the number of patents where local residents are listed as inventors. According to Chuck Wolfe of the Advisory Panel, most areas that are the size of Town of Union have 4 to 5 residents listed as inventors on patents, but this area has thousands. Many of the inventors are associated with patents assigned to IBM and Lockheed Martin which have a large local presence. However, numerous residents are listed as inventors on teams where the patent has been assigned to local companies such as RPA Electronic Solutions, Inc. and out-of-region companies such as Ebay, Inc. The level of innovation within the region is also evident from the activity surrounding Binghamton University's business incubator and pre-seed workshops.

Business Districts

The Town of Union has five business districts, with some identified as downtowns. This includes Union District, Washington Avenue, Hooper Road, Johnson City Main Street, and Little Italy. These districts all have various levels of business activity. They also have varying levels of association activity, with the majority of areas lacking any association activity. The associations are operated by business owners in the districts, which present time constraints to the amount they can donate to the associations, as they have their own commitments to their businesses. Currently, Johnson City Main Street and Union District have the most active associations.



The business districts each have their own unique challenges, but a few common issues were heard during the site visit. All of the districts deal with vacancy issues and absentee landlords. This issue presents a barrier in how people perceive downtown areas. Beautification of downtowns can be

financially burdensome, but the results do encourage more foot traffic which helps drive business growth. Studies have shown that beautification alone can increase sales between 15% and 35%².

Absent Association Leadership and Coordination

Many of the associations for the business districts are operated by business owners, who also reside in their respective districts. Due to the day-to-day demands of running a business, many associations face time-challenged, part-time leadership, due to other commitments. Lack of leadership and coordination present many issues in the business districts, especially when projects require extensive amounts of follow up. Having multiple, often minimally involved leaders also presents the challenges of consistency and coordination between the districts.

Having passive or absentee leadership presents an inability to recognize the value of taking specific long-term actions to improve each district (e.g., facade improvements, joint marketing, hours of operation, etc.), all of which would be mutually beneficial.

Perceived Public Safety Concerns

During the site visit the panel often heard that the business districts are not safe areas. Even if this is only a perceived fear of crime compared to the reality, residents and visitors will not frequent businesses, public spaces, or other community amenities and spend money in these locations until they feel safe.

Additional Challenges

Availability of land and move-in ready retail and office space

Given the Town of Union's unique geographical location in the valley of the Susquehanna River, the jurisdiction has limited land for growth. Currently, many industrial and retail offices are located (and relocated, post-flood) in the flood plain as it presents larger, centrally-located land.

Discussions with real estate brokers determined that the Town faces barriers in having move-in ready retail and office spaces. While there are multiple vacant lots throughout the city, the current property stock is often outdated and needs updating to meet client needs. Given that most businesses wish to find sites they can open in 90 days to six months, this lack of stock may be one of the reasons why businesses choose to relocate within flood plains instead of the Town.

² St. Albert Beautification Program. <http://cultivatebusiness.ca/Support/BeautificationProgram.aspx>

SECTION IV. RECOMMENDATIONS

Strategic Planning

Recommendation: Develop a strategic plan

The IEDC Advisory Panel recommends that the Town of Union economic development department develop a strategic plan. Strategic planning is the vehicle for organizing a committed group of local group of stakeholders to engage in big picture strategic thinking, to define where a community wants to go, and to create a road map to get there. Through strategic planning, community leaders set clear and attainable economic development goals and objectives and design policies and programs to achieve them – all very important activities for the success of local economic development organizations.

Strategic planning is perhaps the most important tool that economic development organizations use to enable successful development. It is a means to establish, communicate and maintain effective programs based on the economic opportunities, constraints and needs of the community. While it involves setting long-range goals and objectives, it also allows for guidance in structuring tactical operations that focus on desirable and feasible initiatives. Strategic planning can be done internally, although many communities choose to hire outside facilitators and consultants to help in the process. The advantage to doing so is that it brings in new perspectives, best practices from other locations, and it helps ensure that the process will be led by a fair and impartial third party.

The Town of Union and Broome County already have some economic development plans and programs in place. The key will be to assess current projects and use information gathered via the strategic planning process to adjust plans or establish new goals. Strategic planning can be used for overall economic development plans, or sub-activities, such as developing marketing plans for a community. When determining the appropriate size of the project, it is essential to make a realistic assessment of its future demand or use. When using strategic planning for sub-activities, it should always be done within the broader development plan and vision for the community.

For the purpose of this recommendation, strategic planning is applied community-wide. An economic development organization or a consultant hired on behalf of the Town can facilitate and document the strategic planning process to achieve economic development goals.

What is the overall aim of strategic planning? Strategic planning creates both a living tool and a sustainable process that set the course for ongoing community innovation and transformation. Ultimately, it should lead to strategies and actions which are:

- ✓ Compatible with the community's vision;
- ✓ Feasible, given the community's strengths and weaknesses;

- ✓ Implementable, given the community's leadership and resources;
- ✓ Change-making, for addressing the community's most urgent challenges;
- ✓ Innovative, enabling the community to "move forward" on its most promising opportunities.

Those communities which truly engage in strategic planning create an evolving and sustainable vehicle for strategic thinking. By doing so, they ensure that existing and new policies and programs are guided by a well-conceived and community-based vision for economic development. They ensure that economic development policies, programs, and relationships meet the needs and desires of a community, in spite of constraints on local resources.

A strategic plan has several benefits:

- It shapes a community's future.
 - Strategic planning helps communities steer economic development to effectively realize their long-range goals. Ad hoc approaches to economic development generally fail to address community needs or long term-goals, and typically have a limited positive impact. Devising a strategic plan puts each step along that path into a context that enables cumulative and stronger impacts. As each new project or program is taken on, the strategic plan is a reminder why those new projects or programs are being implemented, how they serve the community, and how they build upon something already achieved or set the stage for something to achieve in the future.
- It provides a one-stop information base.
 - A well thought-out economic development plan is based on current and historic data on the local economy including: industry structure, labor force, tax revenue, physical and cultural resources, and the positive and negative influences of the current economic environment. This information provides a base for developing economic development projects and policies, as well as forecasting future economic growth and development.
- It lays the foundation for effective and practical economic development efforts.
 - Based on the information gathered in the economic analysis, an economic development professional can plan and set attainable goals and objectives. The planning process guides economic development to determine what is possible and what is not in terms of local assets and resources, rather than copying projects and programs implemented in other locations. For example, there may be little point in developing a large scale industrial park if a town has inadequate infrastructure to support it. Planning also leads to the coordination of new and existing economic development programs and resources.
- It provides a framework for mutually accepted goals and a common agenda.
 - Strategic planning calls for extensive community involvement in a creative and practical process where public, private, and civic leaders develop consensus around economic development goals, strategies, and programs. A strategic plan brings all the players to the table and allows everyone to share a vision for the area, and be part of the process from concept and design through execution. By involving everyone from the beginning,

the foundation is laid for community-wide engagement in the process and outcomes, and there is less chance of surprises popping up, such as non-supportive groups or a part of the plan alienating a key player. Beyond this, there is an exciting potential for the strategic planning efforts and the community, to benefit from the expertise and insights of the broad-based citizenry. This sets the stage for a more effective implementation phase. A simple rule to remember is “Plans don’t get things done, people do.”

The Planning Process in a Nutshell

Strategic planning takes at least six months to get started, and often longer. It is not unusual for communities to invest nine to twelve months in developing a strategic plan, and then years afterwards executing and calibrating the plan. The anticipated activities and time for strategic planning may look as follows:

- Organizing and pre-planning
 - Initiate and organize the strategic planning process. Identify and begin to recruit the players and stakeholders to be involved in the process, the context in which the strategic plan will be conducted and the area to be assessed. Create an organizational structure to carry out the planning process (e.g., steering committees, task forces, work committees, etc.). Determine the financial and technical resources needed for the planning process. This often takes one to two months.
- Visioning
 - Develop a shared vision regarding where the community wants to be in the definable future. This should be based on consensus among all the key stakeholders and should serve as the guiding focus for all planning efforts.
- Assessing the local community and economic competitiveness
 - Through sound research, profile and assess the economic environment, community resources, and barriers to local development. Evaluate and define the situation based on the strengths, weaknesses, opportunities, and threats, and analyze the local economy and trends. This often takes four to six months.
- Identifying issues and formulating realistic goals, objectives and strategies
 - Through the identification of needs informed by the community assessment, frame the key issues most affecting the community’s economic development. Based on this framework, develop strategic goals and objectives. Identify feasible growth and development options, given the external environment and internal opportunities and constraints. Recruit and engage stakeholders – citizens from every sector of the community – to inform and review strategic goals, objectives and options. These efforts culminate into drafting a strategic plan. This often takes one to two months.
- Publicizing the plan
 - Make the plan publicly available for community stakeholders and external partners through a main web site and channel partner web sites, community and regional organizations, and other communications vehicles. This often takes 1-2 months.

- Identifying, evaluating, and prioritizing projects
 - Identify potential projects to maximize or create opportunities, or minimize threats to achieve economic goals. Prioritize the projects based on the best approach and return on the project. These projects should be in line with the strategies designed for reaching the goals. Determine the availability of resources to help in execution of projects. Develop benchmarks to measure future performance and define what is successful. Recruit and engage community stakeholders to inform and review the identification and prioritization of projects. This often takes one to two months.
- Developing plans of action
 - Set out the sequence of events and resources necessary to achieve the goals, including overhead, staff, information and financial capital. This includes defining the physical steps to take to accomplish explicit goals and objectives. Action plans should be associated with the strategies and related projects identified in earlier steps. Recruit and engage community stakeholders to inform and review the plans of action. This often takes one to two months.
- Implementing plans
 - Carry out the action plans. This may require an implementation structure or modification of the organizational structure for the start-up planning steps. This is an ongoing process.
- Monitoring and evaluating outcomes
 - Monitor and measure the effectiveness of the plan and related programs and adjust the plan to meet changing conditions. Make sure goals and projects remain realistic and are worthwhile, and fit into the changing economy. This is ongoing and should take place consistently, be it in Months, Quarters or Years 2, 3, 4, etc.
- Retooling and adjusting
 - Adjust the plan regularly to meet changing conditions and outcomes. This is ongoing in Months, Quarters or Years 2, 3, 4, etc.
- Publicizing the progress and outcomes.
 - Through the web site and other vehicles, keep stakeholders and partners informed on all the players and efforts associated with implementing and updating the plan. This is ongoing.



Strategic planning is a continuous process; it is not the end product. While presented as a step-by-step procedure, strategic planning typically is not carried out linearly. All of the steps presented are part of a continuing cycle in which goals are reconsidered, and strategies and programs are readjusted and refined due to changes in the economic environment. This process is further described in the following chapters of this manual.

Cost

The costs of developing a strategic plan will depend on a number of factors such as: (1) the scope of the plan, (2) the time needed to complete the plan, (3) whether there will be a need to hire a professional consultant, and if so, which consultant is used, and (4) the available budget for doing the plan. It can cost a community anywhere from \$50,000 to \$500,000 to develop a plan. Town of Union should be able to develop a plan at the lower end of the spectrum. In addition, the costs to develop a plan do not include the costs of implementing it. The latter costs are highly fluid and dependent upon the directives and projects defined in the plan.

Generally, there are a number of sources available to organizations and communities to help conduct and support the costs of strategic planning, such as:

- ✓ U.S. Economic Development Administration
- ✓ U.S. Department of Housing and Urban Development
- ✓ U.S. Department of Agriculture
- ✓ State Community and Economic Development Agencies
- ✓ Public utilities
- ✓ Area colleges and universities
- ✓ Private foundations

The U.S. Department of Commerce Economic Development Administration (EDA) is one of the most valuable sources for strategic planning financing. The EDA provides funding under a number of programs. A complete guide to these funding sources is available at www.eda.gov.

Additional Resources:

“Blueprints for Your Community’s Future: Creating a Strategic Plan for Local Economic Development”
Oklahoma Cooperative Extension Services.

<http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Rendition-3773/F-916web.pdf>

Business Retention and Expansion

Recommendation: Develop a strategic, focused, formal business retention and expansion outreach program

As discussed in the observations, retaining and expanding existing businesses is a surer economic development bet than recruiting new ones from other areas. While the Town of Union practices business outreach and surveying, it is the recommendation of the IEDC Advisory Panel that the Town of Union develop a strategic, focused, formal business retention and expansion (BRE) outreach program. This should be integrated with the strategic planning process, or can be completed as a separate

initiative. With a developed BRE System, the Town of Union ED Department will be better equipped to identify local business needs and assist in retention and expansion.

The objective of a BRE program is to identify and address local businesses' needs in order to retain the businesses or assist them with expansion. Additionally, BRE programs help economic developers and community leaders gather business intelligence on local companies. The BRE survey and on-site interviews can be analyzed by the practitioner in order to better understand the business climate. BRE data is also used to document economic development efforts that successfully retained or expanded jobs.

Once The Town of Union has established a set of realistic and actionable goals for the BRE program, the next step is to create an action plan that lists each objective, along with details concerning how the goal or objective will be achieved:

- ✓ Which people or groups are responsible for achieving the objective?
- ✓ What specific programs and initiatives will be used to help achieve the objective?
- ✓ What is the budget for achieving the objective?
- ✓ What is the target date for achieving the objective?

The action plan should be compiled in both a tabular format that lists the most salient points for each objective, and in a narrative format that provides the specific details for each objective. A summary version of the action plan will prove invaluable, both as an easy-to-reference source and as a quick means of communicating the key elements of the plan to stakeholders, who may not have read a more detailed version.

BRE Infrastructure

An effective BRE program must have the appropriate human capital, budget and technology. As mentioned previously, confidentiality and ethics are also a large part of BRE infrastructure. The BRE program itself must be secure, because business actions can be easily disrupted if misinformation is published. BRE data should be used in an ethical manner. For example, the results of a BRE survey should never be shared with competing employers in the community.

Human Capital

A BRE program must have the appropriate personnel to manage the program, conduct outreach, resolve problems, and provide technical assistance. While human capital is the key to any BRE program, many smaller communities do not have the resources to support a full-time BRE program. In this situation, volunteers from the business community and service provider partners play a critical role in implementing the program effectively.

Budget

The BRE program team must determine the appropriate size of the program budget and what costs will be included. Again, in a smaller community, such as with the Town of Union, the different partners may be able to provide in-kind amenities or services. Partners must also identify funding for the program in its initial years and then determine how the program will be sustained in the long term. The Town must also determine who has authority and control of the budget.

Technology

Advances in information technology have made it easier to deploy robust, user-friendly software systems for BRE programs. These systems are typically used to store data collected during outreach, analyze data for trends and opportunities, and monitor assistance provided to each company. How data is collected and analyzed varies from state to state and community to community. Economic development organizations should have a back-up data storage component that ensures access in case of an emergency.

A variety of BRE software programs are available for data collection and analysis. Some communities buy BRE programs off the shelf; others use custom-made programs. Some BRE software programs can be customized to meet specific data-gathering requirements.

In some states, communities choose and manage their software programs independently. However, this can be cost-prohibitive for smaller communities. Another approach is for a sponsoring organization to purchase a license from a software vendor or developer and then make the system available to partner communities for a small fee. In most programs, there is an aggregated approach to information from various communities into one database that can be used at the regional or state level. Data can be used for benchmarking among communities that share software.

Typically the most effective software systems are Internet-based, requiring only a computer with an Internet connection. The proliferation of wireless communications and mobile devices such as smart phones and notebook computers makes it easier than ever to conduct BRE programs. Economic development organizations should work with their regional and state counterparts to ensure software access and compatibility.

Determining Which Businesses to Reach Out To

Prior to beginning outreach, the BRE program must determine which subsets of the business community it will target. It will not be possible, nor should it be the responsibility of the program to reach out to every single business in the community.

As with attraction programs, the BRE program should target companies that:

- ✓ Match community assets or competitive advantages;
- ✓ Match the community's development goals;
- ✓ Could operate from another community altogether;
- ✓ Export products or services from the community;
- ✓ Have potential to expand or diversify the economy;

Companies may be targeted by size, industry, cluster, geography, ownership, growth rate and/or risk level. Advanced software programs such as GIS and ESRI's Business Analyst Online can help locate businesses in the community. Also, the county clerk's office or property tax records may provide useful information regarding what businesses are located in the community and where.

Reaching Out to Businesses

There are numerous ways to reach out to local businesses for BRE purposes. Determining which method to include in the formal BRE program will depend on costs, time, and available staff. The following paragraphs and case study outline various methods for outreach including mail surveys, electronic surveys and surveying with volunteers. The case study on Yonkers, New York, on page 27 outlines one economic development organization's approach to reach large amount of businesses on a tight budget by hosting a "Business Week." This could be beneficial to Town of Union with the large number of businesses and the limited capacity. This could be an event in which the Town works with the business district associations to raise awareness.

Mailing a Survey

Some programs have had success combining mail and site visit surveys. These programs typically mail a one-page survey to local businesses that includes basic data about the firm (address, contact name and telephone number, etc.), as well as a series of questions designed to gauge whether the firm is in danger of failing or relocating. Volunteers or economic development staff then follows up with at-risk firms by scheduling meetings with the CEOs or location / store / plant managers to administer a more in-depth survey to discover why the firm is at risk. The volunteers and staff also start the process of linking the at-risk firm with sources of assistance available through the BRE program.

Electronic Outreach

The Internet and email are excellent ways to keep in touch with business retention and expansion team partners. Electronic organization is an efficient tool for creating and maintaining networks that can enhance business retention and expansion efforts.

Some economic development organizations have begun to use email or web-based surveys to communicate with their local businesses. Some organizations use short, highly-focused email or web-based surveys to qualify a business for a formal business retention visit. These surveys often are available through a link on the organization's website, enabling the firm to access and complete the survey at any time. In other cases, email or web-based surveys are sent to a business owner after a face-to-face visit to measure customer satisfaction with the visit or with the delivery of services.

This format of survey presents advantages which include the rapid delivery and response mechanism an electronic survey provides. An electronic survey also presents the benefit of having the answers to the survey in an electronic database. This allows for quick access and the ability to analyze multiple surveys

and look for trends in needs or resources requested. Additionally, it is another relatively inexpensive approach to BRE.

Outreach with Volunteers

With the Town of Union's current minimal staffing levels, the Town should look into site visit surveys with volunteers. This would free up the time of the economic development director for other programs. This is the oldest model for business retention and expansion visitation programs, developed by New Jersey Bell Telephone in the 1970s and since emulated in many other locales. Volunteers may be recruited from local employers, the Chamber of Commerce, community organizations, and educational institutions.

Each volunteer conducts a small number of interviews with local businesses (four or five) over a short time period (two weeks). The effort is normally coordinated by the economic development organization, which develops the survey mechanism and trains the volunteers.

If possible, it is best to send two volunteers on each interview. This ensures that the business owner or manager's responses are accurately recorded.

The BRE program manager should establish clearly defined debriefing protocols for volunteer-based programs. Volunteers may not be knowledgeable about the various resources available to businesses participating in the program. Immediately following the visit, volunteers should debrief the BRE manager on the bottom-line needs of the businesses, especially if there are potential red flags.

The usual sequence of events in organizing a volunteer program is as follows:

- ✓ Obtain the support of the mayor, county executive or board chair, or other chief elected official in the community. The program will lack credibility without visible support at the highest levels; at the same time, the BRE manager must secure the elected official's commitment to follow up on all legitimate issues uncovered by the survey.
- ✓ Appoint a Business Retention and Expansion Task Force chaired by a prominent individual from the private sector. The chair should be expected to use his or her contacts to assist in volunteer recruitment.
- ✓ Identify firms to be surveyed. Identify clusters, sectors and specific firms to be surveyed or interviewed.
- ✓ Send a letter of introduction from the chief elected official to the target firms three weeks before the kick-off event. The letter of introduction should tell the CEO(s) they should expect a call from the volunteer(s) assigned to the firm to set up a convenient time for an interview. A

copy of the survey should be enclosed, and the letter of introduction should encourage the CEO or plant manager to take a few moments to review the survey prior to the interview.

- ✓ Hold a training session for the volunteers. The session should be opened by the chief elected official, who thanks the volunteers for their time and effort and stresses the jurisdiction's commitment to address all legitimate issues raised by survey respondents. The volunteers are then trained by staff of the economic development organization in techniques for administering the survey, including the proper way to record responses, methods of probing further when a respondent offers a vague answer, and techniques for dealing with especially difficult interviewees. The training session typically lasts approximately two hours.
- ✓ The surveying process traditionally begins with a kick-off event featuring speeches from the chief elected official and task force chair. Such an event, if properly promoted, should generate media coverage and heighten awareness of the BRE program in the business community.

Advantages of site visit surveys using volunteers include:

- ✓ Responses to quantitative questions will have greater validity since the information is gathered over a short period of time.
- ✓ Local businesses may be more trusting of private-sector volunteers than full-time staff from a public or partnership economic development agency.
- ✓ The involvement of a wide range of volunteers provides superior public relations potential, as opposed to a staff-only effort.
- ✓ A wide variety of interviewers may bring special insights that would be missed by economic development staff.
- ✓ Lower costs than programs conducted with full-time staff.
- ✓ This is a proven and established method for conducting business retention programs, used successfully in communities across the U.S. and Canada since the 1970s.

Disadvantages of site visit surveys using volunteers include:

- ✓ Wider variation in quality of data gathered, particularly in response to qualitative questions.
- ✓ Some volunteers may fail to complete their assigned interviews.
Volunteers may not fully understand the needs for client confidentiality and, particularly in small communities; commercial information may inadvertently be made public. Depending upon the level of training given, it may be difficult for volunteers to respond to specific questions about assistance programs (loan and grant programs, technical assistance, etc.), necessitating follow-up by economic development staff. Also, some well-intentioned volunteers may give incorrect information on these programs
- ✓ Great care must be taken to ensure that volunteers are properly matched to the companies they survey. For example, the volunteer should not be a competitor, creditor or supplier to the firms that he or she surveys.

Spotlight On: Yonkers Business Week: Promoting Your Business Retention Program

In an era of budget and staff reductions, economic and workforce development organizations are inventing new ways to reach large numbers of businesses.

This was the challenge facing the City of Yonkers a few years ago. Located less than 30 minutes from downtown Manhattan, Yonkers is one of New York's fastest-growing large cities and has demonstrated a long-standing focus on existing businesses. Home to 10,000 businesses, the city's Office of Economic Development has operated a formal business retention program for many years.

Budget and staff cuts have, however, reduced the number of proactive business visits that have been the foundation of its BRE program. Fortunately, Yonkers has established a holistic approach to business retention. It starts with a one-stop center for business assistance under the moniker "All Under One Friendly Roof." Housed within its historic City Hall, the center conveniently co-locates the Yonkers Office of Economic Development, the Empire Zone and Empowerment Zone programs, the Loan Resource and Referral Center and the Industrial Development Agency. With just one visit, existing business owners and entrepreneurs can obtain information on low-interest loans, tax benefits, technical assistance, utility discounts, rapid approval processes, state and federal assistance programs and other resources.

In addition, the Yonkers economic development team reaches out to the business community every year with Yonkers Business Week, a high-visibility event that puts the Yonkers business community in the spotlight.

Now in its 11th year, Yonkers Business Week focuses on the entire business community - from the retail and service sectors to employers in all industrial classifications. With direct involvement by the mayor, Yonkers Business Week promotes programs and resources available to businesses through a week-long series of seminars, forums and networking events. An important secondary goal of Yonkers Business Week is to strengthen ties between city government and the business community. This enables the mayor's office to shape an agenda for development and growth that is responsive to the needs of the business community.

Yonkers Business Week is held at multiple locations and includes business breakfasts and luncheons, seminars, workshops, daily networking events, and tours of the city. Yonkers Business Week culminates in an awards dinner where, in 2010, awards were presented honoring the Business of the Year, Corporate Citizen, Yonkers Legend and Yonkers Hidden Treasure.

Yonkers Business Week continues to be a cost-effective way to reach hundreds of business owners in an era of staff reductions. Tips for setting up such a program include:

- ✓ Start early;
- ✓ Gain the commitment of top elected officials;
- ✓ Secure the cooperation of community stakeholders;
- ✓ Establish a project leader;
- ✓ Capitalize on existing events;
- ✓ Establish a partnership with local media;
- ✓ Develop and update a contact list ahead of time;
- ✓ Use regular mail, email and social media to publicize;
- ✓ Establish a website for the event.

For more information, visit: www.yonkersbusinessweek.com

Follow-up

A well-coordinated follow-up effort is as important as the survey itself. Without it, expectations of interviewed businesses will have been raised, only to be let down when the issues raised during the interviews are not addressed. In fact, a community that fails to follow up its business retention and expansion survey in a meaningful way may end up worse off than a community that fails to initiate a BRE program in the first place.

The program's follow-up methods will depend to a large degree on the type of survey program used. Communities that use mail and volunteer surveys will need to have systems in place to process a large number of completed surveys within a short period of time (usually two or three weeks). By contrast, in communities that use full-time staff to administer the surveys, the volume of survey processing is dictated by the pace at which the interviews are conducted.

Immediate Follow-Up (Within Two Days)

Review Surveys for Assistance Requests

Volunteers who conduct surveys should meet with the BRE staff member to brief staff on the interview, especially when there may be red flags. Once the survey has been reviewed and the needs of a business have been identified, the economic development organization staff member can forward the firm's identity and the nature of the request to the relevant agency.

It is important that the economic development organization staff member be familiar with the various business assistance programs available in the jurisdiction (e.g., training programs, SBA financing, etc.). Some economic development organizations complete a pre-designed request form and forward it to the relevant agency or department. Some BRE software programs include features to electronically send and monitor requests for assistance to service provider organizations on the BRE team

Red-Flag Any At-Risk Firms for Rapid Response

Frequently, BRE surveys will reveal at least one local firm that is in imminent danger of either relocating or closing. Any such firm should be brought to the immediate attention of the highest-ranking economic development official in the community for rapid response.

Short Term Follow-Up (Within Two Weeks)

Send a Brief Thank-You Letter

The letter should thank the firm for participating in the survey and note the agencies and departments (along with contact names) to which the firm's requests for assistance have been provided.. If applicable, the letter should state the date when the results of the entire survey will be released to the public, and note who the firm should contact to obtain a copy of the survey report. The letter may be sent by either the chief elected official (to reinforce the local government's commitment) or by the task force chairman or director of economic development (to provide a high-level point of contact).

Tabulate the Completed Survey

Even if the Town does not intend to disclose the results of the survey publicly, it is imperative to tabulate the data in a computer compatible spreadsheet, so it can be used for the strategic planning processes. Some BRE software programs provide both system-generated and user-defined reporting capabilities.

Create a File for Each Company Surveyed

Most economic development organizations should now have the capability to enter survey information into a computer database (e.g., Access, Dbase), rather than maintaining it in a paper file. The database record for each surveyed firm should include, at a minimum, the basic information gathered in the first part of the survey, along with separate fields for noting and tracking responses to each assistance request made by the firm.

Medium Term Follow-Up (Within Four Weeks)

Make Sure that Agencies Have Responded to All Requests for Services

All firms which requested business assistance services should be re-contacted to ensure that they have received a meaningful response from the relevant agency or department. This may be done by phone or by a short mail survey.

Local government offices or officials should be contacted to guarantee that they are aware of issues. For example, the city manager should be provided with a list of issues identified through the survey so if code enforcement is an issue, for example, the Town Supervisor can act appropriately.

In cases where an agency is slow to respond or provide assistance, it is the responsibility of the BRE program manager to follow up with the appropriate party, identify the reason for the delay, and hold that party accountable to its obligations.

Long Term Follow-Up (3-4 Months)

Update Firms on Progress in Dealing with Community-Wide Issues that Impact the Business Climate

Examples of community issues and responses include:

- ✓ Increased police patrols in a manufacturing district where business owners felt that vandalism was a problem.
- ✓ Creation of a one-stop business permitting center in response to concerns of a burdensome permit issuance process.
- ✓ Availability of a new training program, through the local community college, which responds to business needs identified in the survey.

These actions could be communicated in a letter from the community's highest elected official to reinforce local government's commitment to the needs of the business community. This letter could include an executive summary of the survey results to give the business community a picture of the overall local business climate.

Identifying At-risk Firms

One of the primary benefits of a business retention and expansion survey program is the development of an early warning system that can identify companies in danger of relocating or closing. Experience in communities with established BRE programs has proven that early intervention with at-risk firms is always best; by the time news of the relocation or closure has reached the local news media, it is almost always too late for the BRE team and community to intervene successfully. A well-designed BRE survey will provide a profile of each firm surveyed; this profile can then be matched against early warning signals to identify at-risk firms.

Indications That a Firm May Be At-risk

Developing a profile of an at-risk firm can be difficult at the start of a BRE program, since the economic developer may have limited information concerning the local business community. As the organization gains such experience, the economic developer will obtain a much better sense of general indicators of an at-risk firm (e.g., decreasing store hours, declining sales or employment), as well as indicators specific to the community or region (e.g., the decline or restructuring of a key local export industry).

Developing a profile of an at-risk firm can be difficult at the start of BRE programs, since the Town may have limited information concerning the local business community. As the City and its economic development organization gains experience, it will develop a much better sense of general indicators of an at-risk firm (e.g., declining

Identifying Red Flags – Oakland, California

One of the more successful business retention programs in the U.S. was operated by the Oakland (Calif.) Commerce Corporation for nearly 20 years, starting in 1989. Using a one-page mail survey for initial company assessment, OCC officials developed a list of 10 early warning signals or “red flags” that indicate a firm may be at risk of closing or relocating. They include:

- ✓ Declining sales/declining employment;
- ✓ Larger, non-local corporate ownership;
- ✓ Recent ownership change;
- ✓ Lease of property/expiring leases;
- ✓ Other facilities producing the same product or service;
- ✓ Negative attitudes about the community;
- ✓ High regulatory burdens;
- ✓ Union contract expirations;
- ✓ Expanding employment/expanding sales;
- ✓ Facility and site expansion plans.

Other factors that communities with long-standing BRE programs have found to be early warning signals include the following:

- ✓ Obsolete or land-locked facility;
- ✓ Location in a problem neighborhood;
- ✓ Older product lines or production technology;
- ✓ Contentious labor-management relationships;
- ✓ Lack of export/international focus;
- ✓ Family-owned firms with aging owner and no succession plan;
- ✓ Gradual corporate downsizing over time;
- ✓ Relocation of top managers and corporate officers to another location;
- ✓ Loss of longstanding supplier contracts/relationships (e.g., losing contracts to supply parts to an automaker).

The above lists are generally applicable to most communities. Each BRE program should develop a list of early warning signals that includes these and other localized factors that may put firms at risk of downsizing, closing or relocating.

sales or employment), as well as indicators specific to the community or region (e.g., the decline or restructuring of a key local export industry).

Marketing the Town's BRE Program

A BRE program needs to be marketed to the business community and the community at large. It will be easier for the Town of Union to proactively reach out to local businesses if business owners are aware of the program's existence and purpose. If the program is not well known within the business community, businesses may be reluctant to participate, not trusting how their information might be used. It is also important for the community at large to know that elected officials and the economic development team are serious about helping local businesses stay and grow.

The Town of Union should promote the program to business owners and the community. Service providers on the BRE team also should actively promote the program to their clients, conveying a consistent message about the program and its benefits to local companies.

An economic developer can involve local newspapers, radio and television stations in reporting on activities of the BRE program. The first step is to educate local media about the importance of BRE efforts. For example, many reporters and editors may not be aware that the majority of new jobs in a community are created by existing firms. One activity is to arrange a media event at one or more local companies assisted by the BRE program. This type of media coverage educates the public about the value of economic development efforts to assist existing small and mid-sized companies.

Another project highlighted in the spotlight on the following page is a business week that highlights the business community and promotes the BRE program.

Additional BRE Resources

University of Minnesota Business Retention and Expansion Toolkit provide sample reports and surveys, recorded presentations, and other tools for BRE.

<http://www.extension.umn.edu/community/business-retention/>

Recommendation: Leverage the knowledge and resources of regional partners

It is imperative that economic development organizations look beyond their offices to find partners in the community. Resources can be scarce, but if an economic development organization partners with others, it increases its capacity to achieve its mission. With the Town of Union's limited resources, it is recommended to leverage the knowledge and resources of regional partners.

Other actions can include engaging with Broom County IDA in the development of a complimentary county-wide BRE effort, possibly benefiting from its investments in strategic research, software, etc. Leveraging actions can also include partnerships with Binghamton University College of Community and

Public Affairs to help support research, outreach, data analysis, development of plan docs, resource directory, or annual reports, etc. with interns or class projects.

Locating the untapped and hidden resources in the Town of Union can provide a significant boost to local economic development initiatives. Partners who were previously out of touch with local economic development efforts can be re-engaged, thereby establishing a consensus and renewed sense of community involvement.

By identifying and using the Town of Union's available resources, the economic development organization can effectively provide proactive services to the area. As the organization begins to uncover the full breadth of the community's resources, there are several critical steps to take, including:

- ✓ Personally meet with a willing partner or ally in the region.
- ✓ Be prepared to listen. Most often one can quickly learn what is and is not working in the area.
- ✓ Likewise, complaints or concerns expressed by those within the community can easily become the "to do list" and help eliminate any guessing at the next steps at transforming an area.
- ✓ Become cognizant of an organization's interests and how they might apply that interest in areas that can support the mission of the economic development organization.
- ✓ Research the organization and its offerings in advance of the meeting with any partners or stakeholders, real or perceived. Knowing who they are, what they do, their successes, and even their obstacles will place the economic developer in an advantageous position to determine how to assist them and, even more importantly, if they may be able to assist with the Economic development organizations own goals.
- ✓ Do not be reluctant to listen to varying opinions, make assumptions, or have preconceived ideas until the possibilities have been investigated.
- ✓ Although it is often the most difficult process to discern between opinions, feelings, or theories, focusing on the facts is crucial to determining if there are possibilities and mutual benefits in working with any organization.

Business Attraction

Recommendation: Develop and market electronic database of available sites

It is recommended by the IEDC Advisory Panel that the Town of Union develops and market an electronic database of available sites in the Town. Most economic development organizations see valuable returns on their website investments. Staff members are able to do their work more efficiently by having and providing access to important information over the Internet. In addition, quality content on websites often results in prospective investors following up with economic development professionals for additional information.

In a survey, completed in 2009, of Economic Development Organizations, the third highest ranked important feature of an economic development organization's website was land/sites and building inventory, with 89% of respondents noting this as an important website feature³.

There are many ways for land/sites and building inventory to be updated, whether by internal staff or partners who may be real estate agents and brokers. The key is to keep the information fresh, because this information changes frequently and is very volatile. Technology is evolving to create new solutions for this dilemma. Making the system searchable by various categories is essential. Here is a list of simple search criteria that can easily be programmed into a GIS database.

- ✓ Type of property (industrial, commercial, retail, etc.)
- ✓ Property size (square footage or acreage)
- ✓ Zoning types (commercial, industrial, etc.)
- ✓ Building types (industrial, commercial, retail)
- ✓ Building structures (concrete, masonry, steel, etc.)
- ✓ Building size and/or square footage of space
- ✓ Infrastructure available (gas, sewer, water, electric, fiber, DSL, etc.)

Once a database of available sites has been developed and updated frequently, it is equally important to promote it. Promotion can include links to partner websites, or simply letting partners know the database exists.

Recommendation: Champion broadband development and access

In today's competitive business environment, infrastructure is often a deciding factor for businesses to locate or relocate. Broadband access has become a basic infrastructure component that businesses today need.

The Advisory Panel recommends that the Town of Union become involved in the current development of the broadband network being built in the Southern Tier. While this project is already underway, it is important for the Town of Union to plan ahead to develop the "last mile." Getting involved in planning discussions will help the Town of Union guide where the network goes in the community and bring the infrastructure to the right areas for future business development.

³ Source: UC Berkeley Survey in partnership with GIS Planning, IEDC, and other economic development membership associations. 2009.

Planning and Permitting Process

Recommendation: Formalize communications between planning and ED

It is recommended by the Advisory Panel that a formal communication plan between the Planning Department and Economic Development should be created. Formalized communications will create a clear, professional channel of communication.

Such communications could be weekly, bi-weekly, in-person or electronic communications that update on each department current activities that are relevant to the other department. For example, Economic Development can report on businesses that are looking at or approved in loans, and Planning could report on applications that are coming through their department.

Formalizing communications will also help create the perception of a pro-business atmosphere when a clear channel of communication exists between the two departments and economic development can help walk a business through the planning process.

The formalized communication should also include a section on partnering with Code Enforcement. The code enforcer can be the eyes and ears for the Economic Development Department and can alert them when a business is having problems keeping up to code. Currently, code enforcement only implements the code policies when the Fire Department brings an issue or violation to their attention. Economic Development should be tuned into the code enforcement activities to not only learn of any possible struggles a business may be having, but also to report violations they see throughout town. If Code Enforcement begins to enforce violations, this can help fight blight and the perceived safety of the business districts, ultimately improving the image of the districts.

Recommendation: Enhance perception as pro-business environment

The perception of a pro-business environment is important to the existing businesses in the Town of Union and also for attracting new businesses. It is the recommendation of the Advisory Panel that the Town of Union work proactively to enhance the perception as pro-business.

As discussed in the observations, some public members see the Town of Union as unfriendly to businesses. The Town of Union Economic Development Department was not the point of these issues, but the department can work to promote a pro-business attitude by working with the Planning Department. Working to first establish clear communication, as discussed in the previous recommendation, is a good first step. It is also important step is working with the Planning Department to outline a clear, transparent, planning process for perspective and existing businesses.

Saratoga Springs, for example, has been able to achieve a vibrant business environment, not because of stringent planning guidelines, but because the jurisdiction had a well defined, transparent, planning process. There can be many local regulations for businesses to navigate, but if economic developers and planning officials make it known what exactly those requirements may be, are consistent in interpreting the law, and eliminate interpretation based on the ideals of one or more regulators, risk to businesses is reduced and the quality of development will improve.

One Stop Shop

Another way for the Town of Union to enhance the perception of pro-business is to develop a “one-stop shop” for consumers, which may include site-selectors, businesses currently in the region, prospective businesses, developers, etc. The point of a one-stop shop is to have the consumer deal with one point of contact (the Economic Development Department), in one place. There are countless resources available to businesses in the region, but having a potential business come to the Economic Development department only to be told to go to other service organizations places or departments around town takes extra time and money for the prospect, and does not help the anti-business perception.

This recommendation does not require the Economic Department to host additional programs, nor to become specialists in other agencies services. It does, however, require the department to become knowledgeable in all available resources and to serve as the liaison between the businesses and have readily available these partner organizations or agencies. Fortunately, the Economic Development Department is already under the same roof as the Planning Department, so bringing in a planning official to clearly explain the process, or to answer any questions for businesses is easier.

Financing and Incentives

Recommendation: Use local expertise, but extend opportunities and impacts by leveraging debt capital and technical expertise available through regional partners

Currently, the Town of Union has strong lending activity in the Economic Development Department. While this lending activity receives has a high degree of success, it is important for the Town of Union to diversify its capital resources. The Advisory Panel recommends that the Town of Union become more cognizant of the broader pool of capital sources that serve the Town of Union, and leverage their capital and staff expertise to meet the need of its clients.

The Town can tap into existing equity capital networks, such as those affiliated with the BU Pre-Seed Program. Also, the Town can link into the Alliance for Manufacturing and Technology, which is one of the New York Regional Technology Development Centers. Developing relationships with these networks can offer leverage to bring capital to businesses in need.

The Town of Union should also use local connections to tap into New York City for equity capital. New York City is second in the nation for the amount of equity capital given to businesses (93 businesses in

the first quarter of 2014.)⁴ Regional partners and local expertise have connections throughout the state and discussions with these partners could shed light on possible collaborations.

Recommendation: Broaden the use of 485(b) of the Real Property Tax Law into targeted areas

Currently, the Town of Union has the tax exemption program 485(b), which is limited to geographic areas in Endwell and Johnson City. It is recommended that the Town Union expand the use of this tax exemption into targeted areas to spur reinvestment. Reinvestment areas include the business districts and other areas throughout the city that can benefit from reinvestment.

New York State law requires that all improvements to real property be taxed to support local services in the area where the property is located. However, the State of New York and Town of Union have authorized an exemption to taxation to encourage business investment and development. Section 485-b of the Real Property Tax Law authorizes a partial exemption from real property taxation for commercial, business or industrial property.

The underlying concept allows communities to invest in their future by temporarily foregoing tax revenues in order to attract new commercial and industrial development to the area, thereby broadening the long-term tax base and employment opportunities. The exemption allows a phase-in over a 10-year period of any increase in assessment that would otherwise result from certain qualifying improvements in commercial property.

Currently, the Town of Union has the exemption level limited to geographic areas in Endwell and Johnson City. The exemption is 50% of increased tax assessment due to the construction and would be exempt in the first year after completion. That amount decreases 5% each year from the second through tenth years.

Recommendation: Capitalize on Start-Up NY



Start-Up NY is a new initiative under Governor Andrew Cuomo that enables a new company in New York State, a company from out of state that is relocating to New York, or an expansion of a company that already has employees in New York State to be 100% tax free for 10 years. Only certain businesses qualify, and the business is required to move to certain areas or be affiliated with the Binghamton University.

It is recommended that the Town of Union capitalize on this new initiative by identifying and marketing opportunities at the Huron Campus and surrounding areas within the mile sphere of the university's

⁴ City National Venture Capital Report, Silicon Valley - First Quarter 2014, <https://insights.cnb.com/SitePages/Venture-Capital-Report-Silicon-Valley-Q1-2014.aspx>

physical facilities on the campus. Having a compiled list of sites to share with potential or expanding businesses will be useful as the program is developed. While regulations are still being written, the Town of Union should be agile and prepared for their roll-out.

Innovation

Recommendation: Forego Business Accelerator at this time.

The IEDC Advisory Panel recommends that the Town of Union foregoes a business accelerator at this point. As an alternative, it is recommended that the Town support the development of the BU incubator under development in Binghamton, as well as the BU Pre-Seed Workshop. The timing of establishing a business accelerator at the Town level now would be too far advanced, in light of these new incubation initiatives.

The Town could revisit this idea in future years, once the incubator is established, when the number of new businesses looking for the support of an accelerator has increased.

Recommendation: Develop a comprehensive package for emerging entrepreneurs

It is recommended that the Town of Union be prepared to embrace entrepreneurial graduates from various programs (BU incubator, BU Pre-Seed Workshop, etc.) by creating a value package highlighting the Town's assets and benefits for continuing the growth of their business. This value package should highlight available space, financing, resource linkages, and partner opportunities with local corporations.

A value package should integrate existing regional business assistance programs (e.g., SBDC) and business incubation services (BU Incubator) into a comprehensive package. Town of Union representatives should serve as the point of contact for its business, facilitate the interactions with the service providers, and monitor the business' satisfaction with the support provided. By pro-actively bringing together and managing the various different resources needed by its businesses the Town can create its own identity as a viable place to start and grow a business. Such actions can negate a business' concerns about being located next to particular resources.

Downtown Revitalization

Recommendation: Consolidate downtown revitalization efforts to build capacity

The IEDC Advisory Panel recommends that the Town of Union works to assist in the consolidation of downtown efforts. As discussed in the observations, the current disconnected efforts of several downtown associations does not for each area, nor do they appear to be beneficial to the Town as a whole. There is a need for a full-time or part-time person to coordinate all business districts. This person

could also assist in the implementation of the Main Street Program methodology, another recommendation explained below.

Consolidating downtown efforts will enable the consolidated voice to have more political clout and, hopefully, enable more resources to be allocated to the business districts. An example of a city which consolidated efforts into one organization is Lacrosse, Wisconsin. In Lacrosse local businesses and financial institutions recognized the need to pool resources and create partnerships to complete downtown revitalization goals in the 1980's. They established Downtown Mainstreet, Inc. in 1989 as a non-profit organization. The non-profit was created to facilitate and coordinate the economic redevelopment and revitalization of downtown La Crosse. More information and a case study on Lacrosse can be seen on page 45.

[Recommendation: Adopt National Main Street Methodology](#)

The IEDC Advisory Panel recommends that the Town of Union adopts the National Main Street Center's Main Street © Approach. The Main Street program is a framework for addressing commercial district revitalization. As a unique economic development tool, the Main Street Four-Point Approach is the foundation for local initiatives to revitalize their districts by leveraging local assets—from cultural or architectural heritage to local enterprises and community pride.



Main Street is a national movement that has spanned three decades and taken root in more than 2,000 communities - a movement that has spurred \$49 billion in reinvestment in traditional commercial districts, galvanized thousands of volunteers, and changed the way governments, planners, and developers view preservation. Over the past 30 years, the National Main Street Center has overseen the development of a national network of coordinating programs that today includes 37 statewide programs, seven citywide programs, and two regional programs. These coordinating programs help cities, towns, and villages revitalize their downtown and neighborhood business districts. Coordinating program staff helps build the capacity of local Main Street programs, expand the network of Main Street communities, provide resources and technical assistance, and work with the National Main Street Center to explore new solutions to revitalization challenges and respond to emerging trends throughout the nation.

Main Street offers a revitalization framework appropriate for communities of all types – including commercial districts in urban neighborhoods, rural towns, and smaller and mid-sized cities. Local Main Street programs can be established either as freestanding organizations or as part of an existing entity, such as a community development corporation or economic development organization. Working in conjunction with the state, city or county-wide Main Street Coordinating Program, or directly with the National Main Street Center, local Main Street programs plan and implement projects that create more vibrant and healthy commercial districts.

The four points of the Main Street approach work together to build a sustainable and complete program.

Main Street Four Points

- ✓ **Organization** - Organization establishes consensus and cooperation by building partnerships among the various groups that have a stake in the commercial district. By getting everyone working toward the same goal, the Main Street Program can provide effective, ongoing management and advocacy for the Town's downtown or neighborhood business district. Through volunteer recruitment and collaboration with partners representing a broad cross section of the community, the program can incorporate a wide range of perspectives into its efforts. A governing board of directors and standing committees make up the fundamental organizational structure of volunteer-driven revitalization programs. Volunteers are coordinated and supported by a paid program director. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.
- ✓ **Promotion** - Promotion takes many forms, but the goal is to create a positive image that will rekindle community pride and improve consumer and investor confidence in the Town's commercial district. Advertising, retail promotions, special events, and marketing campaigns help sell the image and promise of Main Street to the community and surrounding region. Promotions communicate the commercial district's unique characteristics, business establishments, and activities to shoppers, investors, potential business and property owners, and visitors.
- ✓ **Design** - Design means getting Main Street into top physical shape and creating a safe, inviting environment for shoppers, workers, and visitors. It takes advantage of the visual opportunities inherent in a commercial district by directing attention to all of its physical elements: public and private buildings, storefronts, signs, public spaces, parking areas, street furniture, public art, landscaping, merchandising, window displays, and promotional materials. An appealing atmosphere, created through attention to all of these visual elements, conveys a positive message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the district's physical appearance through the rehabilitation of historic buildings, encouraging appropriate new construction, developing sensitive design management systems, educating business and property owners about design quality, and long-term planning.
- ✓ **Economic Restructuring** - Economic restructuring strengthens a community's existing economic assets while diversifying its economic base. This is accomplished by retaining and expanding successful businesses to provide a balanced commercial mix, sharpening the competitiveness and merchandising skills of business owners, and attracting new businesses that the market can support. Converting unused or underused commercial space into economically productive

property also helps boost the profitability of the district. The goal is to build a commercial district that responds to the needs of today's consumers⁵.

Coincidentally, the four points of the Main Street approach correspond with the four forces of real estate value, which are social, political, physical, and economic.

Getting Started and Funding

The National Main Street Centers website features a [well documented page](#) with resources on how to get started with Main Street in a community. This also includes fundraising advice. Funds should come from a diverse range of sources, not just one entity, to ensure financial security. Sources include local government, large and small businesses, membership programs, fund raising, community groups, earned income, corporate sponsors, and foundation donations.

Additional Resources:

- ✓ Reviving Main Street: Two New England Case Studies, Federal Reserve Bank:
<http://www.bostonfed.org/commdev/c&b/2005/winter/Main.pdf>
- ✓ Enhancing Downtown's Sense of Place – National Main Street Center:
<http://www.preservationnation.org/main-street/main-street-news/1999/09/enhancing-downtowns-sense-of-place.html>
- ✓ New York State Main Street Program Guide:
<http://www.nyshcr.org/Programs/NYMainStreet/NYMSProgramGuide.pdf>

Recommendation: Use Social media to connect and engage merchants and property owners

Highlighting the human factor of a company is what creates strong relationships between customers and a business. Facebook, LinkedIn, Twitter, and other social media outlets help facilitate these emotional connections on a larger scale before or after an in-store visit, phone call or another customer interaction. It is the recommendation of the IEDC Advisory Panel that the Town of Union work with the businesses in its jurisdictions to engage in social media.

Social media allows businesses to reach the masses for very little cash outlay. The Town of Union can work to create a brochure or have a short speech and quick tips of why businesses should be on social media, and how they can get on social media.

Anna Eliot, the Director of Digital Media at Swash Labs, is always quick to point out the value of impressions. "It is imperative to engage in social media to reach the target demographic because of the fundamental changes in peer communication and brand recognition and transparency," she says. "Five or 10 years ago, people ran print ads, ran radio and television spots to generate brand recognition. Now individuals have to go where the masses are."

⁵ <http://www.preservationnation.org/main-street/about-main-street/the-approach/>

Additional Resources:

The University of Minnesota Extension, Webinar Series – Doing Business Online.

Free webinars on subjects of:

- ✓ Mobile eMarketing — the Basics
- ✓ Managing Online Reviews
- ✓ Getting Found on Maps
- ✓ Social Media for Business
- ✓ Getting High on Google (Basics of SEOs)

<http://www.extension.umn.edu/community/retail/e-marketing/webinar/>

Recommendation: Improve perception of public safety in business districts

The IEDC Advisory Panel recommends that the Town of Union work to address the perception of public safety in the business districts. This recommendation requires a collaborative effort from business owners, local police, downtown associations, Code Enforcement, and the Economic Development department. If Economic Development brings on additional staff for the business districts as discussed in the previous recommendations, this recommendation will be a good fit for part of their job description.

Other means to increase the perception of public safety is increased police presence, starting a neighborhood watch program, better lighting on buildings, or playing classical music in public spaces.

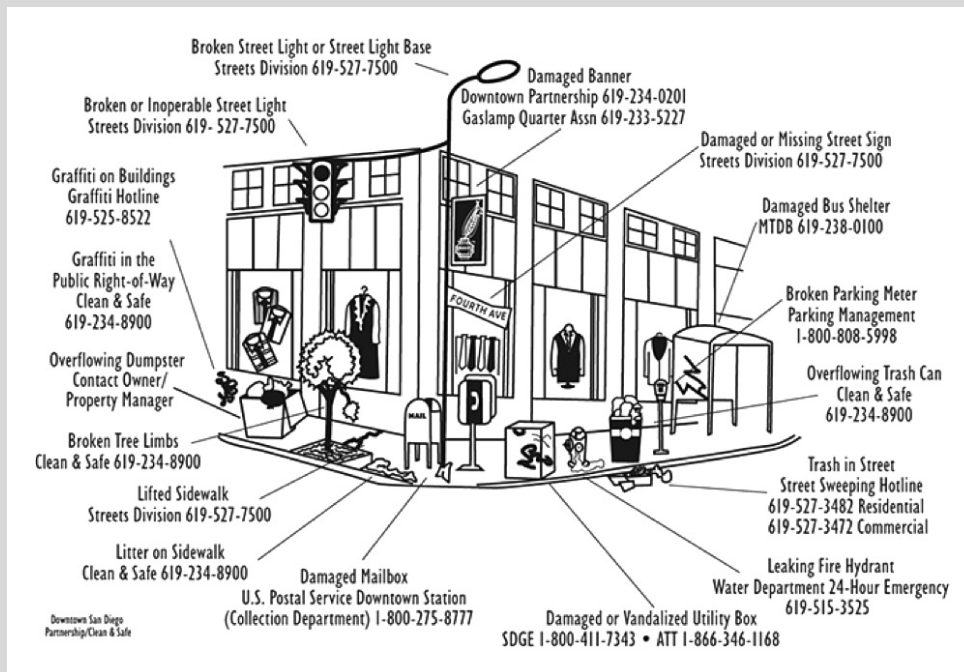
Aesthetically pleasing landscapes and streetscapes can go a long ways in perceptions and can be a catalyst for change. For example, Greenville, South Carolina, a town of 60,000 says this was one of their secrets to revitalization. More information the redevelopment of the downtown of Greenville can be seen on page 49.

Clean and Safe Program

The perception of public safety is often visually based. When residents see items that need fixed, overflowing trash cans, or dimly lit streets, this can hinder the safety perception. One method to abate this is a Clean and Safe program. A Clean and Safe program works to abate perception of public safety by providing an easy means to keep streets clean.

One of the most useful tools of a Clean and Safe Program is seen in the diagram below. This graphic shows all of the possible maintenance issues on a typical Downtown San Diego street corner, and identifies which public or private agency is responsible for the specific repairs. This diagram is an easy to use tool for property owners and businesses when reporting these issues.

Relatively easy and inexpensive fixes for a cleaner and safe environment include:



For more information, visit: <http://www.downtownsandiego.org/clean-safe/>

Summary Chart

The chart below places the recommendations into four categories based on their priority and amount of resources required to complete the recommendation. Those that are high priority and low resources, highlighted in yellow, can be targeted first by the Economic Development Department.

Lower Priority and High Resources

- ✓ Adopt National Main Street methodology
- ✓ Champion broadband development and access

High Priority and High Resources

- ✓ Develop a formalized business retention and expansion program
- ✓ Capitalize on Start-Up NY
- ✓ Leverage the knowledge and resources of regional partners
- ✓ Enhance perception as pro-business environment
- ✓ Develop a strategic plan

Lower Priority and Low Resources

- ✓ Use Social media to connect and engage merchants and property owners
- ✓ Develop a comprehensive package for emerging entrepreneurs

High Priority and Low Resources

- ✓ Forego business accelerator
- ✓ Develop electronic database of available sites
- ✓ Proactively counter public safety concerns
- ✓ Network & build relations with important regional players
- ✓ Consolidate downtown revitalization efforts to build capacity.
- ✓ Broaden the use of 485(b) into targeted areas
- ✓ Formalize communications between planning and ED

APPENDIX

Case Studies

Case Studies in Downtown Revitalization

Lacrosse, WI

La Crosse is a small city located along the banks of the Mississippi River in southwestern Wisconsin. The location of the city and proximity and integration with the river was an asset in the city's early development. Following an onslaught of economic and transportation changes, however, La Crosse's downtown and riverfront became areas of disinvestment and blight. Community business leaders, in partnership with the city, were able to develop a successful comprehensive plan for revitalization and create an organization whose purposes were to implement the plan's goals, foster integral partnerships, and promote investment.

Economic Decline

Multiple factors contributed to the economic decline of La Crosse's downtown and riverfront. The asset the Mississippi River had once been no longer existed, as industrial and manufacturing jobs relocated when river commerce transitioned to slow barge. In addition to the loss of the industrial sector, La Crosse's population and retailers were drawn to the periphery. A new regional mall negated the need to shop downtown and the construction of Interstate 90 rerouted traffic from the city center.

Unwilling to accept further economic distress, local businesses and financial institutions voiced the need for a downtown organization to focus solely on the redevelopment of downtown and riverfront and the recruitment of public and private investment.

Revitalization Components

The essential components to La Crosse's revitalization were the creation of an economic development organization and the adoption and implementation of the first comprehensive plan for downtown — City Vision 2000. The plan recognized the need to stimulate private investment downtown, while also reestablishing the community's connection with its riverfront. Strategic steps were taken to ensure the successful redevelopment of downtown La Crosse and the neighboring Mississippi Riverfront. Downtown Mainstreet, Inc. (DMI) would provide the leadership that local businesses preferred and the resources to implement City Vision 2000 goals and foster private partnerships and investment.

Downtown Mainstreet, Inc.

Local businesses and financial institutions recognized the need to pool resources and create partnerships to complete downtown revitalization goals in the 1980's. Established in 1989, DMI is a non-profit organization that was created to facilitate and coordinate the economic redevelopment and revitalization of downtown La Crosse. The City Vision 2000 comprehensive plan and its goals for

redevelopment would not have been created or implemented without the formation and encouragement of Downtown Mainstreet, Inc. (DMI) and its partnership with the city and others.

City Vision 2000

Adopted in 1992, City Vision 2000 was the first comprehensive plan for downtown La Crosse. The primary goal of the plan was the revitalization of downtown La Crosse and the redevelopment and integration of the Mississippi Riverfront. Additional goals aimed at enhancing downtown La Crosse were to “link the future with La Crosse’s historic past, maximize downtown as a multi-use activity center, establish a theme for downtown, identify key redevelopment sites and establish a market-driven implementation strategy.” City Vision 2000 was a broad and ambitious plan and with the support of the city, DMI, business leaders, the La Crosse School District and Technical College, the plan’s goals were realized.

The first capital investment project facilitated by DMI was the streetscaping of Pearl Street in 1995. The Pearl Street streetscaping was significant in establishing the city and DMI as legitimate partners in downtown revitalization. A prime example of leveraging funds, Pearl Street streetscaping aided in relieving some of the potential risks for private investors in the area. The block-by-block streetscaping process aided in attracting business and residents downtown and resulted in property value increases of over \$100 million in the last decade. An additional capital investment project came in 1995 in the form of construction of the Riverside Park Riverwalk. Although initially questioned by the broader public, the Riverwalk is now “seen as rekindling the sparkle in the City’s crown jewel of parks”. Overall, La Crosse’s strategic implementation of capital investment projects has improved, attracted, and retained the economic and social vitality of the city.

Fundamental to downtown revitalization success is the attractions of businesses and creation of jobs. 2001 highlighted a major achievement for the City of La Crosse, DMI and the downtown economy. The city and DMI successfully recruited CenturyTel Midwest Regional Headquarters to La Crosse’s downtown district.

CenturyTel’s headquarters is housed in a thirty million dollar building on a former industrial brownfield site, and CenturyTel’s decision to locate in downtown La Crosse has created 550 jobs downtown. Moreover, the CenturyTel development — in addition to creating jobs and expanding the local tax base — is credited with having stimulated additional riverside developments such as the Grandstay Extended Stay Hotel.

Continued Efforts – City Vision 2020

The efforts undertaken by the City of La Crosse, DMI, and business leaders and residents have socially and economically revitalized downtown La Crosse and its riverfront. Though its successes are evident, La Crosse has not ended its pursuit to better its downtown and riverfront community. City Vision 2000 had been updated several times throughout the years and in 2004 La Crosse adopted City Vision 2020 — a thoroughly updated downtown master plan for downtown La Crosse and its riverfront. While the plan

still focuses on La Crosse's downtown and riverfront revitalization, a new focus on mixed-use development is also highlighted in the 2020 plan.

Overall, public private partnerships, a comprehensive master plan, and strategic investments have successfully reinvigorated La Crosse's downtown and riverfront economy. City Vision 2000 and City Vision 2020 have transformed a weakened industrial economy into a thriving mixed-use economy.

Downtown Redevelopment, Suisun City (California)

Suisun City, Calif., is located in Northern California halfway between San Francisco and Sacramento. The city has been going through a major redevelopment project since the early 1990's. Suisun City has been a success story of a city on the brink of disaster rising forward to become one of the most livable communities in California. Through leadership, determination, visioning and a strong emphasis on results, Suisun City is a model for how even the most downtrodden cities can turn their fortunes around.

History and Suisun City Downtown

The population of Suisun City grew tenfold between the 1970s and early 2000, primarily as a bedroom community for San Francisco and Sacramento. Nearly all the growth, however, happened on the edge of the city, while Suisun City Old Town and the city center experienced disinvestment. Oil facilities along the harbor polluted the ground and water and businesses failed on Main Street. One neighborhood comprised primarily of fourplexes used about half of the city's police resources to fight drug dealers and high crime. The city developed plans for revitalization, but no actions were taken to implement the plans.

The Turning Point

In 1988, the San Francisco Chronicle rated the Bay Area's 98 municipalities for their quality of life and Suisun City ranked dead last. A growing group of citizens and a frustrated City Council, led by Mayor Jim Sperring (elected in 1989), decided that something needed to be done. The Mayor took the initiative and the city started working on creating a new redevelopment plan for Suisun City's Old Town and adjacent downtown areas.

Visioning

Suisun City began to turn itself around by creating a grand vision of what residents wanted their city to be. City Hall at that time was housed in a trailer, so the first task was to move the City Hall into a new building in the barren and deteriorating downtown. The city also focused attention on the waterfront area. A redevelopment agency was set up as a banking mechanism to issue loans for redevelopment projects.

The city undertook an extensive public engagement process when developing the vision. Mayor Sperring noted the importance that the vision for the redevelopment be the community's, not that of a

developer or architect. Even when some citizens groups were skeptical, the city focused on developing a strategic, broad vision for the downtown.

The city hired an architect of national renown to help develop plans based on the community vision. According to Mayor Spering the city was criticized for selecting an expensive architect to do the design and planning for downtown and accused of not utilizing public funds efficiently. He defends that choice as the price for expertise; the city wanted a very high quality product and was not looking to save money at the most fundamental stages of downtown revitalization.

Funding

Suisun City utilized tax increment financing (TIF) to fund redevelopment projects and the entire city was designated a redevelopment zone. Establishing a redevelopment zone throughout the city - making the district as large as possible – was the only way to make the financing work. Using property tax revenues, the city issued \$110 million in bonds.

The Public Sector Role

The city took the lead in the redevelopment process, including carrying most of the costs associated with various projects. The redevelopment agency was instrumental throughout the process by covering the costs of public infrastructure.

The city also fast-tracked certain critical projects - such as restoring an old train station - in order to gain public support and show results. A number of these projects were carried out in reaction to public impatience regarding the slow speed of implementation. The city was able to execute a large portion of the redevelopment plan within a relatively short span of about five years.

Hurdles and Challenges

Public Engagement –Public sentiment was one of the biggest challenges throughout the revitalization process. A number of citizen groups were not happy that the entire city had been designated as a redevelopment zone. In addition, after seeing plans developed in the past but not delivered on, residents and businesses were skeptical about the outcome of such a large redevelopment project. It took time to rebuild the community's confidence in the city to deliver. Furthermore, one of the first projects to be implemented was the new City Hall and surrounding area, called City Plaza, and a number of stakeholders objected to locating a public building of such importance in an unsafe part of town. The perseverance of the Mayor and the City Council in implementing the vision helped in the long-term.

Private Sector Involvement – The revitalization process in Suisun City was heavily oriented towards the public sector. The private sector was brought in at the implementation stage to carry out the plans and designs, which resulted in conflict. Mayor Spering, in hindsight, thinks the city should have engaged the private sector soon after the visioning process was completed to benefit from its resources and expertise at an early stage. There was a belief that if the city invested in the public infrastructure, the private sector would jump at emerging development opportunities; however, that did not happen. The city had to spend significant resources to engage the private sector at a late stage.

Conclusions

Mayor Spering feels that in order for any project to be successful, three ingredients are essential:

1. Strong political leadership - champion(s) for the cause and advocate(s) for the vision;
2. Public support, emanating from pride and the will to see change happen in a distressed community; and
3. An experienced architect/developer who can translate the community vision into feasible plans and designs.

The public and private sectors should be engaged in neighborhood revitalization from an early stage in order to develop a vision that builds on their combined outlooks and resources.

Revitalization is a difficult process that requires tough decisions. The leadership needs to ensure that stakeholders remain on board and keep the long-term vision in focus.

Throughout this process, the entire downtown area has been revitalized by cleaning up the waterfront, making it accessible and bringing business and activity to the downtown area. Suisun City is a place in which citizens feel pride. Today, the redevelopment process continues with new work on the City Plaza and the creation of a new, mixed-use community. Though the process was difficult, Suisun City now is an outstanding example of how a city can turn from the brink of disaster to become a model community.

Source: Based on an interview with the former mayor Jim Spering.

Greenville, South Carolina Downtown Revitalization

Greenville, South Carolina, is a city of about 60,000 that had a severely declining downtown despite a growing economy and region. Greenville managed to transform its downtown from its all-time low of abandoned warehouses and empty storefronts during the 1960s and 1970s into a flourishing and nationally recognized downtown center, spurring activity around the clock with offices, residential areas, specialty retail, entertainment, and the arts. This success was a result of strategy and dedication by the City, and thus presents many valuable lessons that can be replicated in other declining downtowns across the nation.

Secrets to Success

Greenville's Economic Development Department played an integral role in the drastic transformation of the city's downtown. Greenville utilized its and the region's economic and physical strengths as critical components of the revitalization process. The city realized that successful projects take a multitude of resources and support; therefore, public/private partnerships were the backbone to every revitalization initiative. The public sector provided the spark plug, but the private sector was the engine in Greenville.

In 1977, the City Council charged ahead full force in remaking the downtown despite vast public doubt. The city took on this task by investing strategically in properties, combining the best of vehicular and pedestrian design, creating aesthetically pleasing streetscapes, and understanding the need for a differentiated downtown. Common denominators in all revitalization efforts for Greenville were and continue to be the strategically focused location and mixed-use nature of the projects.

Proof of Success

- *Greenville Commons* was the first anchor and major public/private partnership for the downtown revitalization process. The city purchased the land, built the convention center and parking garage, and leased the air rights for the hotel and office building to go on the site, leading to a financial participation by the city of nearly one-third of the entire project cost.
- *The Peace Center for the Performing Arts* is a major anchor for Greenville that gives people a reason to come downtown at night and on weekends. A local family contributed a \$10 million commitment to start the project. The city used TIF and eminent domain to secure some of the property, and then provided the landscaping and amenities. The city also worked against skeptics to remove a vehicular bridge nearby and replace it with a pedestrian bridge, reopening the natural waterfalls, river and park that were once hidden.
- *West End Market* is located in a once-blighted area where Greenville could not attract private investment. Recognizing the strategic location of this area, the city decided to assume the role of developer itself, taking on the financial risk. In the end, Greenville successfully created a major 45,000 sq. ft. destination with offices, retail, restaurants, artisans, and a traditional farmer's market, all in a festive and park-like setting out of privately donated, neglected historic buildings. Financing for the project required TIF, a HUD Section 108 loan, grants, city general fund dollars, and even the sale of personalized bricks; but in 2005, West End Market was sold to yield a net profit to the city to invest in other projects.
- *Poinsett Plaza/Hotel* consists of 204 hotel rooms and a 220,000 sq. ft. office building with residential penthouses and 44 condominium units housed in renovated historic buildings, including a vacant educational wing of a church. Greenville assisted financially with the project by employing TIF but played a more important role in bringing together multiple private partners by becoming the facilitator, construction coordinator, and mediator, holding weekly meetings with the multiple developers and contractors to keep the project on track.
- *West End Baseball Stadium* was built to host Greenville's new baseball team, the Drive. The city provided development-ready land for the project and leased the property to the owners of the team. It also helped finance the project using TIF, sale proceeds from the West End Market, hospitality funds, and storm water and sewer funds. Greenville ended up with much more than a baseball stadium; the project also created offices, restaurants, retail and residential condominiums.

- *RiverPlace* is a collection of office buildings, residential condos, restaurants, underground parking, artist studio spaces and an interactive water feature located along the Reedy River. Greenville overcame many challenges to develop this area, including substantial river pollution. Public walkways and plazas link to the nearby Falls Park that was only made possible through the use of eminent domain.

Tips for Success

- Build anchors – anchors set the tone for future developments
- Create a critical mass – provide the variety and stability for tourism and office/residential needs
- Be an entrepreneur – understand and appreciate the inherent risks of private development
- Bring value to the private development – don't just assume that the need is monetary
- Seek creative financing options – be willing to explore all financing opportunities
- Commit to writing – clearly define expectations and responsibilities
- Set the design standard – in downtowns, the city sets the standard for the public realm
- Integrate with the existing environment – accomplish integration of mixed-use developments with downtown through design requirements
- Little things matter – landscaping, seating, lighting, etc. provide a backdrop, sense of place, and identity
- Plan for people – the physical environment should be designed and programmed to encourage its use by people

Sources: Whitworth, Nancy P., "City's Tools for Downtown Development: Much More than Money." *Economic Development America*, Fall 2006, IEDC

Whitworth, Nancy P., and Mary Douglas Neal, "How Greenville, South Carolina, Brought Downtown Back: A Case Study in 30 Years of Successful Public/Private Collaboration." *Real Estate Review*, vol. 37:1 (2008): 12-13

IEDC Team Biographies

IEDC Expert Panelists

Chuck Wolfe

President

Claggett Wolfe Associates

Chuck has over 30 years of experience as both a serial entrepreneurs and economic development consultant. His consulting work has taken him to urban and rural settings around the world to support economic development through SME formation and growth in sectors ranging from value-added food production and tourism to advanced manufacturing and high technology. Consulting services include:

- Incubator, accelerator and SME assistance program market opportunity analysis and feasibility assessment.
- Incubator, accelerator and SME assistance program development, business and implementation plans.
- Loan program design and operation.
- Business and real estate development loan underwriting.
- Training on incubation “best practices”, entrepreneurship & economic development, loan program design, loan program operation, loan underwriting and loan portfolio management.
- Economic development strategic planning and public policy development.

In addition to his consulting work, Chuck has extensive practical experience as:

- Founder of 2 technology startups in the ICT and Electronic Equipment sectors;
- Founder of a private incubation/acceleration program;
- Founder of a non-technology startup in the petroleum retailing/convenience grocery sector;
- VP of Operations and lead counselor for a Silicon Valley based Community Development Corporation’s business assistance and financing program targeting minority and disadvantaged entrepreneurs/business owners; and
- Loan program manager and lead underwriter for four community-based business loan programs.
- Technical specialist, trainer and loan underwriter to the State of California’s \$15 million CDBG economic development allocation.

Chuck holds a BS from the Pennsylvania State University in Environmental Resource Management and an MBA from the University of Texas at Austin with an emphasis in Finance and Information Systems. He serves as an instructor in business incubation, entrepreneurship, business retention and expansion, loan program design, loan underwriting and loan program management. He has also been a featured speaker at domestic and international conferences on fostering SME development and growth.

Recently Chuck testified before the House Committee on Small Business on “The State of SBA’s Entrepreneurial Development Programs and Their Role in Promoting Economic Recovery”. He was a

major contributor to the NBIA publication “Developing a Business Incubation Program: Insights and Advise for Communities”. Chuck is a Board member for the National Business Incubation Association (NBIA), and co-authored the 1st (2001) and 2nd (2010) editions of the NBIA publication “Best Practices in Action: Guidelines for Implementing First-Class Business Incubation Programs”.

Sara Dunnigan, CEcD

Principal

SJ Dunnigan Consulting

Sara Dunnigan is an economic development professional with 17 years of experience in place marketing and business attraction, business retention and expansion program management, new business development strategies, community and industry research, and workforce development. She has more than 20 years of experience in strategy development and project management. *Much of Sarah’s work* advances the use of technology, open networks and social media in economic development, workforce development, and community capacity building activities to support economic growth.

Sara *began* her career in economic development after graduating from Wright State University in Dayton, Ohio with a degree in Economics. Since that time, she has *worked* in economic development with a gas and electric utility provider, a regional chamber of commerce, a transportation planning agency, a regional economic development organization, and an economic research firm.

Sara received her CEcD designation from the International Economic Development Council. She resides in Chesterfield, Virginia.

Julie Glover

Economic Development Program Administrator

City of Denton, Texas

Julie Glover, CMSM, is the Economic Development Program Administrator for the City of Denton, Texas, and has been the Downtown Development/Main Street Program liaison for 19 years. She has a Bachelors Degree in Journalism and a Master of Business Administration Degree from Texas Woman’s University.

She is a past recipient of the Texas Historic Commission’s Anice B. Read Award of Excellence in Community Heritage Development, and serves on the Texas Downtown Association Board.

Rob Camoin, CEcD

President & CEO

Camoin Associates

IEDC Staff

Dan Gundersen

IEDC Board Member,
Senior Advisor, Econsult Solutions

Dan Gundersen is Senior Advisor with Econsult Solutions where he focuses on sustainable economic development, organizational change, and competitive growth strategies for businesses, not for profit groups, and governments.

Dan Gundersen is the former Commissioner, New York State Department of Economic Development and Upstate Chairman with Empire State Development Corporation. In 2007 New York rose to #1 from #14 in North America for the number of corporate attraction and expansion deals (IBM Global). He was Chairman of the New York Job Development Authority and of the Economic Power Allocation Board of New York State Power Authority, and Chairman, USA Niagara Corporation. Additionally, he was board member with the Erie Harbor Canal Development Corp., Adirondack Park Authority, and Olympic Regional Development Authority.

Prior to tenure with the State of New York, Dan was the Executive Deputy Secretary for the Pennsylvania Department of Community and Economic Development. As COO, he directed operations approaching \$1 billion annually, led the Commonwealth's international activities, and helped initiate and implement a \$2.8 billion economic stimulus program.

From 2000 – 2003 he served as the State of Maryland's Assistant Secretary for Business Development. As the chief marketing official, he established the life science and advanced technology business development teams and launched the state's first global strategic plan focused on key competitive industry sectors.

His early years in Philadelphia involved working with business leaders to form public/private partnerships in impoverished neighborhoods and co-authoring and directing development for the Philadelphia/Camden Federal Empowerment Zone. Dan earned a masters degree from University of Pennsylvania and bachelor's from Hope College, with studies at Harvard Business School, Georgetown, and Cornell University.

Dan serves on the board and is a Fellow with the International Economic Development Council ("IEDC"), the worldwide association for the economic development profession. He is Chair of the Audit Committee and a member of IEDC's think tank team, the Economic Development Research Partners.

Lynn Knight, CEcD

Vice President of Knowledge Management and Development
International Economic Development Council

Lynn Knight is IEDC's Vice President of Knowledge Management and Development. She has more than 25 years of experience in domestic and international business management and economic development. Prior to joining IEDC, she served as the Director of Economic Development Programs for Management Analysis, Incorporated, providing economic development and tourism consulting for local and federal government clients in six states. She served as the representative of a territorial Governor in Washington D.C., chaired two economic development commissions, a hotel association, and the Chamber of Commerce for the U.S. Commonwealth of the Northern Mariana Islands. For eight years she was the vice president of an award-winning international holding company which operated businesses in a dozen industries. Early in her career she was a television anchorwoman and then became an entrepreneur, founding a business incubator and a full service advertising agency, which she operated for 14 years.

Carrie Mulcaire

Director, Federal Grants & Technical Assistance
International Economic Development Council

Carrie Mulcaire is a Director of Federal Grants and Technical Assistance in the Knowledge Management and Development Department at the International Economic Development Council (IEDC) in Washington, DC. She has over 14 years of experience in local and regional economic development in the United States, China, and Western Europe.

Her work has covered strategic planning, sustainable industrial development, business attraction and retention, workforce development, technology-led economic development, entrepreneurship, and downtown revitalization. She has provided research support for several IEDC publications on job creation in manufacturing, site location analysis, and quality job production.

She obtained a Master's degree in City and Regional Planning from UC Berkeley where she specialized in regional economics and international development. She has a Bachelor of Sciences in Business Administration from the Haas School of Business at UC Berkeley.

Scott Annis

Economic Development Associate
International Economic Development Council

Scott Annis is an Economic Development Specialist at the International Economic Development Council. He works on a variety of research and technical assistance projects in the Knowledge Management and Development (KMD) department at IEDC. He currently serves as the grant administrator of an Economic Development Administration's (EDA) Philadelphia office grant titled 'A Regional Program for Post-Disaster Economic Recovery for FY 2011 Impacted Communities in the Northeast', which seeks to provide a comprehensive set of services and resources in economic recovery and resiliency for

communities throughout the EDA Northeast region. In addition, he serves as the coordinator of all of IEDC's international activities and partnerships.

Scott has a broad experience in local and regional planning and economic development. He has worked on, and developed projects in, a variety of areas including post-disaster economic recovery, smart growth planning, brownfield redevelopment, marketing, strategic planning, long-term local and regional comprehensive planning, small business and entrepreneurship development, local foods, sustainability, and bicycle & pedestrian planning.

Scott holds a Master of Science degree in Urban and Regional Planning from the University of Iowa's College of Urban & Regional Planning. He also obtained his Bachelors of Business Administration Finance degree and minor in International Studies from the University of Iowa.