

# Fundamentals of Municipal Economic Development

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## *A Transformational Approach*

Presented to the Town of Windsor Locks  
May 23, 2019



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## Curriculum

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1. Your Town: municipal economic indicators in a regional and state context
2. Economic Development: what is it and why is it important
3. On the Ground: roles and responsibilities of the town's economic development team

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2

## Taking A Pulse

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*What are your primary assets?*

*What are your challenges in the next ten years?*

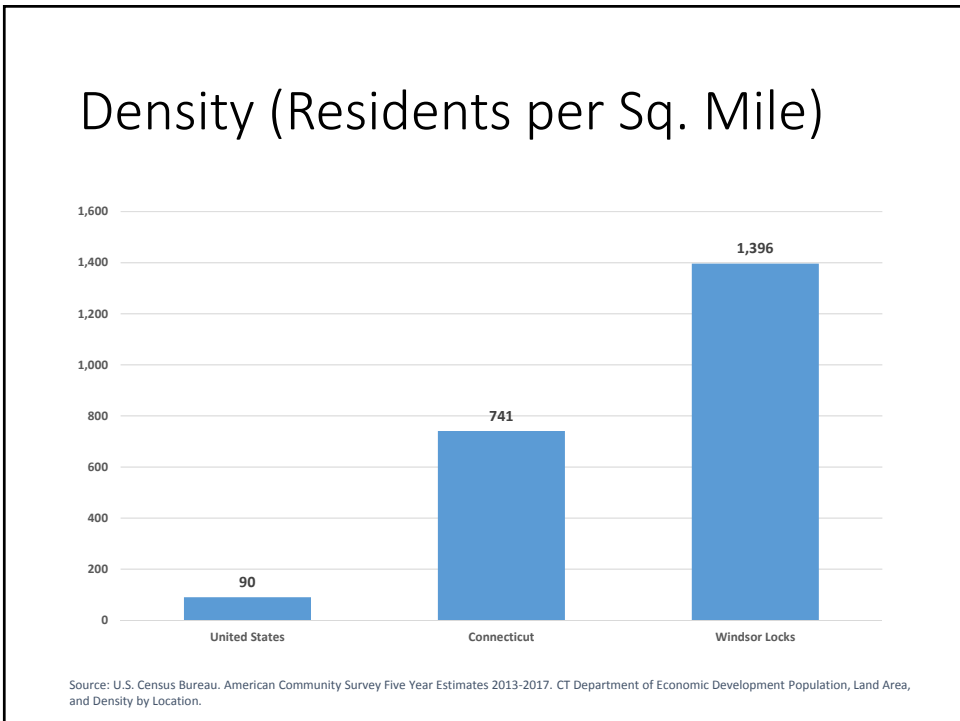
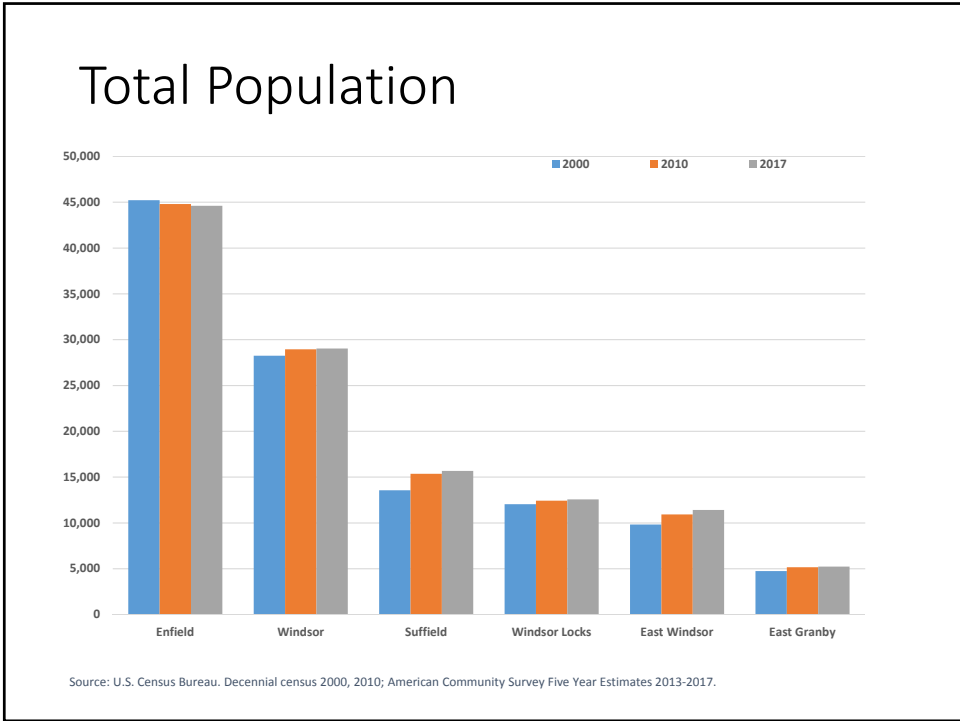
*What are your game changers?*

# Section 1

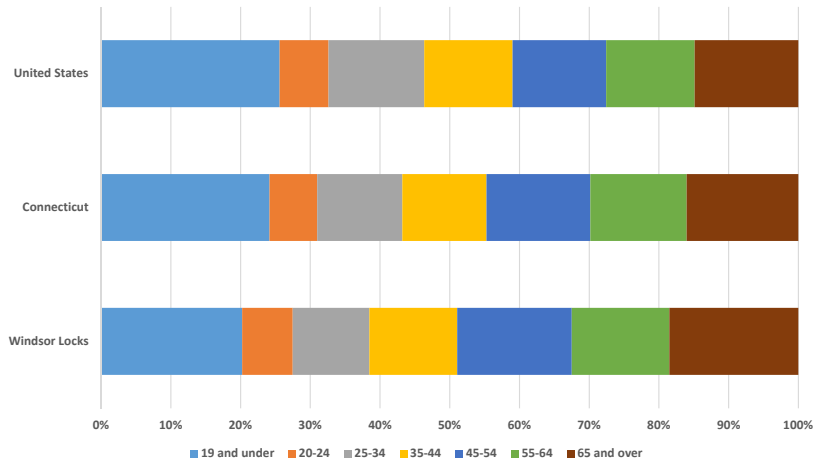
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YOUR TOWN: MUNICIPAL ECONOMIC INDICATORS  
IN A REGIONAL AND STATE CONTEXT



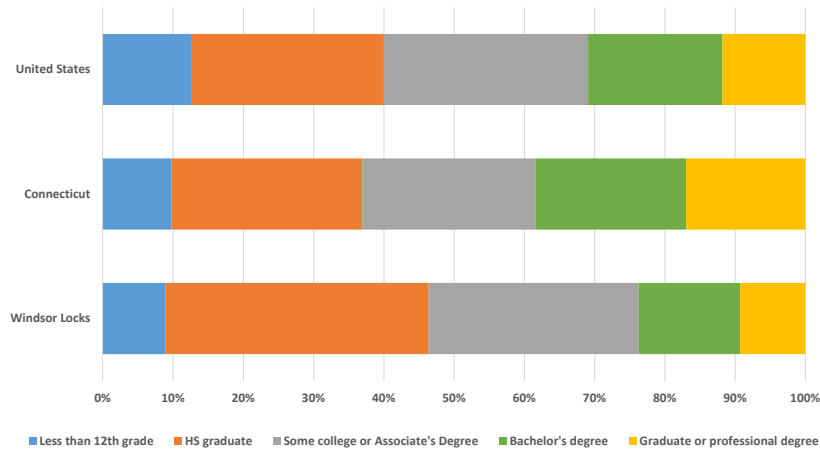


## Population by Age



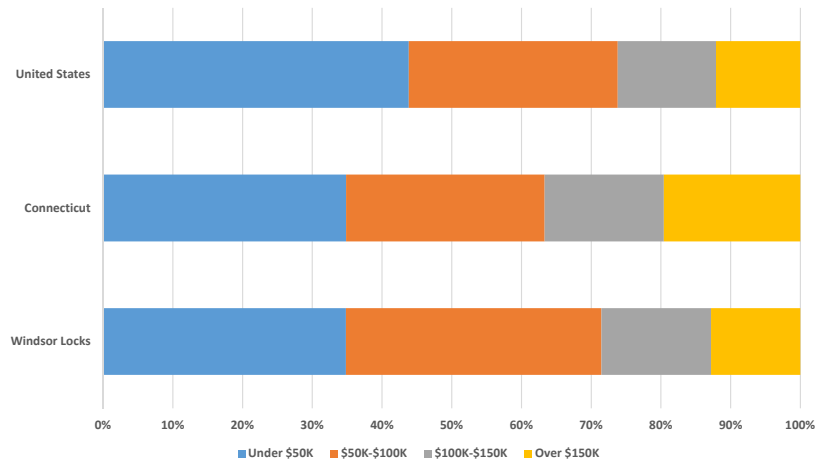
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2013-2017.

## Population by Educational Attainment



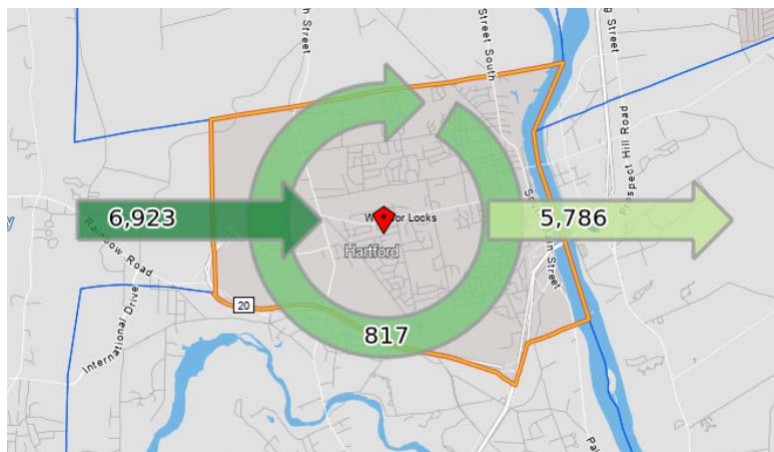
Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2013-2017.  
Note: For population 25 years and older.

## Population by Household Income



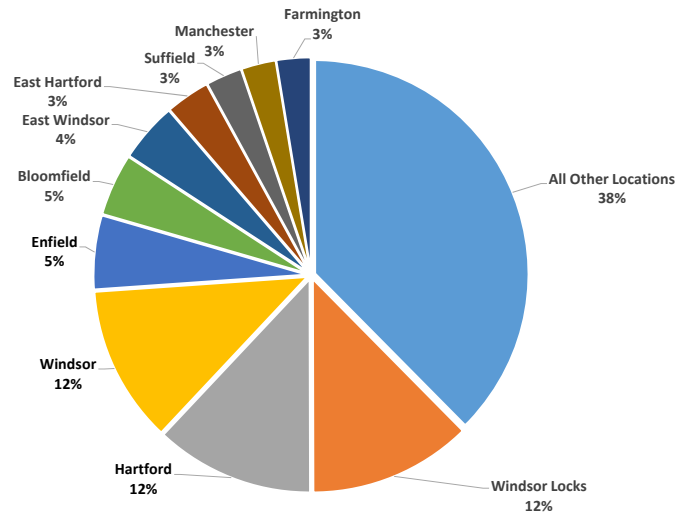
Source: U.S. Census Bureau, American Community Survey Five Year Estimates 2013-2017.

## Commuting Patterns



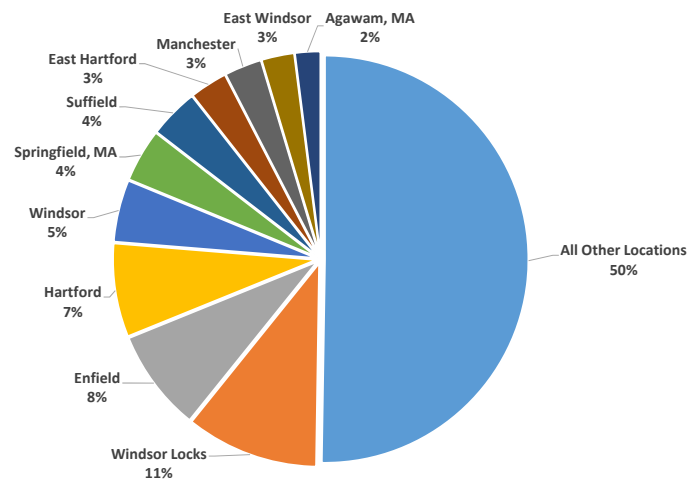
Source: U.S. Census Bureau, LEHD Origin Destination Employment Statistics, 2015.

## Where Residents Work (Top 10)



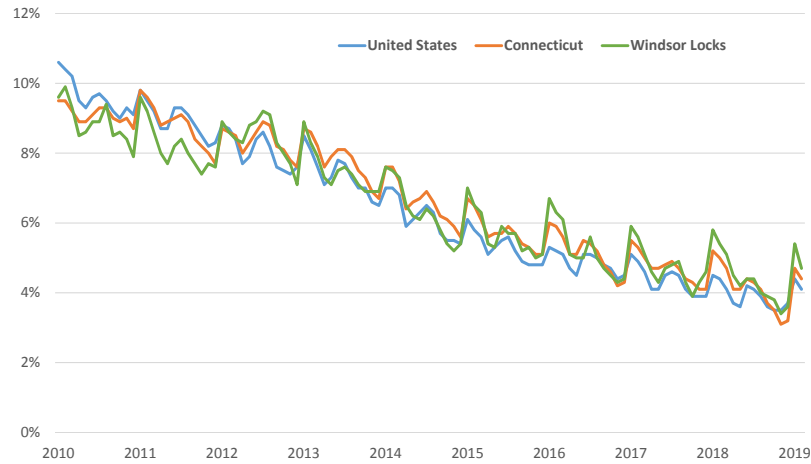
Source: U.S. Census Bureau, LEHD Origin Destination Employment Statistics, 2015.

## Where Workers Live (Top 10)



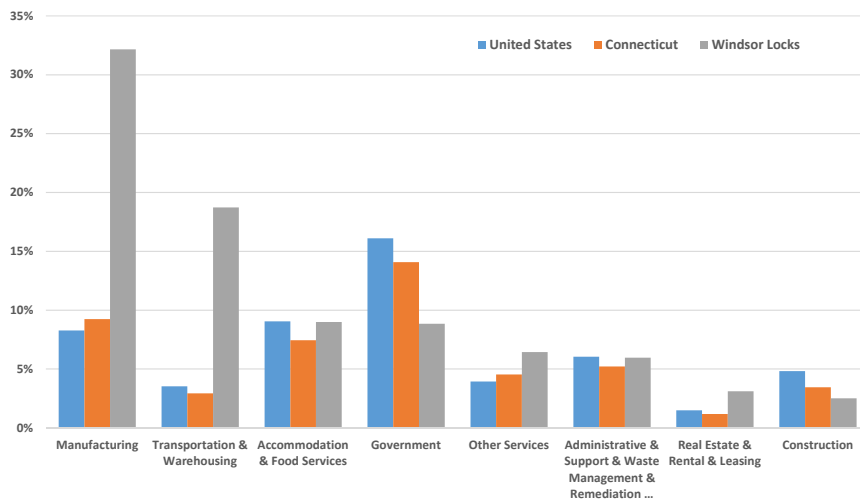
Source: U.S. Census Bureau, LEHD Origin Destination Employment Statistics, 2015.

## Unemployment Rate



Source: CT Department of Labor Local Area Unemployment Statistics.  
 Note: Not seasonally adjusted.

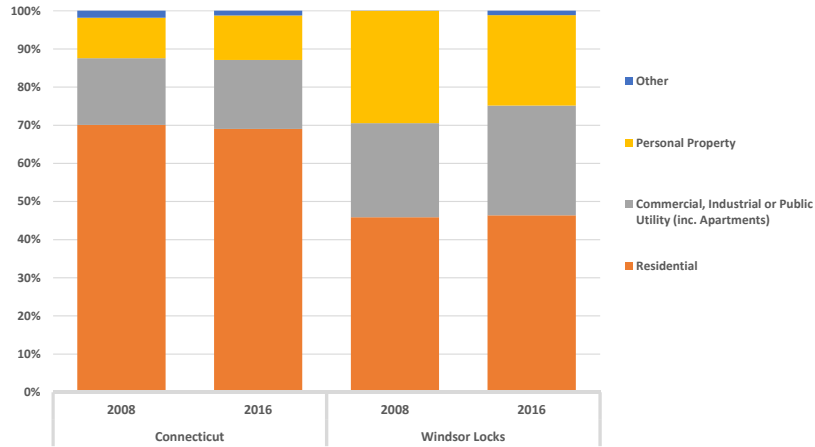
## Largest Industries by Employment



Source: Emsi, 2019.2.  
 Note: Data is for 2017.

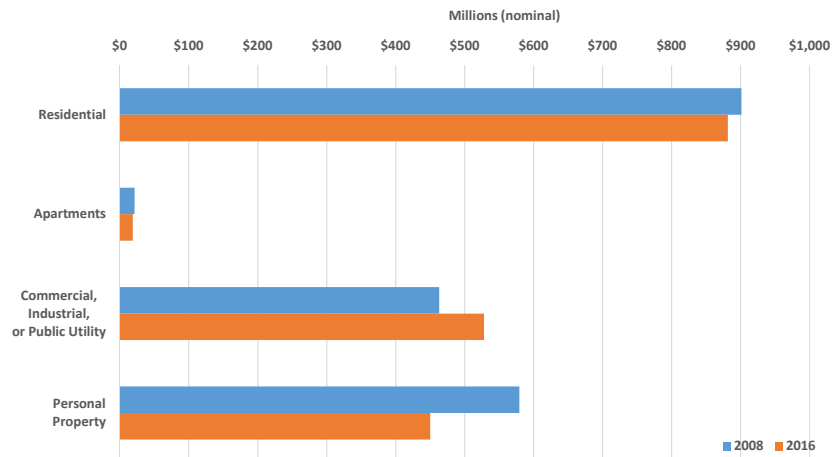


## Windsor Locks- Equalized Net Grand List by Share



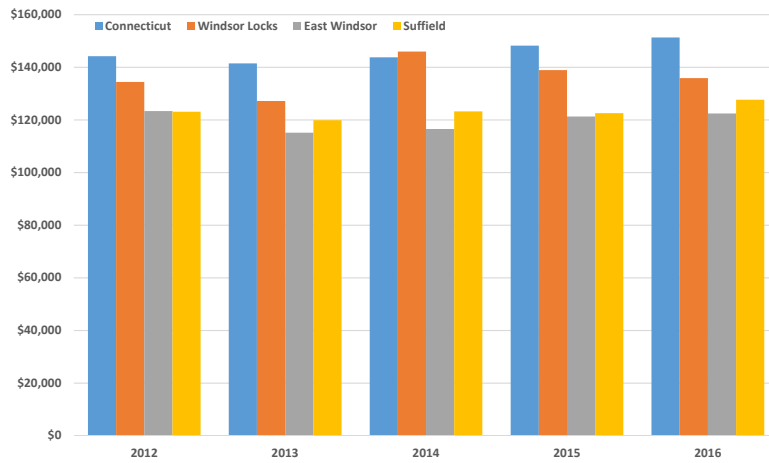
Source: Municipal Fiscal Indicators, CT Office of Policy and Management, 2016.  
Note: Data is for State Fiscal Years 2008 and 2016.

## Windsor Locks- Equalized Net Grand List by Value



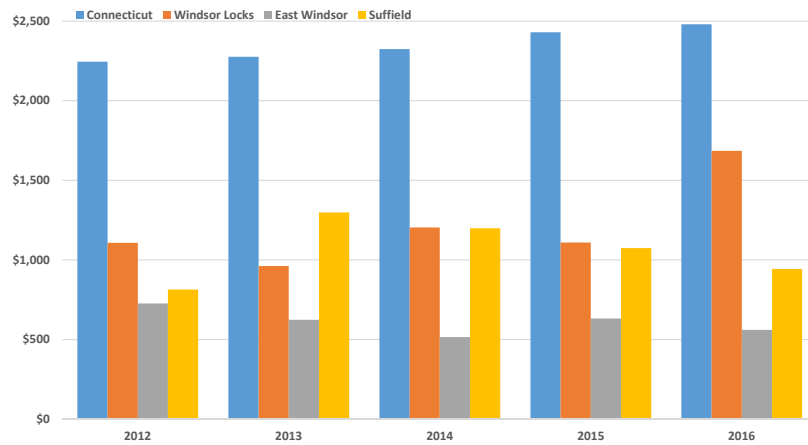
Source: Municipal Fiscal Indicators, CT Office of Policy and Management, 2016.  
Note: Data is for State Fiscal Years 2008 and 2016.

## Equalized Net Grand List Per Capita



Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2016.  
 Note: Data is for State Fiscal Years 2012 to 2016.

## Bonded Long-Term Debt Per Capita



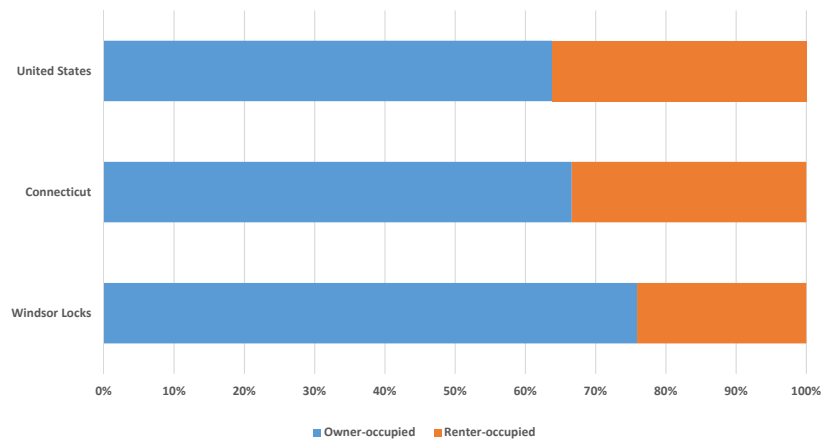
Source: Municipal Fiscal Indicators. CT Office of Policy and Management. 2016.  
 Note: Data is for State Fiscal Years 2012 to 2016.

## Debt as a Percent of Grand List



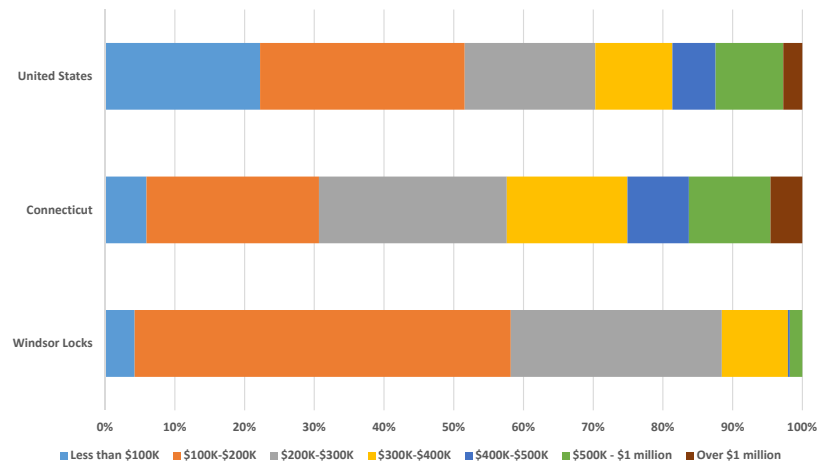
Source: Municipal Fiscal Indicators, CT Office of Policy and Management, 2016.  
 Note: Data is for State Fiscal Years 2012 to 2016.

## Owner- or Renter-Occupied Housing



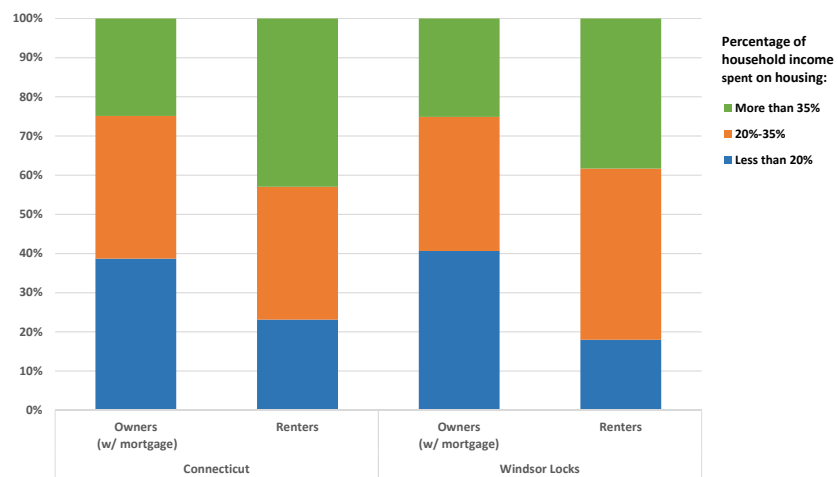
Source: U.S. Census Bureau, American Community Survey Five Year Estimates 2013-2017.

## Value of Owner-Occupied Housing



Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2013-2017.

## Housing Affordability



Source: U.S. Census Bureau. American Community Survey Five Year Estimates 2013-2017.  
 Note: Affordability for owner-occupied housing is only for households with a mortgage.

# Section 2

ECONOMIC DEVELOPMENT: WHAT IS IT AND WHY IS IT IMPORTANT?

25

## What is Economic Development? *Why should you care?*

- **Conscious** activity designed to change the economic direction and outcomes in a community
- In the State of Connecticut, on average, revenue from residential property tax accounts for 70% of total municipal revenue.
- Fiscal Health of your community
  - Increased pressures because of state fiscal woes
  - Lack of full recovery in values of the Residential component of grand list
  - Is your bonded indebtedness under control?
- Character of your community

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26

## What is the difference between Growth and Development?

### **Growth** is:

- An increase in the value of everything produced (GNP)
- An “automatic” process

### **Development** is:

- An increase in wealth of an area for the welfare of residents
- Outcome of planning and Results Oriented Activity

**Growth** is an essential element of Development, but **Development** encompasses lots of CONSCIOUS activities.

Example: Business Cycle – Cyclical and structural elements of downturns

Structural elements growing over past 30-40 years

## What is your place in a Regional and Global Economy?

- Local success linked to regional/global success
- Know your role - How do you define your economic region?
  - What regional assets can help sell your community?
  - Unique asset – connections to large metros (NYC)
- Polycentric nodal regions
- Changing world of economic development: the playing field = the world
- Regions are units of economic competition
- Changing roles of urban centers, suburbs and rural areas (seniors and millennials)

## What is your reputation in the Economic Development Marketplace?

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- What is the Marketplace?
- What is the Product?
- Who is the Customer?
- In the absence of a clear brand, who is determining your Reputation?

## Business Perspective on Local Government

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“We want to locate where we are wanted, where government appreciates our contribution to the economy, and values local ownership, where people understand that it is a good thing for the community if we make money. We want to work with officials who are focused on growing the economic pie, and who value our business activity because we export goods and services out of the Pioneer Valley, yet the profits stay in the valley. We want local government to create a favorable playing field for all business activity, and to be active in keeping track of the “customer satisfaction level” of its businesses. We want to be in a town where government is strategically focused on providing a business-friendly place.”

– *The Holman Doctrine*

## How do different audiences view Economic Development?

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- Universally positive
- Great in the right place
- Healthy skepticism
- Don't change the character of our community
- NIMBY

## Is there a difference between Economic Development, Community Development and Real Estate Development?

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### Transactional → Transformational

Real Estate Development →

Economic Development →

Community Development

- **Real estate development** is the development on a parcel of real estate.
- **Economic Development** is the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of a specific area...Top Down approach.
- **Community Development** is a process where community members come together to take collective action and generate solutions to common problems... Bottom Up approach.



## Transactional vs. Transformational

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### *Transactional*

Do the deal  
 Make the numbers work  
 Get building permit and other approvals  
 Not much community input  
 Focused on specific property  
 Looking for financial incentives  
 Fiscal impact

### *Transformational*

Interdisciplinary approaches  
 Creating attractive and inviting places  
 More complex and comprehensive ways of measuring success  
 Measure real community-wide benefits and outcomes, not just activity  
 Consistent with community vision

*Be self aware enough through planning, strategy development to know what transactions fit with your community vision.*

## What defines your Economic Future...What are your choices?

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### What do you control locally?

- Land use regulations
- Property taxes
- Creating great places
- Relationship with local businesses

# 10 Placemaking Principles

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1. Community is the expert
2. Create a place, not a design
3. Partners
4. Observe
5. Vision
6. Short term improvements
7. Triangulate
8. "It can be done"
9. Form supports function
10. You are never finished

Local Choice:  
Different Development Options

Local Choice:  
Different Development Options



Local Choice:  
Different Development Options



## Economic Development Choices: Density

*We have nothing to fear but fear itself... courtesy of CT Main Street Center*



## Economic Development Choices: Big Box vs. Main Street Development



	<u>Costco</u>	<u>Downtown Cornerstone</u>
Land Consumed (acres)	19.0	0.18
Total Prop. Taxes /Year	\$366,477	\$71,680
Total Prop. Taxes /Acre	\$19,288	\$398,222
Residents/Acre	0	44
Jobs /Acre	5.2	22

Enfield Big Box vs. Downtown Mixed-Use Development

# Section 3

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ON THE GROUND: ROLES AND RESPONSIBILITIES  
OF THE TOWN'S ECONOMIC DEVELOPMENT TEAM

## Definition of Economic Development

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- Business retention
- Business expansion
- Business recruitment
- Business creation
- Character of your community

## What do you control locally?

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- Land use regulations
- Property taxes
- Creating great places
- Relationship with local businesses

## Who is on the Team?

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- Elected officials/municipal offices
- Boards and commissions (P&Z, conservation, etc.)
- Business community and citizens
- Schools and universities
- Chambers, nonprofits and regional ED organizations
- Advocates: housing, transportation, preservationists, environmentalists
- Commercial real estate industry: brokers, developers and site selectors
- Government: state and federal

## Regulatory Process Needs to Be...

- Predictable
- Clear
- Reliable
- Consistent
- Effective (Does the right thing)
- Efficient (Does things right)

*One of the best business incentives is a streamlined regulatory process.*

## Land Use Regulatory Process Guide

**Looking to build in Beacon Falls?**

Here's where to start...

**Site Plan**  
Visit the Economic Development Coordinator, who will verify that your project is ready to proceed through the final use regulatory process. One- and two-family residential units are exempt from this step.  
Contact: Economic Development Coordinator - (203) 217-4354

**Site Address**  
Visit the Tax Assessor, who will verify the address, owner, and map block and lot of the property.  
Contact: Tax Assessor - (203) 729-5232

**Site Taxes**  
Visit the Tax Collector, who will verify that all taxes are paid on the property.  
Contact: Tax Collector - (203) 729-5244

**Water**  
If the property will be connected to the public sewer system, contact the Water Pollution Control Authority (WPCA) for approval of a municipal sanitary sewer connection. If the property will be connected to its own septic system and/or water well, contact the Newgrock Valley Health District for approval of an onsite septic designed system and water well location. A septic installation permit will then be issued for new construction of a septic system or water well. If the site is located in an area with public water, contact Newgrock Water Company to create a new connection and begin service.  
Contact: Chairman of the Water Pollution Control Authority - (203) 729-4348  
Contact: Newgrock Valley Health District - (203) 882-3210  
Contact: Newgrock Water Company - (203) 493-7939

**Site Plan**  
Visit the Wetlands Enforcement Officer with a site plan showing existing and proposed site conditions in addition to a detailed storm water management plan and sediment and erosion control plan. If construction is more than 100 feet from any wetlands and/or watercourses, a permit may be issued by the Officer. If work is proposed within 100 feet of any wetlands and/or watercourses, the application form and copies of the plan must be submitted to the Inland Wetlands and Watercourses Commission where the matter will be discussed at the Commission's next meeting.  
Contact: Wetlands Enforcement Officer - (203) 729-4214 ext. 7 or (203) 842-8667

**Site Plan**  
If you intend to construct a new driveway or road opening, visit the Road Foreman with site plans, who will verify that the construction will not impede any public right of way or create other traffic hazards. A driveway permit and/or road opening permit will then be issued.  
Contact: Road Foreman - (203) 729-6019

**Site Plan**  
Visit the Zoning Enforcement Officer with site plans, who will verify that the proposed use and building plans for the project match the zoning use and construction requirements according to the Town's zoning regulations. If the project is not in compliance with these regulations or is located in a special zoning district, a special permit is required. If a special permit is needed, submit the plans to the Planning and Zoning Commission, which will approve or deny the application. A zoning permit will then be issued.  
Contact: Zoning Enforcement Officer - (203) 729-4214 ext. 4

**Site Plan**  
Contact the Fire Chief, who will notify the Beacon Falls Fire Department about the presence of the project.  
Contact: Fire Chief - (203) 729-3470

**Site Plan**  
Visit the Fire Marshal with site plans, who will verify that the project conforms to Connecticut State Fire Code. One- and two-family residential units are exempt from this step.  
Contact: Fire Marshal - (203) 729-3313

**Site Plan**  
Visit the Building Official with site plans and building plans, who will verify that the project conforms to Connecticut State Building Code. A building permit will then be issued, and construction may begin.  
Contact: Building Official - (203) 729-4214

**Site Plan**  
Throughout the construction process, the Wetlands Enforcement Officer, the Zoning Enforcement Officer, the Building Official, and the health inspector reserve the right to inspect the site to ensure that all procedures are in compliance with their respective regulations.

**Final Certificate of Occupancy**  
After the project has been completed to the satisfaction of the Town, a Certificate of Occupancy will be issued by the Building Official.



## Responsibilities of Economic Development Commission & Staff

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- Planning Function – what do we envision for the future of development in town?
- Marketing Function – how do we share information about the town with businesses and information about businesses with consumers?
- Advisory Function – how do we connect our businesses to the information and resources they need to thrive?
- Advocacy Function – how do we communicate the importance of economic development-related policies and procedures to those who may not be familiar with them?

## Components of a Successful Economic Development Program

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- Planning
  - Adopt strategic plan of economic development
  - Contribute to the POCD
  - Identify areas of town for development
  - Grant opportunities
- Marketing
  - Common understanding of what the town is (and unique attributes)
  - Elevator speech
  - Maintain contact with commercial real estate community
  - Realistic understanding of your community's current economic situation – know what you control and collect data
  - Spread good news – eNews, social media, local media, ribbon cuttings
  - Heritage tourism – Enhances quality of life

## Components of a Successful Economic Development Program

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- Advisory
  - Single point of contact – liaison between the business and the Town
  - Business visitations
  - Ambassador efforts and partnerships
  - Anchor institutions
  - Financing solutions – DECD, local banks
  - Incentives – local and state
  - Workforce strategy that includes businesses, colleges and high school
  - Shovel-ready initiatives – DOT permits, wetlands flagging, utility extensions
  - Utility contacts
  - Host events to cement connections between businesses, governmental agencies, and other relevant organizations
- Advocacy
  - Intergovernmental relations – know your reps, grants
  - Initiate an application to change a zoning district, propose an economic development zone, present proposed regulations
  - Appear before other land use commissions meeting and present position
  - Review all other commissions agendas and minutes to keep abreast of developments and timelines

## Increasing Value in Your Community

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- Physically
- Socially
- Economically

*Great downtowns don't just happen – they are created!*

## Next Steps

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*What did you learn?*

*Where do you go from here?*

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53

## Contact

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