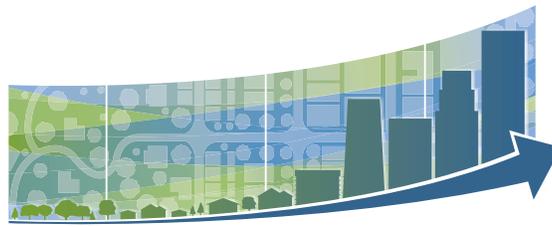


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ECONOMIC DEVELOPMENT STRATEGY GUIDE

A tool for Michigan communities looking to establish
or improve an economic development strategy



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INTRODUCTION

Most communities have a general idea of how they intend to encourage economic development. High-performing Redevelopment Ready Communities® (RRCs) distinguish themselves from others by having a clear strategy that describes how they intend to attract investment, build tax base, and create jobs. Their strategies are rooted in relevant community planning documents, and they execute deliberate initiatives that encourage investment while eliminating development and redevelopment obstacles. A community's economic development strategy is among the most important elements of the RRC process as it focuses squarely on retaining and attracting jobs and investment—primary goals of the RRC program.

The materials in this guide was prepared to assist communities with the creation or update of a local economic development strategy that meets the RRC Best Practice criteria. It frames a concise and efficient process that will produce a vision and strategy that is contextual with regional plans and defines specific implementation steps that will advance community goals. At the same time, it is also recognized that each community has unique circumstances and challenges, so creative approaches to defining vision, goals, strategy and implementation steps are encouraged.

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OVERVIEW and EXPECTATIONS

This guide describes the structure and process leading to the development of a concise economic development strategy. It challenges community leaders to extract essential data from existing documents (master plan and related planning documents) and supplement it with the insights necessary to describe a compelling business case for attracting investment and new jobs. At its core, the economic development strategy describes a vision, goals, strategies and actions that will create an environment that encourages bold development-related ventures and entrepreneurial spirit.

This guide does not require a lengthy new planning document. It is possible that an existing master plan contains all the essential elements of an economic development strategy. If that is not the case in your community, this guide describes how to prepare a concise document. A standalone economic development strategy is primarily a policy document that outlines economic development goals, draws specific attention to economic development opportunities and describes the necessary steps to achieve their desired outcomes. The economic development strategy should connect to the master plan, capital improvements plan and other relevant planning documents. It is also the opportunity to define strategic steps to be taken to encourage the private sector to make favorable development investment decisions. This includes measures to eliminate unnecessary regulatory or procedural barriers to desired new investment.

Just as businesses compete for customers, communities compete for residents and investment. Existing and potential residents, businesses and investors are

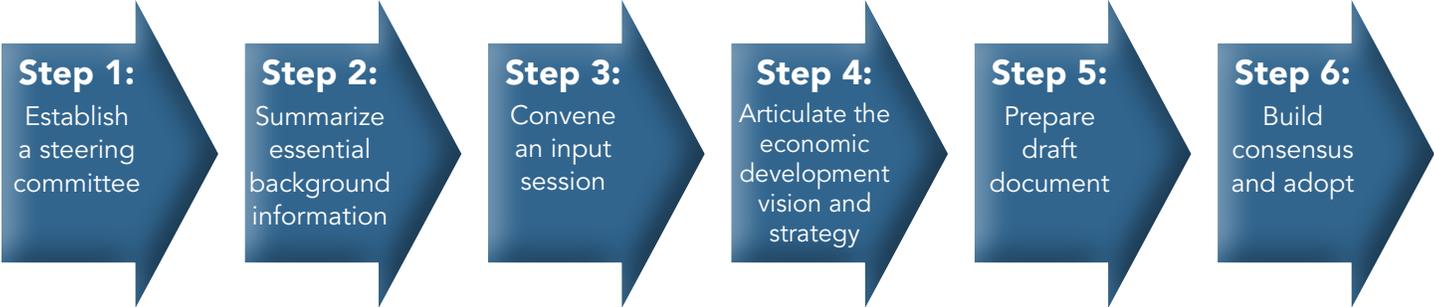
consumers with expectations, desires and the ability to make choices. Communities offer products that range from housing options, economic opportunity, retail/service amenities, education, cultural and recreational experiences, to infrastructure and planned improvements. Economic opportunities rank high among desirable community attributes because a solid economic foundation is essential to other aspects of community stability. No single community offers everything to everyone, but the expectation for Redevelopment Ready Communities® is that they have an approved local economic development strategy that enables them to attract talent and business investment by:

- Identifying local assets, locational advantages, potential business collaborations, workforce attributes or other place-based characteristics.
- Establishing economic development goals based on local opportunities and challenges.
- Effectively describing the community's role in the region and regional opportunities.
- Providing a compelling case for local real estate development and redevelopment opportunities.
- Shining a spotlight on opportunities for private capital investment in local real estate development/redevelopment projects.
- Outlining local and state programs, projects, codes and infrastructure that will support development that is consistent with the community's goals.
- Describing specific deliberate and planned implementation steps that include responsible parties, performance objectives and timelines.
- Monitoring progress with an annual evaluation of successes.

PROCESS

This guide describes a general six-step process that produces an economic development strategy with the essential elements described above. This process includes specific and deliberate actions that can be accomplished in the short-, mid- and long-term with an emphasis on making existing planning documents, efforts, and resources

more operational and relevant. Creating an economic development strategy takes a concerted effort of multiple partners and community stakeholders. This guide presents a framework for information to gather, issues to consider and potential tactics to explore. Every community is different, this process can be modified based on local conditions.



STEP ONE

Establish a steering committee

A steering committee is generally necessary to guide the process forward. This committee can be an existing group such as a planning commission, governing body committee or an economic development corporation (EDC)¹. Because existing groups can be consumed with current duties, and others may be able to offer fresh perspectives and insights, a community may wish to create a new committee that blends representatives from several organizations (downtown development authority, chamber of commerce, port authority, etc.) The choice is a local one, but above all, the steering committee should have significant credibility, influence and authority. Community champions associated with priority development or redevelopment sites should be included and involved in the process. These might include a neighborhood group or other non-profit entities with a direct interest in redevelopment. Typically, new committees should include be no more than 5–7 members for smaller communities, and 8–12 members for large, so that group dynamics are more easily

managed. It is also suggested that a community inform their [MEDC Community Assistance Team \(CA Team\) specialist](#) and [RRC planner](#) at the onset of steps to develop an economic development strategy. Beyond local representation, other external local interests should be included in the conversations and process. Organizations such as the chamber of commerce clearly represent business and economic interests. Tax increment finance authority (TIFA) boards, downtown development authorities (DDAs), economic development committees of council, or planning staff should also be involved and informed. Certainly, any organization that may be engaged in the implementation of the strategy should be consulted and included in the process as well. Further, in many areas, there are regional entities that represent important economic development partners that add important insight into local economic development conversations. A list of local and regional state economic development partners can be found on the [MEDC website](#).

¹ EDCs are created pursuant to the Economic Development Corporations Act (Act 338 of 1974)

STEP TWO

Summarize essential background information

Having a statistical picture of a community is foundational to assessing local challenges and opportunities. Communities should focus on developing important conclusions that are supported by available data and evidence. They should also consider this step to be a discovery phase affording the opportunity to gather new perspectives and understanding. A review of the existing master plan and related planning documents should be a first step in efforts to extract key findings that factually describe local conditions.

Five essential dimensions of local economic conditions should be explored at a minimum. These include:

- 1. Population:** Population trends should be described using data from the master plan (or newer census data if available). Population change should be identified in the context of comparisons with a larger region, comparable communities or the state as a whole. Where characteristics of the population are noteworthy (age of the population, educational attainment, household and per capita income, institutional population, etc.) they should be described. *Information sources:* [U.S. Census](#); [Regional planning commission/Council of Government \(COG\) projections where applicable](#)
- 2. Workforce:** The local workforce helps fuel local business and economic development activity. Workforce size and educational attainment should be highlighted. Shortcomings in the local workforce should be identified, along with current efforts to improve workforce skills and expand the talent pool. *Information sources:* [Michigan Works!](#); [Bureau of Labor statistics](#); [Michigan Department of Technology, Management & Budget labor market information](#); [Department of Labor and Economic Opportunity](#)
- 3. Tax base:** Economic development produces a growing tax base that sustains public services and builds local wealth. A community should be able to identify trends that signify the pace of new investment and property values over time. *Information sources:* *Local assessor*
- 4. Regional issues and goals:** All communities are part of larger regions that influence economic development potential. The economic development strategy should

address how local issues and goals connect with regional ones and coordinate with an adopted regional economic development strategy. Local success often relies heavily on regional assets. Particular attention should be paid to regional economic development partners, County-level economic development corporations or departments, regional prosperity initiatives, targeted nonprofit economic development organizations and councils of government. *Information sources:* [MEDC](#)

- 5. Market-study based data and insight:** In instances where a local market study has been recently prepared, key findings should be provided. In some cases, a Market Study may exist that offers insight into the competitive advantages an area may have with respect to specific industries or industry/business clusters. Industry or business clusters are entities that enjoy some type of competitive business advantage from local attributes. Well-developed market studies can draw attention to specific types of development needs which can be foundational to development and redevelopment plans. The findings of these studies should be summarized and offered as addenda.
- 6. Summary of challenges:** Brief materials should be provided to capture the essence of economic challenges going forward. Michigan communities stand at the threshold of a new economic era with unprecedented competition for talent and investment. Recent challenges to economic stability should be contrasted against reasons for local optimism. It is anticipated that the previously described material can be concise and contained within only a few pages, since it is largely a summary of information from elsewhere. A lengthy description of existing conditions is not necessary to lay the groundwork for subsequent steps in the process of developing an economic development strategy. Data should be included when they support overall conclusions and implications for future strategy development. *Some other specific sources of data include:* [State of Michigan Census and Demographic Data](#); [Data Driven Detroit](#); [Bureau of Labor Statistics location quotient details](#); [U.S. Census: State and county quick facts](#)

STEP THREE

Convene an input session

Effective economic development strategies are consensus driven and are the product of inclusive community dialog. Building on elements from the “RRC Public Participation Strategy Guide,” a community input session should be hosted by the steering committee and seek to bring community leaders and key local economic and business stakeholders together in an environment supportive of information sharing, collaboration and visioning. In addition to sharing findings from Step 2, a public “Strengths, Weaknesses, Opportunities, and Threats” (SWOT) analysis should be conducted as part of the event. Public SWOT analyses are an excellent way of proactively soliciting opinion as well as uncover and identify potential economic development needs and issues not previously contemplated.

In addition to the SWOT, conversations at the input session should focus on answering three basic questions:

- How do we define economic development and how does it relate to our future vision?
- What economic development opportunities exist and where?
- What are our goals?

Communities can design the input session in any way that fits local practices. Such an event may be advertised as simply an annual economic development workshop conducted during one evening. This event could also be conducted as part of the master plan update, or as part

of the annual process to develop a capital improvements plan (CIP). This allows CIP funding decisions to be more intentionally connected with the economic development strategy. It may be organized to span a full day or multiple evenings, if local leaders believe that more energy is needed to build consensus. Participants at such an event can be divided into small groups to encourage collaboration and dialog, and results from group conversations can be shared toward the end of the meeting.

Many communities have found success cultivating a competitive advantage by building upon their unique assets to support existing businesses and attract new investment. Discussions at the input session should focus on identifying what economic development assets and opportunities exist. Topics may extend across a broad range of considerations. Assets may include tourism development, downtown or corridor opportunities, industrial/business park build out, water port development, brownfield redevelopment, rail transportation, leveraging recreational assets, arts/entertainment, capitalizing on vehicular transportation infrastructure, agricultural attributes, etc. Opportunities will vary tremendously by community, but the common denominator among the topics should be job creation, building tax base and creating local business opportunity. The identification and prioritization of potential site for reuse could also be considered during this/these event(s.)

STEP FOUR

Articulate the economic development vision, goals and strategy

The economic development strategy provides five simple, but significant elements:

1. Articulating vision/mission (*why do it*)
2. Defining strategy and tactics (*what to do*)
3. Describing projects, initiatives, methods and means (*how to do it*)
4. Identifying priorities (*when to do it*)
5. Assignment of responsibility (*who specifically will do it*)

The overall community vision is most compelling when connected to a larger story of community context and historical development. Goals and actions must be identified to assist in strengthening overall economic health. The economic development strategy is the community's elevator speech that plainly describes a community's vision for itself and the steps planned to attract investment, stimulate development and help local businesses grow.

The economic development strategy should include a section that outlines goals and describes what the community seeks to accomplish through the creation of the strategy. This allows all involved in the formation of the document to come to a consensus on what a successful economic development strategy looks like and allows for a broader context in which decisions related to economic development policy is made and projects evaluated

While some economic development opportunities may be found throughout a community or district, attention should be focused on key sites (see Redevelopment Ready Sites as described in RRC Best Practice 6). Priority redevelopment sites may be obsolete, vacant or otherwise underutilized. These sites should be identified, and redevelopment ideas brainstormed during public participation.

All RRC communities are expected to maintain a current list of prioritized redevelopment sites, along with

supporting information that answers essential questions that relate to site conditions and challenges. Site-specific projects should include a property information package (PIP) for applicable sites. Such a PIP should include a concept for development/redevelopment, background information and a description of potential incentives investors would be interested in to determine the development possibilities of the site.

A short list of major local economic development projects should be identified and prioritized. Projects appearing on this list directly or indirectly offer the promise of supporting private sector job creation and new private investment. Projects should be catalytic in the sense that they signal public sector support for private redevelopment in an area and link up with other initiatives such as the CIP. Project size and complexity naturally vary by community size.

Some projects may be capital-intensive infrastructure projects while others may be more programmatic and activity based. As such, communities should be able to divide projects into three groups: capital improvements; community development/placemaking; and regulations and procedures. (On occasion, projects may not neatly fit into one of these categories and that is perfectly acceptable.) Capital improvements meet basic infrastructure needs, but also serve to stimulate private development by addressing both functional and aesthetic concerns. Functional issues include street redesign, parking, drainage improvements, non-motorized transportation improvements, etc. Capital improvements may also include changes to the aesthetic value of public spaces (including the public right-of-way) with landscaping, pedestrian, bicycle or transit amenities, wayfinding and public art so that adjacent property values are enhanced.

Community development or place-based activities that do not link to the CIP may include sub-area plans, market studies, program development, event

STEP FOUR

continued

creation, façade improvements, art and culture projects, community branding projects, etc. Other initiatives may involve removing regulatory or procedural obstacles to development and redevelopment.

All initiatives should be described in the context of near-term projects using a one to six-year timeline (consistent with the CIP). The project summaries and forms provided in the RRC capital improvements plan guide may be referenced so that there are clear connections between economic development strategy and the CIP. The party/parties responsible for implementation of each project should be identified to ensure stakeholder buy in and success.

A community may also choose to prioritize some non-infrastructure projects. However, it should also be

recognized that development opportunities may arise in unpredictable ways, requiring more immediate steps to support private decisions concerning development/redevelopment projects.

Fundamentally, the strategy should answer the question of “why invest here.” It is framed in terms of both existing community attributes and the future. Beyond the “why” question are issues of “what to do,” “how to do it,” “when to do it,” and finally “who will do it.” Responding to the question of “what to do” is the opportunity to describe the general strategic and tactical paths forward. The question of “how to do it” is answered in terms of the specifics related to projects and initiatives going forward.

STEP FOUR

continued

ECONOMIC DEVELOPMENT VISION/MISSION

(City name), Michigan strives to be a place of economic opportunity. From traditional employment options to entrepreneurial endeavors and development opportunities, (city name), Michigan is a fully supportive partner in private efforts to create local prosperity. Where necessary, (city name), Michigan will take steps to help create the physical and social environment conducive to economic success and wealth creation.

ECONOMIC DEVELOPMENT VISION/MISSION

Downtown is the single strongest expression of community identity. The public sector will lead the effort to invest in downtown with steps that will create an appealing public realm. Public investments in physical improvements and other programmatic commitments are intended to add to compelling reasons for new private investment in vacant lots and underutilized buildings.

PROJECTS AND INITIATIVES

Three downtown infrastructure projects will be completed over the next six years. Two municipal parking lots will be improved and a segment of Main Street will be upgraded. Improvements will include pedestrian amenities, signage, improved lighting, and storm water management.

PROJECTS AND INITIATIVES

Sustained participation in the Michigan Main Street program with the goal of reaching "Master Level."

PROJECTS AND INITIATIVES

The DDA will be funding a new market study in 20__ to define gaps in retail offerings and to identify opportunities for new housing. When done, this study will be used to recruit business and developers.

Estimated completion date:
Responsible party:

BUSINESS PARK DEVELOPMENT STRATEGY

(City name), Michigan will capture a share of regional development opportunities related to new manufacturing and supportive business operations. Accomplishing this requires an adequate inventory of development-ready sites and a streamlined development approval processes.

PROJECTS AND INITIATIVES

Plans are nearly complete for a 25-acre expansion of the business park that will provide development-ready sites for new industry. These sites will be properly zoned and fully serviced by public infrastructure and utilities.

PROJECTS AND INITIATIVES

The city has conducted an "audit" of development review processes and has found opportunities to streamline approval processes. Procedural development review steps will be amended to help provide a shortened and efficient site plan review process.

Estimated completion date:
Responsible party:

REDEVELOPMENT AREA STRATEGY

(City name), Michigan has identified areas in town with unique redevelopment needs. These areas include functionally obsolescent buildings with early signs of blight. Focused attention to these areas is warranted to encourage redevelopment.

PROJECTS AND INITIATIVES

A planning effort will be launched to consider new redevelopment options in (name) neighborhood. This work will include a market study, neighborhood plan and new zoning recommendation.

PROJECTS AND INITIATIVES

The M ___ Corridor leading into town shows signs of disinvestment. Rapid commercial turnover is evident and non-motorized transportation options are non-existent. Planned initiatives going forward include preliminary steps to engage property owners in workshops to consider options such as a business improvement district or corridor improvement authority.

Estimated completion date:
Responsible party:

STEP FOUR

continued

Crafting an economic development strategy is a local endeavor that should be expressive of community challenges and opportunities. A range of potential strategies include:

- Identifying and pursuing local business/industry clusters that have a competitive advantage in the area.
- Investing in downtown, nodes and corridors to help create place. Such steps relate to both developing community character, as well as serving to attract/retain talented workers who desire a wide availability of choices in housing, entertainment, culture, recreation, retail, and employment.
- Enhancing existing port and/or rail infrastructure to support industrial development.
- Taking full advantage of being a municipal power provider (if applicable) to encourage/entice start-ups, relocations and expansions.
- Partnering with established business retention and expansion programs aimed at reaching out to, and assisting local companies identify and overcome barriers to survival and growth.
- Coordinating with supply chain and logistics efforts targeting specific industries.
- Economic gardening efforts aimed at small business development and entrepreneurial support.
- Developing more places of interest to residents and tourists alike (historical and recreational) and build on existing assets.
- Developing more community art and cultural attractions.
- Identifying and eliminating barriers to development and redevelopment that may stem from circumstances such as outdated zoning or cumbersome development review processes.
- In larger communities, explore the feasibility of an entertainment district or art/culture district.

In instances where related documents are relevant, links to such documents should be provided, along with brief summaries of the conclusions. Cases in point include the existence of a regional prosperity plan, or a comprehensive economic development strategy (CEDs) produced for the economic development administration (EDA). These are important not just for consistency sake, but could potentially make projects eligible for various federal funding programs.

STEP FIVE

Prepare draft document

Brevity and clarity are essential elements of an economic development strategy. While an economic development strategy can be brief, it must contain material that offers a clear view of local economic development opportunities and strategies. It should also communicate the sense that the community is a willing partner in development and redevelopment projects. The economic development strategy itself is not a marketing piece but it is foundational to marketing efforts. It should express an optimistic tone and the expectation of future success and goal attainment.

Apart from the elements discussed in Step 4, the economic development strategy should offer specific targets that will monitor success and progress on an

annual basis. Communities are encouraged to use (or build on) a dashboard type approach to establish metrics that gauge community progress. They are also encouraged to describe why the chosen metrics matter and how they represent an effective measurement of progress.

Some potential metrics include:

- Jobs created or retained
- Dollar value of new construction/renovation, or additional square footage of residential, commercial and industrial space added
- New business formations
- Existing business expansions
- Population growth
- Household/per capita income (compared with the regional, state or national averages).

STEP SIX

Build consensus and adopt

An economic development strategy should have community acceptance and be regarded as the official statement of economic development efforts. The strategy should be reviewed and approved by both the planning commission and local governing body. The economic development

strategy should be available online, reviewed annually and updated along with the master plan, downtown plan, corridor plan, capital improvements plan and other planning documents, as applicable. It should drive major community decisions and be a reliable predictor of future public actions that will support economic development.

