

A POLICY GUIDE

ECONOMIC DEVELOPMENT: *Planning Guide*

presented by
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EXECUTIVE SUMMARY

Washington's Growth Management Act requires cities and counties to update their comprehensive plans and regulations regularly. Through this process communities throughout the state balance and calibrate the growth demands of new population, jobs, and housing with their concerns for protecting the physical environment, social fabric, and economic vitality of their areas.

The 2002 State Legislature voted overwhelmingly to require that comprehensive plans include an economic element. While signing HB 2697 into law, the Governor said, "This bill incorporates economic development and parks and recreation planning into local growth management plans. By adding [these] we are balancing economic planning with quality of life needs; both are critical for the future of our state."

An economic plan focuses on a community's productive activity: its jobs, income, and aggregate wealth. It devises a step-by-step strategy for how a community can integrate its goals and objectives for economic vitality into a hopeful vision for the future of its overall quality of life.

Today, we are facing both old and new reasons for economic planning. The traditional arguments for economic planning are still persuasive: to work together and find common ground as a community; to articulate an economic vision for the future; to understand the viability of the community for specific desirable economic activities; to assess the labor skills, natural resources, and other community assets available; to encourage or attract these activities; to define the issues and shortcomings of the community relative to these desirable economic activities; and to outline what can and should be done to remedy or ameliorate adverse conditions.

In addition, there are some new conditions that add weight to the traditional arguments for economic planning. For one, technology has changed the nature of business. While remnants of how business has been conducted historically will continue into the future, technology is changing. The "baby-boom" generation continues to challenge society. As this population moves into retirement, the jobs they have held are increasingly difficult to fill. Communities are increasingly disaggregated into sub-groupings, with each sub-group offering both opportunities and challenges. Couples with children, childless couples, single adults, single parents, senior couples, all of various ethnicities and cultural heritages and lifestyles — each implies a different set of needs, concerns, capacities, and contributions. All have important implications for a community.

This paper offers a step-by-step process for preparing an economic plan that can be used by communities wanting to take a fresh and comprehensive look at their economic future. The level of detail or complexity necessary or desirable for a community's economic plan will differ from community to community. Determining what work has already been done and whether it is adequate is one of the early necessary steps. This paper supplies a sampling of the type of assessments that will help a community get started. And it details the steps necessary to complete an economic plan tailored to a community's unique vision, including its formal adoption as part of a community's Comprehensive Plan.

There are multiple benefits from economic planning. Increased employment, economic diversification, tax base expansion, a balanced housing supply, neighborhood improvements, and infrastructure capacity for business location and growth allow communities to enhance the quality of life for their residents, as they encourage and accommodate growth.

An area's economic goals and policies – how they are worded and the level of detail provided – are important. They establish the legal framework within which development issues will be judged and the basis on which projects will be allowed to move forward. The final section of this guide includes a sample list of economic development goals and policies. They are offered for local participants in the planning process to help sort the issues most important in their own communities.

I. Introduction: An Economic Development Planning Guide

Under Washington's Growth Management Act cities and counties must regularly update their comprehensive plans and regulations. Through this process communities throughout the state will work to balance the growth demands of new population, jobs, and housing with their concerns for protecting the physical environment, social fabric, and economic vitality of their areas.

The 2002 State Legislature voted overwhelmingly to require that comprehensive plans include an economic element. While signing HB 2697 into law, the Governor said, "This bill incorporates economic development and parks and recreation planning into local growth management plans. By adding [these] we are balancing economic planning with quality of life needs; both are critical for the future of our state."

The inclusion of an economic element becomes a requirement only when the state provides funding to local areas. There is much optimism, however, that communities throughout the state will begin to incorporate this important aspect of community planning into their comprehensive plans, regardless of funding support. As Governor Locke reminded the Washington Competitiveness Council (WCC) in late 2001, "In the long run, men hit only what they aim at." While he was addressing the issue of economic competitiveness throughout the State generally, the lesson applies to local communities planning for economic vitality. If we don't identify intentionally those economic characteristics we value and the goals and objectives we wish to achieve, they will be relegated a secondary status in the policy debates over community growth.

The purposes of this paper are five-fold:

- 1. To articulate the main arguments for incorporating economic planning into a community's comprehensive planning process;**
- 2. To list the main outcomes or objectives to be achieved by producing an economic plan;**
- 3. To outline steps necessary to accomplish a community's economic plan;**
- 4. To offer sample outlines of both simple and complex economic plans;
and**
- 5. To articulate sample language for policy objectives of particular interest.**

II. Background

In the early 1970s, when the national and state environmental planning requirements were enacted, economic growth may have seemed to be the inevitable enemy to which environmental planning was intended to respond. As recently as the early 1990s, when the legislature passed the GMA, it seemed as though decision makers believed that the economy would continue to grow without encouragement. Clearly, however, this is not true. Growth restrictions have worked where they have been used to slow growth. Business regulation, tax policy, government policies and community support (or lack of it) of transportation, utility, and housing infrastructure do affect where, how, when, and how much business elects to develop.

Planning elements are inter-dependent and inter-related

Our traditional community planning processes have emphasized the natural and physical environments. But these are only part of a much larger whole. Economic vitality and competitiveness, housing, transportation, land use, physical environmental quality, and public infrastructure are all important elements of a community's identity. They are both inter-related and inter-dependent and changes in one area have implications for changes in the others.

What is an economic plan?

An economic plan focuses on a community's productive activity: its jobs, income, and aggregate wealth. It devises a step-by-step strategy for how a community can integrate its goals and objectives for economic vitality into a hopeful vision for the future of its overall quality of life.

Depending on a community's needs and desires an economic plan can be long or short, simple or complex, proscriptive or restrained. But it should, at a minimum, clearly identify the community's goals for its economy and articulate the policies necessary to the community's ability to attain its goals. An economic plan should:

- ❖ Provide a profile of the regional economy that discusses the general business climate of the community and highlights in some detail the major areas of business activity;
- ❖ Address how the community can support and encourage the growth of its existing business activities;
- ❖ Identify the kinds of new economic activities that are most desirable and which have the greatest potential, given the community's characteristics and existing assets;
- ❖ Evaluate the existing and new business activities acceptable and desirable to the community in sufficient detail to allow an assessment of:
 - Whether or not there is sufficient commercial and industrial land available, located, clustered, and environmentally suitable for business development;

- Whether such business properties are served or can be served adequately with the necessary public infrastructure;
 - The extent to which the tax base supports public infrastructure necessary for growth and development;
 - How local permitting and regulatory processes work to encourage or discourage business activity;
 - Available labor skills and the possible need for labor force training, education, or in-migration;
- ❖ Outline what the community must do to attract or be attractive to new, desirable business;
 - ❖ Assign responsibility for various tasks;
 - ❖ Create a timeline for accomplishments; and
 - ❖ Enjoy a broad base of community support.

Integrating the economic element into the Comprehensive Plan

A community's economic vitality or lack of it determines much of the quality of life its residents enjoy: how they are able to support their families; how they will afford housing; support a good system of public education for their children; accommodate physical infrastructure, like roads and utilities; as well as whether residents have the luxury to protect and preserve their physical environment; volunteer their time for social causes; or actively help to build "community." Indeed, it is only within the context of economic growth that comprehensive environmental planning has much meaning. We conduct such efforts in order to either slow or manage growth that is already occurring or we plan in order to stimulate growth. Therefore, only when an economic vision is incorporated into the community planning process and the issues and demands of economic growth are addressed head-on can a comprehensive plan fully accommodate the question of "quality of life."

As economic goals and objectives are articulated and integrated into a community's plan for its future, there will be a clearer understanding of how best to:

- ❖ Balance new jobs with the need for new housing;
- ❖ Understand the implications of the education and training needs of an expanded labor force for building or remodeling schools;
- ❖ Improve roads and utility infrastructure in order to accommodate increased activity and mobility – of families, students, shoppers, commuters, tourists and visitors, transit buses, garbage trucks, service vehicles, and commercial and industrial vehicle traffic;
- ❖ Conserve the natural environment, possibly acquiring environmentally sensitive areas or new open space for parks or other recreational amenities in order to protect them from being lost or damaged; and
- ❖ Anticipate and provide for community social and health services.

III. Why Economic Planning?

Today, we are facing both old and new reasons for economic planning. The traditional arguments for economic planning are still persuasive. Some of these include:

- ❖ To work together and find common ground as a community;
- ❖ To articulate an economic vision for the future;
- ❖ To understand the viability of the community for specific desirable economic activities;
- ❖ To assess the labor skills, natural resources, and other community assets available to encourage or attract these activities;
- ❖ To define the issues and shortcomings of the community relative to these desirable economic activities; and
- ❖ To outline what can and should be done to remedy or ameliorate adverse conditions.

In addition there are some new conditions that add weight to the traditional arguments for economic planning:

- ❖ Technology has changed the nature of business. While remnants of how business has been conducted historically will continue into the future, technology is changing. These changes affect how we communicate with one another, how business produces the products it sells and the services it offers, and how families and communities go about their daily lives. With these changes have come whole new industries – information technologies, in particular – that cut across traditional industry distinctions and that are based increasingly on the intellectual resources of employees. Employees and their intellectual resources travel relatively freely (compared with manufacturing plants) and in so doing, offer exciting new opportunities for increased and dispersed economic well-being. Therefore, quality of life issues important to employees and their families result in an increasingly important set of criteria for business locations and expansion. Understanding these relationships and their implications for how local attributes should be assessed by a community will be important as local governments seek to attract many of these new “clean” industries offering “family wage” jobs.
- ❖ The “baby-boom” generation continues to challenge society. As this population moves into retirement, the jobs they have held are becoming increasingly difficult to fill. This has already begun to prompt demands for relaxed immigration rules in order to import foreign labor into this country. With new immigrants come both opportunities for a richer economic, social, and cultural experience, as well as challenges to our various socio-economic-cultural systems.
- ❖ In addition the “boomers” are demanding different types of products and services, changing – often driving – the economic feasibility of many

business activities. Housing demand – type, location, and amenities – is particularly affected by the aging baby boom generation. As well, transportation, consumer goods, and health care all take on new and different opportunities and implications and the steady, imported wealth effects that result from pension funds, retirement accounts, and lifetimes of accumulated savings offer new growth opportunities for the right communities.

- ❖ Over the last couple of decades communities have become increasingly disaggregated into sub-groupings, with each sub-group offering both opportunities and challenges. Couples with children, childless couples, single adults, single parents, senior couples, all of various ethnicities and cultural heritages and lifestyles — each implies a different set of needs, concerns, capacities, and contributions that have important implications for a community’s job opportunities, labor availability and skills, transportation requirements, housing alternatives, open space, and recreational resources, to name only a few.

Understanding these conditions and characteristics, their relevance in particular communities, and the strategies that can best address and accommodate them are critical to a community’s long-term strength and cohesiveness.

IV. Economic Planning – Getting It Right

The level of detail or complexity necessary or desirable for a community’s economic plan will differ from community to community. A couple of basics are necessary to understand at the outset:

First, the geographic area most relevant for an economic plan is a “labor market” – that area within which labor travels freely between home and work. Most individual communities are smaller than the labor market within which they exist. Even a large metropolitan community like Seattle, for example, exists within a labor market that extends well beyond the city’s, or even King County’s, jurisdictional boundaries. There are, therefore, both resources for growth and potential barriers to growth that will fall outside an individual community’s span of control – most notably, for example, county governments of King, Pierce, and Snohomish, as well as the state of Washington and the federal government – all have some say in the Puget Sound regional transportation system (how it is funded, maintained, and expanded) that supports commuter and product flows to, from, and within the Seattle area.

For this reason, while each community should have a clear vision of how it wants to grow from an economic perspective, it will ultimately be helpful, if not critical, for the planning process to be coordinated with other communities within the relevant region.

Second, economic planning should be a community-wide effort. In communities whose residents are largely in agreement about their vision and direction, economic planning can be a relatively simple effort of stating that vision, holding the necessary public hearings to assure that everyone has had an opportunity to provide input, and adopting a plan.

In other areas where there is less unanimity or where economic issues have not been widely debated, a more intense effort might be desirable. An “informed facilitator” can help a community move beyond differences in perspective, to articulate a common vision and ultimately to agree on a workable plan for its collective future. But in the end, the community must understand its economy – its strengths and weaknesses, its areas of opportunity and threat – and find a shared vision for its economic future.

Economic planning is already conducted in many local areas around the state of Washington. The Economic Development Administration (EDA) of the U.S. Department of Commerce, for example, has been funding regional economic planning for decades. Currently, EDA funds nine economic development districts and 13 Native American tribes in Washington, as well as the cities of Seattle and Tacoma, individually. During the 1980s, then-Governor Gardner’s annual “Team Washington” economic planning grants of \$25,000 went to economic development councils in counties throughout the state. As a result, few areas in Washington need to start their economic planning from scratch. Indeed, many communities do not need more information or economic research but

rather, more communication between groups so that everyone is pulling in the same direction.

The following section offers a step-by-step process for preparing an economic plan that can be used by those communities wanting to take a fresh and comprehensive look at their economic future. For those communities wishing to “keep it quick and simple,” the outline of a sample final document will provide a helpful checklist of issues to be considered.

V. Preparing an Economic Plan

A. Conduct an Assessment of the Community's Existing Conditions

The task of assessing existing conditions can be simple or exhaustive or anything in between. The types of tasks suggested below are the evaluations that will likely be helpful in most communities. Communities (or specific organizations within a community) may have already accomplished some or all of this work. Determining what work has already been done and whether it is adequate is one of the early necessary steps. The following list is a sampling of the type of assessments that will help a community get started:

- ❖ **Economic Profile** – An economic profile presents and explains an area's economic conditions with enough history and explanation to help people understand how the economy developed and came to have its current structure. The profile looks at trends in factors like the size and demographic makeup of the population, the amount of income generated (personal income), employment (by industry and occupation), wages (by industry), level of education, and major employers. It assesses how various key economic sectors (like durable and non-durable manufacturing, construction, finance, insurance, and real estate, retail and wholesale trade and services) function, identifying the major employers in each, explains what has contributed to their growth, stagnation, or decline.
- ❖ **SWOT Analysis** – This is an analysis of the community's perceived Strengths, Weaknesses, Opportunities, and Threats. SWOT analyses are reiterative, starting with a broad brush, community-wide view and progressively being refined, as new and more detailed information becomes available. Eventually, industry-specific SWOT analyses should be conducted for key existing business activities, as well for new types of businesses the community determines that it wishes to attract.
- ❖ **Specific Evaluations**, for example:
 - Availability and capacity of properly zoned land and its ability to accept future growth;
 - Infrastructure capacity requirements like water, sewer, roads, telecommunications and energy;
 - Regulatory and permitting systems and the extent to which they discourage or encourage expanding or new business development.
- ❖ **Surveys** – of existing and desired industries to understand their plans, needs, concerns, and perceived barriers to development.

B. Identify the Participants

The first key step in preparing an economic plan is to identify the groups, agencies and organizations that are already planning, developing or providing a critical resource to the community's economic development. Add to these, all those who should be involved and participating. A partial list might include:

Participants	Responsibilities/Contributions
Public Sector Participants	
Local city and county land use planner	Zoning, permitting responsibilities
Tribal planners	Zoning, permitting responsibilities
Port representative	Valuable resources for trade development, business incentives, and transportation linkages.
Regional council planning representatives	In larger areas regional body will have transportation planning responsibility, possibly economic planning, as well.
City and county public works engineers	Responsible for transportation and utility improvements.
Public and/or private electric, gas, water, irrigation, and telecom utilities representatives	Responsible for important infrastructure capability and capacity.
Private Sector Representatives	
Local Chamber representative	Existing business community insights
Local Economic Development Council	Insights into new business inquiries
Real estate representative	Residential, commercial, and industrial demand insights
Builder/developer representative	Residential, commercial, and industrial regulatory/permitting insights
Representatives of major local employers (basic sectors)	Those employers whose product or service is delivered principally to consumers outside the relevant labor market.
Education Resources	
Local/regional job training representative	Bridging job-specific training needs of employers with un- and under-employed work force
Community college representative	Program resources
University representative	Program resources as well as potential economic research insights
Labor Representatives	
Key union leaders	Labor force training, apprenticeship, and other program resources
Environmental Representatives	
Key environmental leaders	Insights into specific areas and issues of environmental sensitivity and concern.

C. Choose a Convener

One of the organizations from this list will be the appropriate coordinator the economic planning process. In cases where the process is being conducted region-wide the appropriate convener is likely to be the area regional council (or council of governments). In many communities this type of governmental organization already has economic planning responsibilities. It will make most sense to use the organizational structures and resources that exist, working to modify them, if necessary, to accommodate a new or renewed community interest and commitment to an economic planning process.

Where a single community is developing its own plan, the appropriate convener is less obvious. A separate city function devoted specifically to economic development planning would be most desirable. In any case, separating the economic planning function from the land use planning function is often important in order to bring a fresh economic development perspective to the planning process.

D. Consider Hiring an Informed Facilitator

Communities plan, not “planners.” However, it often helps to have one person – often an outsider or third-party – charged with the responsibility of organizing the input, sorting the issues and conflicts, helping to identify common ground, and reducing to writing the essence and the essentials of a community’s economic plan. People within a community will understandably bring their own personal perspectives. Even in the most cohesive communities, personal perspectives can often conflict. An outsider to the community or, an objective third-party, can often provide the glue or see the way necessary for the various divergent elements within a community to identify and cohere to a shared vision and purpose.

Communities may have the appropriate resources internally to get the job done. If they do not, however, they should consider contracting with an informed, third party facilitator. This individual would report to the convener and be qualified to prepare or update an existing economic profile for the community. This profile will give the statistical background and insights necessary to help the community understand its own “big picture.” This person should be on-board and fully informed in time to attend the first roundtable convention of community participants.

E. Convene a Community Roundtable

This initial meeting first assumes that any prior economic planning effort is stale. Past economic planning efforts may not have enjoyed the full participation of representatives of various constituencies critical to the success of the process, the players may have changed significantly, or the economic plan may simply not have been updated for a while and it may require a fresh look.

The convening organization should invite all participants to an initial meeting scheduled for about three hours with refreshments. In order to get organizations to

participate, personal phone calls by the convener to key leaders in the various organizations may be desirable.

The agenda should be simple and informal, involving a round robin of introductions, where each participant takes 5 to 10 minutes to describe his/her organization:

- ❖ Its mission;
- ❖ Areas of responsibility;
- ❖ Primary audience(s) and constituencies;
- ❖ Goals and objectives; and
- ❖ Specific, near-term projects, especially those with direct relevance to the economic development efforts of the community.

The convener or facilitator should compile and sort the vision or mission statements, organizational descriptions, and plans of all the participants for subsequent evaluation of general direction, common ground, and areas of overlap or conflict.

Before adjournment of this first meeting the convener should offer:

- ❖ An agenda for moving forward;
- ❖ An outline for how the group might work together;
- ❖ A description of what will have been accomplished when the process is successfully completed;
- ❖ A proposed timeline; and
- ❖ A description of what participants are being asked to contribute.

The convener should be receptive to and attempt to accommodate process suggestions and offers of assistance.

F. Prepare a Draft Vision for the Community's Economic Development

Based on the information gathered at the initial roundtable and through evaluation of participant plans, the convener or facilitator should prepare a draft economic vision. A strategic vision statement should answer the question, "What do I want to be in the future?" or in this case, "What do I want this community's economy to be in the future?" It should be far-sighted, high-minded, detailed enough to provide a general guide for accomplishment, and written in terms that assume it is already true.

A good strategic vision statement has the following characteristics:

- ❖ It is a source of inspiration and motivation;
- ❖ It identifies the essential areas of strategic importance;
- ❖ It retains its meaning as it trickles down through the process from visioning to task-specific planning to outcomes;

- ❖ It is consistent with and supports the community’s overall comprehensive plan;
- ❖ It will often identify a community’s key competitive advantage(s) important to success.

Examples of Strategic Visions

- ❖ In our community everyone who is willing and able has the opportunity to work.
- ❖ Our education and job-training opportunities support the work force needs of our existing employers and those employers and economic activities we hope to attract to our area.
- ❖ Our community has adequate public infrastructure (roads, sewer, water, garbage, etc.) to support our existing residential, commercial and industrial activities with sufficient excess capacity to accommodate the type of growth we hope to attract.
- ❖ Our community strives to retain existing businesses and to encourage new businesses to locate, especially those [e.g., offering “family-wage” employment; those which [name your preferences]].
- ❖ We have right-sized industrial land clusters properly zoned and ready to serve with the necessary utilities.
- ❖ Our community is receptive to economic growth because we are unified in our vision of what we want to become. We have reviewed and reformed our permitting and other regulatory systems. As a result, we have confidence that they serve to protect and enhance our valued natural and physical resources, as they allow the flexibility, clarity, timeliness, and certainty necessary for businesses to conform.

G. Work with Participants to Finalize a Strategic Vision

The community’s strategic vision needs to be embraced by all the major elements of the community. Therefore, although it may take more time than seems necessary, this part of the process will set the stage and direction of economic development not only for what the plan says, but how much support it will ultimately enjoy as the community moves toward implementation.

The strategic vision draft statements should be sent to participants with a request for review and comments. The statements should be edited to incorporate suggestions, redistributed, and a second meeting held to give everyone an opportunity to share their thoughts and to make any final changes. Depending on the size of the group and the number of vision statements deemed necessary, it may be useful to break into sub-groups and distribute the statements for final word-smithing.

H. Identify Strategic Areas of Focus

Strategic areas of focus are those areas of the community's vision that are critical to the long-term success of its economic plan. A test for each focus area is to answer the question, "If we don't do this, can we still be successful?" At a relatively high level the important strategic areas should be obvious and easy to articulate, like land availability; infrastructure capacity, or labor skills. The key to the economic plan, however, will be to discern the specific actions required by the community in order to achieve its economic vision. If one of these categories is appropriate, what specific action is required? For example, if a community wants to attract a particular manufacturing activity, does it have a labor pool with the necessary skills ready to work; or the necessary land available, properly zoned, and served by necessary utilities? If it does not, what can the community do to prepare? Are there training programs it needs to promote? Services it should extend?

Examples of Strategic Areas of Focus

- ❖ Workforce training
- ❖ Commercial and industrial land availability
- ❖ Advanced telecommunications capability
- ❖ Sewer and water extensions
- ❖ Well-funded research institutions of higher learning
- ❖ Transportation access
- ❖ Housing availability
- ❖ Development regulations and permitting processes

I. Develop Strategic Plans to Address Each Strategic Area of Focus

Each area of focus eventually requires a mini-strategic plan of its own, complete with a well-developed set of goals and objectives, work plans, timelines, identification of responsibility, funding requirements and the rest. As the sample of list of possible areas of strategic focus implies, the organization or group of organizations with primary responsibility for coordinating and accomplishing the actual work is likely to be a different agency than the one coordinating economic development planning. Workforce training, for example, will most likely fall to an area's Private Industry Council, probably in cooperation with its colleges and other community education resources. Assessing industrial land availability might fall to the community planning department or builder/developer community to accomplish. Or, if assessment tasks have already been completed, efforts might be necessary to assure that available properties are zoned, right-sized, and served with necessary utilities and transportation access. The answers to whether particular properties can serve a specific industrial use will obviously depend on the specific use or array of uses a community might be interested in qualifying to serve. And, for a community experiencing rapid growth, the inventory of housing can be a critical determinant in attracting the kind of growth it wants. The importance of available

housing that is affordable, located, sized, and designed to attract and support the kind of population that will accompany the economic growth desired by the community is obvious, but too often overlooked.

Needless to say, these plans can be major projects in themselves. It is important to remember that they may already have been done in some form by some agency and equally important to build upon these efforts, coordinating an area's economic planning effort with what already exists. But while much will have already been done, it is also likely that much of this work has been accomplished from a non-economic development perspective. Reviewing these other plans and tweaking them so that they support and are consistent with an area's economic development vision will be valuable time spent.

Steps in planning or reviewing existing plans for strategic areas of focus

- ❖ Review or prepare an assessment of existing conditions;
- ❖ Identify strengths and weaknesses of what currently exists relative to economic goals;
- ❖ Review or prepare a set of goals, objectives, implementation projects, and specific work tasks, that builds upon existing strengths and sorts out and deals with weaknesses;
- ❖ Identify opportunities and threats associated with existing conditions relative to economic goals;
- ❖ Review or prepare goals, objectives, implementation projects, and specific work tasks, that take advantage of opportunities and address economic threats;
- ❖ Identify who or what organization has the lead role in accomplishing specific projects;
- ❖ Prepare critical path for related objectives and projects to help participants understand what has to happen first, second, third, and so on;
- ❖ Assign timeline objectives; and
- ❖ Articulate success measures that help define how much progress is being made.

J. Prepare An Annual Work Plan

The annual work plan basically takes the near-term project and task lists of each of the strategic plans and integrates them. This plan:

- ❖ Outlines specific work tasks;
- ❖ Maps a critical path for projects from different areas of focus that inter-relate and depend upon one another for success;

- ❖ Rationalizes project timing by identifying benchmarks and inter-agency coordination or approvals that might be valuable or necessary; and
- ❖ Clarifies responsibility, suggesting the sub-groups that must coordinate their activities in order to be successful.

K. Get Formal Endorsement by Participants for Plan

By the time they have finished with this process, community participants in an economic development planning process will have accomplished a great deal. Their work will be an important signal to existing businesses that they can invest in new plant, equipment, and create new jobs with a reasonable expectation of positive return on investment. And to new businesses considering location the plan says, “This is who we are. We’ve thought about our economic future. We know the kind of development we want; the kind of growth we will support. This is what we are doing to make our vision real; these are the projects we are planning to do in the future.” Ideally, the plan should serve as an important asset in the area’s marketing strategy to new businesses.

A formal statement of support and approval of the final document by all participants is an important step. The convener should draft a statement with spaces for everyone’s signature.

A celebratory meeting could be held complete with commendations and press coverage, unveiling the final plan and documenting its formal endorsement signatures. This is obviously not necessary. Depending on the community, it may not be appropriate. A simpler approach would have someone walk the endorsement around for final signatures. But, for the community intending to use the economic plan as a tool to support a larger marketing strategy for attracting new business investment, adoption of the plan can be a great photo opportunity.

L. Present Plan and Request Formal Endorsements

Each of the participants represents a larger body of community leaders. These leaders should have been kept in the information loop all along by their representatives and by the staff efforts of the convener. City, county, and regional councils, economic development and private industry councils, chambers, real estate professionals, homebuilders, developers, education institutions, labor unions, environmental organizations should all have an opportunity to sign on and support. Each of the governing boards of these organizations should have the opportunity to hear a presentation of the economic development plan. This will likely be done by either the organization’s own participant or the convener, who will wrap-up the presentation with a request for formal endorsement from the organization’s governing authority. The more endorsements, especially by those in organizational authority, the better.

M. Formally Adopt Economic Plan as an Element of Comprehensive Plan

Formal incorporation of the economic element into the Comprehensive Plan is a critical step. It carries the force of law and ensures that economic objectives and strategies are integrated and consistent with the other required elements of the plan like the land use, housing, transportation, utilities, and capital facilities elements.

N. Monitor Progress and Update Plan Regularly

The convener is probably the most likely person to be responsible for on-going coordination and monitoring of the progress of various elements of the economic plan. A plan is of little use unless people actually accomplish the various tasks that it outlines. The monitoring process helps to assure implementation and positive outcomes. For example, if a particular work task in the annual plan runs into unforeseen opposition or is inhibited for any reason, the coordinator/convener can facilitate formal and informal group discussion directed at resolving or mitigating the problems. In extreme cases where opposition ends up preventing a task from being accomplished, the various leaders in the economic planning process may need to regroup and redirect their efforts. The point is that these kinds of issues, if identified and dealt with quickly, can often be overcome without losing momentum. In the happier event that progress is being made reasonably on schedule, regular progress meetings offer chances to celebrate and encourage and, of course, additional marketing photo opportunities.

VI. Benefits of Well-Planned Economic Growth

Increased Employment. New business activity results in more job opportunity, community-wide wealth, and greater personal disposable income. These, in turn, result in increased tax revenues from greater consumer spending, property ownership, property improvement, and a higher general level of wealth-producing economic activity.

Economic Diversification. New businesses often contribute to economic diversification, which, in turn, reduces an area's dependence on one or only a few economic activities. It serves to help level the economic peaks and slumps. And it helps make local employment, consumer spending and tax revenues more stable and predictable.

Business Expansion. Expansion of existing businesses can enhance levels of local service, product availability, and consumer choice, and eventually, retained tax base, as consumers do more shopping in their own communities.

Tax Base Expansion. Economic vitality results in more taxable property and transactions generating additional tax revenues from property, sales, real estate excise, gas and other taxes. These revenues help fund improved public services and facilities for everyone in the community and secure the multi-year financing necessary for further public infrastructure investment.

Increased Housing Supply. As job opportunities increase, demand for housing increases. New housing construction not only provides local building jobs, increased property values, taxable income and sales for builders, developers, and suppliers, but it provides substantial new on-going local and state tax revenue on higher valued land and improvements.

These revenues, in turn, support schools, roads, parks, and other community amenities that contribute to overall quality of life. In addition the strategic location of new housing stock is instrumental to workers being able to live and work in the same community, reducing commute times and traffic congestion, increasing community participation and volunteerism, reducing stress, and supporting families.

Neighborhood Improvements. A broader economic base provides more employment and income stability to local residents and businesses. As a result, people and businesses grow more willing to contribute to long-term, problem-solving commitments, to make neighborhood improvements, to maintain and expand public infrastructure and schools, and to protect and enhance environmentally sensitive areas, parks, and recreational programs.

Land and Facilities For Business Location and Growth. Good economic planning results in identification, location, and accommodation of desirable economic activities appropriate to neighboring uses. Industrial uses next to industrial uses, buffered by appropriate transitional land use; commercial next to commercial; residential with residential, mixed uses where appropriate and so on. While land use planning addresses the details of these decisions, an economic development perspective assures that

important size, location, access, and utility service issues, imperative to particular types of industrial or light industrial activity, are accommodated in the land use planning process.

Well-Planned Community Investments. Effective economic planning helps identify where and when appropriate investments should be made. This, in turns, helps to preempt more expensive, emergency projects, to allocate community resources more effectively over time, and to add stability and certainty to the community further contributing to savings, investment, charitable giving and volunteerism, and community building.

VII. Sample Outline for an Economic Plan

- 1. Economic History and Background**
- 2. Economic Profile**
- 3. Economic Vision for the Future**
- 4. Discussion of Community Strengths, Weaknesses, Opportunities and Threats (relative to Economic Vision)**
- 5. Strategic Areas of Focus**
 - **Vision for Strategic Area of Focus**
 - **Goals and Policies**
 - **Projects and Work Tasks**
 - **Assignment of Responsibilities**
 - **Timeline for Successful Completion**
- 6. Annual Work Plan**

VIII. Goals and Policies

The following development goals and policies are offered for local participants in the planning process to help sort the issues most important in their own communities. The goals and policies are not original – many communities have used similar statements. And they are not exhaustive. They don't include statements on workforce training or transportation, for example, that are legitimate issues that should be addressed in an economic development plan. Rather, they are a sampling of the development goals and policies. Specific communities may not require each of these; others may want to develop goals or policies that are not included here.

An area's economic goals and policies are important. How they are worded and the level of detail provided are important, because they establish the legal framework within which development issues will be judged and the basis on which projects will be allowed to move forward. An area's economic plan is likely to eventually provide the basis for establishing compliance with the state's Community Readiness Initiative being administered through the Office of Trade and Economic Development.

Sample of Economic Development Goals and Policies

1. Our community is made up of:

Livable areas with sufficient opportunities for affordable housing;
Job opportunities for our residents;
Tax-paying, job-creating businesses;
Advanced telecommunication systems, utility and public infrastructure necessary to allow our residents and businesses to participate fully in 21st century;
Safe neighborhoods;
Strong educational facilities; and
Recreational and cultural amenities.

It is supported by a transportation system that encourages our contact with and support of one another and links us to the region and the rest of the world.
It is our policy:

Policy 1.1 – To have specific plans for accommodating the population, housing, and jobs increases forecast to occur, and to adjust annually, as necessary, to meet higher demands.

Policy 1.2 – To integrate the regulations, guidelines, infrastructure plans, and funding packages of our community with other communities in our urban growth area.

Policy 1.3 – To have consistent regulations and standards on which to encourage redevelopment of appropriate commercial, business and residential areas. We will:

- Create and adopt redevelopment codes and procedures;
- Reinforce existing urban centers or planned new centers; and
- Strive to balance the number of new jobs with the appropriate level of new housing.

2. Economic activities should be encouraged to locate in areas specifically designated for business, commercial, industrial and mixed uses. It is our policy:

Policy 2.1 – To develop land use plans and regulations that encourage business location and retention in designated areas including urban activity centers; community, neighborhood and smaller retail centers; business parks; and other planned business and industrial locations.

These designated areas should be mapped as part of the comprehensive planning effort and appropriate regulations should be created to encourage such development.

Policy 2.2 – To prepare a range of outcome-based design and development standards for designated areas that accommodate changing consumer trends, market demands, and economic feasibility.

Policy 2.3 – To adopt infrastructure plans and funding measures for each designated area.

Policy 2.4 – To encourage compatible, mixed uses, such as housing, retail, and public facilities, where possible, in order to ensure a balance of jobs and housing.

3. Designated funding sources will be used for building new infrastructure or replacing existing sub-standard infrastructure. It is our policy:

Policy 3.1 – To maximize our infrastructure investment by:

- Prioritizing capital facilities expenditures for strategic infrastructure investments that accommodate growth and encourage quality housing and economic development;
- Coordinating infrastructure investments of various public entities (including special purpose districts);
- Creating tax investment areas where community revitalization projects and programs encourage private development;
- Obligating future general tax revenue flows for building new and replacing existing infrastructure at the state and local levels; and
- Identifying state and federal funding available to assist the fastest growing areas, as well as resources of local special districts, such as school, water, and sewer districts that can assist in accomplishing community investment goals.

Policy 3.2 – To create methods and authorize ways of raising local funds necessary to correct existing deficiencies.

4. Buildable lands designated for growth shall be sufficient to accommodate forecasted population, employment, and housing growth. It is our policy:

Policy 4.1 – To increase the supply and capacity of buildable land available for commercial, housing and related urban uses to meet 20-year forecasted demand.

Policy 4.2 – To regularly update buildable lands studies and inventories that evaluate changes in supply and demand indicators such as land and housing availability and pricing, job/housing demand relationships, and other related indicators of affordability.

Policy 4.3 – To create measures for assessing the effect of public policies, codes, and other actions on the availability and capacity of buildable lands.

Policy 4.4 – To consider land constraints, market factors, economic feasibility, and the willingness of individual landowners to develop or re-develop property in determining the availability and capacity of buildable lands.

5. Neighborhoods and urban-area business centers will be livable, integrated parts of the community. It is our policy:

Policy 5.1 – To employ flexibility in our development standards in order to accommodate different in-fill conditions.

Policy 5.2 – To create and implement design guidelines for urban centers, neighborhoods, and other areas designated for infill development, which consider consumer trends, market demands, and economic feasibility.

Policy 5.3 – To encourage clustering of business and commercial sites in relationship with transportation systems and other community activities.

Policy 5.4 – To adopt and employ a range of outcome-based standards that:

- Encourage planned unit, cluster, and mixed-use developments;
- Permit greater height and bulk development;
- Increase allowable lot coverage;
- Allow reduced lot sizes, setbacks, and street and parking standards; and
- Offer density bonuses to encourage development in target growth areas.

Policy 5.5 – To articulate specific measures with which to gauge progress in meeting our community’s local economic development, housing, and construction goals.

6. Applications for development permits shall be reviewed and processed in a timely manner. It is our policy:

Policy 6.1 – To work with real estate and development interests toward common goals that are profitable to the developer and beneficial to the community.

Policy 6.2 – To ensure timely, fair, efficient, flexible, and predictable permit management systems that:

- Facilitate desirable development;
- Recognize the constraints of developing projects;
- Consolidate and coordinate the review process.

Policy 6.3 – To have a one-stop permitting system with simultaneous review of permits, administrative review and action, a single staff contact assigned to coordinate all reviews for a particular applicant, and contracted review of applications, where necessary.

Policy 6.4 – To fast-track permit procedures within designated development areas.

Policy 6.5 – To encourage pre-application meetings with planning staff to identify problems before significant resources have been invested in a project proposal.

Policy 6.6 – To permit more uses by right through specific, well-crafted standards and final decisions made within certain limits.

Policy 6.7 – To review projects in a spirit of collaboration.

Policy 6.8 – To require a super-majority vote of the legislative body to override planning commission decisions.

7. We will work closely with the business community to market our area to new and expanding businesses and to assure that our goals for economic development are being achieved. It is our policy:

Policy 7.1 – To participate with business leaders and organizations like real estate professionals, developers, chambers of commerce, economic development councils, downtown associations, and other groups to address current and changing business and job requirements.

Policy 7.2 – To adopt land use policies and to construct the necessary public infrastructure to assure a positive business climate.

Policy 7.3 – To monitor or support monitoring of our community's progress toward accomplishing all the implementation tasks outlined in the annual work plans.

Policy 7.4 – To assist in developing an economic development marketing strategy for the community and to participate, as appropriate, in accomplishing the tasks identified.

About the Author

Elaine Davis is managing partner of THE SIMEON PARTNERSHIP, a consulting firm focusing on economic and public policy analysis and planning. Davis has researched, led, and written extensively on economic development and growth management planning since the early 1970s. Much of her career has been spent helping local communities in Washington State understand their economies and plan for their economic futures. Davis was the Executive Director for nine years of a regional governmental agency responsible for economic development and transportation planning, and Vice President of Research for the Washington Research Council.