



DAVID EVANS
AND ASSOCIATES INC.

THE IMPORTANCE OF A VITAL LOCAL ECONOMY

Quality of Life Includes Good Jobs and a Prosperous Community

To achieve the quality of life citizens want, cities and counties offer their residents:

- New jobs reflecting technology, market and community changes;
- A program to retain startup and emerging businesses;
- A strong balanced tax base based on property, sales and other levies;
- A sound fiscal and planning program to achieve community goals;
- A healthy balance of jobs and housing.

If any of these features are goals your community seeks, the starting point is an economic development plan. A plan that can achieve your community goals over time – what businesses to attract, balance housing needs, building new or remodeling existing schools, improved roads, new parks and improved recreation programs or other special needs. In other words, a business plan with goals, policies and implementing strategies.

Whether solving local problems or meeting business development goals – a plan is a way to proceed with future actions. You anticipate the revenues, the potential for future actions or additional revenues and what you can spend, invest or save over time. A plan for action.

The Major Parts of the Economic Development Plan

The creation of new jobs and businesses, especially family wage incomes, is important – because quality of life begins with a good job.

The following job creation elements are needed in community economic development planning:

Technology, innovations and preferences are transforming the nature of doing business, creating new businesses and the types of required job skills in all communities.

- Changing job markets are requiring new skills to meet the needs of existing and new employers.
- Meeting the employment needs of local citizens such as college graduates, seniors, and the under-employed or unemployed workers.
- Creating opportunities for young people to work and live in the community as they form occupational goals.

Twenty-five years



Expanding the community's economic base is another important element of the plan. Equally important is retaining the community's economic base to retain jobs and provide for job expansion strategies and a healthy overall business climate. This element looks to the future to respond to changes or opportunities in local, regional, national or international markets.

- Additional businesses and new jobs are necessary to diversify the local economy.
- Reduce the dependency on one or few businesses with limited jobs and income for the local economy.
- Investing in locally owned and existing in-demand businesses helps establish variety and competition.

- Multiplier effect of investments in local businesses is a key to success.
 - Exports of goods and services to other counties, states or regions .
 - Purchase of daily needs by residents and businesses benefit local industries.

- Creating investments within the local community.
 - Out of area business looking for "good" communities to locate facilities.
 - Expansion of existing businesses creates local jobs.
 - Investments in new and existing housing.

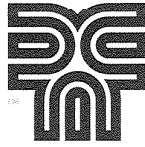
- Larger base for technology (i.e. fiber optic network expansion) and other changes to serve and expand the cost base for businesses and residences.

- Additional need for business land and facilities and additional housing:
 - Planning and zoning of business park and commercial land to meet future needs.
 - Planning and zoning of land for housing.
 - Predictable, efficient and timely permitting system responding to real needs of businesses and residents.

Benefits to Residents and Businesses

Creating larger economic base to meet the needs of local residents.

- Maintaining successful and in-demand existing businesses provides a greater choice of goods and services for the community.
- Multiplier effect due to more purchases expands the tax base and increases community services.
 - Purchase of daily needs in grocery, clothing, hardware and other stores.
 - Taxes paid by merchants and professionals.
 - Taxes received by state and local governments will provide services the residents desire.
 - An expanded tax base reduces the tax burdens on existing residents.



- Enhances the purchase of homes and automobiles and other major purchases.
- More residents able to work and live in the same community.
- Expanded recreation, cultural and entertainment opportunities for local residents.

Benefits to Local Governments

- Taxes create city and county revenues to build infrastructure, provide essential services.
 - Roads to meet safety and capacity needs.
 - Schools for the community.
 - Parks for recreation needs.
 - Salmon conservation areas
- Cities can invest revenues to generate additional revenues.
 - Incentive programs and grants to meet local economic development goals.
 - Focus future development in targeted areas.
- Shifting some local taxing base to businesses to repay local infrastructure investments.

Some Significant Outcomes

There are major benefits to undertake and implement an economic activity/development plan.

- Creating ongoing tax revenues for local governments – Income to meet local needs.
 - Establishing greater tax flow over time, new businesses paying excise, property, B&O and other special taxes.
 - Expanding tax base for future tax levies.
 - Utilizing revenues to provide other incentive investment programs.
- Actions of local governments can be proactive – achieving positive goals.
 - Using “carrots” (incentives, such as coverage bonuses, public parking districts, etc.) to achieve community goals rather than prohibitions.
 - Community is a place to live and do business.
 - Able to purchase “quality of life” elements (i.e. parks).
 - Able to maintain needed services.
- Opportunities to live and work in same community.
 - Reduce longer distance commuters.
 - More focus on community activities.
 - More family time.



- Provisions for basic elements of an economic development plan implementation.
 - Adequate supply of commercial and industrial lands.
 - Reasonable, workable and time predictable implementation measures.
 - Effective capital development plans and funding program.
 - Monitoring of plan to assess results and determine when changes are needed.



Suggested Economic Development Planning, Goals and Policies

Local Economic Development Planning Program

Involve REALTORS, developers, business, economic development councils, chambers of commerce, private planners and other civic groups who know the community to –

- Define the current business climate.
- Identify resources.
- Identify strengths in the local economy.
- Identify business and job creation opportunities.
- Identify linkages between the economic base and local and state taxes.
- Assess the current jobs and housing ratio.
- Recognize local preferences, limitations and barriers.

Prepare research materials and guiding principles defining current and future needs and opportunities.

Prepare a draft plan, including goals, policies and guidelines for future actions. This economic activities and needs plan should include infrastructure requirements and funding sources, housing linkages, and quality of life standards to attract new business and jobs. The relationships to community areas and environmental protections and enhancements are also prime elements along with clear ways to measure performance and meet local goals.

These activities can be initiated and lead by real estate, economic development councils or other groups having knowledge and interests in the local community and economy.

However, the plans need public review, input and hearings to become adopted policies and meet funding requirements.

Economic Activity Goals

Promote a healthy local economy.

Diversify the local businesses to meet community and regional needs.

Utilize the tax base to create public investments meeting community needs and defined in local plans.



Create healthy jobs and housing balance.

Economic Policies

Establish strategies to balance jobs and housing.

Establish land supplies to meet new and redeveloped retail, business and mixed - use opportunities.

Encourage business and retail centers to cluster and relate to other parts of the community and transportation systems.

Encourage businesses and retail activities to maintain or enhance amenities, services and “quality of life” elements to promote new jobs, sales or business climate.

Promote a business climate that encourages economic opportunities, new jobs and needed businesses.

Formulate strategies that increase sectors of the economy that pay “family wages,” increase employment, bring additional investments into the community and create multiplier effects.

Identify relationships between the strategies encouraging economic growth and the growth of the community’s revenue base.

Encourage commercial and industrial development in designated areas and designed to meet prescribed and flexible low impact and development standards.

Encourage existing businesses and commercial centers to evaluate changes reflecting community changes and needs. Encourage mixed uses where the uses are in demand.

Work with local REALTORS, economic development councils, chambers of commerce and other civic groups to identify trends, meet local economic goals, encourage defined job growth and meet local revenue needs.

Encourage small business enterprises, home-based businesses and start-up companies utilizing defined incentives and reasonable regulations and taxes.



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ECONOMIC DEVELOPMENT QUESTIONNAIRE

YES NO UNKNOWN

Community Economic Needs

Each community has its own image or plan for its future in terms of the jobs and businesses that the local residents desire. Often that image has not been formally discussed or documented. If a local economic development plan does not exist, this is an opportunity to create a fresh new program with implementation strategies. If you have an economic development plan, how is it working? Is it time to strengthen the plan by reviewing and updating its goals and implementing strategies? Some of the questions that need to be answered in this area are:

- 1. Does your community need or want additional local job opportunities?
2. Does your community want to attract new businesses?
3. Is your community interested in helping existing businesses grow?
4. Is your community interested in expanding its tax base?
5. Does your community have an economic development plan?
6. Does your community have a chamber of commerce or other economic development organization?
7. Do people in your community need training or education to meet the needs of new businesses?
8. Does your community want to create employment opportunities to keep your young people in the community?

Expanding the Local Economic Base

The first step in developing and updating an economic development plan is to look at the opportunities for expanding the local economic base. Understanding the local situation for expansion of existing business or attracting new businesses is a key. A look at the adequacy of commercial and industrially zoned land and the efficiency of the permit process.

- 9. Do existing businesses in your community have opportunities for expansion?
10. Does your community feel it has too few existing businesses?
11. Are there opportunities to export local goods or services to areas outside the community?
12. Are existing businesses in your community seeking additional investment to meet expansion needs?

Twenty-five years



- | | <u>YES</u> | <u>NO</u> | <u>UNKNOWN</u> |
|---|--------------------------|--------------------------|--------------------------|
| 13. Does your community have adequate land planned and zoned for existing businesses to expand or new business to locate in your community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Does the development permit process in your community make it easy for existing businesses to expand or new business to locate in your community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Does your community have adequate housing for existing business to expand their employment or to house employees of new businesses? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Local Economic Development Benefits

The most important factor in the success of a local economic development effort is the community understanding of the benefits of a strong local economy. Having the goods and services convenient for residents is important. To most people, being able to live and work in their own community is also very important. Further, a growing local economy provides a broader tax base, reducing the tax burden on residents, while providing the amenities and services the community desires.

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|--|--------------------------|--------------------------|--------------------------|
| 16. Could your community benefit from increases in the tax base and additional tax dollars to provide new public facilities and renovate or maintain existing public improvements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Will encouraging expansion of existing local businesses help keep them in the community instead of relocating to another community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Can your residents find the goods and services they want in your community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Are residents of your community aware of the benefits of an expanded tax base? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Do local government and business look for partnership opportunities to meet the needs of the businesses as well as enhance public services? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Is it important to your residents to be able to live and work in their community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |