Thinking and Acting Regionally

in the Greater Wasatch Area:

Implications for Local Economic Development Practice

By Erin Flynn, Ph.D.

ENVISION UTAH

A Partnership for Quality Growth

May 2005

Prepared for Envision Utah

By Erin Flynn, Ph.D.
FutureWorks
11 Water Street
Arlington, MA 02476

Flynn@futureworks-web.com

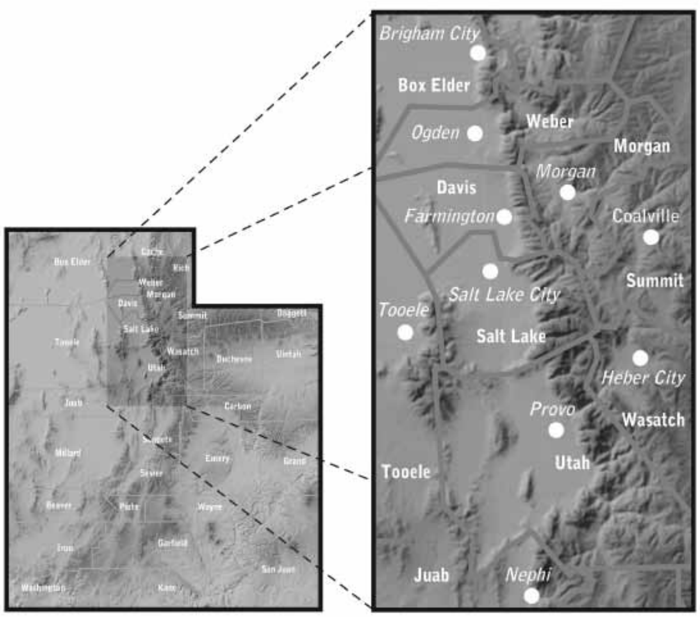
Table of Contents

Case Statement Part 1:

Why the Greater Wasatch Area Needs to Think and Act Regionally

INTRODUCTION

The Greater Wasatch Area is a region with tremendous assets. Surrounded by the Wasatch Mountains and the Great Salt Lake, residents enjoy physical beauty, clean air and unparalleled recreational opportunities. A majority of the state's world-renowned ski resorts are within a short drive of the metro area's residential and employment centers as are an abundance of lakes, rivers, canyons and national parks. Urban, suburban and rural dwellers alike cherish these physical attributes and consider them integral to the region's high quality of life. In addition to remarkable physical assets, the Greater Wasatch Area has impressive intellectual assets. The region is home to two outstanding research universities (University of Utah, Brigham Young University), several other institutions of higher learning, a highly educated population, and a healthy, productive workforce. These physical and intellectual assets along with a supportive business climate and comparatively low cost of living make the Greater Wasatch Area a desirable place to live and work.



Currently, the Greater Wasatch Area is experiencing tremendous growth. The 10-county region—which encompasses the Salt Lake-Ogden and Provo-Orem metropolitan areas—is projected to increase at twice the national growth rate through 2020. In 1995 the population of the region was 1.6 million; by 2020 the region will be home to 2.7 million residents.[1]

In order to accommodate growth of this magnitude, economic activity throughout the Greater Wasatch Area must expand appropriately. The region is well poised to build from its physical and intellectual assets to attract and grow industries that provide high quality jobs for residents.

A strong and growing base of wealth generating companies in industries such as biotechnology,

[1] Seventy six percent of Utah's residents live in the Greater Wasatch Area. As such, growth rates in the region reflect overall population growth rates for the state. The population growth rate of Utah has been approximately double that of the nation for the past 20 years. From 1980 to 1990, the Utah population increased by 18 percent (from 1.46 million to 1.72 million) compared to a 10 percent increase for the nation. Between 1990 and 2000, the population of the state experienced a 27 percent increase (from 1.72 million to 2.23 million) compared to 13 percent for the nation. According to the 2003 Economic Report to the Governor, natural increase accounts for the majority of the state's population growth. See 2003 Report to the Governor (pg. 31), prepared by the Governor's Council of Economic Advisors.

information technology and advanced manufacturing can provide residents throughout the metropolitan area with high-skill, high-wage employment. Creating opportunities for residents in high-paying industries like these is essential to maintaining a high standard of living and robust economy.

A key challenge facing economic development practitioners and civic leaders from the 10 counties and 98 municipalities that make up the Greater Wasatch Area is how to promote much needed economic and business development while simultaneously preserving the quality of life that Utahn's prize. An important key to striking this balance is for municipal officials and economic development practitioners to begin thinking, acting and planning for growth as a unified region.

I. THE IMPORTANCE OF A REGIONAL PERSPECTIVE

Regional thinking and action are essential to successful economic development in our increasingly competitive economy. Metropolitan regions reflect how we live and work today in the United States. The 2000 Census revealed that 8 out of 10 Americans now reside in the nearly 300 federally designated metropolitan regions of the country.

Utah mirrors the nation in this respect. Wasatch Front counties (Salt Lake, Utah, Davis and Weber) are home to 76% of the state's population and 79% of its employment. Among the largest 100 metropolitan areas in the United States, the Salt Lake-Ogden metropolitan statistical area (MSA) ranks in the top third in terms of metropolitan employment concentration.[2] According to a recent paper issued by the Brookings Institution, Center on Urban and Metropolitan Policy, the Salt Lake City-Ogden MSA qualifies as a *dense employment metro* because more than 25 percent of the region's employment is within 3 miles of the city center and over two-thirds of total employment is located within a ten-mile radius of the central business district.[3]

Yet while employment opportunities remain clustered in Salt Lake City and County, new and more complicated patterns of commuting are emerging across the Wasatch Front as the population and urban boundary expands. An analysis of census data by the University of Utah Bureau of Economic and Business Research found that residents of the region are commuting longer distances and that an increasing share of residents are crossing county lines to get to their jobs. From 1990 to 2000, for example, the number of workers across the *region* with commutes of at least 45 minutes increased by 83 percent (from 51,685 to 94,577) while the number of non-residents commuting into Salt Lake County increased by 80 percent (from 40,639 to 73,203).[4]

[2] See Glaeser, et.al. (May 2001). "Job Sprawl: Employment Location in the U.S. Metropolitan Areas." The Brookings Institute, Center on Urban and Metropolitan Policy. Glaeser, et. al., compared the 100 largest metropolitan regions in the United States and categorized them into four groups based on the share of employment 3 and 10 miles from the region's central business district. In their study, 31 metropolitan areas, including Salt Lake-Ogden, qualified as dense employment metros.

[3] According to the study by Glaeser et. al., op.cit., 31 of the hundred largest metros in the U.S. qualify as "dense employment metros." Another 35 qualify as "centralized employment metros" with 10-25 percent of employment within 3 miles of the CBD and more than 60 percent within ten miles of the CBD. An additional 23 metros qualify as "decentralized employment metros" with 10-25 percent of metro employment within 3 miles of the CBD and less than 60 percent within 10 miles of the CBD. Finally, 11 metros qualified as "extremely decentralized metros" with less than 10 percent of employment within 3 miles of the CBD.

[4] See Utah Economic and Business Review May/June 2003, Volume 63 Number 5&6. Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

These numbers demonstrate the increasingly regional nature of our daily lives. Our daily patterns—in both work and social life—are regional: we live in one municipality, work and run errands in another, visit our friends in a third, and dine out in yet another. Our identities are often wrapped up in the region we live in as well. Ask metropolitan dwellers away from home where they live, and they will most always tell you the region from which they come, not the individual municipality (e.g. the San Francisco Bay Area, not Redwood City or Mill Valley; the Boston area, not Waltham or Wellesley).

Regions also reflect how the market operates. Metropolitan regions produce more than 85 percent of the nation's economic output and provide 84 percent of America's jobs. As such, metropolitan regions—as opposed to cities—are now the central unit of economic activity in the global economy. Businesses tend to cluster in metropolitan areas where they can draw upon resources provided at the regional level, such as transportation infrastructure, research and technology, skilled labor, and supplier networks. The business management guru Michael Porter describes this tendency in terms of industry clusters, which are concentrations of related and complementary businesses that utilize the resources of a region that are particularly well suited to it. A good illustration of this phenomenon in the Greater Wasatch Area is the University of Utah Research Park. The Research Park houses 44 companies, 37 academic departments and approximately 6,3000 employees in 35 buildings. According to Park Director Charles Evans, the park provides a special environment for entrepreneurial growth. Park tenants are primarily engaged in research and development related activities. Many companies located in the Park hire University of Utah faculty as consultants and provide employment opportunities for university graduate students. The Technology Transfer Office of the University, a Park tenant, focuses on commercializing technological innovation coming out of tenant companies.

Economists view metropolitan regions as geographic areas whose size is ideally suited to achieve low-cost economies of scale. Some of our nation's most vibrant research and development communities are organized at the regional level. The Research Triangle in North Carolina's Raleigh-Durham metro area is a prime example. Research Triangle is home to one of the country's largest research parks which includes 45,000 employees and draws research expertise from three nearby universities.

At the same time, metropolitan regions are considered small enough for business leaders in related sectors to network, build trust and share information, which can lead to collaboration, new technologies, innovation and growth. Working relationships are created at a regional level among business partners that can be difficult to achieve on a global, national or even state level. The growth of the computer and software industry in northern California's Silicon Valley is testament to the success of a cooperative, network model fostered by geographic proximity.

Research Triangle Park is the nation's largest planned research and development park. Located on a 7,000-acre campus in North Carolina, Research Triangle contains over 130 businesses and organizations employing approximately 44,000 people with an average salary of $56,000. The founders of the Research Triangle in the 1950's were successful because they invested in education and developed world-class research centers, recruited well-known corporations to establish research operations in the region, and diversified the industry base from agriculture and textiles to biotechnology and communications.

Today, Research Triangle is one of the fastest growing metropolitan regions in the country, with large industry clusters in pharmaceuticals, biotechnology, and information technology. Education also plays a key role, as the triangle is surrounded by three large research universities: Duke, UNC-Chapel Hill, and North Carolina State. Research and development from the universities and the federal government is at the core of the region's success.

Northern California's Silicon Valley got its start as a high-tech haven in the 1950's when a Stanford University Professor named Fred Terman and other forward-thinking planners began leasing land to Hewlett-Packard, Eastman Kodak and other technology-intensive firms. The goal was to match high-technology companies with Stanford's expertise and manpower.

Decades later, as the nature of cutting-edge technology evolved, semiconductor chips made of silicon became the main product of the Valley industry, giving rise to its famous name. Still later, high-tech pioneers such as Apple Computer, Intel and Netscape all put down roots in Silicon Valley.

Today, 1.2 million people work in Silicon Valley with an average annual salary of $62,500. The clusters that drove the valley's high-tech economy have continued to evolve, from integrated circuitry to personal computers and the Internet. Today, driving clusters include computer hardware manufacturing, semiconductor manufacturing, biomedical and software.

II. ECONOMIC DEVELOPMENT IN THE GREATER WASATCH AREA

In January 2002, then-Governor Mike Leavitt launched a campaign to "brand" Utah through the "Ideas Connect" campaign. At the heart of the campaign are Utah's "economic ecosystems" of biotechnology, medical devices, and information technology. The campaign aims to both recruit companies from out of state and grow existing companies in state. As economic development officials in the Greater Wasatch Area fulfill the state's charge to grow these industry sectors, it is critical to recognize that firms in these knowledge-intensive industries make location and expansion decisions based on the strengths and weaknesses of the *entire region*, not the specific city or town in which they ultimately reside.

AlphaGraphics moved its corporate headquarters from Arizona to Utah in 2001. With over 300 franchises worldwide, the company engaged in a major location search before selecting Salt Lake City. Said the company's Chief Executive Officer, Kevin Cushing, "Utah was selected for its great workforce, educational level of the population, and because many groups in the state are savvy technically. There are great people here and it's a great place to build off of."

Rather than move its location elsewhere, Merit Medical Systems essentially doubled its manufacturing space to 180,000 square feet in December 2003. Founded in 1987 in Utah, Merit now markets its medical devices in over 60 countries. Chairman and CEO Fred Lampropoulos said, "This new facility will add 300 to 500 new jobs here in Utah over the next few years as we grow into the space. I am proud of our Utah employees, who have enabled us to complete this phase of our growth and move into the next phase."

As global competition accelerates, regional assets and liabilities become more and more central to economic development. Businesses competing in a global economy gain comparative advantage from a healthy regional economy that:

– produces and attracts educated, skilled and creative people;

– fosters innovation and accelerates its rapid diffusion throughout the region;

– supports and facilitates strong, coordinated leadership across sectors (business, government, community)

– offers a rich network of qualified suppliers and contractors;

– moves people and goods quickly and efficiently;

- offers affordable housing near employment centers;
- maintains and invests in a vibrant urban core; and
- works to reduce disparities of income and opportunity.

In the context of the Greater Wasatch Area, it is important for economic development officials to recognize that the essential level of competition they face is *regional*. It is not a question of Sandy competing with Ogden or Salt Lake City competing with Provo; rather, it is a question of the Greater Wasatch Area competing against domestic and international metropolitan regions such as Silicon Valley, Austin, Singapore and New Delhi, for high-skill, high-wage employment. Economic development strategies must strive to capture the resources and wealth that companies bring to the *region*. The first goal is to build and promote the region as an exceptional place to do business. The next goal is to work with individual municipalities to determine the best fit for companies that expand and/or relocate in the region.

Building and maintaining a healthy, vibrant region with efficient transportation infrastructure, strong workforce and education systems, affordable housing choices, robust research and innovation mechanisms, and ample opportunity for residents is challenging work. It requires cooperation and collaboration among business, government, and community, as well as coordination across municipalities. This is challenging because a fundamental disconnect exists in the United States between how the market operates and how we govern. Our economy operates regionally but our units of government operate locally. As a result of this mismatch, actions that appear to be advantageous to an individual municipality in the immediate term are often detrimental to the region in the long term. This is especially the case with economic development where towns and cities often compete with one another for tax revenue generated by new business.

III. MECHANISMS FOR REGIONAL COORDINATION AND COLLABORATION

In the past decade, regions concerned about quality of life and competitiveness have developed region-wide initiatives and institutional mechanisms to spur greater municipal coordination and cooperation. Mechanisms for jurisdictional coordination are important to direct growth in ways that benefit the region as a whole. Without them, growth can too easily proceed unfettered, leading to inefficiencies, congestion and sprawl. These development patterns, in turn, can undermine quality of life, exacerbate social and economic inequality, and compromise a region's ability to compete effectively.

Across the country, public and private leaders concerned about quality of life and competitiveness issues are developing regional initiatives and mechanisms to spur greater coordination and cooperation among jurisdictions and between the public and private sectors. These regional initiatives and mechanisms are driven by a growing recognition that current patterns of growth and development are increasingly inefficient (for both employers and employees), detrimental to the environment, and contributing to growing socio-economic disparity among residents. Some of these efforts are multi-sector involving representation from business, government, environmental and community groups. Others involve only the public sector in an effort to spur greater cooperation and coordination among elected leaders on issues that require a regional perspective.

In Chicago, for example, Mayor Richard Daley established the Metropolitan Mayors Caucus to unite the region's 272 mayors and to develop a common vision for the region. Specifically, the Mayor's Caucus has developed a strategy that provides guidance to municipalities on how they can cooperate to promote economic opportunities throughout the region. Adherence to this strategy represents a significant shift in mindset for Chicago mayors, who took for granted fierce municipal competition for business activity and taxes prior to the formation of the Caucus. David Bennett, Executive Director of the Mayor's Caucus, believes that the cooperative approach among municipalities was one of the keys to recruiting Boeing headquarters to Chicago. According to Bennett, Chicago was the only metro area Boeing was considering that presented itself as a unified region. "Our presentation excited Boeing," said Bennett. "They liked our cooperative approach and the fact that our region is so diverse."

Chicago Metropolitan Mayors Caucus

The Metropolitan Mayors Caucus is a network of mayors from communities in the six-county Chicago region. It was formed in 1997 as a partnership between the City of Chicago and nine suburban municipal associations. The Caucus provides a forum through which the chief elected officials of the region cooperatively reach consensus on common public policy issues and multi-jurisdictional challenges.

The Metropolitan Mayors Caucus grew out of discussions that Chicago Mayor Richard Daley initiated with mayors across the six-county region. According to Caucus Executive Director, David Bennett, the regional nature of economic competition was the driving issue that prompted Mayor Daley to initiate closer working relationships among municipal mayors and the City. Mayor Daley had a vision of pushing past geographic boundaries to work collectively on public policy and economic issues that impact the region's overall competitiveness and quality of life.

In December of 1997, Mayor Daley convened a meeting of leaders from the region's nine suburban municipal associations representing 272 mayors. Daley and the mayors emerged from the 5-hour meeting with a strategy to establish the Metropolitan Mayors Caucus. The event made history. It was the first time that mayors from all over the Chicago area had ever met together to share concerns and work towards resolution of common challenges.

STRUCTURE

With 272 municipalities, the Caucus required a structure that could streamline decision-making. To this end, Caucus membership is organized through nine pre-existing Councils of Government and the City of Chicago. Each COG selects 10-12 Mayors to serve on the Caucus annually. Accordingly, the Caucus is composed of 65-70 Mayors with authority to represent all 272 municipalities and the City of Chicago on issues of regional importance.

The Caucus meets quarterly. Participation in quarterly meetings is restricted to mayors—no staff are allowed to substitute for mayors. Consensus is the basis for Caucus decision-making and for positions taken by the Caucus as a whole. Quarterly meetings of the Caucus are closed to the media in order to allow more candid and open dialogue among mayors.

Caucus positions on issues of critical municipal and regional importance are developed through a Task Force structure. The Caucus is currently organized around the following issues: Clean Air, Water Resources, Critical Infrastructure, Economic Development, State and Federal Legislation, Emergency Preparedness, Housing, Ground Transportation and Education Funding. Each Task Force is charged with studying the issue and developing a strategy.

ECONOMIC DEVELOPMENT

Fierce municipal competition for business activity and corresponding tax revenue was something that many Chicago-area mayors took for granted prior to the formation of the Caucus. Over the course of the last few years, however, the perspective of mayors across the region has changed. Largely due to the Caucus, mayors throughout the Chicago metro area now recognize that municipalities must work together to market the region as a whole.

This change in perspective began in 1998 when the Caucus formed an Economic Development Committee to develop a strategy that would guide municipalities on how they could cooperate to promote economic development opportunities throughout the region. The Caucus adopted the strategy in spring 1999.

According to Executive Director Bennett, adoption of the economic development strategy by the Caucus represented a significant breakthrough and marked a turning point in the mayors' orientation to economic development. "The Caucus accepted the idea that to be part of the global economy, our municipalities needed to work together to market the region as a whole. Real competitors were other states and other major metropolitan areas in the country and the world – not each other." This major shift not only decreased factionalism and friction, it increased prospects for success since one municipality would no longer undermine the promotional efforts of another and energy would be focused rather than dissipated.

Another breakthrough in the economic development realm came in September 2000 when Mayor Daley announced a merger between the Chicago Partnership for Economic Development and World Business Chicago. The Partnership for Economic Development was created in 1999 to coordinate the city's efforts to attract and retain business. World Business Chicago was created in 1998 to attract international investment to the nine counties that make up the Chicago metropolitan area. The merger created a single business-driven organization that could raise the profile of the Chicago region and market the entire nine-county region to international business.

In his remarks at the announcement of the merger, Daley acknowledged the Mayors Caucus and the important role it played in developing a more cooperative approach to regional economic development.

International business executives don't draw distinctions between Chicago and its suburbs, any more than an American company distinguishes between London and its suburbs. They look at the Chicago area as a unit, and that's how we should market ourselves. This has been a major objective of the Metropolitan Mayors Caucus: to work together to attract business to the Chicago area.

In St. Louis, the Regional Chamber and Growth Association has partnered with the Council of Governments and the region's leading citizens' group to form the St. Louis Metropolitan Forum, a regional leadership mechanism addressing job growth, racial and economic disparity, and tax policy. According to St. Louis business and civic leaders, the Forum represents a big step forward for St. Louis as it is the region's first coordinated response to the chronic social and economic issues facing the metropolitan area. Its creation (in 2003) also reflects recognition among leaders that no single institution can address or solve regional challenges. This is a breakthrough in a region that has typically worked in institutional silos.

St. Louis Metropolitan Forum

The St. Louis Metropolitan Forum (the Forum) is a new multi-sector partnership established by three regional institutions representing government, civic interests, and the business community. The founding partners are East West Gateway Coordinating Council, FOCUS St. Louis, and the St. Louis Regional Chamber and Growth Association (RCGA).[1]

The Forum was established to maintain an ongoing process for government, civic and business leaders to address regional concerns and undertake bold initiatives.
The Forum is designed to provide a vehicle by which government, civic and business interests can deliberate, forge consensus, foster actions and speak with a "unified voice" in support of the region.

ORIGINS
Like many industrialized regions of the country, St. Louis suffered in the post-manufacturing economy. Employment and new business growth were weak in the 1980's and 1990's, and economic and spatial segregation among residents accelerated. Yet despite widespread recognition of the social and economic challenges facing the region, cultural myths about St. Louis' inability to change and a history of non-collaboration among government, business and civic partners prevented leaders from coalescing around a regional problem-solving strategy for years.

Institutional dynamics began to shift in 2000 following a fall Leadership Exchange Trip to Toronto. This trip, led by the Regional Growth and Chamber Association, exposed 125 government, civic and business leaders to Toronto's regional governance approach. According to Dick Fleming, CEO of the RCGA, the trip made a big impression on the St. Louis delegation. Following the Toronto trip, the group reconvened and determined that a new vehicle was necessary to assess and develop regional governance and funding models for St. Louis.

RCGA and FOCUS St. Louis stepped forward to provide leadership and staff support to launch a regional initiative. The two organizations convened 40 leaders over a 9-month period in a Regional Governance Policy Group (RGPG). The group studied and made recommendations on a series of regional issues from tax policy and government structure to health care and transportation. The RCGP issued a report of its finding and recommendations in November, 2001. A key recommendation of the report was the creation of a virtual multi-sector vehicle to address the region's systemic social and economic challenges.

A 2002 report entitled "Where We Stand: The Strategic Assessment of the St. Louis Region," issued by the region's Council of Governments, underscored the importance of regional collaboration. The report benchmarked St. Louis against 35 peer metropolitan regions, on key indicators of regional health and prosperity. The report found that the St. Louis region trailed badly in many key performance areas relative to peer regions, including slow economic growth, socio-economic disparity, out-migration of population, and political fragmentation.

An overnight retreat of regional leaders in January 2003 put the idea of the Metropolitan Forum to the test. Forty-nine leaders representing the three sectors met for two days to discuss the findings of the RGPG and Where We Stand. According to retreat organizers, job growth, racial and economic disparity, and tax policy quickly emerged as key issues that required regional commitment and collaboration.

Following over two years of planning and negotiation, the Charter of the Metropolitan Forum was approved in October of 2003. The Metropolitan Forum is not a formal organization; rather, it is a virtual organization that utilizes staff of the three founding organizations to support the ongoing work of the collaboration. The Forum consists of a maximum of thirty-six representatives, including twelve members representing business, twelve members representing local government, and twelve members representing civic interests, plus the staff directors of East-West Gateway Coordinating Council, FOCUS St. Louis and RCGA. The Forum meets at least four times per year.

"More for Our Money"

As its first major undertaking, the Forum has proposed a large-scale project focused on public spending and accountability. The focus on coordinated spending and investment stems from recognition among Forum participants that the ability to strengthen the regional economy and close racial and economic divides within the population hinges in large measure on the quality and quantity of public services that local units of government provide. With 750 units of local government, there is growing awareness that the decisions and investments made on a daily basis by municipalities and special purpose governments do not serve the regional interest.

As a first step, the proposed project will address the following questions honestly and comprehensively:

– Where does our public money come from? Where does it go? Who pays and who benefits? Are the costs and benefits distributed fairly across the regional landscape and among different racial and ethnic groups?

– How do we measure the performance of our investments? Is anyone responsible for regional outcomes? Are local investments producing net new jobs and wealth for the region? How can this be documented?

– Can we develop a strategy to do better? How will this help increase our regional competitiveness?

[1] East West Gateway is the St. Louis region's Council of Governments and regional planning agency. FOCUS St. Louis is the region's citizens' league. And RCGA is the chamber of commerce and economic development organization for the 12-county, bi-state St. Louis region.

In Northern California, the Bay Area Alliance for Sustainable Communities has established 10 Commitments to Action to address regional challenges. One Commitment to Action is State and Local Government Fiscal Reforms. The Alliance is advocating for changes in state legislation to provide all local governments with adequate and stable tax revenue in order to establish cooperative, rather than competitive, economic development programs.

Northern California Bay Area

OVERVIEW
The Bay Area Alliance for Sustainable Communities is a multi-stakeholder coalition composed of 45 business, environmental, social equity, and government organizations working to implement a sustainability action plan for the nine-county Bay Area.

Established in 1997, The Bay Area Alliance is committed to facilitating region wide-dialogue on how the 9-county Bay Area can grow in a more sustainable manner. The Alliance is founded on the premise that the people of the Bay Area want to preserve the environmental, economic and social attributes of the region for generations to come. To this end, the work of the Alliance focuses on three interrelated goals: a prosperous economy; a sound environment; and social equity. The Alliance has dubbed these goals the “Three E’s” of sustainable development.

STRUCTURE
The Alliance is a ‘virtual” organization with only one part-time paid staff member who serves as executive director. The virtual quality of the Alliance was a conscious choice by steering committee members who insisted that founding organizations must be responsible for the work of the Alliance and support it through in-kind contributions such as staff time, office space, and administrative support. Founding organizations of the Alliance include Pacific Gas and Electric, the Sierra Club, the Association of Bay Area Governments, the Bay Area Council (a regional CEO public policy organization) and Urban Habitat (a non-profit organization focused on regional social equity). Co-management of the Alliance is ensured by making each partner organization a fiscal intermediary for different funding streams associated with the work of the Alliance.

Since the Alliance was established in 1997, the 5-member steering committee has met every two weeks to move the work of the Alliance forward. The full membership of the Alliance meets on a quarterly basis.

ACCOMPLISHMENTS
The central accomplishment of the Bay Area Alliance has been developing and reaching regional consensus on a Compact for a Sustainable Bay Area. The Compact identifies key regional challenges and proposes a package of 10 strategic Commitments to Action to meet those challenges and to put the Bay Area on a more sustainable path.

The Compact is designed to serve as a framework for action that will guide, but not prescribe, both regional and local planning and decision-making and motivate government, employers, civic organizations and individuals in cooperative efforts that will lead to a more sustainable region.

A Draft Compact was presented to county and city officials at the 1999 and 2000 General Assemblies of the Association of Bay Area Governments for review and input. City councils and county boards of supervisors reviewed and commented on the draft in 2001 and 2002. By 2003, 7 of 9 counties and 65 of 101 cities had endorsed the Compact. The final Compact was ratified by all nine countries in 2004.

The 45 member organizations that compose the Bay Area Alliance are extremely diverse. Banks and homebuilders are members as are smart growth and environmental groups. Organized labor, manufacturing associations and local governments are part of the mix as are groups representing women, Latinos, and Asians. The development of the Compact for a Sustainable Bay Area was originally intended to be a one-year process. In the end, however, it took five years to secure buy-in from business, civic, community and government leaders throughout the Bay Area. Obtaining feedback and input on the Draft Compact from multiple stakeholders was a time-consuming undertaking characterized by innumerable public meetings, workshops, forums, etc.

COMPACT FOR A SUSTAINABLE BAY AREA
Ten Commitments to Action form the centerpiece of the Compact for a Sustainable Bay Area. The Ten Commitments are:

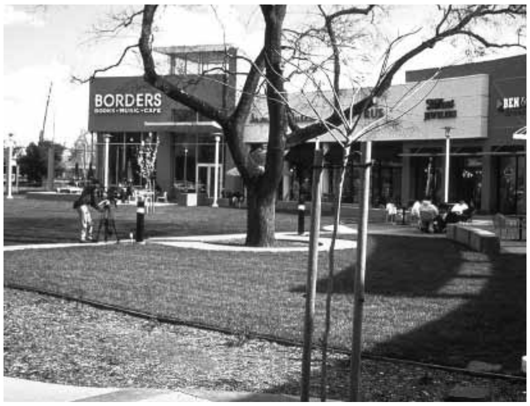
1. Enable a diversified, sustainable and competitive economy to continue to prosper and provide jobs in order to achieve a high quality of life for all Bay Area residents.
2. Accommodate sufficient housing affordable to all income levels within the Bay Area to match population increases and job generation.
3. Target transportation investment to achieve a world-class comprehensive, integrated and balanced multi-modal system that supports efficient land use and decreases dependency on single-occupancy vehicle trips.
4. Preserve and restore the region’s natural assets, including San Francisco Bay, farmland, open space, other habitats, and air and water quality.
5. Use resources efficiently, eliminate pollution and significantly reduce waste.
6. Focus investment to preserve and revitalize neighborhoods.
7. Provide all residents with the opportunity for quality education and lifelong learning to help them meet their highest aspirations.
8. Promote healthy and safe communities.
9. Implement local government fiscal reforms and revenue sharing.
10. Stimulate civic engagement.

The Compact sets forth an overview statement for each of the ten Commitments to Action and specifies action steps associated with each of the ten commitments.

Now that the Compact has been ratified, the Alliance is turning its attention to implementation. Several large-scale implementation efforts that correspond to commitments articulated in the Compact are currently underway in the Bay Area.

IV. ACHIEVING BALANCED GROWTH

An important underpinning of municipal cooperation is a tax structure that supports balanced growth. When a state's tax structure promotes a "winner takes all" mentality among jurisdictions, it is more difficult to forge cooperative strategies that benefit the region as a whole. In the Greater Wasatch Area, municipal competition manifests itself in bidding wars for retail development. Across the region, 50 percent of retail sales tax remitted to municipalities is based on point of sale. This tax structure creates an incentive for municipalities to attract and recruit retail employers over other types of industry.



Making retail the centerpiece of economic development strategy misses the forest for the trees. Retail may provide immediate benefits to a municipality in the short term, but in the long term, it doesn't contribute significantly to regional wealth creation or competitiveness. Retail outlets serve local residents and, therefore, move money around the region rather than bringing new dollars into the region. Local governments that pursue retail businesses are competing for a limited share of an existing market. Recruiting retail moves pieces of the existing pie around the region, but it doesn't increase the size of the pie. In addition, jobs in the retail sector tend to pay lower wages than jobs in knowledge-intensive industries. Retail jobs are often part-time and they generally contain limited opportunity for career advancement.

The economic dynamics associated with high-skill, high-wage industries that export goods and services present a dramatic contrast to the retail sector. High-wage, high-skill companies in industries such as biotechnology, medical devices and information technology benefit the Greater Wasatch region as a *whole*. Businesses in these knowledge-intensive industries strengthen the regional economy in several ways: they bring new wealth *into* the region by exporting goods and services to customers *outside* the region; they pay high wages relative to other sectors of the economy; they provide career advancement opportunities for employees; and they contribute to the development of a skilled workforce. Finally, and very importantly, they contribute to a growing network of technical professionals that is likely to spawn entrepreneurs, new products, and new companies, thereby generating a positive cycle of new wealth and opportunity for residents across the region.

In short, the location and expansion of businesses in high-skill, high-wage industry sectors in the region is good for everyone because the job and wealth creation that these businesses bring to the region spills across municipal boundaries. We may work and earn our paycheck in one municipality, but we spend that paycheck across the region—on homes, furniture, landscaping, child-care, cars, entertainment, recreation, clothing, etc. In this way, high-paying jobs located in one town or city "spill-over" to others, benefiting the entire region.

While the current tax structure in Utah biases economic development toward retail, a focus on retail to the exclusion of companies in wealth-generating industries will not contribute to balanced economic growth. Municipal officials can work to achieve more balanced growth in their communities by determining the amount of retail activity that is actually required to serve residents. Retail analysis is an important tool available to municipalities that can help them avoid over-zoning and developing commercial land that could be used for higher-wage employment sites.

V. INTEGRATING ECONOMIC DEVELOPMENT AND LAND USE PLANNING: ECONOMIC DEVELOPMENT AND QUALITY GROWTH

Over the past two decades, the economic development equation has changed dramatically. Traditionally, states attempted to lure manufacturing companies by promising a low-cost business environment. In the post-war industrial economy, tax breaks and access to cheap labor, cheap land and cheap money were driving forces behind location decisions. Geographic location that facilitated market access was also regarded as key. As the United States has made the transition from an industrial economy to a "knowledge economy," the factors that corporate site selectors consider have changed too. With skills at a premium in knowledge-intensive industries such as biotechnology, software and advanced manufacturing, a good location is now considered one that has, and can attract, a critical mass of educated people.

The primacy of education in the knowledge economy has important implications for economic development practice. Today, skilled labor or "talent" is the single most important input for many companies. While the costs of doing business still matter, companies are often more concerned about locating in a region that will be attractive to the highly-skilled employees they seek. In a working paper on business location decision-making prepared for The Brookings Institution, author Natalie Cohen makes the connection between education and quality of life issues and why these must be priorities for economic development practitioners and officials that seek to grow knowledge-intensive industry clusters:

> *A company cannot expect people to locate to a place that is undesirable. Desirability includes a good elementary and secondary school system for employees' children (and future employees) as well as resources that support continuing adult education and training. Recreational activities, natural amenities, safety, and affordable housing are also attractive draws for sought-after employees.*[5]

In short, "quality of life" has become a key competitive advantage in the fierce competition to recruit and retain firms and talent.

As the population of the Greater Wasatch Area grows over the next decade, creating enough quality jobs for residents will be the central challenge facing the region's economic development community. It is important that job creation proceed in a way that maintains the region's high quality of life—one of its chief competitive advantages in a global economy. Where companies locate and expand impacts the quality of life for residents of the region. Company location determines how far residents must travel to work, and it influences the form of transportation they use to get to work. Company location also impacts the character of growth in a community. A company that locates in a central, downtown facility spawns additional retail and service industry growth contributing to a vital town center. In contrast, a company that builds a new facility on vacant land off a highway interchange reinforces a decentralized growth pattern and dependence on automobiles as the exclusive means of employee transportation.

Business location and expansion decisions need to be coordinated with land use, transportation and housing policies to develop the Greater Wasatch Area in ways that are efficient, equitable, environmentally-sound and attractive. Economic development officials also need to work together to determine which locations across the region should be developed and or/preserved for future job sites. The goal of regionalism is not to pick winners and losers; rather, the goal is to develop a multiplicity

[5] Natalie Cohen (April 2000). "Business Location Decision-Making and the Cities: Bringing Companies Back," pg. 15. A working paper prepared for The Brookings Institution Center on Urban and Metropolitan Policy.

of desirable, high-functioning locations where people want to live and work. Thinking, planning and acting like a region today will help preserve the quality of life residents value into the future. In contrast, unplanned and uncoordinated job site development has the potential to undermine the attractiveness and competitiveness of the region as a whole.

To achieve the quality job growth the region seeks, consideration should be given to the following factors when contemplating the location or expansion of new and existing businesses:

- **Labor Force** – There are a number of considerations related to the labor force. First and foremost, where will employees live and will it be within a reasonable distance from work? Consideration should be given to the wage structure of companies that seek to locate in the region and the housing that these wages afford employees. Failure to consider these factors can lead to a "jobs-housing mismatch," contributing to long commutes, increased traffic and congestion, and higher rates of turnover and absenteeism.

  Another important consideration for the labor force is transportation. Is the proposed job site accessible by existing or planned public transportation? Minimizing traffic and congestion is a key quality of life issue for the region. Many employees appreciate the convenience and environmental impact of public transportation. In addition, some lower income employees may not own cars. Too often, economic development incentives fail to encourage companies that receive subsidies to locate at job sites accessible by public transportation.[6] Coordinating jobs site development and public transportation must be a top priority for the economic development community.

  Finally, does the local workforce and educational infrastructure support the type of skill upgrading required to advance in the industries targeted for job development? Will employees be able to pursue further educational opportunities close to home and work or will they be required to travel long distances to access the training and courses they need?

- **Land Supply** – Preserving critical lands that have high agricultural, wetland, wildlife or recreational value is another key to insuring the Greater Wasatch Area's high quality of life. Regional leaders need to reach consensus on the preservation of critical lands and direct job site development towards existing urbanized areas. In-fill strategies and brownfield development in urbanized areas contribute to vibrant downtowns providing convenient access to amenities for employees (e.g. restaurants, dry cleaners, gyms). In addition, in-fill and brownfield sites are typically located nearer to existing public transportation infrastructure, minimizing the costly construction of new highway interchanges often required to support Greenfield job sites. (A Greenfield is a pristine, undeveloped piece of land.)

[6] A recent report by Good Jobs First that surveyed economic development subsidy programs in 50 states found that no state has a policy or even a small cluster of subsidies that either requires or encourages companies that receive subsidies in urban areas to locate the projects at locations accessible by public transportation. In addition, the survey found that only four states (Ohio, Minnesota, Maine and Connecticut) collect any kind of information that indicates whether economic development programs are improving or harming commuter choice when jobs get relocated or if they are reducing or increasing access to jobs for workers who cannot afford a car. *See Missing the Bus: How States Fail to Connect Economic Development with Public Transit*, Good Jobs First, September 2003.

In many Greater Wasatch communities, zoning practices prioritize residential development over economic development. Job site locations that minimize the jobs-housing mismatch, traffic congestion and sprawl should be co-determined through regional, multi-sector coordinating mechanisms. These sites can be set aside and/or developed exclusively as quality job sites. A community-by-community decision-making process regarding job sites is likely to lead to suboptimum outcomes for the region as a whole.

- **Infrastructure** – In today's highly competitive economy, companies that relocate expect jobs sites to be up and running quickly. According to site selection consultants, competitive communities must be "ready to go – zoned, built and fully wired with high speed capability – within six months of a company's location decision."[7] Reaching agreement ahead of time as to which locations throughout the region will be developed for job sites will expedite the permitting process and facilitate rapid build out of appropriate office and manufacturing space.

  In addition to technical infrastructure, expanding and relocating companies require ready access to all kinds of professional and institutional infrastructure, including financing, supply networks, management consulting professionals, business-civic leadership groups and government agencies. Economic development professionals can map the region's professional and institutional infrastructure and assess how it relates by industry sector and geography to prospective industries and job sites

- **Community Amenities** – Directing economic development toward existing urbanized areas doesn't mean neglecting community amenities. In addition to considering how housing and transportation relate to prospective jobs sites, economic development practitioners should also consider the surrounding physical environment. Does the proposed job site provide the opportunity for employees to take a pleasant walk at lunch or is the job site surrounded by rail yards and highways? Might employees enjoy their lunch at a nearby park or pond? Might employees be able to commute to work via a bike path or walking trail? These types of community amenities strategically located near job sites promote the quality of life that sought after employees value.

The scope and scale of regional development issues facing the Greater Wasatch Area pose complex challenges for public officials. Because of their complex and interrelated nature, solutions to these challenges will be difficult for individual cities, counties or other government agencies to create and implement on their own. Thoughtful municipal planning and coordination and steadfast cooperation between public and private actors will be necessary to integrate high-impact, quality growth principles into economic development practice on a region-wide scale.

[7] Cohen, op. Cit., pg. 15-16.

Case Statement Part 2:

Implications for Local Economic Development Practice

INTRODUCTION

Companies in high-skill, high-wage industries consider the attributes of an *entire region* when making location and expansion decisions. They look for regions with a hospitable business environment, including a skilled workforce, a rich network of qualified suppliers and contractors, affordable housing, high-functioning transportation systems, and a vibrant urban core. But, ultimately, once a company has settled on a region, it must select a specific city or town in which to locate. While a region benefits *generally* when a high-skill, high-wage business decides to expand or locate in it, municipal leaders know that the individual town or city it decides to call home receives the specific and added benefit of property tax revenue. Thus, while it is important to think and act regionally in terms of overall business expansion and recruitment, it is also very important to think about *how to prepare your community as an attractive destination for high-skill, high-wage companies.*

For local economic development professionals in the Greater Wasatch region, the question is: how can we prepare our city or town as an attractive destination for companies in the knowledge-intensive, wealth-generating industries the region seeks to attract and grow? In other words, once a company has decided to expand or locate in the Greater Wasatch Area, how can we get that company to select our city or town as its home base?

Preparing your municipality as an attractive location for high-skill, high-wage companies requires vision, planning and follow-through. It won't just happen on its own. It takes a concerted, orchestrated effort by multiple stakeholders.

GETTING STARTED

How do you get started? The first, and perhaps most important, component of the process is the creation of an economic development vision for your municipality. Once agreement has been reached on a vision, it will be very important to conduct a baseline analysis of current economic development practice and trends. With a clear grasp on current economic development practice in your community, you can develop and implement strategies that help move your community from its current baseline toward the economic development vision you seek. Finally, it will be important to develop a method of benchmarking progress toward outcome goals in order to both identify bottlenecks and recognize achievements.

GETTING STARTED:

Step 1: Establish an economic development vision for your municipality

Step 2: Conduct an economic development baseline analysis to assess current practice

Step 3: Develop and implement strategies that move your municipality from current practice toward the economic development vision

Step 4: Develop a method for benchmarking progress towards desired outcomes

STEP 1: Establish an Economic Development Vision

In Utah, counties and municipalities must prepare and adopt "general plans" that demonstrate the planning commission's recommendations for the development of the territory. The Utah code gives counties and municipalities considerable discretion over the comprehensiveness, extent, and format of the general plan. At the same time, the statutes do describe a number of desired elements for the general plan, including land use, transportation, environmental conservation, public services and facilities, historic preservation, redevelopment and economic development among others.

As towns and cities throughout the Greater Wasatch region grow in the next decade—both in terms of population and business activity—planning for economic development becomes a more and more critical component of the general plan. Without a clear vision of how to direct and accommodate business growth, it is less likely that a community will develop in ways that enhance quality of life for residents. Establishing an economic development vision is a critical first step in helping to direct economic activity in ways that enhance, rather than detract from, a community's identity.

An economic development vision should be the result of a participatory process that involves multiple stakeholders, including elected officials, business people, and concerned citizens. It should articulate the *type* of economic development the municipality seeks and the *strategies* for achieving it. At the broadest level, an economic development vision should reflect how residents want economic activity to develop and grow in coming years. For example, do residents want their community to evolve into a regional industrial and commercial center or do they prefer to maintain a residential character?

Of course, not all municipalities seek development. Some municipalities purposefully resist or restrict development preferring the role and identity of "bedroom community." Those municipalities that *do* seek to develop into industrial and commercial centers, however, must thoughtfully define the physical and geographic nature of that development. What are realistic development goals given the community's geography, built environment and existing character? Is the municipal vision for economic development one that focuses on a lively, walk-able downtown served by public transit? Is it a vision of new construction, industrial parks and campus-style office complexes off highway interchanges? What are the implications of different choices? How do these choices relate to other elements of the city or town's general plan—i.e., land use, transportation and housing? An economic development visioning process must take all of these questions and issues into consideration.

It is also critical that a municipality's economic development vision be informed by state and regional economic development priorities and plans. Understanding the dynamics of the regional and state economy is essential to the development of a realistic and achievable economic development vision.

While an individual municipality may be able to carve out a specialized economic niche (e.g., recreation or night-life), economic development plans will generally reflect the larger economic environment in which the municipality operates. In the Greater Wasatch Area, for example, economic development organizations and universities are focused on the growth and development of knowledge-intensive, technology-based industries. In order to craft an economic development vision that reflects this economic development goal, municipal officials will need to educate themselves about these industries and develop a clear understanding of their needs (i.e., facilities, infrastructure, workforce, suppliers etc.) to determine how competitive their city or town will be as a potential destination.

No matter what technique is undertaken to establish a community's economic development vision (e.g., surveys, town-hall meetings, and community workshops), the process must lead to a clear statement of what the community wants to become and how it plans to get there. While technical analysis may contribute to the development of the vision, it is important that the vision statement itself is straightforward and comprehensible to ordinary citizens.

STEP 2: Conduct Baseline Assessment

"You can't get where you're going until you know where you are."

In order to determine the strategies that can help achieve an economic development vision, municipalities often conduct an assessment of current economic development practice. Conducting an assessment and establishing a baseline provide a starting point that helps elected officials, economic development professionals and citizens understand where a community is today versus where it needs to go to achieve the economic development vision. Establishing a baseline also helps a community measure progress toward goals.

As a starting point, three action items are outlined below:

1. **Assess the current state of economic development practice in your municipality.**

   To determine the state of current economic development practice in your municipality, consider the following questions:

- Where is the economic development function located in your town or city? Does your municipality have a professional economic development corporation or department or is the economic development function housed in an existing department (e.g., the planning commission or mayor's office)?
- How many professional economic development staff serve your municipality? What are their areas of expertise? How does their work interface with regional and state economic development agencies and strategies?
- Are economic development professionals in your municipality focused on growing and attracting wealth-generating businesses or are they focused primarily on retail development?
- Is your municipality characterized by a disproportionate number of retail businesses?

TOO MUCH RETAIL?

To answer this question, municipalities can conduct retail market analysis. Retail market analysis helps economic development professionals determine the amount of retail activity required by their community in the future. Cities and towns should conduct retail analysis to avoid over-zoning and developing commercial land that wastes infrastructure and potentially productive land that could be used for "higher-wage" employment sites.

Go to www.envisionutah.org/economic/retailanalysis for an example of a retail market analysis. This tool is part of the *Envision Utah Local Government Economic Development Toolbox*.

- Do economic development professionals in your municipality have a solid understanding of the wealth-generating industries targeted for regional expansion and recruitment – e.g., biotechnology, medical devices, advanced manufacturing and information technology? Do they have a firm grasp on the facility, infrastructure and labor force requirements of these industries? Do they know where companies in these targeted industries are currently expanding and/or locating across the region and why?

Answers to these questions will help determine next steps. For example, if economic development practice in your municipality is predominantly focused on retail, the first task may be to raise awareness regarding the benefits of wealth-generating industries to your municipality, the regional economy, and overall quality of life on the Wasatch Front. If, on the other hand, economic development practitioners have already prioritized high-skill, high-wage industries as a focus, the task may be to develop a sophisticated understanding of companies' needs and how your municipality can meet them.

2. Get smart about industry requirements.

In order to be an attractive location for new and expanding companies in high-skill, high-wage industries, it is critical to understand their requirements. The following questions can serve as a general guide to determine your municipality's level of industry-specific knowledge.

- What type of plant and facilities do companies in the target industries require? Biotechnology firms, for example, typically need large facilities outfitted with lab space. How long does it take to build this type of space? Are there construction firms in your region with experience in the development of lab space?
- Will prospective companies seek new, Greenfield development or do companies in these industry sectors have a track record of redeveloping/retrofitting existing industrial space?
- What are the transportation and infrastructure requirements of the target industries? How do they transport/ship products? How reliant are they on fiber-optic communications? What are their water, sewer and disposal requirements?
- What are the labor force requirements of the target industries? What credentials and skill sets are required of technical, professional and administrative workers in the target industries?
- What is the salary structure of companies in the target industries?
- What are the "corporate culture" and demographics of the target industries? Do people working in these industries tend to be young, progressive and laid back or are they older, conservative and traditional? Are there many young, single people, many married couples with children, or many empty-nesters?

3. **Inventory municipal (and regional) strengths and weaknesses in light of industry requirements.**

As economic development professionals and municipal leaders gain a firm handle on industry requirements, they are in a good position to inventory municipal offerings. The inventory will pinpoint strengths and weaknesses of your municipality with respect to target industries and will help to identify areas for change and improvement. As such, the inventory provides an important basis for the implementation strategies you select to achieve your economic development vision.

The inventory (which must be updated on a continuous basis in order to stay relevant) can also provide the basis for marketing materials that provide up-to-date information to state economic development officials and company site selectors about your city or town.

A comprehensive inventory should examine the following key economic development components as they relate to target industries:

Land and Buildings

Can your municipality easily inventory available land and buildings? Do you know how much vacant, unconstrained land is currently available? Are parcels available for infill and redevelopment? Which buildings in your community are currently unoccupied? Is this information readily available?

Zoning and Permitting Process

Is the zoning and permitting process in your municipality efficient? How quickly can businesses obtain approval for new development? Are there unnecessary bureaucratic obstacles that might discourage companies from selecting your municipality as a location for a new or expanding business?

Taxes and Regulation

How does your municipality stack up against other towns and cities in these two critical areas? Will prospective businesses find you competitive?

Infrastructure and Utilities

Are electricity and water abundant and affordable in your municipality? Do you have adequate sewage and waste treatment capacity? What is the status of fiber optic communications in your municipality?

Labor/workforce

What is the education and skill profile of your municipality and immediately surrounding cities and towns? Can the regional labor market fulfill the existing and future needs of target industries?

Education and Workforce Development

What public and private workforce development resources are available locally and regionally for target industries? What types of customized training programs are available through the two-year college system? Which four-year colleges offer relevant degrees?

Housing

What is the housing stock like in your municipality and surrounding towns and cities? What is the median home price? What is median rent for a 2-bedroom apartment? Are there ample choices for different lifestyles (i.e., single family homes, townhouses, condominiums, or apartments)?

Transportation Infrastructure

How close is your city or town to the airport? How close is your city or town to major highways? Is there access to commercial/freight services?

Quality of Life/Amenities

- **Schools:** How are the public schools in your municipality ranked? How do test scores compare to other districts? What are teacher/student ratios?
- **Transit:** Is your community served by public transit? Will light rail be available in your community any time soon? What is the level of traffic/congestion in your community?
- **Culture and entertainment:** What does your community have to offer? Do you have a thriving downtown with cafes, restaurants, retail and movie theaters? If not, how far do people have to travel to find these desirable amenities?
- **Diversity:** What is the demographic make-up of your town? Will everyone feel welcome and comfortable here?
- **Recreation:** Is your community characterized by parks and open space? Do you have a bike path or promenade that brings people together out doors?

An inventory across these areas will identify municipal strengths and weaknesses and will highlight areas in which your municipality must coordinate and work with others municipalities across the region to improve services and amenities (e.g., light rail, fiber optic infrastructure, and workforce development).

STEP 3: Prioritize and Select Implementation Strategies

Implementation strategies should be designed to move you from your present baseline to your future vision. The assessment of current economic development practice, the knowledge of target industry requirements, and the municipal inventory provide the information you need to select and craft effective implementation strategies.

Like the economic development visioning process, prioritizing and selecting implementation strategies should be a deliberative, open process that engages key municipal stakeholders. A community may want to pursue a plethora of strategies simultaneously; however, cost and staff capacity will determine how much can be taken on at one time.

IMPLEMENTATION STRATEGY FRAMEWORK FOR ECONOMIC DEVELOPMENT

Individual communities will naturally customize strategies to achieve their agreed upon vision. The following strategy framework is provided to stimulate dialogue and to help stakeholders prioritize implementation strategies.

STRATEGY: UPGRADE ECONOMIC DEVELOPMENT PRACTICE

Perhaps your baseline analysis and inventory revealed that your municipality has an underdeveloped and/or outdated economic development function. If this is the case, you may want to focus on upgrading and modernizing your economic development practice. Steps for upgrading and modernizing include:

- **Build Regional Perspective** – Municipal economic development should be informed by regional strategies and goals. Economic development practitioners should be encouraged to learn about and engage in professional networks addressing interregional cooperation for coordinated economic development and growth.
- **Develop Industry Savvy** – Municipal officials and economic development practitioners need to: get smart about knowledge-intensive industries, such as biotechnology, medical devices and information technology; learn about industry needs and requirements; and find out what site selectors in these industries value and why they select certain locations over others.
- **Increase Efficiency** – In order to increase efficiency, economic development professionals can streamline the development review process, eliminate unnecessary bureaucratic hurdles, and establish one point of contact for compliance issues.
- **Update Information** – Economic development professionals need comprehensive, up-to-date information at their fingertips in order to do their jobs well. Accessible, current data on land and building supply, financial incentives, and workforce development resources must be developed and made available. This information should be updated on a continuous basis.

STRATEGY: ACTIVELY ENGAGE IN BUSINESS DEVELOPMENT

To attract high-skill, high-wage companies to expand or locate in your municipality, you will need to engage in business development activities. The question is: which type of business development should you pursue? The answer will depend, in turn, on your business development goals. For example, is your goal to nurture homegrown, high-tech start-up companies or is it to recruit large, established companies from other states and regions? Perhaps it is some combination of the two. Your business development focus will drive the activities you engage in and the expertise required.

- **For Small Business Development** – Focus on, develop expertise in, and explore regional and state resources related to incubators, entrepreneurship training, financing, and small business management.
- **For Business Retention and Expansion** – Survey existing companies to identify problems and determine needs. Focus on financing, incentives, and workforce development.
- **For Business Recruitment** – Focus on marketing. Develop professional marketing materials in conjunction with state and regional economic development officials to promote your city or town.

Financial incentives can be an important aspect of a municipality's business development strategy. There are a variety of financial incentives that Utah cities and counties can offer to new or expanding companies, either through the state or directly. Expertise and information regarding business development and available financial incentives are available through the Governor's office.

STRATEGY: FOCUS ON WORKFORCE

Whether large or small, high-skill, high-wage companies depend on a highly-skilled workforce. Without the ability to recruit and train educated, skilled employees, companies cannot develop and grow. Not surprisingly, a central component of successful regional economic development today is *skill development*. Economic development practitioners have a key role to play in translating the specific skill-related requirements of companies in knowledge industries to the plethora of local, regional and state institutions responsible for workforce development. Municipal economic development officials have a critical "go-between" role to play by helping new and expanding businesses navigate and access the complicated workforce development landscape.

Armed with detailed information about industry skill needs, economic development practitioners can link companies with appropriate local and regional institutions and services, including individual university departments and career offices, customized industry training programs at two-year colleges, and community-based, non-profits specializing in entry-level workforce preparation.

Workforce training programs are often part and parcel of financial incentive packages municipalities offer to new and expanding companies to help meet their needs. Detailed knowledge of both financial incentives and the regional workforce development landscape are increasingly essential for successful economic development practice.

STRATEGY: PREPARE LAND AND BUILDINGS

In order to expand existing businesses and attract new businesses, municipalities must be able to meet business requirements for land and buildings. An inventory of land and buildings is a critical first step in getting a handle on existing availability. The inventory will reveal municipalities' strengths and weaknesses in this regard and can help economic development officials target activities and investment. Depending on your municipality's economic development vision, the focus may be on urban land assembly and upgrading older industrial buildings. Conversely, your focus may be on the development of large Greenfield parcels that can accommodate campus style developments. The key is to know what types of business you are going after, to accurately determine their land and building requirements, and to proceed accordingly.

- **Assemble Land** – If there is little contiguous vacant land under unified ownership in a city it is difficult to attract employers who require large parcels. Since few employers are willing to negotiate with multiple landowners and/or face the costs of redevelopment or demolition, public acquisition and assembly of land can make it possible for land-intensive businesses to locate in a city center.

- **Develop Brownfields** – Investing in the re-use of brownfield sites is an important strategy for municipalities that seek to promote compact development patterns. Brownfields are previously developed sites that may be polluted or contaminated. Regardless of location, employers are reluctant to site on brownfields due to potential liability and clean-up costs.

However, because brownfields are often located in desirable, close-in areas, require limited new infrastructure, and provide easy access to transportation and housing, local governments often view them as a valuable resource to be developed.

- **Retrofit Existing Buildings** – Rather than demolish existing buildings, many municipalities are retrofitting and modernizing older industrial spaces. The re-use of existing buildings appeals to conservation-minded businesses and often enables employers to locate in more compact, walkable business districts. Infrastructure improvement, broadband access and workplace safety are all areas that must be addressed when upgrading older buildings.

- **Develop and Build Business Parks** – New industrial or business parks often appeal to sought-after industries since they can be customized to meet specific industry needs. Government can combine its ability to acquire property, assemble land, and build infrastructure to create industrial and business parks that support regional and state economic development goals.

STRATEGY AREA: FOCUS ON QUALITY OF LIFE AND COMMUNITY AMENITIES

For many companies, quality of life and community amenities are taking on greater significance in location and expansion decisions. Companies that require highly-skilled, college-educated workers know their workforce is sought after and mobile. Accordingly, these companies increasingly seek to locate in regions and individual municipalities that offer good schools, a range of housing choices, vital downtowns, entertainment and cultural venues, and attractive parks and open space (i.e., they prioritize locations that offer their employees a high-quality life style).

An inventory of quality of life/community amenities in your municipality will reveal those quality-of-life dimensions that require improvement. Here again economic development practitioners have an important "go-between" role to play, helping stakeholders in other sectors (educators, developers, transit specialists, non-profits and environmental groups) understand the needs and requirements of companies and their employees.

- **Improve Public School Performance**
  Strong public school performance is often the single most important quality-of-life factor that families with school-age children seek. A high-performing school district attracts a demographic that places a high priority on education. Good public schools also increase property values making your municipality a good investment for home-owners.

- **Plan for Housing Development**
  Can your municipality's housing stock accommodate the employees of the companies you seek to grow or attract? What types of housing are employees likely to seek? An ample and diverse supply of housing is important to ensure that employees will not have to commute excessive distances because they can't find suitable housing nearby. If the companies you seek are likely to employ many recent college graduates, rental units, condominiums and townhouses are likely to be in demand. Those individuals holding management positions are likely to be somewhat older, to have families, and to seek single-family homes.

- **Enhance Downtown/Promote Arts and Entertainment**
  If your inventory reveals that residents of your community must travel considerable distances to eat in an upscale restaurant, attend movies, watch live theatre or visit an art gallery, a focus on downtown development may be a priority. A business strategy focused on compact, downtown development will succeed, in part, to the extent that downtown provides convenient and attractive venues for shopping, eating and entertainment.

- **Preserve and Enhance Open Space**
  Parks, open space, bike paths and promenades promote a sense of community by providing outdoor spaces for residents to congregate. High-quality neighborhood parks and playgrounds are a big draw for families with young children while bike and walking paths appeal to residents of all ages. Given that the Greater Wasatch Area attracts many outdoor enthusiasts, building off your municipality's recreational and outdoor assets may be an important quality-of-life strategy.

STEP 4: Benchmark Progress

Once municipal stakeholders have aligned *vision, strategies and resources,* it is time for implementation. Any good implementation plan will include measurable benchmarks that allow municipal stakeholders to measure progress, identify challenges, make mid-course corrections, and evaluate success.

- **Set attainable goals and establish a realistic timeline**
  While a community inventory may reveal multiple areas for change and improvement, resources and staff capacity will require stakeholders to prioritize goals and implementation strategies. For example, stakeholders may agree that the highest priority area for your city or town to focus on is business recruitment and workforce development. Conversely, there may be agreement that the highest priority for growing and attracting businesses is to focus on the development of land and buildings. Regardless of the goals determined, they should be articulated clearly and simply. In addition, stakeholders should develop realistic timelines for achieving each articulated goal (e.g., for business recruitment, "We will locate 500 new value-added, high-skill jobs in the next 5 years.")

- **Develop action steps and benchmarks related to goals**
  In order to measure progress toward your economic development vision, benchmarks need to be established that are clearly linked to each economic development goal. In other words, each economic development goal must be accompanied by a series of action steps that can be easily measured. For example, if an articulated goal is 500 new value-added, high-skill jobs in the next five years, what measures will be put in place to track progress toward that goal? What are one and two-year benchmarks of success? What steps must be taken, and by whom, in years one, two, three, and four, in order to achieve your articulated five-year goal?

- **Develop mechanisms for feedback and accountability**
  In order to stay on track, mechanisms for feedback and accountability will need to be built into the process. The action steps described above can provide a common work-plan and schedule to which all stakeholders are held accountable. Individuals responsible for each action step should plan to meet at regular intervals (monthly) to review progress toward articulated benchmarks and goals. If progress has slowed or run into unanticipated problems, this is the venue in which to seek input, make mid-course corrections, and/or adjust benchmarks and goals.

- **Track progress and report on results to key stakeholders**
  The same group of stakeholders that developed and articulated the economic development vision (i.e., elected officials, municipal employees, business people and concerned citizens) should be apprised of its progress on a regular basis. These briefings might take place at regular City Council meetings or at special Town Hall meetings. Regardless of the venue a community selects for reporting on progress, report-outs should maintain the same

participatory and deliberative process that characterized the initial visioning effort. It is important to remember that achieving the economic development vision is not a top-down process; rather it is a process that economic development professionals undertake on behalf of community stakeholders.

Conclusion

Creating a vital regional economy that preserves the high quality of life Greater Wasatch Area residents enjoy is, by nature, a complex, long-term process. It will require concerted effort, steadfast commitment, clear focus and coordinated leadership by business, civic and community stakeholders on an ongoing basis. It also will require inspired leadership and vision as the planning and action steps undertaken taken today are likely to bear fruit over a period of years, rather than months.

Nevertheless, it is time to get started.

Envision Utah – Economic Development Readiness Evaluation Tool & Feedback, version 1.0

(Designed by Barry L. Bartlett, Director, Best Practices Institute of Utah)

Name of Area/Political Jurisdiction Evaluated: ____

Instructions: For each "Key Factor" item, please indicate the level of current capacity and capability you feel your community/area has in place right now to meet the standard indicated. Use the following numerical indicators (you can think of the numbers as percentages, **1**=10%, **2**=20%, **3**=30%, etc):

Low (1-3)	**Medium** (4-6)	**High** (7-9)
1 = none, or almost none	**4** = some, but not nearly enough	**7** = pretty good, feel pretty competitive
2 = a little, but really not much	**5** = about half of what's needed	**8** = really in good shape, strong factor
3 = some, but still pretty meager	**6** = okay, improving, but need more	**9** = almost perfect; extremely strong factor

DIRECT INPUT FACTORS

Key Factors

Land and Buildings

[__] 1. We have sufficient and appropriate types of land, buildings and capital available to sustain the level of increased economic development we desire over the next 10 years.

[__] 2. There are programs and services now in place appropriate to incent/support the rezoning, sale and development of land tracts and buildings to reach our economic development goals.

Labor

[__] 3. There are sufficient amounts of (and incentives for) available labor, training mechanisms for and data on workforce needs to meet current and future labor force requirements.

[__] 4. There is a regional workforce plan available to coordinate available resources and help develop additional resources to ensure adequate worker available to reach our goals.

Natural Resources

[__] 5. Our community is actively engaged in preserving and regulating its critical natural resources.

FACTORS DIRECTLY AFFECTING INPUT COSTS AND OUTPUT REVENUES

Location Relative to Supplies and Markets

[__] 6. Transportation systems are adequate to meet current and expected future growth.

[__] 7. There is a comprehensive transportation plan available to coordinate future development.

Infrastructure and Utilities

[__] 8. The community has enough critical infrastructure systems and services for existing and near-term future development requirements, as well as the means to develop expansion.

[__] 9. There are comprehensive, up-to-date infrastructure development plans in place.

FACTORS INDIRECTLY AFFECTING INPUT COSTS

Amenity and Other Quality of Life Factors

[__] 10. Our area has an adequate supply of housing and personal lifestyle support services.

[__] 11. Our area has high quality education, cultural, recreation and business services.

Government Policies, Regulations and Leadership

[__] 12. Local governments have updated comprehensive plans integrated to our development goals.

[__] 13. Our government institutions have the professional staff, local ordinances, administrative procedures and political ability in place to support land development to reach our goals.

Organization for Economic Development

[__] 14. Our area has highly qualified economic development professionals, programs and agencies.

[__] 15. We have completely integrated economic development plans for business retention, targeted attraction, cluster and individual growth, and effective plan monitoring and implementation.

Survey Items Included in the Various Report Sub-Categories

The following table summarizes which Readiness Survey items were included in the scoring algorithm for each sub-category in each report. In some cases, items were used more than once in a particular report.

Determining Scores

To determine the **Avg. Score** of each category, just enter your score for each of the 15 items in the shaded boxes, add up the total scores for each row (category) and enter that number in the "**Totals**" column, then divide by number of items shown (**/ #**), and enter the answer in the **Avg. Scores** box. To get the average of all categories, add up the category **Avg. Scores**, divide by (**/ #**) and enter that number in **Avg. Scores**.

Report Title & Sub-Category Titles Item#:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Totals	/#	Avg. Scores
Jobs & Firms General Factors																		
1-Direct input factors																	5	
2-Factors directly affecting input costs, revs.																	4	
3-Indirect input cost factors																	6	
Number of times item used:	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	XXXX	3	
System Inventory: Resources, People, Organizations & Capabilities																		
1-Baseline Economic Resources																	5	
2-Community & Civic Organizations																	5	
3-Economic Development Capacity																	6	
4-Environmental Issues, Plans & Vision																	6	
5-Human Resources & Leadership																	8	
Number of times item used:	2	2	2	2	3	2	2	2	2	1	1	2	2	2	3	XXXX	5	
Regional Planning & Governance Issues																		
1-Building sense, scope & need for region idea																	8	
2-Creating regional vision																	5	
3-Developing preservation, restoration, change																	6	
Number of times item used:	1	1	1	1	1	1	3	2	1	1	1	1	1	2	1	XXXX	3	

Scoring Range for Each Item is from 1 – 9, as follows:

Low (1-3)	**Medium** (4-6)	**High** (7-9)
1 = Low, almost none, little	**4** = Med., under half of need	**7** = High, pretty good shape
2 = Low, a little, not much	**5** = Med., about half of need	**8** = High, very well developed
3 = Low, some, very basic	**6** = Med., over half of need	**9** = High, top 10% nationwide

Comments and Recommendations for Each Report Sub-Category

Following is a list of the customized comments and recommendations for each of the 11 sub-categories in the 3 perspective reports. These remarks are displayed based on the AVERAGE scores posted, where the general scoring range and comment type for all sub-categories is as follows:

Average score of 1.00-3.99: **Low** readiness level. See respective comment of encouragement.
Average score of 4.00-6.99: **Medium** readiness level. See respective recommendation to strengthen further.
Average score of 7.00-9.00: **High** readiness level. See respective recommendation to sustain & increase.

JOBS & FIRMS GENERAL FACTORS REPORT

1 *Direct input factors*

Low: Consider additional factor improvement strategies. Focus on land items for fastest improvement.
Mid: Good progress. Consider additional long-term land & labor strategies for sustained progress.
High: Excellent. Work to sustain and increase those capabilities and programs now in place.

2 *Factors directly affecting input costs & output revenues*

Low: Consider additional factor improvement strategies. Focus on planning issues for fastest improvement.
Mid: Good progress. Consider additional long-term planning strategies for sustained progress.
High: Excellent. Work to increase transport systems & infrastructure capabilities and plans even further.

3 *Indirect input cost factors*

Low: Consider additional factor improvement strategies. Focus on planning & people for fast improvement.
Mid: Good progress. Consider programs, ordinances, and planning strategies for sustained progress.
High: Excellent. Work to sustain and increase those capabilities and programs now in place.

- -

4 REPORT TOTAL AVERAGE SCORE:

Low: Lots of improvement opportunities. See additional factor strategies. Especially focus on planning.
Mid: Good progress. Consider additional long-term plans & resource development for sustained progress.
High: Excellent. Work to sustain and increase those capabilities and programs now in place.

SYSTEM INVENTORY: Resources, People, Organizations & Capabilities Report

1 *Baseline Economic Resources*

Low: Review improvement strategies. A larger planning area may quickly improve resource availability.
Mid: Good progress. Review other long-term baseline strategies & programs for further improvement.
High: Excellent. Work to sustain and increase those baseline economic resources now in place.

2 *Community & Civic Organizations*

Low: Look at various civic improvement strategies. Network, communicate, organize & develop people.
Mid: Good progress. Consider additional long-term people & civic program development options.
High: Excellent. Work to sustain & enhance area organizational programs, networks.

3 *Economic Development Capacity*

Low: Relate area's economic development strategy to resources. Look at ideas for rapid improvement.
Mid: Good progress. Consider more long-term strategies for further econ development growth, progress.
High: Excellent. Work to sustain, increase economic development capabilities now developed.

4 *Environmental Issues, Plans & Vision*

Low: Check on additional environmental improvement strategies. Leadership is also critical right now.
Mid: Good progress. Additional planning, program development will usually help make improvements.
High: Excellent. Work to expand environmental programs & vision; use business & civic partnerships more.

5 *Human Resources & Leadership*

Low: Review human capacity development strategies. Leadership is critical to strong growth, progress.
Mid: Making progress. Consider leadership recruitment, development & training for further improvement.
High: Congratulations! Work to increase others' abilities, & involve even more people in your processes.

- -

6 REPORT TOTAL AVERAGE SCORE:

Low: Much opportunity for improvement. Review several strategies; focus on weakest & most critical areas.
Mid: Inventory looks fairly good. Review several more strategies for further progress. Focus on planning.
High: Well done so far. Work to sustain and increase inventory strengths; improve weaker areas.

REGIONAL PLANNING & GOVERNANCE ISSUES Report

1 *Building a sense, scope & need for regional area concept*

Low: Building a regional focus requires vision, planning, leadership. Consider additional strategies, needs.
Mid: Good progress. Consider additional long-term, area-wide plans & programs for more improvement.
High: Area is well-oriented toward its regionality. Work to increase scope, capabilities, & any weaker areas.

2 *Creating regional vision*

Low: Regional vision is very challenging. Look at area-wide needs, benefits, possibilities, & strategies.
Mid: Some progress is evident. Consider additional area-wide needs, strategies & development possibilities.
High: Well done. Increasing regional vision strengthens local development capabilities. Keep plans going!

3 *Developing preservation, restoration, and change strategies*

Low: Refer to improvement strategies for help. Consider doing a specific regional project to learn more.
Mid: Good work so far. Regional strategies are often hard to develop, but worth the effort. Keep going.
High: Well done. Success breeds success. Build on your progress with more strategies, projects, plans.

- -

4 REPORT TOTAL AVERAGE SCORE:

Low: Regional planning & development is challenging. Review improvement strategies. Consider a project.
Mid: Regional economic development requires lots of cooperation. Keep building on your successes.
High: Tremendous! Work to sustain regional successes, build capabilities & celebrate accomplishments.

Complete Evaluation Checklist

There is a longer 73-item **Evaluation Checklist** document also available for review in any area where additional evaluation may be needed. Its content does not change the shorter 15-item **Readiness Survey** tool, since all items on the longer list are essentially derived as part of a subset of one or more of the items on the short list. The longer list is also available as an interactive survey document, either by section or in its entirety. Contact Envision Utah for further information.

ENVISION UTAH

A Partnership for Quality Growth

254 South 600 East, Suite 201
Salt Lake City, UT 84102
(801) 303-1450
www.envisionutah.org