



Shared Services & New Initiatives: Support for Economic Development Initiatives

DESCRIPTION This concept proposal involves local general purpose governments and possibly special districts working together regionally and sub-regionally to more pro-actively promote economic development.

Services may include:

- Data gathering and analysis on economic trends
- More explicit leveraging of physical planning (land use, transportation) actions to support private sector economic development plans;
- Research on development economics for different types of land uses within different geographic sectors throughout the region
- Planning and policy making to better align wide variety of local actions with regional economic development goals, including expanding finance options and exploring opportunities to standardize and add efficiency to local, state and federal regulations that affect economic activity.

ORIGIN OF THE IDEA In a fall 2012 survey of SACOG members, several activities that relate to this topic scored highly, including: growth projections, research on opportunities to promote employment growth and development economics throughout the region, analyzing local government development impact fees, and developing a toolkit for infrastructure plans and finance districts. SACOG's role in regional scale physical planning touches on many of these issues associated with this topic, but would become an expanded and more prominent part of either SACOG's or some other regional collaboration's activities moving forward. Expansion of SACOG's current focus on transportation and land use planning to include economic development is consistent with the current practices of peer MPOs and COGs at the Metropolitan Council for Minneapolis-St. Paul, San Diego Association of Governments, Denver Regional Council of Governments, the Regional Planning Commission servicing New Orleans Metropolitan Region, and the North Carolina Regional Councils including 16 regional commissions or councils of governments collaborating in statewide economic development activities.

In some regions of the country, for example Seattle, Phoenix, Charlotte and Kansas City, joint public-private entities are responsible for regional economic development planning. Should the SACOG region determine that separate but coordinated efforts toward economic development are not as

effective as a joint effort, there are joint public-private governance structures to model.

CONCEPT A little more background on the four general task areas listed above:

Data gathering on economic trends – SACOG annually monitors current trends of all types of land uses and every four years updates a long-range growth forecast for the region. SACOG could work with regional economic development initiatives to determine most useful monitoring information to support their efforts, and seek input on how to conduct and interpret the results of the long-range growth forecasts to maximize benefit for economic development purposes.

Leveraging physical planning to support private sector economic development plans – This is about activities like ensuring that local and regional land use and transportation plans support the growth of economic clusters prioritized in regional economic development plans. Is there a sufficient quantity of permitted land, in the right sizes and locations? Are transportation, and possibly other (i.e. water, sewer) infrastructure plans targeted to provide the necessary services to support these economic development interests?

Research on development economics in subsectors – Very broadly, development economics tend to be different in the region's urban, suburban and rural areas. SACOG maintains an extensive database and modeling capacity to track and understand these dynamics, but at this point in time probably needs to expand its focus on inner suburban areas. What are the risks and opportunities that will determine whether the future of these areas is bright or cloudy? In addition to this geography-based analysis, land use subsector analysis could help support economic development efforts. While SACOG regularly tracks current and planned land supply for housing, retail, office, industrial lands, SACOG also works on housing demand studies and could expand research on employment demand by subsector.

Planning and policy making, including regulatory reform – In addition to physical planning, many local governments are having financial, marketing and technical programs to promote economic development. In an era of limited public and private funding, focusing on reducing costs of development may be a particularly fruitful area for public-private collaborative discussion. Are there ways to change planning standards or regulatory procedures that will reduce costs while protecting public values? Are there benefits to standardizing some of these practices? If the public and private sectors work together more could that increase our local effectiveness at securing state and federal policy change and regulatory streamlining that would advance the region's economic development goals and public values?



GEOGRAPHY/SCALABILITY No need for proximity between participating agencies; can scale to serve all participants.

SERVICE DELIVERY OPTIONS

- Cost-share position. Dedicate staff position to expand primary agency activities associated with economic development relevant to land use and transportation planning. SACOG analysis would include analysis of past economic trends, market research, and land use, housing and transportation patterns. SACOG would pursue model development for impact and market forecast tools to assist local governments in strategic efforts to identify supportive economic development opportunities, with urban complement to rural tools developed for agriculture in the Rural Urban Connections Strategy. Staff would work with local governments and private interests to apply impact and forecasting tools to economic development strategies. Web center would also maintain coordinated information on unique community and regional assets to inform private sector regional economic development efforts. Could be incorporated in new fee structure for SACOG members or unique non-profit governance structure to expand flexibility for fund development opportunities. Staff talent would involve mid-level to low senior-level position with analytical and economic expertise at a full-time equivalent cost of approximately \$150,000 with benefits.
- Restructure SACOG's membership fees and pursue regional fund development opportunities. SACOG role in partnership with other regional agencies and organizations would be to support public sector dialogue with economic development directors, planning directors, public works directors and senior staff including city managers and county executives to leverage unique place-based competitiveness. Agency activities would involve multiple staff in research studies, data purchases, development of new tools and consultant contracts to assist local governments in planning/funding for critical infrastructure and regulatory changes. Significant agency focus on new activity, implementing MTP/SCS and RUCS with specific economic development focus. Would require phased in activity with financing goals of potentially \$1 million annually.

POTENTIAL BENEFITS

- Support implementation of regional to local economic development strategies with analytical tools and research.

- Engage coordination of small, medium and large jurisdictions in economic development support activities.
- Maximize cross jurisdiction regional assets for place making to include attractive housing, transportation and employment choice.
- Unified economic development and business competitiveness message among public and private sector partners.
- Improved regional sharing of assets and needs to leverage unique economic development opportunities.

POTENTIAL RISKS

- Conflicting goals and objectives among partners and jurisdictions
- Competition between agencies when advocating for economic growth

FINANCIAL

Potential savings – Anticipate increase cost for expanding SACOG's current activities in land use and transportation planning to include specific focus on economic development. Opportunity lies in improving economic competitiveness and bringing new wealth and employment opportunities to the region. Coordination of jurisdictional efforts would reduce the shifting of wealth and employment within the region and associated traffic, land use impacts, transportation infrastructure needs that result without new wealth and employment opportunities for the region. This would also bring efficiency to current private sector economic development activity, such as recent private sector efforts represented in the Next Economy effort, by expanding conversation to consider public sector permitting, consistency, and streamlining.

Potential costs – Costs range from full-time position estimated at \$100,000 with benefits to annual agency program with multiple staff participation estimated at a mid-six figure budget annually.

INTERESTED PARTIES Jurisdictional executives, staff and elected officials; and public agency partners including small business advocates, chambers of commerce, construction and development industry, and work force development organizations/institutions.

ISSUES TO RESOLVE

- Jurisdictional interest
- Public sector perspective on private sector economic development strategy
- Process for avoiding/resolving conflicts