

STRATEGIC PLANNING for ECONOMIC DEVELOPMENT



Moving Beyond the Overall Economic Development Program



THIS REPORT WAS PREPARED BY THE CORPORATION FOR ENTERPRISE DEVELOPMENT UNDER AN AWARD FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

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CFED prepared this report, in conjunction with Regional Technology Strategies, Inc. (Cambridge, MA)
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Preface

This report is the outcome of an extensive collaborative process, and as such many people have helped shape the findings and recommendations. We wish to thank executive directors and staff of economic development districts and tribal planning organizations who completed questionnaires, participated in meetings and focus groups, and shared their thoughts with us in various ways. We are very grateful to Aliceann Wohlbruck of the National Association of Development Organizations and Bill Dodge of the National Association of Regional Councils for their counsel and for their very practical help in reaching out to their respective members. Thanks are also due to all those who attended the Advisory Committee meetings and provided invaluable advice to the project team. We want to acknowledge the help, support and guidance provided by EDA staff in the regions and in Washington, DC, and to thank in particular, John McNamee, Luis Bueso, and John Fieser for making the cooperative agreement work. Naturally, responsibility for the final product rests with the authors. We hope that all those engaged in planning for economic development at the local and regional level will find encouragement in this report.

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Executive Summary

Strategic Planning for Economic Development: Moving Beyond the Overall Economic Development Program results from a cooperative agreement between the US Department of Commerce Economic Development Administration (EDA) and the Corporation for Enterprise Development (CFED). CFED's charge was to review, evaluate, and make recommendations on EDA's Overall Economic Development Program (OEDP), in order to increase the benefits of the regional planning process and to enhance economic development capacity at the local level.

After a year of interviews, surveys, focus groups, meetings, and presentations, CFED developed eleven recommendations in three areas: guidelines, relationships, and capacity building. As the project concluded, the Economic Development Administration Reform Act of 1998 passed. EDA now has a significant opportunity to use this report and the new Act to revitalize its local planning program.

Guidelines

There was widespread agreement on the need for EDA to update its guidelines for economic development planning. The message from practitioners was “simplify and clarify”—keep flexibility, remove unnecessary requirements, and be clear about expectations and outcomes. The term OEDP should be changed to “comprehensive economic development strategy” as outlined in the 1998 legislation. The existing three sets of guidelines for economic development districts (EDDs), tribal planning organizations, and redevelopment areas should be replaced by a new single set of guidelines. The planning process should incorporate clear performance measures. Planning grantees should be required to submit to EDA just one report annually, and the strategic plan and annual report should be widely disseminated documents designed to engage the public and local businesses and organizations in the economic future of their region.

Now that the Economic Development Administration Reform Act of 1998 has passed, EDA has a significant opportunity to revitalize its local planning program.

Relationships

For strategic economic development planning to be effective, the active involvement of the private and nonprofit sectors and all levels of government is critical. EDA should take the initiative to explore opportunities for greater integration of local and regional planning requirements imposed by federal departments and agencies. A priority should be a demonstration program focused on multipurpose regional organizations faced with multiple planning requirements. Demonstration grants should also be made available for efforts that seek to improve or strengthen relationships between EDA grantees and state governments. In addition, the en-

gagement of the private sector, whether for-profit businesses, labor unions, or nonprofit organizations, should be a central component of the planning process. EDA should promote private-sector participation through outreach to national representative organizations.

For strategic economic development planning to be effective, the active involvement of the private and nonprofit sectors and all levels of government is critical.

Capacity Building

Many of the recommendations will reaffirm current good practice among EDA planning grantees, but for others they present major challenges of complexity, resources, and expertise. To ensure that these challenges do not become insuperable obstacles, there has to be investment in capacity building among planning grantees, their boards, and regional EDA staff.

To begin with, the size of the planning grants to EDDs and tribal planning organizations should be significantly increased. For those grantees who show a real commitment to revitalizing the planning process on the lines recommended above, an Innovative Practices Fund should be established to provide incentives and rewards. The primary source of technical assistance and support for planning grantees should be an expanded and well-trained Economic Development Representative (EDR) service, coupled with the designation of University Centers in each region with the primary function of providing support and capacity building services to EDDs and

tribal planning organizations. Other capacity building measures are also recommended that are specific to tribal planning organizations. Finally, EDA is encouraged to invest both in the communications capacity of planning grantees to encourage greater learning and exchange, and in data tools to enhance the quality of economic analysis.

Many of the recommendations that follow will reaffirm current good practice among EDA planning grantees. Others present major challenges of complexity, resources, and expertise.

Introduction

This report results from a cooperative agreement between the US Department of Commerce Economic Development Administration (EDA) and the Corporation for Enterprise Development (CFED). From October 1997 to September 1998, the consultants interviewed a range of community and economic development experts, conducted a nationwide survey of economic development districts and tribal planning organizations, conducted focus groups in various parts of the country, met with representatives of other federal agencies, and made presentations at EDA regional conferences.

CFED's charge was to review, evaluate, and make recommendations on EDA's Overall Economic Development Program (OEDP), in order to increase the benefits of the process and to enhance economic development capacity at the local level. Coincidentally, late in 1998, new authorizing legislation passed for the EDA, which presents a unique opportunity to revamp its programs, including those for economic development planning.

For over 30 years, the OEDP has contributed to effective local economic development in America's distressed areas by establishing a locally based, regional planning process. Economic development planning—as implemented through the OEDP—has been a cornerstone of EDA's programs. At its best, the process encourages the local community to think strategically about itself, its assets and liabilities, where it wants to go, and what steps it must take to get there.

An OEDP has always been a prerequisite for EDA public works project funding, but its value to the community goes far beyond a project eligibility requirement. CFED's evaluation confirmed the importance of a local planning process in achieving economic development and that the OEDP is fundamentally sound. Its research also confirmed the need to update and revitalize that process to take into account recent developments in regional planning, as well as the need for additional resources to undertake these efforts.

For more than 30 years, the OEDP has contributed to effective local economic development in America's distressed areas by establishing a locally based, regional planning process.

The focus of this report is a set of recommendations designed to increase the consequence of EDA-funded strategic planning for economic development. The report is organized into five main sections: Context, Guidelines, Relationships, Capacity Building, and a Resources Guide for Practitioners.

The focus of this report
is a set of
recommendations
designed to increase
the consequence of
EDA-funded strategic
planning for economic
development.

■ **Context** describes some of the critical factors that make this review of EDA's planning program so necessary and timely and that frame the report's recommendations.

■ **Guidelines** propose a new set of Comprehensive Economic Development Strategy guidelines to replace the OEDP guidelines.

■ **Relationships** stresses the need for both EDA and its planning grantees to make the strategic planning process more inclusive, seeking greater collaboration with other federal agencies, state governments, and the private sector.

■ **Capacity Building** recommends ways in which EDA investment in planning grantees can lead to the necessary system and practice improvements to ensure that strategic planning for economic development is indeed more consequential.

■ Finally, the **Resources Guide for Practitioners** presents useful information on books, manuals, websites, and organizations to assist the process of strategic economic development planning.

Context

EDA mission

The mission of the Economic Development Administration is “to stimulate employment and increase income in distressed communities. EDA’s role is to assist local communities to develop and diversify their economies through effective partnerships and strategic investments of resources.”¹ EDA’s planning and capacity building programs play a critical role in helping distressed communities organize and access the resources required to implement effective development programs.

Currently, EDA assists local areas with economic development planning and development assistance programs by providing support to 320 economic development districts (EDDs), 64 tribal organizations, 69 university centers, and 12 trade adjustment assistance centers as well as annual planning and technical assistance grants to states and urban areas. EDA relies on local planning processes to make investment decisions and to help distressed communities leverage additional local, state, and federal support to attract private jobs and investment.²

The OEDP

The OEDP was a prerequisite for EDA public works grants, and was encouraged as preparation for economic development assistance from EDA and on occasions from other federal agencies. This planning requirement, which had been in effect in some form since 1962, aimed for “a process that analyzes local conditions, identifies problems and opportunities, sets goals, designs strategies, and evaluates accomplishments. It must adopt a thoughtful and logical approach to long-range problems but also encourage early identification and implementation of short-range problem solutions.”³

Financial assistance is provided by EDA annually to planning grantees; the funds are used to prepare and update a comprehensive economic development strategy, convene planning meetings, design and develop projects, and provide technical as-

EDA’s planning and capacity building programs play a critical role in helping distressed communities organize and access the resources required to implement effective development programs.

TABLE 1. Funding for EDA Planning Activities for FY 1995 and FY 1997

	Total 1995	Total 1997	Av. grant '95	Av. grant '97
District Program	\$18,583,000	\$17,527,000	\$59,000	\$55,000
Indian Program	2,901,000	2,800,000	47,000	44,000
State Program	2,089,000	1,100,000	108,000	69,000
Urban Program	2,784,000	2,650,000	77,000	83,000
Total	26,357,000	24,077,000		

sistance to their local governments. EDA provides grants for up to 75 percent of the cost for EDDs and redevelopment areas, and for up to 100 percent for Indian tribes. The EDA appropriations for planning activities for 1997 and 1998 were \$24 million,⁴ some 7 percent of total program budget. In FY 1995 and 1997, funding for planning was allocated as shown above (*see Table 1*).

As Table 1 shows, there was an 8.6 percent decrease since 1995 in total resources available for planning activities. The District and Indian Programs, of which planning was a major component, were reduced by 5.4 percent.

The requirement to prepare an OEDP was replaced by the provisions of the Economic Development Administration Reform Act of 1998.

The EDA Reform Act of 1998

The EDA Reform Act of 1998 reauthorizes and makes reforms to programs originally authorized by the Public Works and Economic Development Act of 1965. The new Act seeks to promote a strong and growing economy throughout the United States through the provision of assistance to rural and urban distressed communities. Local communities are encouraged to work in partnership with neighboring communities, states, and the federal government to increase their capacity to develop and implement comprehensive economic development strategies to address existing, or deter impending economic distress. In particular, distressed communities are encouraged to take advantage of the develop-

ment opportunities afforded by technological innovation and expanding and newly opened global markets.

Grants continue to be available for public works and economic adjustment projects, provided that the area in which a project is located complies with certain eligibility requirements. On the date of submission for funding, an area has to meet at least one of three criteria: a per capita income level of 80 percent or less of the national average, an unemployment rate of at least one percent greater than the national average, or other special needs as determined by the Assistant Secretary of Commerce for Economic Development.

Any application for project assistance has to include a comprehensive economic development strategy for the region for addressing identified economic problems in a manner that:

- **Promotes economic development and opportunity.**
- **Fosters effective transportation access.**
- **Enhances and protects the environment.**
- **Balances resources through sound management of development.**

Capacity-building grants are available to pay the costs of economic development planning as well as the administrative expenses of organizations that carry out the planning. Such planning has to be a continuous process involving public officials and private citizens in analyzing local economies, defining economic development goals, determining project opportunities, and formulating and implementing an economic development program that includes systematic efforts to reduce unemployment and increase incomes.

The Time is Ripe...

The OEDP had been an important tool for local and regional planning for over 30 years, but the new EDA legislation came just when the time was ripe for an overhaul both of EDA's guidelines for local planning and of the framework that supports economic development planning. The need for an overhaul is in large part due to the rapidly changing context for economic development. Here are four examples:

First is the rapidly growing interest in **regional communities**. According to the National Association of Regional Councils, “Regions have become the basic building blocks of the global economy; and our ability to cooperate regionally will determine our ability to compete globally. Community leaders and citizens increasingly recognize that regional cooperation will have a significant influence on the quality of life in each neighborhood and jurisdiction...”⁵

There is a growing enthusiasm across the country for exploring regional approaches to issues that no longer relate to county, city, or even state jurisdictions.

There is a growing enthusiasm across the country for exploring regional approaches to issues that no longer relate to county, city, or even state jurisdictions. Air and water quality, transportation, land use, public safety, welfare-to-work, and, of course, economic development are just such issues. EDA’s promotion of regional economic development planning over the past three decades has created an infrastructure of EDDs and tribal organizations that are well placed to encourage and support this growing regional movement. An economic development planning process provides the vehicle for bringing together multiple jurisdictions with other public, private, and nonprofit organizations to develop plans and initiate actions that impact distressed communities.

Second is the movement to promote **sustainable development**. A report prepared by the Jobs and Environment Campaign for EDA in 1995 presented the concept of sustainable development as “a new framework for thinking about the causes and symptoms of economic distress and approaches to alleviating such problems. The concept is rooted in the hypothesis that community economic viability, environmental quality, and social equity are interrelated in complex ways. It suggests that achieving any one of these outcomes requires attention in some way to all three.”⁶ At a recent conference in New Orleans, senior EDA officials described sustainable development as a priority, encouraging its integration into planning processes, and calling for the use of economic development tools such as infrastructure investments, revolving loan funds, and business assistance to promote and support sustainability.⁷

More and more communities are engaging in visioning and planning projects for a variety of reasons, many related to the growing interest in finding collaborative and sustainable solutions to economic, environmental, and community problems. This, in turn, has led to improvements in planning practices. The spirit of the EDA Reform Act of 1998 encourages environmental protection as

part of economic development, and promotes strategies that propose a balanced use of local resources.

Third is the changing climate for **strategic planning within the federal government**. This has been apparent since 1993, with the move to identify and apply performance goals and measures to guide federally assisted programs toward better results. The Government Performance and Results Act of 1993, known as the Results Act or GPRA is forcing agencies, including EDA, to think more strategically about their programs and activities, and focus more energetically on the performance and outcomes of their investments. This, in turn, puts pressure on grantees, the EDDs, and tribal councils to do the same as part of their planning processes.

Many federal departments and agencies now make financial assistance conditional upon the preparation of community strategic plans, although there is unfortunately little consistency between them in terms of content and timing. Some federal agencies have issued planning guidelines that offer simplified models for guiding community-based planning processes—the Appalachian Regional Commission (ARC) has produced a handbook and guidelines for its local development districts (LDDs), HUD and USDA for their Empowerment Zones and Enterprise Communities Program.

Fourth is the **increasing complexity** of the local and regional economic development environment. “Three decades ago, regional councils of government were often the only regional organizations; they were conducting area-wide functional planning for various federal aid programs and reviewing proposed federally supported projects for their consistency with those plans, at times in unfriendly and even hostile environments. Now...the typical region has approximately a dozen regional organizations.”⁸

There is an increasing presence and capacity of private, nonprofit economic development organizations around the country with loan capital and business assistance programs targeted to distressed areas. These are changing the economic development landscape and increasing the numbers of actors with whom EDA grantees have to work.

Many federal departments and agencies make financial assistance conditional upon the preparation of community strategic plans.

There is unfortunately little consistency between them in terms of content and timing.

FIGURE 1. Findings from a Survey of EDDs and Tribal Planners

In January 1998, survey forms were mailed to 320 EDDs and 64 tribal planners in order to develop a profile of organizations that use EDA planning funds and to learn about their experiences of and attitudes towards planning and the EDA's planning program. There was a response rate of 59 percent (226) from 42 states with an EDA regional split of Atlanta 28 percent, Denver 17 percent, Chicago 16 percent, Austin 13 percent, Seattle 12 percent, Philadelphia 10 percent, and 4 percent not allocated.

Organizational Profile

- Ninety percent of the organizations are 20 or more years old.
- Average EDD funding in 1997 was \$55,000, for Indian Tribes it was \$44,000.
- Organizations that receive EDA funds also have designations from other federal and state agencies, and therefore manage more than just economic development activities. 60 percent are also a state designated region, 52 percent a regional council, 37 percent an Area Agency on Aging, and 30 percent reported "other" designations, ranging from Arts Councils, to microenterprise programs, to affordable housing programs. Most of these organizations manage multiple activities, so plan-

Regional Profile

- Respondents are mostly rural; 84 percent describe themselves as "very rural" or "rural adjacent to urban." The other 16 percent are either "small urban" or "metropolitan."
- Almost 3/4 of respondents reported that they are operating in economies that are growing at the national average or better. 23 percent indicated they are experiencing "no growth."
- On average, planning grantees serve seven counties, with service areas ranging from 1 to 28 counties in size. The median size population served is 210,000.

ning for economic development is only one of many responsibilities.

- For EDDs, the median staffing level for economic development is two people (ranging from 0.2 to 35 people) with a budget of \$100,000 (ranging from \$12,000 to over \$2.4 million). When median economic development figures are compared to median overall figures, economic development staffing represents 17-18 percent of overall staffing, and economic development budgets represent just 10-11 percent of total budgets.
- For tribes, the equivalent figures are 1.5 staff (ranging from 1 to 8 people) with a budget of \$43,000 (ranging from \$31,000 to \$225,000).

- Nearly half the respondents indicated that agriculture, forestry and fishing play a major role in their local economy. For 29 percent, manufacturing plays the dominant role, and for 26 percent, services is the major sector.
- The major constraint to further economic development is a shortage of work-ready workers...33 percent reported this to be the case, 27 percent a shortage of capital for business growth, 19 percent an economy not diversified enough, and 17 percent a poorly maintained local infrastructure.

Figure 1 (continued)

Operations

■ The vast majority of respondents partner primarily with local and county governments, with their state departments of economic development, with Chambers of Commerce, educational institutions, and Small Business Development Centers. About two-thirds involve the state in their OEDP planning.

■ Sixty six percent use planning meetings as a method to get input on the OEDP, 62 percent public meetings, 61 percent research and 59 percent surveys, indicating multiple approaches, in many cases.

■ Two-thirds use the OEDP to highlight regional approaches to local issues. Other

primary uses include identifying and prioritizing projects, encouraging community participation, and building partnerships.

■ The “biggest obstacle” to doing a good job with the OEDP is a shortage of funds. If the planning grants were withdrawn, 80 percent said it would reduce the quality of planning efforts, and over a third indicated that it would cause them to cease planning activities. The vast majority of respondents felt that an increase in funds would “increase effectiveness of our planning” and would probably be spent on increasing staffing and increased quality of project preparation.

Coordination with other planning is the most needed change (with federal, state, and regional processes). Over half also asked for incentives for regional cooperation. Almost half wanted more flexibility in the guidelines—only 15 percent wanted more specificity.

An Infinite Variety

The most recent planning guidelines for EDDs were prepared in 1992, but those for redevelopment areas have not been updated since 1972, and those for Indian tribal organizations not since 1976. As a result, some variations in interpretation of the guidelines from region to region have become evident, and some EDA regions have experimented with revised guidelines.

This adds yet another dimension to the variety of EDA-funded planning activities—an aspect that many practitioners who value flexibility applaud, but one that presents real challenges for those wishing to overhaul the system. The variety stems from the following facts:

- As mentioned above, there are currently three sets of planning guidelines with somewhat different emphases and requirements for economic development districts, tribal planning organizations, and redevelopment areas.

Although culturally appropriate economic development in Indian nations still proves to be elusive, there have been some recent success stories from which lessons can be learned.

- There are six regional offices, each exercising a large degree of discretion as to how the guidelines are interpreted and applied.
- There are 320 EDDs, 64 tribal councils, and some 2,885 redevelopment areas, each with their own mix of economic, geographic, and political contexts. Figure 1 (*see previous page*) presents the results of CFED's survey of EDDs and tribal councils and gives a flavor of the diversity.
- Many regional economic development organizations have taken on multiple functions and funding sources—transportation, land use planning, small business development, aging services—with the result that, at least for some, the relative importance of EDA activities and particularly of the planning program has declined.
- A 1996 study by the National Academy of Public Administration identified “at least six dozen separate federal economic development programs in 12 cabinet departments and independent agencies...These programs have different procedures and time frames for allocating their resources, as well as varying methods for monitoring and documenting results. But the programs tend to use the same tools...Each of the federal economic development programs is organized around a particular constituency and a particular kind of economic development organization that it controls.”⁹

Indian Economic Development

Although culturally appropriate economic development in Indian nations still proves to be elusive, there have been some recent success stories from which lessons can be learned. The Harvard Project on American Indian Economic Development, after a decade of research, technical assistance, training programs, and case studies, has identified key factors for success. These factors can be condensed into two main themes:

- *De facto* sovereignty is crucial to the success, sustainability, and cultural appropriateness of development projects.
- Investors, whether or not tribal members, who seek to invest money, time, and energy in enterprises on reservations, require a stable, predictable business environment. In particular, this means having the social, legal, and cultural institutions in place to nurture commerce.

In August 1998, the White House convened a major conference titled “Building Economic Self-Determination in Indian Communities” for tribal leaders and advocates. Several hundred people attended the event, including the President and at least seven cabinet-level federal officials, Senator Daniel Inouye, and the leaders of several Indian nations across the country. The main message from the federal government was one of renewed commitment to programs and initiatives that support “economic self-determination” of tribes, and of the importance of nation-building as a major component of economic development.

EDA has an important role to play in Indian economic development, but needs sufficient resources and staff to be a better partner with its tribal grantees. Some important issues include:

- Tribes are sovereign nations with unique political and legal environments. The relationship demands more care and attention by EDA, the EDR, regional, and headquarters levels.
- There is an urgent need to build professional economic development capacity within tribes, so that economic development planning can provide continuity in vision and strategies despite frequent political turnover.
- Many tribes tend to view economic development as a comprehensive, holistic process. This results in longer lead-times for project development, and a need for more technical assistance in the form of feasibility studies and market analyses to gauge impacts of development projects on the community.
- The experiences of Indian economic development initiatives offer lessons for EDDs that are pursuing sustainable development agendas through similar holistic approaches, particularly EDDs in remote, distressed areas.
- Performance measures have to be broadly defined.

The experiences of Indian economic development initiatives offer lessons for EDDs that are pursuing sustainable development agendas through similar holistic approaches, particularly EDDs in remote, distressed areas.

Guidelines

CFED's yearlong project found widespread agreement on the need to update the OEDP and the associated guidelines. The message from practitioners was "simplify and clarify"—do not lose the inherent flexibility of the existing process, remove all unnecessary requirements, but be clear about expectations and outcomes. The challenge now is to ensure that new regulations and guidelines that accompany the EDA Reform Act of 1998 take into account these views.

From interviews and discussions with EDA staff, EDD executive directors, tribal planners, and other experts in community and economic development planning, there emerged some principles (*see Figure 2, next page*) and a clear framework for a new set of guidelines.

Recommendation 1

New guidelines should emphasize the objectives of the EDA Reform Act of 1998 and reflect lessons learned from thirty years experience with the OEDP.

Key elements of new guidelines should be:

- A new name, with clear distinctions between "the process" and "the plan"
- A single set of guidelines appropriate for all EDA planning grantees
- Consolidation of reporting to one annual report
- Introduction of performance measures
- A communications strategy

A New Name. After more than 30 years of the OEDP, this is an appropriate time to change the emphasis from what became compliance-led planning documents to an effective *process* that is dy-

The message from practitioners was "simplify and clarify"—do not lose the inherent flexibility of the existing process, remove all unnecessary requirements, but be clear about expectations and outcomes.

FIGURE 2. Principles for Devising New Guidelines

- For economic development to be successful, it has to be **based on effective strategic planning**.
- **Collaboration and outreach are central to good planning.** A broad spectrum of stakeholders in the region, including the private and nonprofit sectors and all levels of the public sector, has to be actively engaged in the process.
- **Planning is an integrative process** and should build upon, or at least take into account, other planning activities relating to the service area, such as other planning for economic development, transportation, education, welfare-to-work, environmental protection, disaster prevention, and natural resources.
- The planning process is the means by which **local priorities are determined**. These priorities will, in turn, inform EDA's overall strategies, programs and performance goals.
- Economic development is inextricably linked to issues of social equity and environmental protection. **Sustainable development** should be a core mission, not an optional extra.
- The planning process **should be more than an eligibility requirement for EDA public works funds**; it should guide, generate, and support a range of economic development activities, targeting a wide range of federal, state, and private funding sources.
- The planning process should be a powerful vehicle for promoting **regional cooperation** and for building capacity in regional economic development organizations.
- There is a growing amount of best practice in **community-based planning** that EDA grantees should be incorporating into their operations. There needs to be a greater emphasis on learning and sharing, and rather less reliance on federal mandates and requirements.
- A higher priority needs to be given to defining **performance measures and benchmarking** in order to assess progress towards plan goals and guide plan updates and adjustments.

dynamic, broad-based, strategic, and collaborative. The reauthorizing legislation refers to a “comprehensive economic development strategy,” bringing EDA’s planning activities into line with those of other federal and state agencies. There will still be a need for a “strategy plan” or “strategy” and an annual “action plan,” but these should be seen as outputs from a carefully designed process, not formulaic reports.

One Set of Guidelines. Provided that there is appropriate recognition of the variety of circumstances in which they will be applied, one set of guidelines should be sufficiently universal to meet all EDA requirements. The cultural and institutional contexts for tribal economic development clearly differ from those that apply to other EDA planning grantees, but the basic principles of strategic planning re-

main the same. Moreover, the challenges of economic development in remote rural areas are much the same whether they are on a reservation or within an economic development district.

One Annual Report. In order to reduce unnecessary reporting burdens on grantees, while ensuring that reporting has real value, a single annual report is recommended to combine two elements. The first should be a performance report (How did we do?) in which progress, both in terms of outcomes and process improvements, is presented. The second should be an annual plan, which projects activities and anticipated outcomes over the coming year within the context of the strategic plan. Regional staff should also allow grantees to set their annual reporting date in consultation with EDA. This avoids a situation where a region receives all reports at the same time and, as a result, has limited capacity to respond.

Performance Measures. The revitalized planning process should incorporate clear performance measures so that progress towards both local and national objectives can be monitored and assessed. Two types of performance measurement have to be taken into account: outcomes and process, and for each there are both national and local considerations.

GPRA requires federal departments and agencies to develop long-range strategic plans, annual performance plans tied to their budget requests, and annual performance reports that monitor their progress toward achieving planned results of significance to the American people. The first strategic plans and annual performance plans have been submitted to Congress, and the first performance reports are due in March 2000, six months after the close of the Fiscal Year 1999 (October 1, 1998 through September 30, 1999). It is GPRA that is forcing the pace of identifying and measuring outcomes.

For EDA, GPRA presents two major challenges.

- First, economic development is an objective that many federal agencies share to a greater or lesser degree. In GPRA parlance, it is an area of high “mission overlap” as many agencies—and not just federal—contribute. It is both a matter

Economic development is inextricably linked to issues of social equity and environmental protection.

Sustainable development should be a core mission, not an optional extra.

of definition (What is economic development?) and of attribution (How can one program's impacts be separated from those of other programs or indeed from the consequences of other external forces?).

- Second, EDA operates through a nationwide delivery system of economic development districts and tribal organizations, as well as local governments, universities, and nonprofit organizations. EDA is therefore dependent upon the cooperation and performance of these local organizations to be able to measure its own performance.

Planning grantees should be challenged to come up with measures for the quality of the planning process: "inclusiveness of people, breadth of scope, sensitivity to difficult issues and choices, creativity, grounding in reality, and horizontal and vertical connections to other planning efforts."

One way forward for EDA is to shift responsibility for outcome measurement to the local level. This has two benefits. It places responsibility on those who have some control over the results, and grantee performance measurement avoids the problem of diverse goals, definitions, and techniques. EDA's effectiveness will be determined by the extent to which grantees achieve their locally defined development goals.

There are, however, two prerequisites. Grantees will need to be trained in performance measurement, and safeguards will be needed to ensure that locally defined goals are sufficiently ambitious. An Economic Development Representative (EDR) suggested that planning grantees should be challenged to come up with measures for the quality of the planning process: "inclusiveness of people, breadth of scope, sensitivity to difficult issues and choices, creativity, grounding in reality, and horizontal and vertical connections to other planning efforts." Such an approach can be complemented by project evaluations such as those recently undertaken by Rutgers University¹⁰ of the Public Works and Defense Adjustment Programs.

A recent study by Applied Development Economics (ADE)¹¹ provides some guidance to EDA grantees on performance measures for planning activities. The recommended measures include both outcome/outputs and process measures. The former document project and program accomplishments as well as tangible outcomes such as job creation and investments that have occurred during the reporting period. The latter focus on measures such as economic development partnerships, technical assistance, and the leverage of investment. These

are intended to be minimal reporting requirements for planning grantees to submit to EDA.

Dissemination. The strategic plan and the annual reports should be public documents and disseminated widely within the region and beyond. As a further means of moving the planning process beyond simple compliance, the strategic plan and the annual reports should be aggressively marketed within the grantee's area, adjacent areas, and the appropriate state agency, using the Internet, news releases, and direct mailing. The aim should be to make the process and the plans of some consequence to the public and local businesses and organizations, and to encourage their future engagement and commitment. This approach should have the effect of making the documents more readable and relevant, and less technical and formulaic.

FIGURE 3. Reaching Out in the North Carolina Land of Sky Regional Council

The Land of Sky Regional Council in western North Carolina distributes three simple publications to disseminate information to the community and the region. One is an eight-page Annual Report that includes a "Report to the Regions' Citizens," budget and committee information, pictures, and a favorable editorial from the local press. The second is a 15-page glossy report on their extensive, community-based planning process, including journalist-style coverage of the process, the findings, and the Council's action steps to implement the plan. The third is a newsprint collection of articles and letters of support to the organization, most recently on the occasion of its 30th anniversary. These public documents explain the organization and its work to the community, describe the Council's role in the region, and effectively invite and inform an interested citizen.

Recommended Guidelines

With the benefit of consultation with EDA staff in the regions and in Washington, DC, the following set of recommended guidelines have been prepared. They are intended as input into the process of drawing up the new EDA regulations and guidelines, and have no official status.

Recommended Guidelines

What is a Comprehensive Economic Development Strategy?

A comprehensive economic development strategy emerges from a continuous, broad-based planning process for tackling the economic problems of a region. The strategy should promote economic development and opportunity, foster effective transportation access, enhance and protect the environment, and balance resources through sound management of development. For the purposes of these guidelines, the term “region” refers to areas that have been defined economically, environmentally, or geographically as appropriate units for addressing economic development and related challenges.

The strategy document should be as short and easily accessible as possible. The general public, government decision makers, and business investors should be able to use it as a guide to understanding the regional economy and to taking action to improve it. The strategy should take into account, and where appropriate, incorporate, other planning efforts in the community. Its quality should be judged by its usefulness as a guide to local decision making. There should be a continuing program of communications and outreach, using a variety of techniques that encour-

age broad-based public engagement and commitment of partners.

Each strategy is unique, reflecting the challenges and opportunities facing the region. It should contain four main elements: analysis, vision, action plan, and evaluation. The analysis should assess the state of the regional economy, the opportunities and threats posed by external trends and forces and the availability of partners and resources for economic development. The community's vision and goals, together with an appraisal of the region's competitive advantage, should set the strategic direction for the action plan. The action plan should present priority programs and projects for implementation. Finally, the strategy should describe the process for evaluation and periodic update.

The EDA may approve a plan prepared under another federally supported program as a comprehensive economic development strategy provided that its preparation and content are consistent with these guidelines. Similarly, the comprehensive economic development strategy should be viewed as an opportunity to coordinate federal, state, and local funding for economic development.

Who should prepare a Comprehensive Economic Development Strategy?

The Act requires that all applications for assistance for public works and economic adjustment projects should be accompanied by and be consistent with a comprehensive economic development strategy. Eligible recipients of such assistance include areas which meet per capita income, unemployment or other special-need criteria (known as section 301(a) eligible areas), economic development districts, Indian tribes,

states, cities or other political subdivisions of states, institutions of higher education, and public or private nonprofit organizations or associations in cooperation with officials of political subdivisions of states.

In practice, the primary organizations required to prepare comprehensive economic development strategies are likely to be economic development districts and Indian

tribes, who have traditionally been recipients of EDA planning grants.

The comprehensive economic development strategy must be prepared and maintained in consultation with a diverse set of community and economic interests in the region. This might be achieved through the formation by the appropriate governing body (or bodies) of a steering committee whose composition reflects the demographic, social and economic characteristics of the region. The steering committee, or an equivalent body, should contain representatives of local governments, the private sector, non-

profit organizations, and community and resident associations.

Wherever possible, the preparation of the strategy should be supported by professional staff trained in the principles and practices of community and economic development. Such staff would conduct research and analysis, facilitate the visioning process and goal setting, prepare draft strategies for consideration by the steering committee, and prepare the comprehensive economic development strategy document for review and approval by the steering committee and the governing body.

How should a Comprehensive Economic Development Strategy be prepared?

The manner in which economic development organizations prepare a comprehensive economic development strategy will vary based on local circumstances, staff capacity, and resources. Indian tribes may choose to design a process they regard as more culturally appropriate which still results in an analysis, vision, and action plan. In general, the key to a good strategy is an ongoing, participatory planning process with the following elements.

Where Are We Now? An analysis of the region should answer the questions, “Where are we now?” and “Where are we heading?” The planning process should begin with relevant research and preparation of analysis by economic development staff. Recognition should be given to current plans and planning processes related to the region, such as those for transportation, land use, air and water quality, welfare reform, and housing.

The analysis should clearly and succinctly address the following:

■ **The state of the regional economy.** What are its strengths and weaknesses? What are the growth sectors and clusters? What is driving the economy and where is it heading?

■ **External trends and forces.** What are the opportunities and threats? How is the region positioned in the global economy?

■ **Partners for economic development.** Who are important actors in the region? (may include organizations, businesses, individuals, and other planning projects) Who represents issues important but unfamiliar to the economic development organization? (such as workforce development, social service delivery, natural resources)

■ **Resources for economic development.** What do we have to work with?

The governing body, for instance the board of directors of an economic development district or the tribal council of an Indian tribe, might:

- ■ Identify partners in the region.
- ■ Form a broad-based steering committee.
- ■ Establish a steering committee work plan and timeline.
- ■ Review, discuss, and seek additional input to the analysis of the region.

Where Do We Want To Be? The vision is a statement of change that answers the ques-

tion, “Where do we want to be?” The vision needs to set a clear direction for the future based upon:

■ **Desired future.** What is our vision for the area in the next ten to twenty years? What are our goals?

■ **Potential for excellence.** What are the areas in which the region can build competitive advantage? How can we maximize the region’s strengths and opportunities and mitigate its weaknesses and threats?

A series of sessions or workshops is the most common way to develop a vision statement. These workshops should begin with a presentation of the analysis, and should encourage participation by partners and the general public.

The steering committee, with assistance from economic development staff, might:

- ■ Coordinate the visioning process.
- ■ Draft a vision statement that includes goals and competitive advantages and circulate it widely.
- ■ Present to the governing body for review and approval.

How Do We Get There? The action plan answers the question “How do we get there?” and is based on a 5-year time horizon. The action plan describes activities, and groups them into programs, designed to achieve the desired future and to turn potential for excellence into reality. The action plan also needs to present responsibility, resources, time frame, and priorities for implementation.

The action plan has two components:

■ **Prioritized programs and activities.** Brainstorming and identification of activities can be a broad-based event. At the least it should involve those partners affected by the proposed activities, and those partners that can ensure the success of the pro-

posed activities. Partnerships with a variety of organizations in the region are a key to successful implementation. The list of programs, and the activities involved, may be too long to accomplish all at once. Prioritize them using the following questions for guidance:

- ■ Which activities address the areas or issues of greatest need and/or best enhance the region’s competitive advantages?
- ■ Are there resources and commitments in place to implement these activities?
- ■ Do these activities represent the best use of limited resources?
- ■ Will the activities have positive economic, environmental, and social impacts?

Implementation plan. Identify the most important activities and propose an implementation plan for each, in multiple phases if needed. This section should also include non-EDA eligible projects to show the range of public, private, and non profit support for the comprehensive economic development strategy. The proposals should answer the following questions:

- ■ What are the activities and what are their expected benefits?
- ■ When will they be implemented?
- ■ Who will be responsible?
- ■ How much will they cost?
- ■ What are the sources of funds?
- ■ What is the status of other associated projects?

Preparation of the action plan is primarily the responsibility of economic development staff, with input from the steering committee and governing body.

How Are We Doing? Evaluation is an ongoing effort to answer the questions “How are we doing?” and “What can we do better?” An annual evaluation of perform-

ance should be carried out and included in the annual report described in the next chapter.

Performance measures should be identified to evaluate the progress of activities in achieving the goals of the comprehensive economic development strategy. Such measures should also evaluate the effectiveness of the organization in meeting the objectives of the Act, namely, to promote economic development and opportunity, to foster effective transportation access, to enhance and protect the environment, and to

What are the reporting requirements?

Once EDA has approved a comprehensive economic development strategy, the submission of an annual report is required for EDA review. The annual report documents progress on economic development activities regardless of the source of funding, and maintains EDA eligibility for assistance for public works, and economic adjustment projects.

The annual report should be a short and easily accessible document that the public and decision makers can use to keep track of the comprehensive economic development strategy and its implementation. It should:

- **Adjust** the comprehensive economic development strategy as needed,
- **Report** on the previous year's economic development activities,
- **Evaluate** effectiveness in meeting goals, and
- **Schedule** realistically achievable activities for the coming year.

Adjustments to the strategy may be made each year and documented in the annual report. These may be necessary during the course of the year to take advantage of

balance resources through sound management of development.

An outline of the process used for evaluation should be included with the comprehensive economic development strategy. Preparation of an evaluation is the primary responsibility of professional staff under the guidance of the steering committee and the governing body. If resources permit, the steering committee may invite an outside party, such as a university center or a consultant, to conduct parts or all of the evaluation.

unexpected opportunities or address unexpected problems; they should be consistent with the overall strategy and documented in the next annual report. Any changes in the structure of the composition of the Steering Committee and staff, and in the capacity of the organization to support the comprehensive economic development strategy should be described in the annual report.

A report of economic development activities undertaken in the previous year should be related to the needs identified in the strategy and to the objectives of the Act. Doing so will assist EDA and other federal agencies in reporting the benefits resulting from the use of federal funds. The report should contain an evaluation that measures effectiveness in meeting the goals of the strategy and the objectives of the Act.

For the coming year, a program of activities should be set out in a format similar to the action plan contained in the comprehensive economic development strategy. The details in the schedule of activities should be as definitive as possible and should set the baseline for reporting performance in the next annual report.

What is Economic Development Administration's role?

A comprehensive economic development strategy is required by the Act, as a precondition of assistance from the EDA for public works and economic adjustment projects. The strategy has to be approved by the EDA, and thereafter, annual reports have to be submitted for review by the appropriate EDA regional office.

The primary points of contact between the organization responsible for preparing the comprehensive economic development strategy and EDA are the Economic Development Representatives (EDRs), or the designated regional office contact for that state, and the planning and technical assistance staffs in the regional offices.

Their role is to:

- Provide general technical assistance and advice.
- Provide technical assistance and advice appropriate to the unique situation of tribal planning organizations, and to planners in remote or severely distressed districts.
- Suggest consideration of good practices that have been used elsewhere.
- Put the planning organization in touch with other sources of EDA and federal expertise.

- Provide advice on which projects might be considered for EDA funding.

- Facilitate EDA approval of the comprehensive economic development strategy and annual reports.

- Identify other federal programs that might be used to implement portions of comprehensive economic development strategy.

- Help the planning organization to meet multiple federal planning requirements.

- Assist the planning organization to work with and utilize the resources of state governments, where appropriate.

The EDRs and other regional staff may be particularly valuable in helping planning organizations meet environmental, civil rights, historic preservation, project notification and review, and other federal requirements effectively and efficiently, with minimal duplication among federal programs.

Planning organizations are encouraged to work with and make use of other EDA programs such as University Centers, Technical Assistance, Trade Adjustment Assistance, Disaster Recovery Assistance, and State Planning Assistance. EDA regional offices and EDRs can provide current information on accessing these capacity-building programs.

Relationships

For strategic economic development planning to be effective, the engagement of the private and nonprofit sectors and all levels of government is critical. Planning cannot be undertaken in a vacuum or behind closed doors among “professionals.” This section makes a number of recommendations about essential relationships that have to be formed between federal agencies, with states, and with the private sector.

Recommendation 2

EDA should take the initiative to explore opportunities for greater integration of local and regional planning requirements imposed by federal departments and agencies. A priority should be the launching of a demonstration program focusing on multipurpose regional organizations faced with multiple planning requirements.

A number of federal agencies place a requirement on local organizations, whether they are states, counties, cities, multicounty development districts, or community development corporations, to go through some planning process as a condition of receiving federal dollars. The obvious question to be asking in these circumstances is what can be done to rationalize these requirements so that local communities are not expected to undertake multiple and overlapping planning activities. An exploratory meeting held in July 1998 of federal agencies, including USDA, USDOT, HUD, ARC, EPA, FEMA, NOAA, and EDA, revealed interest in exploring this issue. Three possible scenarios were presented:

- The use of a comprehensive economic development strategy as a “gateway” to federal funds other than those from EDA.
- The “certification” of other federal planning processes as being “strategy equivalent”—as allowed in the reauthorizing legislation.
- A modular approach where local agencies can piece together components to serve multiple federal purposes using common formats and deadlines.

Planning cannot be undertaken in a vacuum or behind closed doors among “professionals.”

FIGURE 4: Statewide Planning and Capacity Building in Indiana

The Indiana Economic Development Council (IEDC), a state-chartered, nonprofit public-private partnership that acts as the state's think tank and consultant on economic development strategy and policy, has proposed a three-year pilot to upgrade the quality of regional economic development planning both in EDDs and non-EDD areas. EDA-funded regions serve about half of the state.

The idea is a joint venture between EDA and IEDC to test the viability of an integrative planning process that would meet the requirements of the OEDP and other federal and state requirements while strengthening planning capacity at the substate level. Every four years, IEDC convenes a "Regional Congress" to provide input to its statewide strategic economic development plan. For the next congress in 2000, IEDC will be expecting each substate region to prepare and submit its own regional development plan. Thus, Indiana has a two-year window in which to train and encourage integrated regional economic development planning across the whole state.

IEDC has good working relationships with the Indiana offices of several federal agencies and EDA, which position it as a catalyst to bring about significant interagency cooperation at the local level. The process is intended to be flexible with plenty of room for adaptation by the substate leaders, facilitated by IEDC and EDA training, data gathering, research, and meeting support. Regions will be encouraged to add "modular" components that would draw upon participation by various federal and state agencies in areas such as transportation and corridor planning, aging, university centers, natural resources, river basins and ecological planning, job training and workforce development, and enterprise zones and communities. The whole process will, it is proposed, be independently evaluated.

One clear finding from this discussion was that, increasingly, most federal funding is channeled through state agencies rather than to substate entities. This leaves decisions, within broad parameters, to the state as to the extent to which local communities are engaged in planning processes and whether organizations such as EDDs are involved. Nevertheless, there may be some room for federal agencies to provide guidance to states on reducing overlap and duplication of planning efforts.

There may, however, be some opportunities for planning integration in relation to particular programs. Candidates include the Appalachian Regional Commission's

LDD program, the HUD Small Cities program, planning for Department of Transportation programs in non-Metropolitan Planning Organization (MPO) areas, USDA statewide rural development plans, and FEMA's Disaster Resistant Communities program.

A good place to begin would be with EDDs that already are part of multiple delivery systems. According to the National Association of Regional Council's (NARC) 1997 directory, 82 regional councils are both EDDs and MPOs, and 64 are both EDDs and LDDs. EDA should consider launching a joint initiative with USDOT and ARC to explore the benefits and obstacles to rationalizing planning requirements across federal agencies.

Recommendation 3

In the interests of improving or strengthening relationships between EDA grantees and states, EDA should provide incentives in the form of demonstration grants for collaborative planning efforts.

The only way a local or tribal EDA grantee can effectively address regional economic issues and the challenges of sustainable development is to build relationships with its geographic neighbors and partners. In all cases, this includes the state government, an increasingly important partner. In many states, the planning work of EDDs is not well connected to statewide economic development planning or related processes that drive the allocation of state funds—indeed in some parts of the country there is enmity between EDDs and state agencies over economic development priorities and resources.

For tribal planning organizations, the question of sovereignty and the direct relationships they have with the federal government often removes the perceived need to pursue tribe-state cooperation in planning and economic development. However, both the state and the neighboring local economic development organizations are important potential partners for tribes pursuing links with a regional economy. Conversely, there is a growing number of tribes whose activities are having significant impacts on neighboring areas where improved relationships could well yield mutual long-term benefits.

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FIGURE 5: State Support for Regional Planning in Kentucky

Kentucky provides an opportunity to look at how the OEDP is used in a state where several federal agencies have a stake in the planning process. Development districts in Kentucky not only have to meet EDA requirements to write an OEDP, but also have to comply with state guidelines on strategic planning. For economically distressed eastern Kentucky, the Appalachian Regional Commission is another partner, funding important infrastructure and development programs.

Kentucky is divided into fifteen Area Development Districts (ADDs). Created in 1968, the ADDs were intended to provide a regional focus in a state with 120 counties and where county identity is very strong. The ADDs are the official regional planning organizations in the state and are responsible for a wide range of services. Whether solely an ADD or also an LDD (ARC-designated region), the districts have a broad mission often stated simply as “improving the quality of life within the region.” This may mean providing technical assistance to city and county government, serving as grant writers for local government, coordinating Area Agency on Aging or other federally administered programs, or providing regional planning for water, sewer, and economic development.

There are a number of issues that impact directly on the OEDP in Kentucky:

■ **The state is a strong advocate for planning.** In 1992, the state established Kentucky 2001, a program to mandate strategic economic development planning at the local level. This planning mirrors, in almost all respects, the OEDP process. Indeed, Kentucky 2001 serves jointly as the OEDP process for ADDs in Kentucky. Ultimately, it is envisioned that these strategic plans will together form a statewide development plan.

■ **The state controls the administration of federal funding.** The state has a program where a single state agency, the Joint Funding Administration, serves as the administrator of all federal monies to be distributed to the ADDs. The result is that ADDs’ involvement with federal agencies is minimal.

■ **More often than not, the process of the OEDP is more important than the final product.**

For most ADDs, the process offers an opportunity to pull together agencies, jurisdictions, and entities to discuss overall long-range strategic planning. The planning process allows counties and municipalities to see that the problems they face are not unique to them and may be better tackled on a regional basis. As such, the process is an antidote to special interest pressure, a means of gathering data on trends, and of generating community awareness.

■ **Public participation, while an important part of the process, can be difficult to generate.** Many of the districts are unable to create much public interest in the OEDP unless there is a crisis. One executive director suggested that this was because a process carried out every year diminishes its impact and people become “planned-out.”

■ **Private sector involvement is fairly limited.** Although many of the districts have nongovernmental members on the governing board, there are few owners of firms involved in shaping the economic development plan for the region.

■ **There is limited prioritization of projects.** For many of the ADDs in Kentucky, the OEDP process serves as a “laundry list” of

potential projects in the region. In some districts, ADDs offered no prioritization.

■ **For whom is the OEDP being prepared?** Some ADD directors doubted that anyone, either at the state or federal-level read the plans, and thus questioned whether the OEDP has a purpose beyond the local region. “The guidelines need to reflect what the federal government really needs to know.”

For EDA-supported economic development planning to be of real consequence, EDA has to promote tighter connections between EDDs and their state governments. Consultation and engagement with states should naturally be a part of the planning process. As mentioned previously, an increasing proportion of federal funds for economic development and associated activities is block granted or channeled through state governments, and in most cases, the state is the major player and investor in economic development. That is not to say that the relationship should be subservient or one-way; states should use the sub-state regional plans as the basis for resource allocation, tying regional strategies together, and supporting common initiatives.

The Appalachian Regional Commission is much more closely linked to states institutionally and operationally than EDA, with a liaison official in every governor’s office overseeing the process. Such a close link for EDA is not necessary, but reinforcing the role of Economic Development Representatives as state liaison would be an appropriate improvement (*see Recommendation 7*).

EDA’s authorizing legislation requires state-EDD collaboration on planning. EDA makes grants to states to prepare a comprehensive economic development strategy, provided that the strategy is prepared cooperatively with the EDDs, and that the state’s plans are certified as being consistent with the EDD’s plans. Conversely, an EDD’s comprehensive economic development strategy has to be approved by the state as a condition of designation.

Nevertheless, there may need to be some incentives to explore effective and barrier-removing approaches to collaboration. One incentive might be a competitive

The planning process is an antidote to special interest pressure, a means of gathering data on trends, and of generating community awareness.

program, either as part of the Innovative Practices Fund (*see recommendation 6*) or as a separate initiative, to demonstrate how EDDs and their comprehensive economic development strategies can play a central role in the formulation of statewide economic development plans and strategies and in the allocation of state resources for implementation. The program might make five awards per year of, say, \$75,000 to \$100,000. An embellishment of this program would be to

open up the competition to all state agencies in partnership with EDA grantees, with a view to exploring relationships as part of the planning process in areas such as transportation, workforce development, welfare-to-work, or capital investment.

In regions with good plans that have consequence beyond the range of EDA funding possibilities, strong private-sector involvement is frequently a major factor.

Recommendation 4

Active engagement of the private sector—for-profit businesses, labor unions, and nonprofit organizations—should be a central component of the strategic planning process. To give further impetus, EDA should promote private-sector participation through outreach to national representative business and labor organizations.

Economic development is essentially about creating the right conditions for entrepreneurship and business growth so that local residents can find jobs and earn a decent living. Public-sector agencies and other economic development organizations cannot create these conditions without adequate private sector participation in the planning and implementation processes. Yet, CFED's survey of EDDs and tribal planning organizations showed that only 41 percent saw small and medium-size businesses as partners in economic development planning, and only 22 percent large businesses.

In regions with good plans that have consequence beyond the range of EDA funding possibilities, strong private-sector involvement is frequently a major factor. In those EDDs where the planning process is weak and mostly about competition between political jurisdictions for the funding of public facilities projects, more and better private firm representation would push the process toward a sharper focus on the regional economy. Moreover, if the planning strategy is to become a means of meeting the requirements of multiple federal agencies, then EDA (as part of the Department of Commerce) and its EDD and tribal planning partners have to deliver, as an important part of their value-added contribution, the participation of the private sector.

The implication is that there has to be significant outreach from the national and regional levels of EDA and from the planning grantees to companies large and small. “Blue ribbon panels” tend to have little more than public relations value; quota representation on planning committees will attract representatives of business organizations, or perhaps business people with public-service aspirations, but are unlikely to engage senior management concerned with creating a competitive regional economy. Real engagement demands a planning process that emphasizes the priority concerns of business—these may not be public works infrastructure or financing, but workforce recruitment and training or access to foreign markets or issues of regulatory compliance.

The importance of private-sector participation is stressed in a recent report commissioned by EDA from Information Design Associates.¹² This study argues that economic development leaders must embrace the notion of cluster-based development with its characteristics of being market-driven, inclusive, collaborative, strategic, and value-creating. “Cluster strategy depends on sponsors being willing to use a process that engages representatives of large and small companies and public and nonprofit institutions in a collaborative process that will define solutions for which participants will be, at least in part, responsible for helping to implement. An elite planning process cannot achieve cluster objectives of collaborative strategy.”¹³

EDA should open up discussions with national business and financial institution groups to encourage their memberships across the country to become involved in regional economic development strategic planning. The recent initiative of the National Association of Development Organizations (NADO) to open up discussions with NationsBank and BankAmerica about the implications of, and the opportunities arising from, their merger on rural America provides an excellent example of a proactive approach to engage the private sector. Planning grantees should be encouraged to work with local business groups to identify issues and challenges for the regional economy and organize task forces to recommend strategies and action that can be incorporated into the strategy and plan.

The private sector includes more than for-profit businesses. Labor unions are showing growing interest in economic development. A new publication from the

Real engagement demands a planning process that emphasizes the priority concerns of business—these may not be public works infrastructure or financing, but workforce recruitment and training or access to foreign markets or issues of regulatory compliance.

AFL-CIO sets out union principles for economic development, which include one about union participation: “Organized labor should be a full and equal partner in economic development planning at the federal, state, local, and regional levels.

Most state/local economic development boards are dominated by real estate developers and business interests. Unions should get involved and direct these boards towards high-wage, high-skill development.”¹⁴

Unions should get involved and direct these boards towards high-wage, high-skill development.

The nonprofit sector is also a major player in local economic development; it includes community development corporations, community development financial institutions, microenterprise development organizations, and a plethora of other social and community agencies interested in various aspects of business and workforce development. Many have been created to bypass governmental structures

perceived to be slow moving and cumbersome and may not be connected to EDD strategies—even though they have access to resources and approaches that may be of real benefit to distressed communities.

Capacity Building

The previous recommendations will, for some economic development districts and tribal organizations, simply reaffirm their current good practice; for many others they represent major challenges in terms of complexity, resources, and expertise. To ensure that these challenges do not become insuperable obstacles, there has to be investment in building the capacity of planning grantees, their boards, and the regional EDA staff.

Recommendation 5

Funding for EDA Planning activities should be significantly increased so that direct grants to economic development districts and tribal planning organizations can be enhanced and thereafter maintained at reasonable levels.

The absolute value of the planning grant has declined steadily over many years to the point where it no longer provides the resources necessary to meet current demands. The average EDA grant to EDDs in 1997 was \$55,000 and to tribal organizations just \$44,000. This compares with an average grant of \$63,000 for ARC's local development districts (individually negotiated around annual work programs) and \$100,000 to \$150,000 USDOT grants for small metropolitan planning organizations.

It is also reasonable to expect that a major increase in funding for EDA grantees be contingent on efforts by the local organization, described in their annual report, to act on the principles outlined in this report.

To ensure that these challenges do not become insuperable obstacles, there has to be investment in building the capacity of planning grantees, their boards, and the regional EDA staff.

Recommendation 6

EDA should establish an Innovative Practices Fund to provide incentives and rewards for EDDs and tribal planning organizations demonstrating a commitment to revitalizing the processes of economic development strategic planning.

Revitalizing economic development planning means exposing local staff and elected officials to new approaches, and providing the necessary incentives to encourage their implementation.

Over the past two decades, the economic development planning field has sparked a considerable amount of creativity in planning processes, partnerships, and tools. Keeping up with these developments is demanding, particularly for EDDs and tribes with few resources, and introducing new ideas can be complicated, time-consuming, and costly. Nevertheless, revitalizing economic development planning means exposing local staff and elected officials to new approaches, and providing the necessary incentives to encourage their implementation. For this reason, an Innovative Practices Fund is recommended to:

- Promote planning and program creativity.
- Provide incentives to reward innovation and the pursuit of best practices.
- Disseminate information about best practices.

In its first year, the Fund would invest in 25 to 30 projects with grants on the order of \$50,000 to \$100,000. To ensure maximum impact, the grants would be clustered into challenge areas related to a particular area of best practice outlined in this report or emphasized by EDA. These might include:

- Collaborative planning with the private sector, states, other federal agencies, other EDDs or tribes, university centers, or nonprofit organizations.
- Creative approaches to engaging community participation.
- Promoting sustainable development.
- Linking workforce preparation initiatives with economic development programs.
- Exploring industry clusters and networking efforts.
- Innovative regional planning between tribes and EDDs.
- Integrating welfare-to-work initiatives with economic development programs.

A panel would review applications to the Fund to ensure that the selected projects are genuinely innovative and likely to contribute to improving practice across the field. It will also be important to carefully evaluate the effectiveness of the Fund, and to share the results widely.

Recommendation 7

EDA should invest in and expand its Economic Development Representative staff as a primary source of technical assistance and support to EDDs and tribal planning organizations and as the liaison with state government.

EDRs are “circuit riders” for EDA regional offices. They are an important means of enhancing the capacity of EDDs and tribes, especially in rural areas. They work closely with organizations, helping them to navigate the EDA grant process. They help EDA grantees develop well-planned projects and locate other federal and state funds. In this process, they also build relationships with organizations and are able to monitor the progress of grants, projects, and outcomes. They seek to develop and maintain good working relationships with private and public officials and organizations engaged in economic development. As EDA planning grantees take on the expanded planning functions anticipated in these recommendations, the EDR’s coordinating and outreach role, particularly to states, will become still more important.

Unfortunately, budget cuts have reduced the numbers of EDRs down to about 27 nationwide, which necessitated many EDRs having to cover several states and/or take on additional regional office duties. Inevitably this, together with inadequate time and budgets for travel, has resulted in a reduction in service and may undermine efforts to reform the planning process. In the Austin region, the response has been to integrate the EDRs into the regional office staff teams, but it is the availability of the resource rather than physical location that is the critical factor. EDA should consider increasing the number of EDRs so that there is at least one per state, and in more populated states, such as California, two or three.

However, just as important as increasing the number of EDRs is the need to invest in raising their skills to provide these essential services. Training and skill development—in planning, economic development, project management, leveraging resources, and building partnerships—for EDRs should be an important priority. Special training in the unique challenges and opportunities in economic development in Indian Country should be provided for all EDRs working with tribes.

Training and skill development for EDRs—in planning, economic development, project management, leveraging resources, and building partnerships—should be an important priority.

Recommendation 8

EDA should designate University Centers in each region with the primary function of providing a range of support and capacity-enhancing services to EDDs and tribal planning organizations.

EDA's University Centers Program awards grants and cooperative agreements to help colleges and universities better use their own and other resources to address the economic development problems and opportunities of their service areas. EDA assistance in 1998 to university centers was almost \$7 million, with an average grant size of \$100,000. These centers conduct a range of activities, including

data collection and analysis, surveys, organizational strategic planning, training, and applied research. In some areas, there is a close relationship with EDA planning grantees, in others there is no contact whatsoever. Evidence from examples of cooperation across the country—from Minnesota to Texas and from Maine to Tennessee—is that there is a willingness to explore how university resources can best be of assistance to EDDs and tribes in preparing economic development strategies.

A practical approach to encouraging further cooperation, which recognizes that university centers are diverse in their interests and resources, would be to designate centers in each region whose primary function would be to provide a menu of support and capacity-enhancing resources to EDDs and tribes.

Evidence from examples of cooperation across the country is that there is a willingness to explore how university resources can best be of assistance to EDDs and tribes in preparing economic development strategies.

Recommendation 9

EDA should provide additional capacity-building investment to support tribal planning organizations in the form of expanded technical assistance, a pan-Indian network, and a Native American desk at EDA.

All of the above recommendations apply to tribal planning organizations, but there is need to supplement these with three specific actions that should help to address some of the issues unique to tribes raised earlier.

Expand technical assistance to improve economic development "readiness." This might include distribution of planning materials prepared specifically for Native

American economic development, providing trained EDA staff to work with tribes in using these materials, and to make grants available for business-climate projects and other feasibility and market studies.

Support pan-Indian network building and information exchange. The sponsorship of an annual national conference organized by tribal planners would provide a much-needed forum to discuss economic development strategies, innovations, and concerns. If there is sufficient interest, EDA might consider supporting a Native American national association or network to further the interests of its members and the field, much the same way as NADO and NARC receive EDA support to inform, educate, and network economic development organizations.

Reinstate a Native American desk at EDA headquarters. This would:

- Help EDA staff better understand tribal political, cultural, and legal issues.
- Ensure that EDA programs recognize sovereignty as a necessary element of successful, sustainable economic development.
- Coordinate delivery of federal resources for economic development, particularly with BIA and USDA Rural Development.
- Provide a national voice for Native American economic development.
- Reinforce the work of regional office personnel and EDRs who work more directly with the tribes.

Recommendation 10

In order to encourage a greater emphasis on strategic use of data for planning purposes, EDA should invest in data tools for planning grantees.

Some EDDs have considerable expertise in data collection and management and act as regional census data centers—local clearinghouses through which the public can gain access to a range of socioeconomic information. NADO has been seeking to extend this role further in connection with Census 2000, arguing that regional development organizations are logical partners for coordinating and conducting key census activities such as reviewing and updating the local address lists and maps, conducting local outreach and promotion campaigns, and recruiting, hiring, and training field office staff. But most planning grantees just do not have the resources or connections to develop this expertise.

Effective strategic planning requires a sound analysis of an area's strengths, weaknesses, opportunities, and threats based on the careful interpretation of relevant data, both quantitative and qualitative. Unfortunately, many OEDPs had a tendency to focus on the collection of data specified in the guidelines and as a result spend less effort than is needed in analyzing and applying the data to inform strategies, priorities, and actions.

EDA has taken steps to address this issue by commissioning the team of Andrew Reamer & Associates and Impresa to review the socioeconomic data needed for economic development practitioners. The consulting team has made recommendations on how federal statistical agencies can be more supportive and has provided a user's guide to regional economic data. Further, as part of the project, the consulting team has created a web page providing links to over 125 sources of regional socioeconomic data. For EDDs, EDA should consider making copies of the user's guide available and publicizing the existence of the data links web page.

One of EDA's
greatest assets
is its program delivery
infrastructure
of EDDs and tribes.

Another action that could prove valuable is the adaptation of HUD's Community 2020 CD-ROM. This is a source of demographic and housing data, laid over mapping software, prepared for HUD's grantees.

The aim is for organizations to focus on local analyses of data rather than on data collection. HUD has expressed interest in working with EDA to develop a similar product with an economic development emphasis, which could be made available to EDDs and tribal planning organizations.

Recommendation 11

EDA should invest in the communications capacity of its planning grantees to encourage information exchange both within the EDA system and with the larger economic development field.

One of EDA's greatest assets is its program delivery infrastructure of EDDs and tribes. Although there is support for this infrastructure through regional conferences, public interest group and association membership conferences and training programs (NADO, NARC, CUED), newsletters (NADO, NARC, CUED, PWEDA), and EDA publications, there is much more that can be done to create a full communicating and learning network among practitioners and program administrators.

The first step should be to conduct a system-wide audit of needs and current capacity as a prelude to upgrading the computer capacity of grantees.

The aim should be to:

- Create capacity for all EDA planning grantees and staff to generate proposals and reports, access Internet information resources, manipulate and analyze data, and participate in e-mail networks.
- Permit the electronic submission, storage, and dissemination of strategic plans, making them accessible both to stakeholders in the regions and across the network.
- Develop a performance measures database to permit the aggregation of performance for GPRA purposes.
- Establish an Internet-based learning network for the exchange of information and best practice on economic development strategic planning and related topics.
- Generate materials for the learning network through summaries of EDA-commissioned research, reports from the Innovative Practices Fund, user-generated case studies, and papers presented at relevant conferences.
- Create a means for providing on-line technical assistance to supplement the work of the EDRs.

There is much more that can be done to create a full communicating and learning network among practitioners and program administrators.

Another way forward should be to invest further in the PEER 500 Learning Program developed by the Northland Institute with funding support from the Ford Foundation and EDA. This program was established in conjunction with EDA and ARC to strengthen regional development organizations and their executive directors. It provides, on a voluntary basis, a peer assessment of a participating organization through a site visit from three experienced EDD or LDD executive directors. The assessment is intended to give constructive feedback, build leadership management skills, and identify benchmarks for performance improvement. Ultimately, the idea is to create an expanding cadre of experts nationwide that will be on hand to help regional organizations deal with change, induct new management, and rise to meet the challenges posed by this report. EDA should publicly encourage regional organizations to participate in this learning process, and should collaborate with ARC and the Northland Institute to expand the service.

The idea is to create an expanding cadre of experts nationwide that will be on hand to help regional organizations deal with change, induct new management, and rise to meet the challenges posed by this report.

A further recommendation is to encourage public interest groups and other membership associations to convene intensive day-long events on strategic economic and community planning topics to expose practitioners to new ideas, good practices and potential partners from around the country.

Finally, subsequent to the development of an e-mail network among EDDs, EDA should consider encouraging regular communication and consensus-building between EDDs and federal agencies other than EDA, e.g., HUD, DOT, and federal statistical agencies. For example, EDA could encourage EDDs to articulate their data needs and come to consensus on how the statistical agencies might better meet those needs.

The following Resources Guide for Practitioners has been prepared to provide some momentum for the implementation of these recommendations. It not only provides information on books, manuals, websites, and organizations that may be helpful in preparing a comprehensive economic development strategy, but also can be readily posted onto a website for widespread dissemination throughout the EDA regional offices and practitioner network.

Resources Guide for Practitioners

This Resources Guide has been designed to assist in the preparation of a comprehensive economic development strategy. The structure of this Guide follows the guidelines recommended on pages 28-32 and can be adapted as an online collection of resources for EDA planning grantees.

The strategy should be a clear, thoughtful, and feasible strategic plan for regional economic development. Although every strategy will be different, reflecting the particular challenges and opportunities of the area, each should include the following elements:

Where are we now? (Analysis of the Region)

- the state of the regional economy (its strengths and weaknesses);
- external trends and forces (its opportunities and threats);
- partners for economic development; and
- resources for economic development.

Where do we want to be? (A Statement of Change)

- a vision (a practical and positive future image of the area in ten to twenty years); and
- competitive advantages (opportunities for the area to excel in five to ten years).

How do we get there? (Strategies, Activities)

- strategies (carefully selected approaches that propose responsibility for implementation);
- activities (actions proposed in the strategies); and

How are we doing? (Evaluation)

- evaluation (evaluating progress and outcomes against stated goals).

Many EDA planning grantees already conduct innovative planning programs that meet and exceed these recommendations. For many more this material will challenge old ways of complying with planning requirements. In both cases, we hope that this chapter suggests new ideas and resources to EDA grantees that help them tackle the complex process of planning for economic development.

The Resource Guide discusses the approach in the recommended Guidelines and suggests books, manuals, articles, web sites, and organizations that could be helpful in collecting ideas and information.

The Importance of Strategic Planning

In 1995, a cooperative effort between EDA and ARC resulted in a publication called "Shaping A Region's Future: A Guide to Strategic Decision Making for Regions." This book is a useful tool for any local organization undertaking a regional strategic planning initiative. In the opening chapter, the authors offer a series of reasons why strategic planning is important.

"Strategic planning:

- can be a powerful tool for examining erratic, dynamic, complex changes and making informed investments in shaping future opportunities;
- can be used by almost anyone to address emerging challenges;
- is especially applicable to the inter-community and regional challenges of the 1990s;
- is not interesting unless complex, not productive unless difficult, and not successful unless it builds the capacity to address emerging challenges;
- has captured the commitment of community leaders and citizens who have used it."

The strategy that emerges from the process outlined in the guidelines proposed earlier in this report will most likely be a good strategic plan, as well as an EDA compliance document. Note that the new authorizing legislation states that if a plan prepared for other purposes meets all the above requirements, EDA will accept that plan as a strategy-equivalent.

Another way to think about the strategy is as a business plan for regional economic development. It needs to be grounded in an understanding of the area's economy, environment, government, cultural tradition, and past development effort. A strategy based on thoughtful analysis can help organizations fashion a long-range development plan, identify appropriate development projects and activities, implement the plan, and report annually on progress and difficulties.

In all cases, the strategy is meant to lead to *action*. The strategy becomes a road map, it is not itself a destination.

For a good overview of strategic planning

Shaping A Region's Future: A Guide to Strategic Decision-Making for Regions

By William R. Dodge and Kim Montgomery

PUBLISHED BY THE LAND-OF-SKY REGIONAL COUNCIL

UNDER AN AWARD FROM THE EDA AND THE APPALACHIAN REGIONAL COMMISSION, 1995

The purpose of this 200-page manual is to assist regional development organizations in using strategic planning to address economic competitiveness and other intercommunity and regional challenges. The manual includes sections on designing a regional process, analyzing future change, developing a vision and competitive niches, selecting initiatives and strategies, and implementing plans.

Strategic Analysis for Economic Development in Native Communities

By Stephen Cornell, Harvard Project on American Indian Economic Development, JFK School of Government, Cambridge, MA, 1998

CONTACT: MANLEY BEGAY, (617) 495-1338

This 25-page paper, still in draft form, is designed to serve as an analytical tool for use by Indian nations, Indian-owned or -operated corporations or companies, Indian entrepreneurs, and other Native American entities seeking to promote economic development in their communities. It is designed to assist Indian entities in thinking through their situations and options, and in improving the quality of economic decisions. The six sections cover strategic vision, priorities and concerns, external environment, internal environment, assets, and project analysis.

Taking Charge: How Communities Are Planning Their Futures

By the International City/County Management Association (ICMA), Washington, DC, 1988

(800)745-8780 \$29.95, 86 PAGES

How to make long-range strategic planning work for your community. This report includes in-depth case studies.

Where Are We Now? (Analysis of the Region)

Summary

An analysis of the region requires you to delve into economic, social, and environmental information. The objective of the analysis is to collect, interpret, and present data that outlines the key characteristics of the area. The findings should challenge myths, disprove misperceptions, and confirm local wisdom. Most importantly, this analysis is the tool the local organization uses to identify problems, opportunities, partners, and resources.

Notes on data collection

Before you begin the onerous task of collecting and analyzing raw data, search for any reports or studies that may have already been done about the region. Planning reports, feasibility studies, infrastructure studies, or development project proposals should all have sections assessing the economic and social health of the region. Often public universities have research capacity and may have already done extensive economic analysis in all or parts of your region. Conservation and environmental organizations may have carried out assessments of natural resources. Social service, local planning, community development, and housing agencies have probably assessed demographic and social conditions to secure their public funds. A careful review of existing studies and the conclusions of previous analysis is the best possible starting point.

EDA has several efforts underway to reduce the burden of raw data collection for local organizations. Coincident with this project, EDA commissioned a report on data analysis for economic development practitioners. That report, *Socioeconomic Data for Understanding Your Regional Economy: A User's Guide* is an excellent resource for the regional economic analysis portion. Some EDA-funded University Centers may soon be available to provide initial data and analysis to organizations undertaking a regional economic development planning process.

The Analysis

To some planners and organizations an analysis of the region will come easily. For others, it may appear an overwhelming task. Here are some useful starting

points. Two important areas of information collection, interpretation, and presentation are:

- **The State of the Local Economy:** What are the area's strengths and weaknesses? What are the growth sectors and clusters? What is driving the economy and where is it heading?
- **External Trends and Forces:** What are the opportunities and threats? How is the region positioned in state, national, and global economies?

Refer to *Socioeconomic Data for Understanding Your Regional Economy* for advice on how to answer these questions and where to find information.

Citizens, policy makers, and government officials are becoming increasingly aware and concerned about the natural environment. It is important to supplement socioeconomic analysis with analysis of the quality and quantity of the area's natural resources. Especially in rural communities, natural resources are truly economic opportunities, and in some places, competitive advantages. The deterioration of the natural environment can have negative economic consequences for the community.

A good analysis of the region includes a clear understanding of the condition of the region's natural resources. Many communities are also trying to assess and capitalize on historic and cultural strengths for innovative development projects. The region's natural, historic, and cultural resources need to be considered in a planning process.

The final element of the analysis asks the organization to identify partners and resources for economic development in the region. Economic development has become a highly complex activity, requiring participation by the private sector, workforce trainers, local planning bodies, education representatives, stewards of natural resources, social service agencies, and community development organizations. Meaningful planning depends on the participation of these groups in the process. To assess these organizational and professional resources in your region, consider:

- Who is active in development issues within the region?
- What institutions exist that could be involved in achieving development goals?
- Are there any organizations—or individuals—missing if the region is to pull off its chosen development strategies and projects?

The works cited below provide additional guidance on how to conduct socioeconomic and environmental analyses. The objective is to create a careful, concise analysis that informs the vision, goals, and strategies. Unnecessary raw data and charts are discouraged.

For socioeconomic data collection and analysis:

Socioeconomic Data for Understanding Your Regional Economy:

A User's Guide

By Andrew Reamer and Joseph Cortwright

PREPARED UNDER AN AWARD FROM EDA, 1998, 50 PAGES. FROM EDA.

One quick and easy way to begin collecting information is to “surf” the web site that was prepared as part of the “Using Socioeconomic Data” research project noted above. The site is an excellent list of sources of socioeconomic data for economic development analysis and it includes links to all major federal data sites. <http://www.hevanet.com/lad/sources.html>

Regional Economic Information System CD-ROM

Bureau of Economic Analysis

(202)606-5360

Consider purchasing this CD for \$35. It includes income and employment information and economic profiles for all counties, metropolitan areas, states, and the nation from 1969 to 1996 and allows easy exporting of data into spreadsheets for analysis.

Regional and Local Economic Analysis for Practitioners

By Avrom Bendavid-Val

PRAEGER PAPERBACK. NEW YORK. 1991. 264 PAGES, (800) 225-5800, \$22.95.

This book provides a comprehensive practitioner-oriented study of regional and local economic development planning, with emphasis on specific project activity arrived at through an analysis of the regional economic context. The book is written in a straightforward style and is free of technical terms and jargon. This work contains everything the practitioner needs in order to understand what regional and local economic development is all about, as well as to acquire the basic analytical skills to plan for, design, and carry out such a process.

Guide To Rural Data: Revised Edition

By Priscilla Salant and Anita J. Waller

PUBLISHED BY ISLAND PRESS, 1995, 160 PAGES, \$24.95.

First published in 1990 as *A Community Researcher's Guide to Rural Data*, this completely revised edition explains how to find and obtain the most current information on rural America

both in published form and electronically (including on-line data, diskettes, and CD-ROMs). The authors identify a wealth of data sources and illustrate how those data can be used to analyze social and economic change.

**Understanding Your Economy:
Using Analysis To Guide Local Strategic Planning**

By Mary McLean and Kenneth Voytek

PUBLISHED BY PLANNERS PRESS/APA, 1992 (312) 786-6344, \$38.95

Forward-looking communities have attained a competitive edge strengthening clusters of related and supporting industries—not courting individual firms. How will your community know which clusters to strengthen as it negotiates this fundamental shift in development strategy? This book, originally funded by EDA, shows you how to conduct local economic analysis to support such strategic planning decisions. The authors show how to structure an analysis; assess local economic performance; analyze the structure and dynamics of a local economy; evaluate local growth prospects; assess local human resources; non labor resources; and link analysis to strategic planning.

Local Economic Development: Analysis and Practice

By John P. Blair

PUBLISHED BY SAGE PUBLICATIONS, (312) 786-6344, \$49

Blair's book provides a basic overview of economic development practices targeted at metropolitan and regional areas. It explains basic analytical tools such as shift-share analysis, location quotients, gravity models, cost-benefit analysis, and input-output models.

**Conducting Reservation Economic Impact Studies:
A Manual for Tribal Planners and Decision Makers**

Provided by First Nations Development Institute

1994, 85 PAGES, \$25, (540) 371-5615

As tribes seek to move beyond total dependence on federal funding and to participate more fully in the surrounding non-Indian economy, the need for reliable information about the size and characteristics of their own tribal economies becomes crucial. Such information is a prerequisite for planning tribal economic development activities, it can also be used to document current tribal or reservation contributions to the larger regional economy. This study describes how to conduct a Reservation Economic Impact Study, a flow-of-funds study to document all money moving into, through and off a given reservation.

For environmental assessment ideas:

**"Assessing the Conditions of Local Ecosystems and Their Effects on Communities,"
Community-Based Environmental Protection: A Resource Book for Protecting Ecosystems
and Communities**

By EPA, (EPA230-B-96-003) Washington, DC, 1997

FOR COPIES CALL THE NATIONAL CENTER FOR ENVIRONMENTAL PUBLICATIONS AND INFORMATION, (513) 489-8190

Chapter Three of this publication describes some tools and techniques for assessing conditions of local ecosystems. The chapter discusses indicators, assessing conditions and trends, assessing links between the ecosystem and the economy, and assessing links between ecosystems and quality of life. The entire publication is also quite interesting and worth reviewing.

**"Rapid Environmental Assessment," Pathways: Building A Local Initiative for Compatible
Economic Development**

By the Center for Compatible Economic Development, The Nature Conservancy

1996, LEESBURG, VA, (703) 779-1728

The Pathways workbook delves into the details of building a collaborative local initiative for compatible economic development. This chapter suggests several steps to conduct an environmental analysis, including "identify renewable resources, identify natural communities and ecosystems, and prioritize most important elements of the ecosystem."

Where We Live:

A Citizens' Guide to Conducting a Community Environmental Inventory

By Donald Harker and Elizabeth Ungar Natter

PUBLISHED BY ISLAND PRESS (800) 828-1302, \$18.95, 332 PAGES

This is a practical workbook to help citizens find information concerning their local environment and to use that information in furthering environmental goals. The book includes general information on human impact on the environment and instructions for citizens to use in creating a community environmental map. In addition, it guides the user through environmental programs and available documentation of community environmental hazards.

For advice on community assets and involvement:

Visit the web site of the National Civic League at <http://www.ncl.org>. Their motto is "transforming civic institutions by strengthening citizen democracy"; the web site includes descriptions of relevant publications and resources.

Community Visioning: Citizen Participation in Strategic Planning

By ICMA

1994. 15 PAGES. MIS REPORT (40893), \$14.95

Case studies from six local governments demonstrate different approaches to community visioning and show how to achieve diversity among participants, help citizens develop informed recommendations, and test public opinion while stimulating interest in local government.

Community Visioning and Strategic Planning Handbook

By National Civic League Staff

1995, 53 PAGES, \$20, (303) 571-4343

This handbook outlines the basics for communities to conduct a successful visioning and strategic planning process.

Involving Citizens in Community Decision Making: A Guidebook

By James Creighton and the Program for Community Problem Solving at the National Civic League

SECOND PRINTING, 1996, \$30, (202) 783-2961

This is the only public participation manual that focuses specifically on the community level of public decision making. Author James L. Creighton has filled some two hundred pages with advice born of many years of professional experience designing and implementing public participation programs. Creighton takes the reader from the basics through practical issues such as designing, staffing, and evaluating public participation programs, preparing a public participation plan, and the details involved in using many specific implementation techniques. Extremely well organized and readable, this manual is a comprehensive “how-to” guide for every bookshelf.

A Citizen's Guide to Achieving a Healthy Community, Economy and Environment

By the Center for Compatible Economic Development, The Nature Conservancy

1996, LEESBURG, VA, (703) 779-1728

This workbook seeks to demonstrate that communities can improve their quality of life by focusing on local assets—people, natural resources, ecological systems, small businesses, products, processes, culture, and heritage. The guide emphasizes “compatible economic development” and includes sections on the characteristics of healthy communities, assessments, strategies, implementation and measuring success. See Chapter Four in particular.

Building Communities from the Inside Out:

A Path Toward Finding and Mobilizing a Community's Assets

By John P. Kretzman and John L. McKnight

PUBLISHED BY ACTA PUBLICATIONS, 1993, (800) 397-2282, \$15, 376 PAGES

The emphasis of this community-based guide is that local development efforts work more successfully when they emphasize taking advantage of assets rather than solving problems. The first three chapters focus on identifying community assets in people, local organizations and local institutions. One chapter deals specifically with finding assets in struggling communities. Another chapter outlines a neighborhood planning process. This book is a must for anyone intrigued by the concept of "asset-based development."

Measuring Community Capacity Building:

A Workbook-In-Progress for Rural Communities

By The Aspen Institute, Rural Economic Policy Program, Washington, DC

1996 (202) 736-5800, \$45, 155 PAGES

This book is a resource for leaders and citizens who want to build their community's capacity—that is, to improve the ability of individuals, organizations, businesses and government in their community to come together to learn, make decisions about the future, and to act on those decisions. The book can be used to answer: What is community capacity building? Why should we care about it? How do we know it when we see it? The book also includes a menu of measures groups can use to gauge progress in building community capacity.

Economic Renewal Guide:

A Collaborative Process for Sustainable Community Development

By Michael J. Kinsley, the Rocky Mountain Institute, Snowmass, CO

1997, (970) 927-3851, \$17.95

This field-tested manual describes how a few energetic people can help steer their community toward development that's sensitive to local values and the environment. Filled with success stories, worksheets, media materials, and resources, it's a do-it-yourself toolkit for anyone who wants to get sustainable economic development moving in their community. Hopeful, creative, civil, and fun, the Economic Renewal process is designed to defuse factionalism, encourage citizen involvement and collaborative decision making, and lead to practical projects that benefit everyone.

For advice on the planning process:

Visit the American Planning Association's website <http://www.planning.org>, look at publications and resources.

Small Town Planning Handbook

By Thomas Daniels

PUBLISHED BY THE AMERICAN PLANNING ASSOCIATION PLANNERS PRESS, SECOND EDITION,
1995, 305 PAGES, \$34.95

Whether your town's issue is industrial decline or population growth, the second edition of this book offers useful advice on how to cope. The practical tools described in this popular guide are sensitive to local character and the reality of limited financial and personnel resources. The authors explain how to develop a comprehensive town plan, draft and apply land-use regulations, and craft a capital improvements program. They also investigate areas such as economic development, small town design, and strategic planning.

Planning Local Economic Development: Theory and Practice

By Edward J. Blakely

SAGE PUBLICATIONS, 1994, 343 PAGES, \$35

Blakely's popular text explores theories of local economic development that are relevant to dilemmas facing communities today. This edition expands on issues such as the planning process, analytical techniques, and business and human resource development and investigates new areas such as high-technology economic development strategies.

Collaboration Handbook: Creating, Sustaining, and Enjoying the Journey

By Michael Winer and Karen Ray

PUBLISHED THE AMHERST WILDER FOUNDATION, 1992, (800) 274-6024, \$28, 178 PAGES

This step-by-step guide demonstrates how collaboration within and between groups helps people accomplish their goals more effectively. The book addresses why collaboration is a necessary and worthwhile tool, and explains in detail four stages of collaboration. Practical tasks include specify desired results, form a structure, determine roles, decide staffing, secure resources, convey an image, and promote results.

Solving Community Problems By Consensus

By Susan Carpenter

PUBLISHED BY THE PROGRAM FOR COMMUNITY PROBLEM SOLVING, 1990, (202) 783-2961, \$15, 20 PAGES

This publication explores how to apply consensus decision making around community issues. After an overview of the consensus-building process, ten case studies on consensus-

building efforts around issues like poverty, unemployment, and historic preservation reveal the value of the tool. A discrete breakdown of phases and steps is included.

Getting To Yes: Negotiating Agreement Without Giving In

By Roger Fisher, William Ury, and Bruce Patton

PUBLISHED BY PENGUIN BOOKS, 1991, 200 PAGES, \$10

This national bestseller offers a concise, step-by-step proven strategy for coming to mutually acceptable agreements in every sort of conflict. Based on the work of the Harvard Negotiation Project, this book tells you how to separate the people from the problem; focus on interests not positions; work together to create options to satisfy both parties; and negotiate successfully with people who are more powerful, refuse to play by the rules, or resort to “dirty tricks.”

Where Do We Want To Be? (A Statement of Change)

Planning is fundamentally concerned not only with where we have been and are, but also with where we want to be. This involves crafting an image of a positive development future for the region and identifying opportunities for the area to excel in the next five to ten years.

Vision

Most planning processes use a visioning exercise to develop an image of a practical and positive future. A community-based approach can help to bring the community and its leadership together around a value-based discussion of the future. The process of creating a vision helps to focus the community and the economic development organization to answer the question: where do we want to be? This is an excellent time to invite broad-based participation in the planning process, and secure grassroots input on the priorities and needs of residents.

The vision statement needs to be short, but should convey several important elements, such as:

- A sense of meaning and purpose
- A sense of values and cultural heritage

- A sense of place and community character
- A sense of leadership and civic participation
- A sense of hope and enthusiasm

Competitive Advantages

Since this is an economic development planning process, staff must go beyond stating the values and goals of the community. They must identify the specific areas of competitive advantage that they wish build and sustain for the region. This requires reflection on the analysis of the region. It also requires that the local organization proposes a set of competitive advantages, and check its analysis with local citizens, leaders, and experts.

For help on visioning:

See resources in previous section which refer to the “visioning” element of strategic planning.

For competitive advantage issues:

Competitive Advantage

By Alan Gregerman

PUBLISHED BY THE NATIONAL COUNCIL FOR URBAN ECONOMIC DEVELOPMENT, (202) 223-4735

This book outlines a helpful assets and liabilities planning process for economic development, with easy to use matrices.

Creating the Globally Competitive Community

By David Bowes, Partners for Livable Communities and the Manufacturing Institute, Washington, DC

1997, (202) 877-5990, 75 PAGES

This publication focuses on environmentally sensitive, export-driven manufacturing firms that are making America more competitive and are generating economic growth in communities across the country. The book has two purposes: to help community leaders and manufacturers to better understand each other's evolving needs, and to encourage local public-private partnerships to prepare for a truly global century.

How Do We Get There? (Strategies, Activities, and Evaluation)

Now that the planning process has generated an analysis of the region, and a statement of change, the next step is to consider possible activities and draft some strategies. In other words, how do we get there?

Activities

There are many economic development activities that local organizations should consider. Traditionally, economic development meant business attraction, business retention, and new business growth. Over the past decade these three areas have expanded to include other activities in areas like workforce development, entrepreneurship, community economic development, and quality of life issues. An economic developer's "toolkit" must now include everything from job creation programs to workforce skill enhancement efforts to eco-tourism.

Increasingly, economic development programs need to be "targeted." For example, economic development might be targeted to developing a particular sector where a region has a competitive advantage, such as manufacturing or value-added processing. Economic development is also increasingly targeted to particular communities or populations with high levels of unemployment or poverty. These are some of the reasons that economic development has become so complex, and requires flexibility, innovation, and partnerships to succeed.

The following is just a summary of some of the most common economic development activities; see the resources list that follows it for more information and details.

To grow small, new firms...

- Business training and technical assistance
- Revolving loan funds
- Business incubators
- Microenterprise
- Import substitution

To retain and expand existing businesses...

- Business training and technical assistance
- Business lending, e.g., revolving loan funds for both debt and venture capital
- Market development and export assistance
- Downtown revitalization, e.g., Main Street programs
- Flexible business networks
- Enhanced Chambers of Commerce or Merchants' Associations

To recruit business and industry...

- Industrial development, e.g., “spec” or “shell” buildings
- Infrastructure development, e.g., roads, transportation options, water, sewer
- Marketing efforts “selling” location, workforce, low costs of doing businesses
- Seek employers paying a “living wage,” good benefits in exchange for a pro-business climate

To attract tourists or retirees...

- Develop unique tourism opportunities, such as “eco-tourism” and heritage tourism
- Invest in quality of life amenities, such as attractive neighborhoods, parks, and cultural events

To manage growth...

- Land use planning, zoning
- Development regulations
- Development impact fees
- Land acquisition tools, e.g., land trusts, conservation easements
- Land use outreach and education to private property owners
- Innovative transportation options

To address income and wealth disparities...

- Job training, job access, and education programs
- Community development lending, banks, and credit unions
- Individual development accounts

To build community capacity...

- Leadership development programs
- Civic participation campaign
- Community based planning activities

Strategies

Research the activities that seem most appropriate to your region. Consider your organization's past failures and successes. Consider short-term needs (more jobs? better incomes? growth management? defense conversion?) Consider long term goals (decreased poverty rate? improved quality of life? increase in hi-tech companies? stewardship of unique natural resources?)

What is needed to be able to effectively use these tools and pull off these activities? Who is going to do what, and when, if this economic development agenda is to happen? Get specific about how things will happen. These are your strategies.

Resources for best practices in economic development:

Harvesting Hometown Jobs:

The New Small Town Guide to Economic Development

By the National Center for Small Communities, Washington, DC

1997, (202) 624-3550, \$24.95, 156 PAGES

This excellent guidebook offers how-to guidance on generating incomes and creating jobs through entrepreneurial development, business retention and expansion, business recruitment, tourism and retirement development, and growth management. Chapters

include: Rethinking Local Economic Development; Getting Started; Growing New, Small Firms; Retaining and Expanding Existing Businesses; Recruiting Business and Industry; Attracting Tourists and Retirees; Managing Growth; and Innovative Partnership for Economic Development. See especially the “Getting Started” chapter for discussions of strategic planning and visioning.

Economic Development: A Union Guide to the High Road

By the Human Resources Development Institute of the AFL-CIO, Washington, DC

1998, (800) 842-HRDI, 130 PAGES

This guide is designed to respond to the needs of workers, unions, communities, and states that want to build healthy, sustainable communities with good jobs, a quality environment, and excellent public services. It discusses economic development in general, the “high road” and suggests a “tool box to transform the local economy,” or tools for strategic planning, building coalitions, research and evaluation, and resources. The purpose of this guide is economic development that is democratic and beneficial to working families.

Achieving Economic Development Success: Tools That Work

By the International City/County Management Association

1991. 156 PAGES, \$32.00

This book describes the techniques communities are using to achieve their economic development goals.

Strategic Economic Development

By the ICMA

1994, 19 PAGES, \$14.95

The most productive thing that a local government can do today is to develop a clear vision of the type of economy it wants and a plan for getting there. Five case studies explore new approaches to building the job base, all of which focus on nurturing existing businesses.

A Citizen's Guide to Achieving a Healthy Community, Economy and Environment

By the Center for Compatible Economic Development, The Nature Conservancy

1996, LEESBURG, VA, (703) 779-1728

This workbook seeks to demonstrate that communities can improve their quality of life by focusing on local assets—people, natural resources, ecological systems, small businesses, products, processes, culture, and heritage. The guide emphasizes “compatible economic development” and includes sections on the characteristics of healthy communities, assessments, strategies, implementation, and measuring success.

Try surfing the following web sites and following links of interest to your region:

- <http://cued.org/cued/hotlinks> The Council for Urban Economic Development's site contains links to a host of economic development web sites.
- http://www.rurdev.usda.gov/other_sites.html A list of Internet sites containing economic development information.
- <http://www.lib.lsu.edu/bus/econdev.html> A state by state listing of economic development and commerce programs across the country.
- <http://www.lib.berkeley.edu/ENVI/commdev.html> A list of about 30 sites pertaining to community and economic development.

To learn more about particular approaches, explore these topics:

Sustainable Development

Sustainable America:

New Public Policy for the 21st Century

By Benjamin Goldman

PREPARED BY THE JOBS AND THE ENVIRONMENT CAMPAIGN, 1995 (617) 547-5321

This 200-page report, funded by the EDA, includes a complete overview of sustainability and "how to get there from here." Chapters include: The Web of Sustainability, The Sustainable Economy, Green Jobs, and A Spectrum of Initiatives.

Reinvention: Strategies for Sustainable Economic Development, Part I

By Margaret Thomas and Midwest Research Institute

1996, 167 PAGES, \$30, (816) 753-7600 X1449

This publication, funded by EDA, provides technical assistance to the economic development community in introducing a new generation of economic development strategies:

- Increase profitability and save jobs by preventing pollution and reducing waste
- Develop new jobs in recycling-based manufacturing and "eco-industrial" parks
- Create jobs and new businesses through energy efficiency investments in private and public sectors
- Expand renewable energy technologies and manufacturing
- Capture markets in green businesses and environmental technologies

Coming Clean for Economic Development:

A Resource Book on Environmental Cleanup and Economic Development

By the Northeast Midwest Institute

REVISED AND UPDATED 1996, 170 PAGES, (202) 544-5200

This publication, funded by EDA, focuses on revitalizing brownfield sites as a solution to both environmental problems and urban job/training needs. The guidebook, which offers detailed information on state and federal regulations and programs, will help economic development practitioners understand problems, opportunities and tools needed to thoughtfully integrate environmental clean up into the economic development process. The book includes sections such as "Framing the Issue," "Environmental Considerations," "Financing Tools," "Environmental Program Tools," and "Success Stories."

Building Healthy Communities: Resources for Compatible Development

By Bill Schweke and the Corporation for Enterprise Development, Washington, DC

1997, \$20, 113 PAGES, (202) 408-9788

This resource book is based on the proposition that communities can preserve their natural and cultural heritage while still promoting economic development. Three sections—"Creating Effective Development Organizations," "Promoting Business Development," and "Practicing Responsible Land Use"—contain introductory discussions and listings of books, organizations, and websites to help the reader pursue each topic further.

Sustainable Communities: Task Force Report

By the President's Council on Sustainable Development, Washington, DC

1997, 270 PAGES, (202) 408-5296

This is the second of two reports by the President's Council for Sustainable Development, another one is expected out in early 1999. In addition to policy recommendations, the book includes very good overviews of the many issues and challenges associated with sustainable development. In particular, take a look at the chapter titled "Economic Development and Jobs," which focuses on Creation of Strong, Diversified Local Economies, Basic Education, Job Training and Lifelong Learning, Brownfields, and Financing Sustainable Communities. The book also includes many case studies, community profiles, and resources for further information.

Business Recruitment

Business Attraction and Retention: Local Economic Development Efforts

By Zenia Kotbal, John R. Mullin, and Kenneth Payne

PUBLISHED BY ICMA, 1996, (800) 745-8780, \$36, 92 PAGES

This book is for those who wish to establish business retention and attraction programs, particularly local officials. The first chapter presents six basic guidelines for such programs.

Later chapters discuss everything from the initial community evaluation prior to implementation of such a program, to measuring progress after the program is underway. The report provides information on established programs, where funding has come from, how they have been staffed, challenges they faced, and common activities. In addition to its wealth of practical guidelines, the report does a good job of presenting challenges that are likely to arise, and suggestions for confronting them.

Improving Your Business Climate:

A Guide to Smarter Public Investment in Economic Development

By the Bill Schweke and the Corporation for Enterprise Development, Washington, DC

1996, \$30, 175 PAGES, (202) 408-9788

Although the aim of this book is to reshape the policy debate about what constitutes a healthy business climate, it is also useful for economic development practitioners. Sections on "What We Should Expect From Economic Development," "Making Development Incentives More Accountable," "Investing in Public Infrastructure," and "Making Business Modernization Work" will help practitioners think through difficult issues as they try to educate local and state officials on public investment for economic development.

Economic Development: Marketing for Results

By Eric Canada

PUBLISHED BY BLANE, CANADA, LTD, 1995 (630) 462-9222, \$100,148 PAGES

This book applies business marketing techniques to the specific needs and circumstances economic development officials face. It includes a step-by-step discussion of how to write, gain support for, and launch a marketing plan. A very useful section of the book discusses why some marketing tactics succeed and others fail.

A Comprehensive Guide to Business Incubation

Edited by Sally Hayhow

PUBLISHED BY THE NATIONAL BUSINESS INCUBATION ASSOCIATION AND FUNDED BY EDA, (614) 593-4331, 1996, 380 PAGES, \$85

This book is an important reference for working incubator professionals and those who want to plan an incubation project. The book is packed with detailed information on every aspect of best practices for developing incubators, managing operations, and providing top-notch service to client companies. The 64-chapter book by multiple authors is divided into three main sections:

- Development: preliminary planning, self-sufficiency, drafting mission statements, funding, tax status, board of directors;

- Operations: increasing revenues/cutting costs, equity/royalty agreements, volunteers, lease agreements, affiliate programs, and
- Serving Clients: bootstrap financing, business plans, venture capital, property, management teams.

For more information about business incubation programs go to the website of the National Business Incubation Association, <http://www.nbia.org>.

Business Retention and Expansion

How To Create Jobs in the 90s:

A Step by Step Guide To Creating Jobs in Your Community

By Kenneth C. Wagner

PUBLISHED BY THE WAGNER GROUP, 1994, (617) 232-9954, \$30, 178 PAGES

This book provides a comprehensive overview of job creation opportunities. Twenty chapters are organized into four sections, "How Economic Development has Changed," Sources of Jobs in the 90s," Building and Staffing Your Program," and Preparing for Healthy Growth." Each chapter discusses a variety of job creation strategies and how to determine if your community has the necessary characteristics to implement them. The book also includes useful items such as an "assets/liabilities" checklist and sample surveys.

Implementing Local Business Retention and Expansion Visitation Programs

By Scott Loveridge and George Morse

PUBLISHED BY THE NORTHEAST CENTER FOR RURAL DEVELOPMENT, 1997, (814) 863-4656, \$35, VIDEO, BROCHURES, AND FIVE BOOKLETS

This package includes instructions for developing and organizing a local business retention and expansion visitation program. More information and samples of the materials are available at <http://www.cas.edu/docs/casconf/nercrd/nercrd.html>.

Revolving Loan Funds

Revolving Loan Funds: Recycling Capital for Business Development

By the National Council for Urban Economic Development

1995, (202) 223-4735, \$29, 80 PAGES

This is both a thorough and technical book on revolving loan funds. It begins with a definition of RLFs and the economic forces that led to their creation, offers practical examples and tools for establishing a RLF, and includes discussions of the capitalization process and necessary management structure for making loans. Case studies, flow charts and visual aids demonstrate the concepts and possibilities of this tool.

The Design and Management of State and Local Revolving Loan Funds

By Peter Kwass, Beth Siegel and Laura Henze

PUBLISHED BY MT. AUBURN ASSOCIATES, 1987, (617) 625-7770, \$30, 167 PAGES

This report, funded by EDA, discusses the characteristics and impacts of revolving loan funds, and presents guidelines for establishing an RLF. It recommends a design strategy, business targeting, financing, and other organizational structure issues. It also considers evaluation of this tool in light of local financial markets.

Regional Development

Regional Excellence:

Governing Together to Compete Globally and Flourish Locally

By Bill Dodge

PUBLISHED BY THE NATIONAL LEAGUE OF CITIES, 1996, 400 PAGES, \$15, (301) 725-4299

Regions are the basic unit of competitiveness in the global economy. Central cities and suburban communities are not competing with each other so much as they are with other regions. This book is a comprehensive and practical guide to help community leaders and citizens govern together—to compete globally and thrive locally in the 21st century. This book provides the how-to information and best practice materials community leaders and citizens need to achieve regional governance and decision-making excellence.

The Network Tool Kit,

Volume One: Manufacturing Networks and Competitive Manufacturing

Volume Two: Business Opportunity Networks

Volume Three: Case Studies

By Regional Technology Strategies

\$100, (919) 933-6699

These three volumes provide everything the novice or expert needs to design and run manufacturing networks. The books includes case studies, sample materials, and how-to advice on design and implementation.

Rural Development

Balancing Nature and Commerce in Gateway Communities

By Jim Howe, Ed McMahon and Luther Propst

PUBLISHED BY ISLAND PRESS, 1997, (800) 828-1302, \$21.95, 149 PAGES

Increasing numbers of Americans are fleeing cities and suburbs for the small towns that surround national and state parks, wildlife refuges, historic sites, and other public lands. With their scenic beauty and high quality of life, these "gateway communities" have become a

magnet for fast growth and the problems their residents intended to leave behind. This book illustrates how many rural communities across the country are managing these challenges. The authors offer practical and proven lessons on how residents of unique rural areas can protect their community's identity while stimulating a healthy economy and safeguarding nearby natural and historic resources. The book includes economic development strategies, land use planning processes, and conservation tools that communities from across the country have found effective.

Small Towns, Big Picture: Rural Development in a Changing Economy

By Priscilla Salant and Julie Marx

1995, 113 PAGES, \$10.00.

The authors provide rural decision makers with a concrete understanding of how global trends affect rural development strategies. This is a distillation of a decade of learning from the Rural Economic Policy Program of The Aspen Institute.

Smart Firms in Small Towns

By Stuart Rosenfeld, with Philip Shapira and J. Trent Williams

PUBLISHED BY THE ASPEN INSTITUTE, 1992, 93 PAGES, \$10.00

This book discusses strategies that states are using to help modernize manufacturing in rural areas and highlights promising practices in 12 states. It examines flexible networks, industrial extension services, links to community colleges, youth apprenticeship, and efforts to organize state services to specific industries.

Utilities and Industries: New Partnerships for Rural Development

By Charles Bartsch and Diane DeVaul

1992, 89 PAGES, \$10.00

The traditional, passive activities of utilities to help development (for example, surveys and business promotion) are insufficient to resurrect today's fallen rural industries. This is an inspiring guide of 40 innovative practices that can be jointly undertaken by utilities and government, including demand-side management and modernization.

Clusters and Cluster-Based Development

Cluster-Based Economic Development: A Key to Regional Competitiveness

By Information Design Associates

PREPARED UNDER AN AWARD FROM THE EDA, 1997, 80 PAGES, (415) 389-5000

An economic development approach based on understanding industry clusters and meeting their economic infrastructure needs can assist economic development leaders in identifying the industries that are key to the region's economic future and in developing the information

and civic collaboration that is essential to achieving the region's economic development goals. This report provides an introduction to cluster-based economic development through case studies and lessons learned from the experience of American regions.

Industrial-Strength Strategies: Regional Business Clusters and Public Policy

By Stuart Rosenfeld

PUBLISHED BY THE ASPEN INSTITUTE, 1995, 148 PAGES. ISBN PAPER: 0-89843-175-1, \$15.00

Rosenfeld explains what industrial clusters are, how to identify them in your region, and how best to support them and integrate them into state development planning. Two detailed case studies are included.

Microenterprise

**The Entrepreneurial Economy Review (1991)—
Special Issue on Microenterprise**

A collection of articles by several authors

PUBLISHED BY CFED, 1991, (202) 408-9788. LIMITED COPIES AVAILABLE, ASK FOR PHOTOCOPIES

This is a useful publication for newcomers to the field of microenterprise. This collection includes articles on the role of microenterprise in economic development, insights into various microenterprise funding sources and how to pursue them, case studies, and a guide to additional resources. The articles offer specific information and findings.

**The Practice of Microenterprise in the U.S.:
Strategies, Costs, and Effectiveness**

By The Aspen Institute

1996, 80 PAGES \$18.00

This report documents the experience of seven senior microenterprise programs in delivering credit, training, and technical assistance to low- and moderate-income clients in the United States. Using case materials gathered between 1992 and 1994, it analyzes the strategies, costs, and effectiveness of some 17 microenterprise training and lending programs implemented by seven agencies during that period with a view to better understanding the accomplishments and potential of microenterprise development in the U.S. context.

**Six Strategies for Self-Sufficiency:
Greater Ideas for Using State Policy To Get Families Out of Poverty**

By Sandra Van Fossen

PUBLISHED BY WIDER OPPORTUNITIES FOR WOMEN, 1996 (202) 638-3143, \$30, 115 PAGES

The publication looks at poverty reduction strategies like microenterprise and nontraditional employment to improve the financial well-being of women, particularly

women who head poor families. The chapters discuss the details of microenterprise programs, as well as efforts to create new jobs for this target population, and efforts to improve existing jobs.

Microenterprise Development as an Economic Development Strategy

By Lisa J. Servon

PUBLISHED BY RUTGERS UNIVERSITY, 1998. FROM EDA

Instead of trying to channel people into the mainstream economy as wage earners, microenterprise programs teach those with an interest and inclination for self-employment how to strengthen their entrepreneurial skills, and start and stabilize their business. The authors focus on the relationship between the microenterprise strategy and the local economy in order to determine whether and how microenterprise programs can help to alleviate economic distress. This report includes case studies of sic programs across the country.

Main Street

Revitalizing Downtown

By Kate Joncas and others

Published by the National Main Street Center/ National Trust for Historic Preservation, 1995, (292) 588-6219, \$40, 200 pages. This book provides an overview of the philosophy and details of the Main Street program. Their approach to downtown revitalization has four primary components: design, organization, promotion and economic restructuring. The guide includes practical, how-to advice for creating your own program.

Contact The National Main Street Center, National Trust for Historic Preservation, Washington, DC, (202)588-6219 <http://www.nthp.org> for additional information. There may also be a chapter in your state.

Marketing Your Downtown

By International City Manager's Association

1996, (800) 745-8780, \$14.95, 15 PAGES

This paper provides a basic overview of marketing theory and how it applies to downtown revitalization efforts. The report explains why marketing is important; goes over stages of the marketing process such as fact finding, setting objectives, and forming a strategy; and presents an extensive treatment of local government's role in downtown revitalization. The piece also includes useful checklists, matrices, and worksheets.

Fill-in-the-Blank Business Recruitment:

A Workbook for Downtown Business Development

By Kate Joncas and others

PUBLISHED BY THE NATIONAL MAIN STREET CENTER/NATIONAL TRUST FOR HISTORIC PRESERVATION, 1995,
(292) 588-6219, \$40, 101 PAGES

After the introduction and a section on determining and testing business opportunities, this workbook presents guidelines for developing business recruitment and retention programs to enhance a downtown business district. Worksheets in seven sections—ranging from a building inventory to a business prospect evaluation form—make the workbook useful to anyone from community volunteers to economic development officials.

Heritage Tourism

Getting Started: How To Succeed in Historic Tourism

By the National Trust for Historic Preservation

1993, (202) 588-6219, \$15, 48 PAGES

This primer for heritage tourism discusses the benefits and challenges of tourism and preservation, and helps readers make the links between the two. It suggests four action steps that make up the bulk of the publication: assess the potential, plan and organize, prepare, protect, manage, and market for success. Case studies and additional resources are an important component of the guide.

Cultural, Heritage, and Environmental Tourism

By Stephanie Capalbo

PUBLISHED BY THE INTERNATIONAL CITY MANAGER'S ASSOCIATION, 1996, (800) 745-8780, \$15, 49 PAGES

The report discusses how large and small communities can develop, promote, and protect cultural, heritage, and environmental tourism sites. Each section of the report focuses on one of these three types of tourism, using case studies for examples. The report concludes with a general discussion on marketing these types of tourism sites.

See "Tourism: Bane or Boom?" in **Balancing Nature and Commerce in Gateway Communities** described in a previous section.

Value-Added Processing and Marketing

Recouple: Natural Resource Strategies for Rural Economic Development

By Margaret Thomas

FUNDED BY EDA AND PUBLISHED BY THE MIDWEST RESEARCH INSTITUTE. 1990, 230 PAGES, \$25, (816) 753-7600

This book was written for rural development specialists, rural community leaders, and natural resource specialists who are seeking ways to add value to a region's natural

resources. It deals with forest, agriculture, tourism, and wildlife-based recreation resources, including how to use forest and wildlife resources in rural economic development, how to use the forest industry park as a strategy, how to organize a food industry association, and how to use agricultural development as a rural development strategy. Over 100 related publications are referenced and there are four extensive bibliographies on technical assistance materials.

The Food and Agriculture Workbook

By Patricia Cantrell

PUBLISHED BY THE ROCKY MOUNTAIN INSTITUTE. FIRST EDITION, (1991). WIREBOUND, 120 PAGES, \$11.00

This workbook is for communities that want to work creatively to strengthen their local economy rather than watch passively as their agricultural sector declines. The book helps them identify and analyze what they have to work with, then generate, evaluate, and select community actions to revitalize local agriculture. It offers examples of projects that helped both towns and nearby farmers and ranchers, as well as worksheets for gathering local food industry data to help residents find and choose projects that strengthen their community's food supply and agricultural economy.

How are we doing? (Evaluation)

GPRA requires federal departments and agencies to develop their own strategic plans and performance reports to monitor progress toward stated goals. The first reports will be due in 2000. Meanwhile, several states, cities, and some towns are experimenting with systems of benchmarks and indicators to measure progress on economic, environmental and community goals.

In coming years, EDA will require some sort of performance measurement by grantee organizations. This means that organizations will be asked to monitor their own performance against stated goals. Initially, EDA expects to collect both output (projects funded, roads built, partners) and outcome (decreased unemployment, increase in new firms) measures. An important principle will probably be that organizations will be asked to measure themselves against their own goals. EDA is encouraging organizations to begin exploring ways to measure their performance.

For Benchmarking and Evaluation

Performance Measures for EDA Planning and Local Technical Assistance Programs

By Ed Blakely and Applied Development Economics for the EDA

1998, 40 PAGES

This is a study commissioned by EDA to recommend performance measures for EDA planning and local technical assistance programs. The report explains the recommended measures, the process used to develop the measures, and issues EDA must address in order to implement the recommendations.

Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards

By David Ammons

PUBLISHED BY SAGE PUBLICATIONS. 1996, 323 PAGES \$45

Municipal Benchmarks provides an excellent introductory discussion of why performance benchmarking is such an important tool. The book explores the design of practical performance measurement systems, the improvement of existing systems, and the establishment of local performance standards. Author David N. Ammons steps beyond the current literature on local government performance measurement by offering benchmarks against which an individual municipality's performance may be assessed. This important volume guides municipal executives, department heads, management analysts, mayors and city council members, citizen groups, and interested individuals beyond the development of performance measures for city government operations. It prepares them for the initial stages of actual performance assessment by presenting relevant national standards developed by professional associations and actual performance targets and performance results from a sample of respected city governments.

Redefining Success in Community Development:

A New Approach for Determining and Measuring the Impact of Development

By Sherry Salway Black, and the First Nations Development Institute

1994, 27 PAGES. (540) 371-5615, NO CHARGE.

The goal of this paper is twofold. First, to challenge community development practitioners to learn about new development paradigms and efforts to define more inclusive measurements of human, societal, and environmental welfare. Second, to simulate new thinking and practice in the field to better measure what our communities value, and our success as community development practitioners.

References

¹ Economic Development Administration, *FY 1998 Policy Guidelines*, March 1998, page 1.

² *ibid*, page 4.

³ US Department of Commerce, *Overall Economic Development Program: Guidelines for Economic Development Districts*, May 1992, page 1.

⁴ US Department of Commerce, *Programs of the Economic Development Administration*, March 1998.

⁵ National Association of Regional Councils, *The National Regional Agenda: Building Regional Communities for the 21st Century*, February, 1998, page 1.

⁶ Benjamin A. Goldman. *Sustainable America: New Public Policy for the 21st Century*, US Department of Commerce, Economic Development Administration, 1995, page xi.

⁷ Speech by Deputy Assistant Secretary of Commerce at EDA Sustainable Communities Conference, New Orleans, May 28, 1998.

⁸ National Association of Regional Councils, *op.cit.*

⁹ National Academy of Public Administration, *A Path to Smarter Economic Development: Reassessing the Federal Role*, NAPA, November 1996, pages 13-14.

¹⁰ Rutgers University et al., *Public Works Program—Performance Evaluation, Final Report* Economic Development Administration, May 1997; Rutgers University et al., *Defense Adjustment Program—Performance Evaluation, Final Report*, Economic Development Administration, November 1997.

¹¹ Applied Development Economics, *Performance Measures for EDA Planning and Local Technical Assistance Programs*, September 1998.

¹² Information Design Associates with ICF Kaiser International, *Cluster-Based Economic Development: A Key to Regional Competitiveness*, Economic Development Administration. October 1997.

¹³ *ibid.* page 15.

¹⁴ AFL-CIO Human Resources Development Institute, *Economic Development: A Union Guide to the High Road*, AFL-CIO May 1998, page 35.

About CFED

The Corporation for Enterprise Development (CFED) is a non-profit organization that promotes asset-building strategies, and innovative economic and enterprise development, primarily in low-income communities and distressed regions of the United States. We bring together in new and effective ways, community practice, public policy, and private markets. We provide a range of services for public, private, and nonprofit partners and clients, through policy design, analysis and advocacy, demonstration and project management, consulting, training, technical assistance, research, and publications. Our main program areas are assets development, microenterprise and small business development, development finance, economic climate, and sustainable development.

**In 1999,
CFED was
recipient of the
Presidential Award
for Excellence in
Microenterprise
Development.**



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