



NEW ULM ECONOMIC DEVELOPMENT DISCUSSION

DECEMBER 15TH , 2017

What is Economic Development?

- Currently, we (all) lack a clear and shared understanding of what we mean when we talk about economic development. However....
- While *economic growth* is simply an increase in aggregate output, **economic development** is concerned with quality improvements, the introduction of new goods and services, risk mitigation and the dynamics of innovation and entrepreneurship.
- Economic development is about positioning the economy on a higher growth trajectory.
- Economic development **is the product of long-term investments** in the generation of new ideas, knowledge transfer, and infrastructure, and it depends on functioning social and economic institutions and on cooperation between the public sector and private sector.

Are you asking the right questions?

- Evolution of organizations and communities is natural. Evaluation of economic development on a local level is expected. However, are the right questions being asked?
- What is the mission, vision and what are the goals of the **community**, not just the individual organizations?
- What are the functions of economic development that the community believes are appropriate and important (Business Attraction, Business Retention & Expansion, Capacity Building)
- What roles are appropriate for the entities in the community (EDC, Chamber, City, CVB, private sector)?

Redistribution of Resources

- It is a common misconception that shifting funding from one organization to another will result in a more productive outcome in economic development. This rarely resolves the real concerns. Consider taking a step back...
 - Conduct an evaluation of the five most critical priorities, who is doing them (if anyone), and what to do about it, before reallocation/redistribution of from any investors or sources
 - Is there consensus on the top priorities?
 - Is there a strategic plan?
 - Generally agreed upon tactics for executing the strategy?
 - Roles? Does it need to all be done by one?

What is working elsewhere?

- Public-Private Partnerships are currently considered one of the more sustainable models:
 - with defined roles (not silos),
 - defined expectations,
 - defined communications and;
 - strategies built on consensus and clarity
- Chamber/EDC combinations work, but require strong leadership and stronger “buy-in” from investors.
- City led programs work, but in communities with strong private sector partnering, leadership

Best Practices – In action

- Carroll, IA (pop. 10,103)
 - Everyone knows their roles (City, Chamber, EDC)
 - Active/hands-on supportive board
 - Consistent and stable
 - Investor buy-in, representation and investment in “product” – sites/buildings
 - Cohesive strategy/lobbying effort/priorities

Best Practices – In action

- Jefferson County Dev. Corp, Mt. Vernon, IL (pop. 15,277)
 - Developed through a City/County resolution
 - Led to restructuring of economic development
 - Based on the changes they determined needed to happen
 - Developed an integrated structure, with defined roles by multiple entities, with a coordinating organization (JCDC)
 - Each entity has a role, metrics and established communications within the process

Best Practices – In action

- Ames, IA (pop. 58,500)
 - Ames Chamber and Economic Development
 - Strong leadership (balanced understanding of roles)
 - Strong investors (public/private)
 - Capacity and product to promote (for the overall benefit of the community)
 - Consistent, stable and well organized
 - Communication and trust are clear and present

Best Practices – In action

- Hutchinson, MN (pop. 14,178)
 - Hutchinson EDA
 - Strong staff leadership and Board of Directors
 - Clear mission and duties (roles)
 - Clear understanding of partners
 - Active, involved and supportive City leadership
 - Clear and consistent funding
 - Alignment with industry needs and community goals

Resources to Consider

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