

PERSPECTIVES ON ECONOMIC DEVELOPMENT

*The Economic Development Policy
Space, Measuring Success, and what City
Managers Need to Know*

PRESENTED FOR:
2024 OCMA Annual Conference
2/29/2024



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OBJECTIVES OF TODAY'S SESSION

- **LEVELSET – WHAT ACTUALLY IS “ECONOMIC DEVELOPMENT?”**
 - Policy Goals and Objectives.
 - Day to Day Activities of Economic Developers.
 - Measuring Success.
- **BROADEN – WHAT ELSE ALSO INFLUENCES LOCAL ECONOMIES?**
 - How macroeconomic changes are affecting Ohio.
 - “Community Development” Policies and Approaches to Local Economic Growth.
- **EXPLORE – HOW SHOULD I DEFINE “ECONOMIC WELL BEING?”**
 - The questions to ask about your local community/economy.
 - How Municipal leaders can drive the right kinds of activity.
 - Balancing short term pressures with long term priorities.

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WHAT IS “ECONOMIC DEVELOPMENT?”

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DEFINITION

“Economic development is the intentional practice of improving a community’s economic well-being and quality of life. It includes a broad-range of activities to attract, create, and retain jobs, and to foster a resilient, pro-growth tax base and an inclusive economy. The practice of economic development comprises of a collaborative effort involving industry, government and myriad community stakeholders.”

*International Economic Development Council

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DEFINITION

“Economic developers regularly engage in:

- Business Retention & Expansion
- Business Marketing and Attraction
- Entrepreneur & Small Business Development
- Technology Commercialization
- Real Estate Development
- Assist Businesses in Accessing Financing
- Workforce Development
- Community Strategic Planning
- Disaster Recovery and Resilience
- International Opportunities / Foreign Direct Investment”

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UNPACKING “ECONOMIC WELL-BEING”

• Attract, Create, and Retain Jobs

- Meaning: Number of jobs is increasing
- Metrics: Jobs created / Jobs retained / BR&E “pipeline”
- Challenges: Job “quality” / what counts as “retention?”

• Resilient, Pro-Growth Tax Base

- Meaning: “Mix” of industry sectors is diverse / sectors represented are “growth”
- Metrics: Businesses by sector / gross tax receipts
- Challenges: Defining “growth” sectors / Tax policy trade offs / “Overemphasis”

• Inclusive Economy

- Meaning: Reduce economic “barriers to entry” facing new entrepreneurs
- Metrics: Total new business permits / DBE certified businesses
- Challenges: Economic barriers to entry / SES barriers to entry

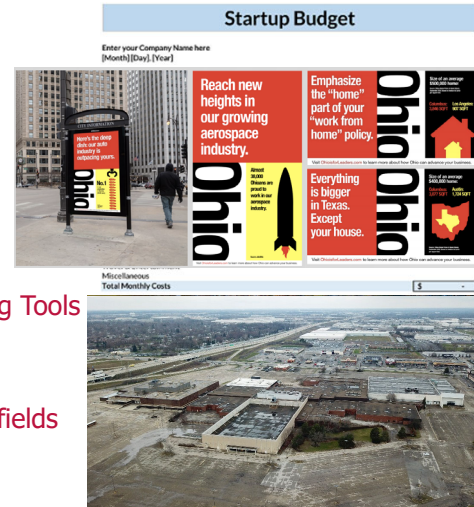
THEORY OF CHANGE: ECONOMIC DEVELOPMENT

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THEORY OF CHANGE: ECONOMIC DEVELOPMENT

- Supply Side (Micro)Economics
 - Reduce the cost of doing business
 - Be the lowest cost community
- Policy Tools
 - Staff / Economic Development Departments
 - Tax Incentives
 - Direct Incentives – CRA, EZ, JCTC, Public Financing Tools
 - Indirect Incentives – TIF, JEDD, NCA
 - Site Readiness
 - Site identification – Greenfields, Grayfields, Brownfields
 - Infrastructure/utility planning
 - Workforce Development



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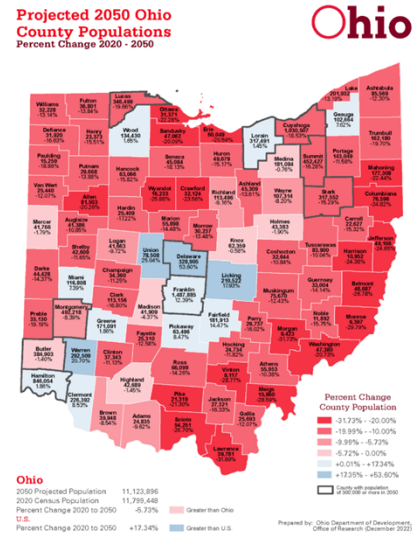
GAINING A WIDER CONTEXT

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UNDERSTANDING MACROECONOMIC CHANGES

- Economic Change in Ohio 1973-2023
 - Globalization and deindustrialization
 - Industry consolidation
 - Aging Infrastructure
 - Drivers of Suburbanization/Sprawl
- Impacts of Change on Quality of Life:
 - Challenges in Growth Regions
 - Rising costs of living
 - Rising costs of business
 - Challenges in Decline Regions
 - Maintaining quality of life
 - Finding new economic niches
- Projected Population Changes 2020-2050
- Where "Economic Development" Fits In

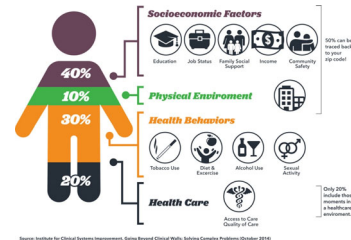
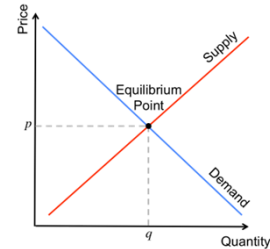


ANOTHER LENS: COMMUNITY DEVELOPMENT

Create Sense of Place	Build Community	Strengthen Economy
Multimodal Corridor	Connect/Connectivity	Revitalization/Redevelop
Safety	Mobility	Jobs
Downtown/Center	Equity	Modernize
Main-street	Access	Resilience
Complete-streets	Community	Innovation
Transit	Neighborhood	Sustainable
Active-transportation	Reconnect	Opportunity
Bicycle	Enhance	Green
Trail	Reimagine	Intermodal
	Regional	

THEORY OF CHANGE: COMMUNITY DEVELOPMENT

- Demand Side (Micro)Economics
 - **Econ 101: Thinking About Supply and Demand**
 - “Willingness to Pay” and “Ability to Pay”
 - Creating new customers
 - Measurements for Communities: Median Income, Retail Business Concentration, Prices
 - **Social Determinants of Health**
 - Concept that 80% of a patient’s health outcomes are determined by non-medical factors.
- Supply Side (Micro)Economics – Another Flavor
 - **“Inclusive Economy” revisited**
 - “Economic Gardening”



COMMUNITY DEVELOPMENT POLICY TOOLS

- Policy Tools
 - **Targeted Assistance to Individuals**
 - CDBG (and other HUD programs)
 - Businesses – Small Business Development Centers, “Holistic” Incubators
 - Job Seekers – Job Training with “wrap around” services
 - **Public Policy to Influence Social Determinants of Health**
 - Housing – Supports for both renters and developers
 - Transit – Mobility and Community Connectivity
 - Public Health
 - Education
 - Parks, Recreation, and Community Programming
 - **Placemaking**

Maximum Income as of June 15, 2023 depends on the number of people in your household not including fulltime caregivers

Percent (%) of AMI	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Very Low 30%	\$19,000	\$21,700	\$24,850	\$30,000	\$35,140	\$40,280	\$45,420	\$50,550
Low 50%	\$31,650	\$36,200	\$40,700	\$45,200	\$48,850	\$52,450	\$56,050	\$59,700
Moderate 80%	\$50,650	\$57,850	\$65,100	\$72,300	\$78,100	\$83,900	\$89,700	\$95,450

PROJECT OVERVIEW \$10 MIL TOTAL DEVELOPMENT COST \$3 MIL NON-ELIGIBLE (LANDSOFT COSTS) \$8 MIL ELIGIBLE FOR CREDITS	DEVELOPER \$8 MIL x 9% ELIGIBLE FOR LIHTC CREDITS 100% LIHTC QUALIFIED BASIS UNITS \$720K ANNUAL CREDITS RECEIVED \$7.2 MIL x \$0.85 CREDITS RECEIVED SYNDICATORS RATE FOR INVESTORS \$6.12 MIL INVESTOR PROVIDES DEVELOPER FOR PROPERTY PROJECT IN EXCHANGE FOR TAX CREDITS	INVESTOR \$720 K ANNUAL TAX CREDITS RECEIVED OVER 10 YEARS FROM DEVELOPER FOR THE \$6.12 MILLION INVESTMENT + DOLLAR-FOR-DOLLAR REDUCTION IN TAX LIABILITY FOR 10 YEARS + TAX LOSSES GENERATED FROM PROJECT'S OPERATING COSTS, DEPRECIATION DEDUCTIONS, & INTEREST ON DEBT >\$1.08 MIL
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PLACEMAKING STRATEGIES

- “Building Places Where People Actually Spend Time”
- Transforming Unused/Underutilized Areas
 - Riverfronts
 - Streets
 - Legacy Mixed Use Buildings
- Transforming Outdated/Misused Areas



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PANEL DISCUSSION

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PANELISTS

- MEGAN HOFFMAN

- Director of Administration, City of Bexley
- Previous Experience:
 - City of Whitehall
 - Village of Glencoe (IL)
 - City of Upper Arlington

- CAROLYN THURMAN

- Founder/Principal, Civic Uplift
- Previous Experience:
 - Franklin County Economic Development
 - City of Westerville
 - Ohio Department of Development

- ERIC MEYER

- Director of Economic Development, City of Reynoldsburg
- Previous Experience:
 - City of Dublin
 - Finance Fund
 - Columbus Downtown Development

- JOSH ROTH

- Clinton County Economic Development Director
- Previous Experience:
 - COTA
 - Franklin County Economic Development
 - Ohio Department of Development

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AUDIENCE Q & A

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