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Smaller Towns Teaming Up Through Regional Economic Development Partnerships

More second- and third-tier markets, both rural and suburban, are combining their economic development resources to better attract companies and investment.

Mark Crawford (Apr/May 09)

Regional economic development partnerships — collaborative arrangements among smaller communities and counties — allow their members to bundle their individually attractive attributes together as they seek new business investments. These alliances allow their small-market members the opportunity to provide companies in the site selection process with the kinds of advantages they would find in larger areas, such as larger collective work forces and opportunities for financial incentives. At the same time, they can entice businesses with distinct small-town advantages, including responsive and personal interactions with local decision-makers, lower costs of doing business, lower costs of living, and locally reliable supply chains.

"Multiple-county partnerships allow for shared information and resources vital to recruitment," says Joseph Yager, CEO for the Regional Economic Area Partnership (REAP) in Wichita, Kansas. "Land availability, incentive resources, training and education programs, and work force programs all vary by community, so multiple-county partnerships are critical points of contact to maneuver through the opportunities that best meet a potential project's needs."

Looking at Labor

"The number-one factor companies consider is the labor force, and they're more interested in the regional labor information than they are in the jurisdictional labor force," says Beth Doughty, executive director of the Roanoke Regional Partnership in Virginia. "Regional partnerships are attractive to prospects because companies are looking for cohesive communities where the localities work well across jurisdictional lines." Since 1983, this four-county partnership has helped create more than 13,000 new jobs and almost $1.3 billion in new investment by attracting such companies as Altec Industries, Tecton Products, LiteSteel Technologies, and Robatel Technologies LLC.

In southeastern Iowa, Grow Greater Burlington teams economic development efforts for four counties in a partnership with Southeastern Community College (SCC) to develop targeted training programs in advanced manufacturing, agriculture, food distribution, and warehousing/logistics for regional labor force of 111,000. The state's Jobs Training and Industrial New Jobs Training programs, which are offered with SCC, help defray some of the cost of custom training.

New England's Rutland Economic Development Corporation also works with local educational institutions such as the Castleton State College and the College of St. Joseph to provide customized worker training support for its key industries of manufacturing and healthcare. In addition, Stafford Technical Center, a career training institute for high-school students and adults, has joined forces with many of the area's premiere manufacturers — including Hubbardton Forge, Questech, General Electric Aircraft Engines, Kalow Technologies, and Ellison Surface Technologies — to offer additional training to current and future employees looking for advancement opportunities and increased compensation in manufacturing positions.

In west central Ohio, GreaterFindlayInc. — a partnership comprising several public- and private-sector development organizations and chambers of commerce in the Findlay–Hancock County region — promotes the strong work ethic and homegrown values of its 300,000-person work force, 40 percent of whom come from rural areas. Area workers receive education and training from Brown Mackie College in Findlay, which provides technical proficiency training, and Owens Community College's Findlay campus. GreaterFindlayInc. is also a participant in a retention program called WorkingEd, a regional online initiative that matches graduating students with companies that require specific skill sets for available jobs.

Targeting Sectors

Some partnerships choose to focus their business recruitment on specific sectors. Thrive, an eight-county partnership in central Wisconsin, was established in 2007 to attract investment in three key target sectors: agriculture, bioscience, and healthcare. "Our focus on these sectors was chosen because we are already very strong in each of these industries," says Rafael Carbonell, Thrive's executive vice president. "In fact, Wisconsin's bioscience employment is growing faster than the U.S. average in three of four major categories. Thrive's collaborative efforts are gaining the attention of industry. When ALC, a manufacturer of lift chairs based in Germantown, Wisconsin, began researching a location for a new manufacturing facility, it explored several options internationally and domestically, but ultimately decided on Jefferson, one of Thrive's communities.

Located in northeastern Indiana, Huntington County United Economic Development (HCUED) is centered on the community of Huntington and its five surrounding townships. Targeted industries include manufacturing, metal fabrication, food processing, and distribution. Last November, Cequent Towing Products opened a 130,000-square-foot distribution center in Huntington. Other recent industrial projects in Huntington County include Bendix Commercial Vehicle Systems ($8.6 million investment), Gerdau MacSteel Heat Treat Division ($9.4 million), and Midwest Industrial Metal Fabrication ($2.3 million).

Washington's Tri-City Development Council combines the economic development resources of Benton and Franklin Counties in the southeastern part of the state. Core industries targeted include light manufacturing, food processing, and retail trade and services. Major companies in the area include Apollo Sheet

Metal, ConAgra Foods Lamb Weston, and Amazon.com.

Marketing Specific Features

A coalition may choose to market itself to potential investors by focusing on a specific attribute of either its region or the partnership itself. The Colorado Springs Regional Economic Development Corporation (CSREDC) represents two counties with a combined population of about 600,000. The corporation has had success in marketing to California companies that are looking to relocate or expand. “Our climates are similar. Our target sectors — aerospace, bioscience, and renewable energy — are common industries in California. And doing business in Colorado Springs costs a lot less than doing business in California,” says Michael J. Kazmierski, CSREDC’s president and CEO.

The Industrial Development Authority (IDA) of Cuba, Missouri, markets the Cuba Enterprise Zone, an area in which qualified businesses can receive substantial tax credits and abatements from local, regional, and state government agencies. The IDA recently formed an alliance with the nearby towns of Steelville, Bourbon, and Leasburg when the state expanded the enterprise zone to include those areas. The four towns will now work together to market the region the newly expanded zone.

The Economic Development Coalition (EDC) of Southwest Indiana represents four Indiana counties with a combined population of approximately 350,000, with Evansville being the largest community (116,253 residents). In March 2009, the coalition activated a geographic information system (GIS)-based database on its website. The GIS component matches sites and buildings located within the EDC’s target area with accompanying demographic and business data, giving site selectors the opportunity to research availability in a more detailed manner than before.

Technology is also playing a part for Roanoke Regional Development, where the partnership uses online search engine optimization (SEO) and social networking as key elements in its marketing plans. “We were one of the first economic development organizations in the United States to have a Facebook page, a YouTube channel, and a Wikipedia strategy,” says Doughty. “Now we use Twitter as well.”

Strength in Numbers

For smaller towns and counties, collaboration can be the key to successfully recruiting business and, in some cases, to securing government grants and other benefits. When Wisconsin’s Thrive formed, one of its first accomplishments was helping secure a $5 million grant from the Wisconsin Department of Labor to develop a sustainable program for work force training. Thrive is also working with the five-county Southwestern Wisconsin Regional Planning Commission to develop and submit regional submissions appropriate for federal stimulus dollars. “By acting collaboratively, we believe that we can make a stronger case for funding levels that will help to create much-needed employment opportunities throughout our region,” says Mark Masters, the commission chair. “This larger regional collaborative effort should hopefully help each individual county receive more immediate attention to their funding requests.”

Colorado Springs’ Kazmierski attributes much of his organization’s success to the partnering process. “The ability to focus on the unique needs of each prospect, and then work to find them the best fit in the region, has resulted in a 70 percent success rate for prospects that have selected our area once they have visited us,” he says. “Additionally, in these tough economic times, working together as a region maximizes the limited resources we have to give our region the most bang for its buck.”

Working as a coalition had a very specific payoff for EDC of Southwest Indiana, which this past March announced a new $150 million project in Evansville that will create almost 400 new jobs. President and CEO Greg Wathen says two of the coalition’s four counties were under serious consideration for the project. “We represented both communities in negotiations with the company,” he says, “as well as worked with team members from each county to ensure impartiality, fairness, and confidentiality in those discussions.”

In the end, says Wathen, the numbers tell the story: “There’s nothing that puts a region or community on the radar screen of site selectors and company decision-makers more than economic activity.”