

# MAXIMIZING YOUR LOCAL ASSETS FOR ECONOMIC DEVELOPMENT

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# Outline



- Understanding How Local Economies Work
- Defining the Anchors and Actors of your local economy
- How does Economic Development impact your community's bottom line?
- Positioning your community for economic development
- Organizing for Action/Aligning With your Objectives
- Leveraging Your Economic Development Assets

# Goal of Session



- Help you understand the vital role the health of your local economy plays in enhancing your community's quality of life.
- Help you maximize your community's economic development assets to succeed in an increasingly global marketplace.

# Basic verses Non-Basic Businesses

## **Basic Businesses**

- *Raw Materials, Extraction*
- *Manufacturing*
- *Warehouse & Distribution*
- *Corporate Headquarters*
- *Regional Medical Centers (?)*
- *Regional Retailing (?)*
- *Tourism (?)*
- *Colleges and Universities (?)*

## **Non-Basic Businesses**

- *Retailing*
- *Hospitality*
- *Local suppliers*
- *Local services—personal, business, medical*
- *Financial, insurance, real estate*
- *Local government*

The ability to import new dollars into the local economy determines whether a business is basic or non-basic---a local doctor's office (non-basic) vs. a regional hospital (basic).

# Three Major Community Types in Economic Development

## Employment Center

- Strong presence of Basic and Non-Basic Businesses
- Low to moderate residential presence

## Balanced Community

- Significant presence of Basic and/or Non-Basic Businesses
- Significant residential presence

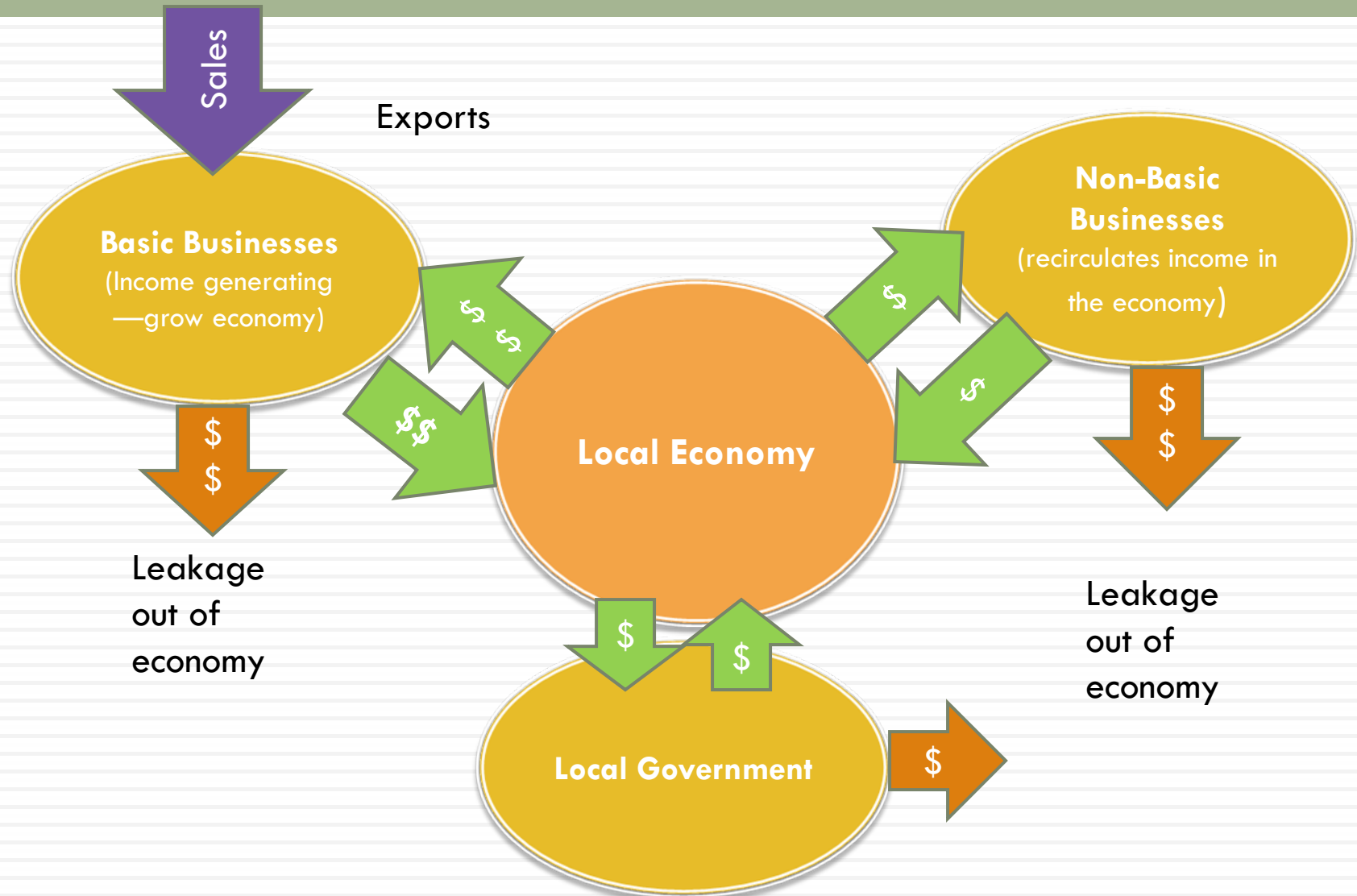
## Bedroom Community

- Low presence of Basic, low to moderate presence of Non-Basic Businesses
- Substantial residential presence

## Exercise: The Top 3 Basic and Non-Basic Businesses in Your Community

- What are the top 3 **Basic Businesses** (new dollars) in your community?
- What are the top 3 **Non-Basic Businesses** (sticky dollars) in your community?

# How Local Economies Work



# Components of the Economy

Industry Sector	% of Businesses		% of Labor	
	Newton	Georgia	Newton	Georgia
Agriculture, Forestry, Fishing	0%	1%	0%	1%
Mining	0%	0%	0%	0%
Construction	22%	10%	9%	5%
Manufacturing	6%	4%	24%	11%
Transportation/utilities	4%	3%	0%	4%
Wholesale Trade	5%	9%	2%	5%
Retail Trade	13%	13%	11%	12%
Finance, Insurance, Real Estate	9%	10%	4%	6%
Services	36%	43%	29%	39%
Federal, State Local Government	4%	3%	21%	16%
Other	2%	5%	0%	0%
total	1513	261,437	20,585	4,023,574

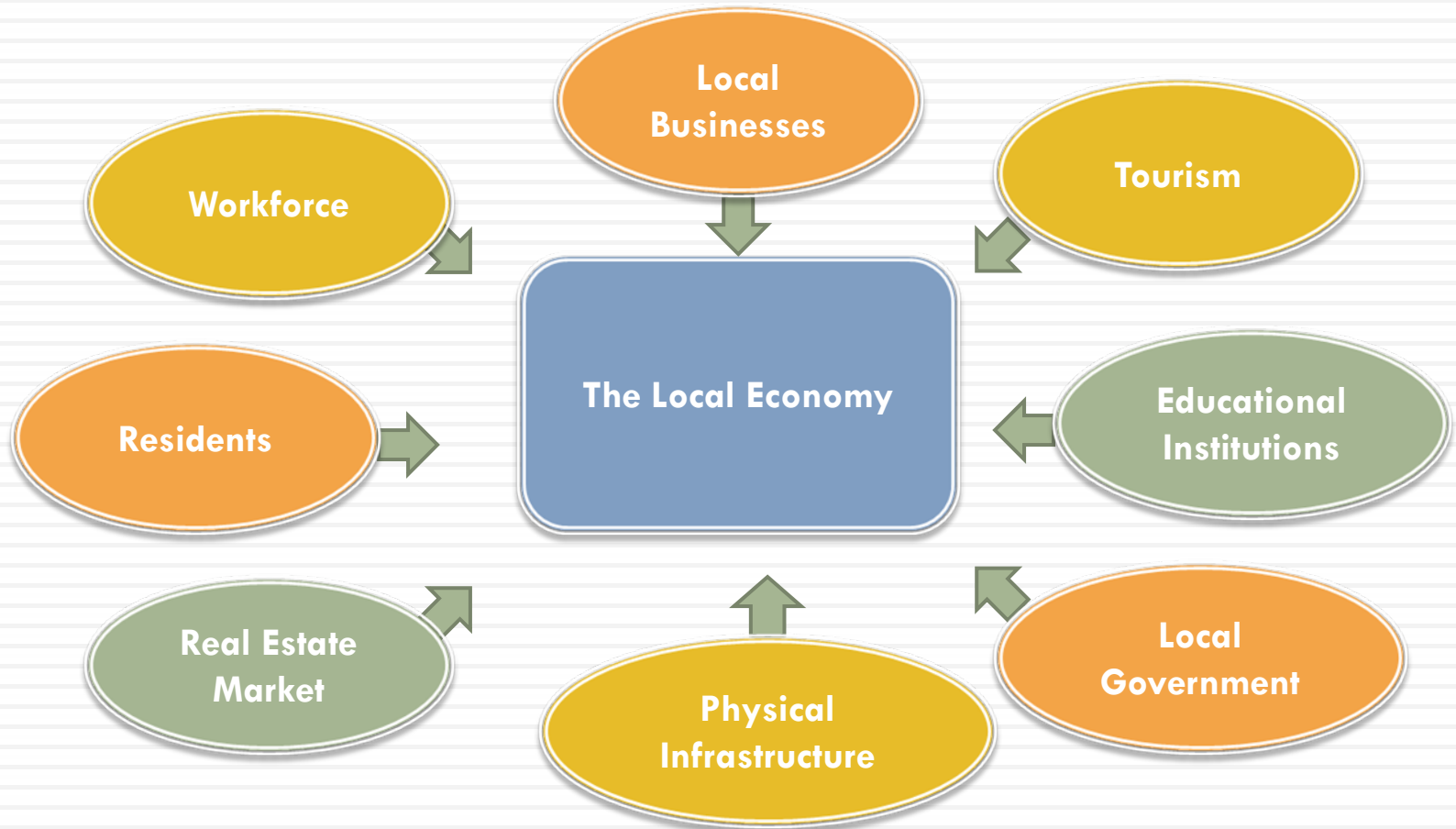
**Newton County:** Manufacturing for 24% of jobs, Services 29% ,Government 21%

Newton's wages lag state averages.

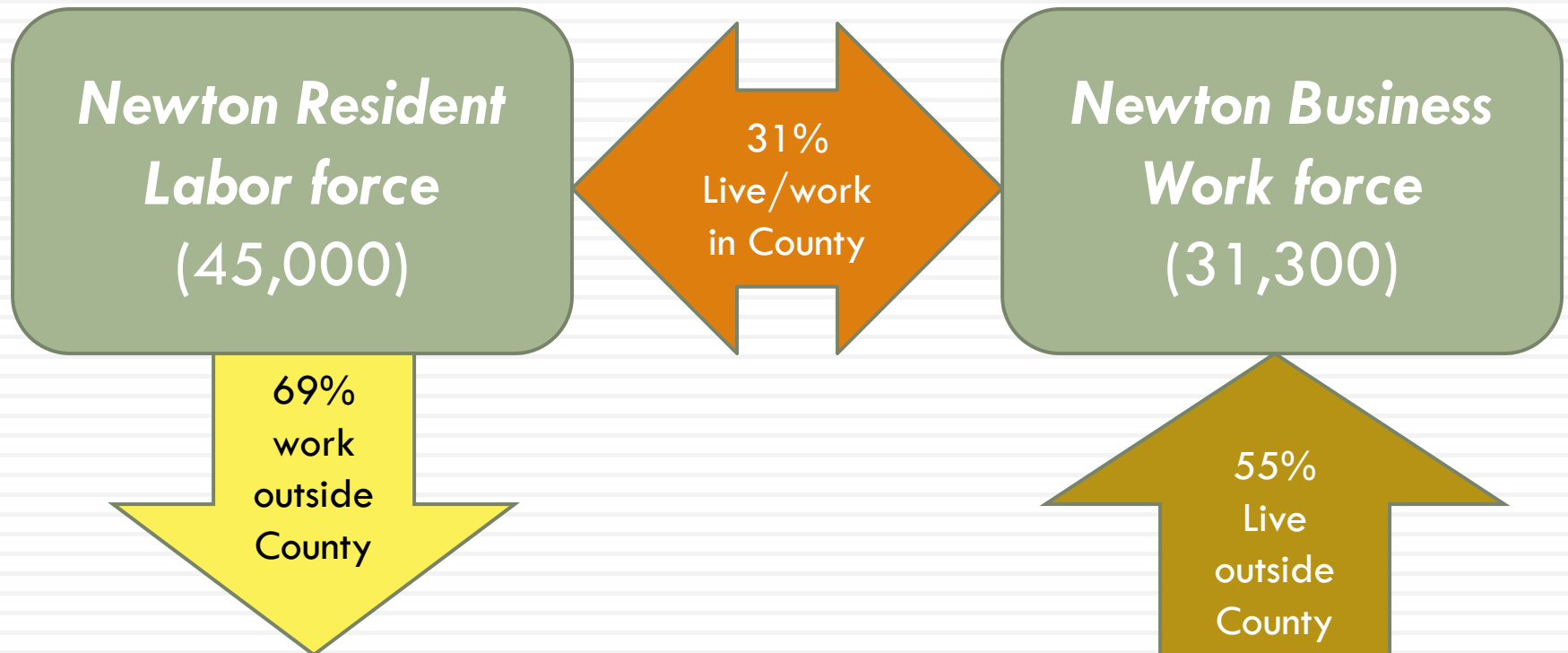
**In Georgia** Manufacturing is only 11% of jobs, Services 39% and Government 16%..



## Key Components of Your Local Economy



# Understanding the Relationship between your Laborforce and Workforce



Newton County, Georgia

# Jobs/Resident Balance in Select Georgia Counties

<b><u>County</u></b>	<b><u>% Residents work there</u></b>
□ Clarke	60.5%
□ Fulton	55.9%
□ Greene	47.0%
□ Gwinnett	41.4%
□ Cobb	40.0%
□ Newton	31.5%
□ DeKalb	30.6%
□ Cherokee	22.3%
□ Madison	19.1%
□ Paulding	16.3%

# Key Local Actors in Economic Development

- Local Government
  - City Manager
  - Economic Development Manager
  - Community Development/Planning
  - Elected Officials
- Chamber of Commerce
- Local Utility
- Business Community/Major employers
- Banks
- Real Estate Sector—brokers and developers
- Downtown Development Authority
- School Board

# Key Regional Actors in Economic Development

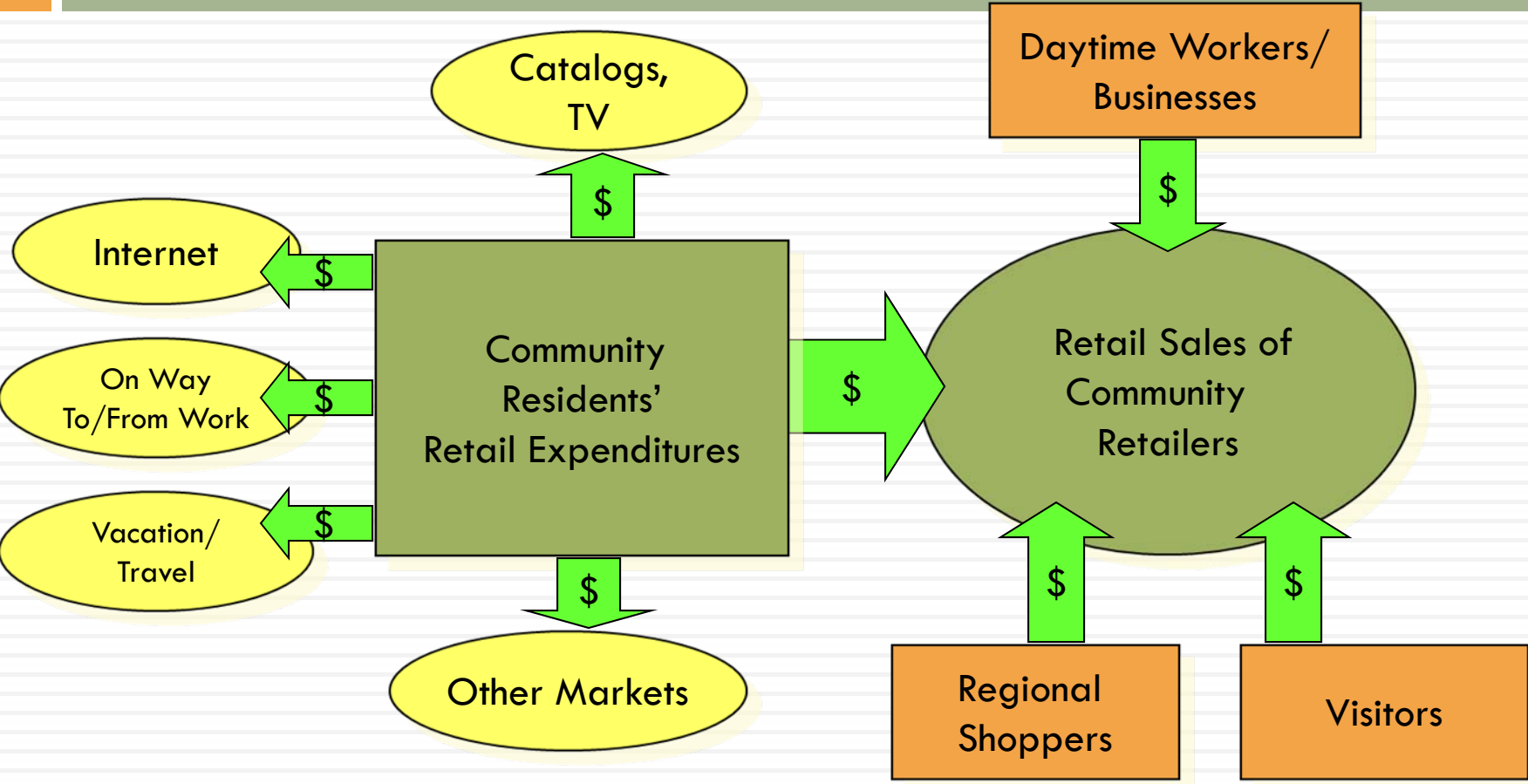
- Georgia Department of Economic Development (GDEcD)
- Georgia Department of Community Affairs
- Georgia Power
- Georgia Chamber of Commerce
- Regional Chambers (Metro Atlanta, Greater Columbus, etc.)
- Universities, Colleges and Technical Colleges

# Defining Anchors and Actors in the Local Economy

The Business Sector of Newton County 2010		
Industrial Sector	Establishments	Jobs
Agriculture, Mining	96	316
Construction	329	2,113
Manufacturing	124	5,217
Transportation, Communications, Utilities	111	870
Wholesale Trade	102	1,322
Retail	520	5,189
Finance	229	1,387
Services	1,077	9,284
Government, Non-Profit	96	2,026
Total Establishments/Jobs	2,684	27,724
Claritas		

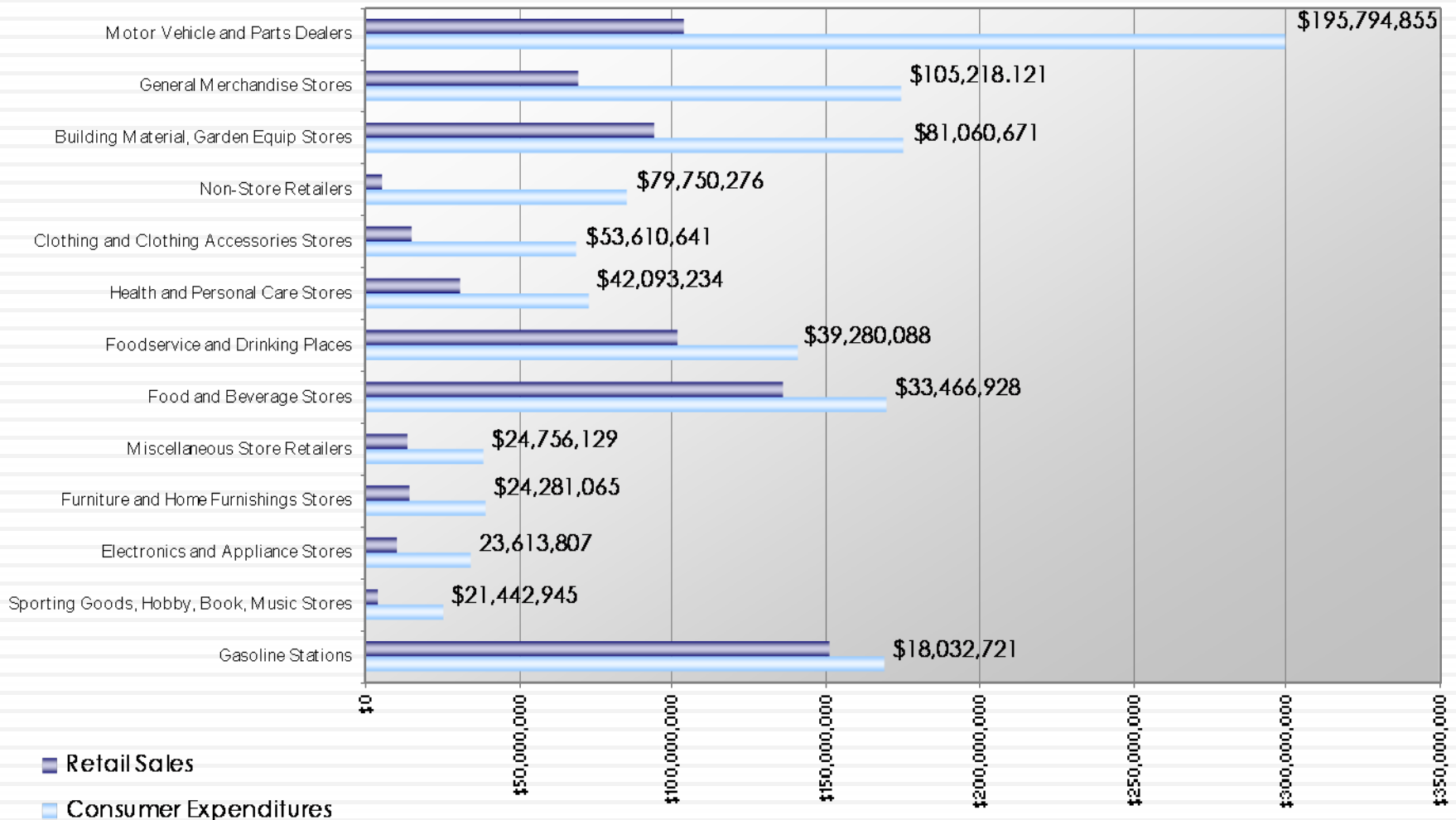
In terms of employment, Newton County's economy is dominated by Services, Manufacturing and Retail.

# Retail Inflows/Outflows



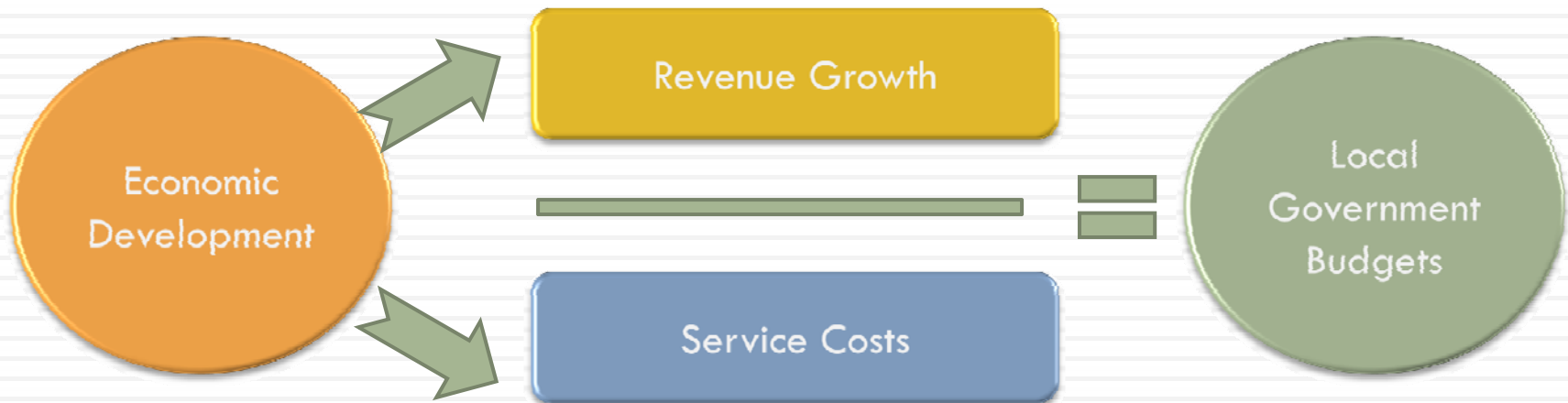
# Snapshot of Newton's Economy

## Retail "Leakage"





# How the Economic Development Effects Local Government



Newton County relies heavily on Property Tax, Sales Taxes and fees for services to fund its governmental services.

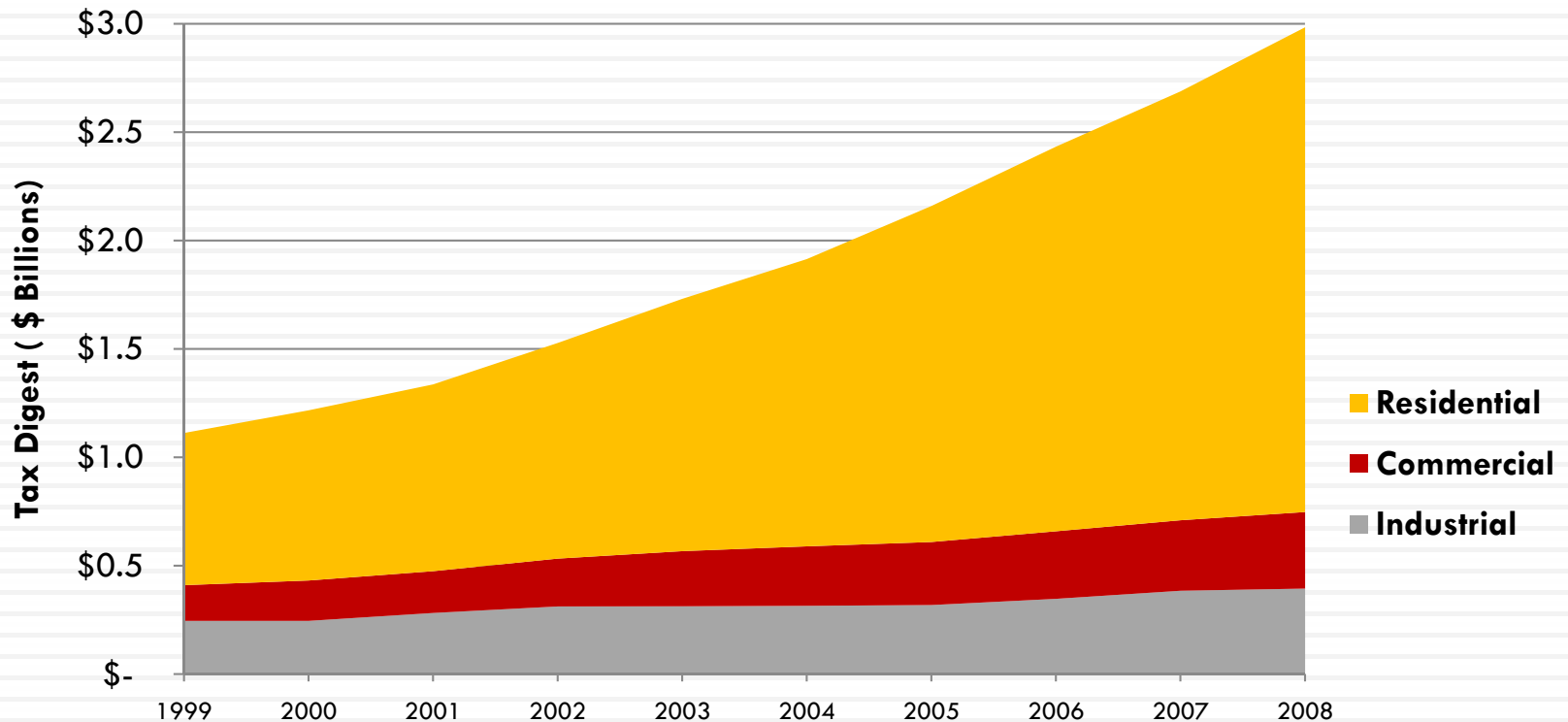
### Newton County Revenue Sources, 2008

Revenue Source	Amount	Percent
Charges for Services	\$ 8,994	13%
Property Tax	\$ 32,065	47%
Sales Tax	\$ 18,261	27%
Franchise & Business Tax	\$ 3,264	5%
Other Tax	\$ 1,040	2%
Intergov. Revenue	\$ 915	1%
Investment Earnings	\$ 2,719	4%
Joint Venture Equity	\$ 258	0%
Miscellaneous/other	\$ 1,145	2%
Total	\$ 68,661	100%

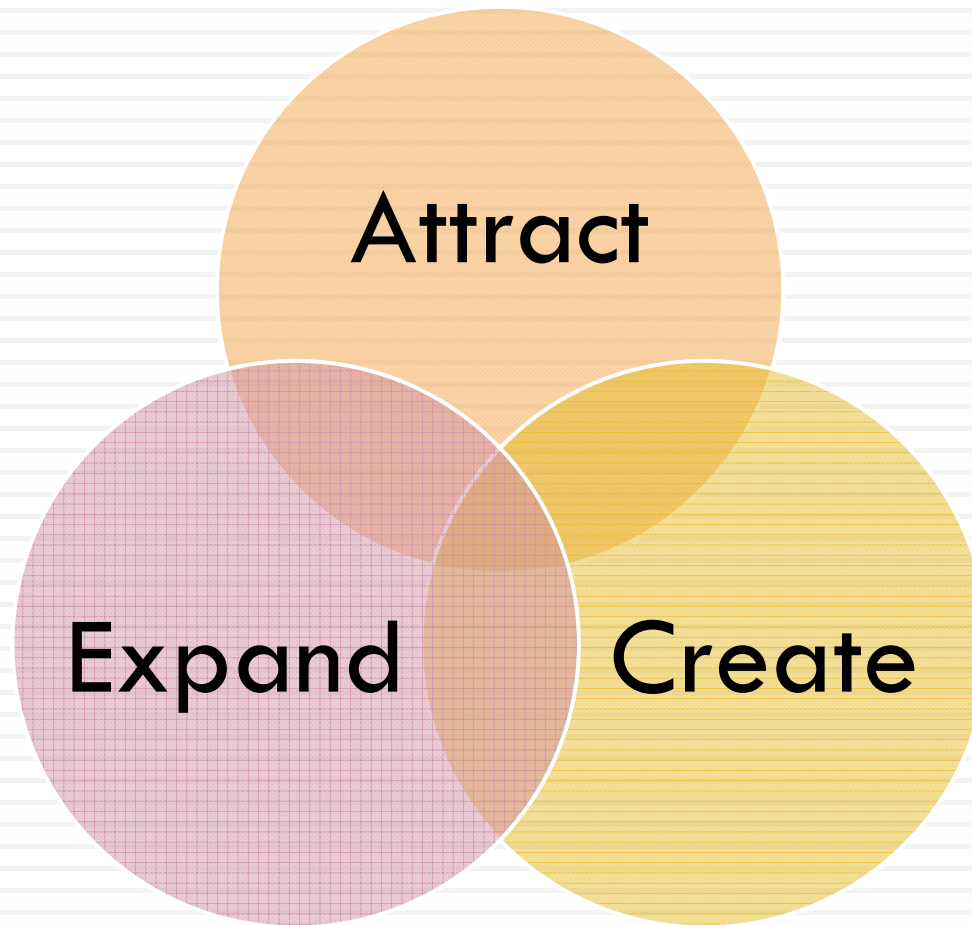
Source Newton County Comprehensive Financial Report

# Trends in Property Tax Valuation

## □ Newton County Property Tax Digest, 1999-2008



# Three key Strategies for Local Economic Development



# Positioning the Community for Economic Development

Apply the S.W.O.T Approach:

- ***Strengths***
- ***Weaknesses***
- ***Opportunities***
- ***Threats***

# Results from a S.W.O.T Analysis

## Strengths



- High traffic volumes (in excess of 63,000 Vehicles per day)
- Strong retail presence (3 Mil SF, 12 Major Centers)
- Good organizational structure in place (CID)
- Well-educated population
- Strong middle-class presence
- Organized and motivated business community
- Major transportation & infrastructure improvements underway
- CID's history of funding and implementing projects
- Stone Mountain is regional tourist destination
- Residents identify strongly with area
- Entrepreneurial spirit & network of small, locally-owned businesses
- Hwy 78 provides connection between Central Atlanta/DeKalb and Eastern Metro area
- Strong automobile dealer presence
- Evermore TAD process underway

## Weaknesses



- Land use pattern- linear strip commercial development
- Lack of sense of place and distinct activity centers
- Employment predominantly concentrated in retail
- Limited "daytime" population to generate demand for goods and services
- Slowing population growth
- Lack of diversity in housing options: executive, rental, condo, senior, townhouse...
- Overlapping political jurisdictions
- Traffic congestion (currently being mitigated)
- Limited Regional Access: Distance to Interstates, airport, & public transportation
- Poor pedestrian experience & facilities
- Unattractive presence: signage, overhead utilities, & aging building stock
- Difficult topography and soil conditions in certain areas
- Lack of institutional "anchors" ( e.g. govt. offices, colleges, major hospitals)
- High commercial vacancies and modest lease rates

# Results from a S.W.O.T Analysis

## Opportunities



- Many potential redevelopment opportunities/sites
- Leverage proximity to Stone Mountain Park
- High ground with attractive views
- Yellow River & Lake Lucerne as scenic amenities
- Tax Allocation District (TAD) on path to approval
- Creating Supportive Regulatory & incentive structure
- Highway 78 LCI & Park Place Plans
- Evermore Economic Development Plan
- Walton Ct. LCI Intersection
- Planned transportation and infrastructure improvements
- Landscaping, sidewalks & streetscaping projects underway
- Yellow River Bike Path
- Potential re-use of Stone Mountain Tennis Center site
- Software & gaming industry presence in Corridor
- Beginning of a medical and office presence in Corridor
- Continued expansion of sewer, water & communications infrastructure to promote & accommodate growth

## Threats



- Aging population
- Limited appeal to younger generation ("millennial")
- Few activities & housing options to appeal to younger residents
- Competition from nearby newer retail corridors, especially Hwy 124
- Rising foreclosure rates nationwide
- Evidence of commercial disinvestment in Corridor
- Comparatively high commercial vacancy rates
- Improved regional transportation network (Hwy 124, 316, Reagan Pkwy) reducing regional relevance of Hwy. 78 as a regional connector
- Potential for escalating crime
- Auto industry experiencing transformational change
- Economic downturn adversely impacting retail demand
- High land costs limit redevelopment
- Prolonged global recession & real-estate downturn

# Positioning the Community for Economic Development

Concentrate limited ED resources where they can have the greatest impact

## ***Strengths***

- ▣ *Reinforce and promote your strengths*

## □ **Weaknesses**

- ▣ *Concentrate on those that are fixable*

## □ **Opportunities**

- ▣ *What trends hold promise for your community?*

## □ **Threats**

- ▣ *Develop strategies to mitigate threats*



# Defining Your “Brand”



**Play hard.  
Live well.  
Smile more!**



# Defining Your “Brand”

- Increasing global competition
- Defining a Brand--What are the characteristics that define and differentiate your community?
  - Physical character/ a sense of place
  - Proximity to markets
  - Community institutions
  - History and heritage
  - Quality of life, labor
  - Educational institutions
  - Cost advantage

# Aligning your Assets with your Economic Vision



# Aligning your Assets with your Economic Vision



Does the Comp Plan support your economic development vision?

- ❑ Key employment-related land uses at strategic locations
- ❑ jobs-housing balance
- ❑ Allowing for non-basic businesses to re-circulate dollars
- ❑ Infrastructure to support key economic initiatives
- ❑ Creating the quality of life compatible with your economic vision

# Defining Your Economic Development Assets



Basic  
Businesses

Non-basic  
Businesses

Business &  
Industrial  
Parks

Buildings, &  
Development  
Sites

Access &  
Transportation

Major Retail  
Areas

Educational  
Institutions

Tourist &  
Cultural  
Institutions

Executive  
Housing

Medical  
Facilities

# Defining Your Economic Development Assets

□ What are YOUR community's top 5 Economic Development Assets?

1.

2.

3.

4.

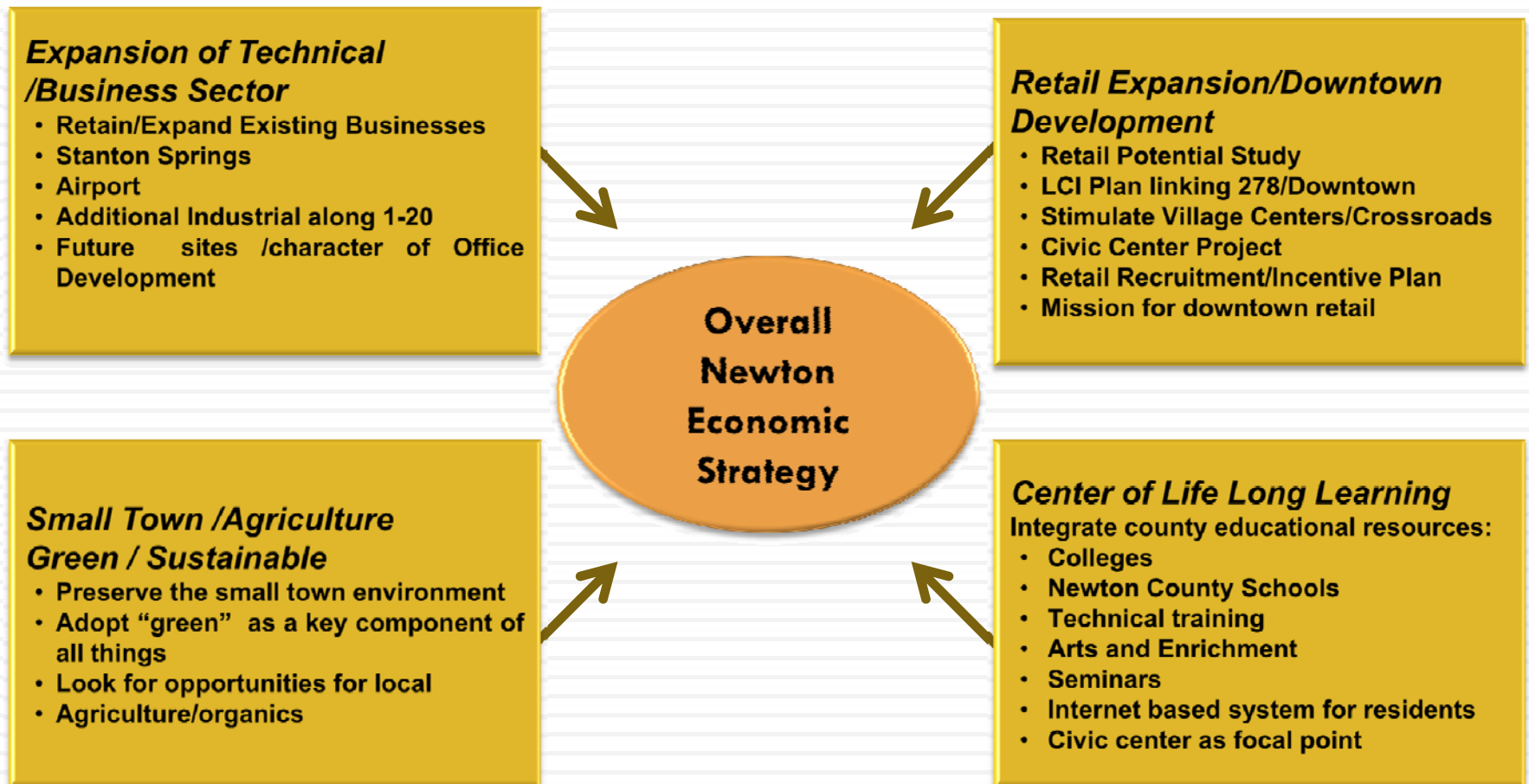
5.

# Key Elements of Local Economic Strategy

1. Status of Local Economy
  - Basic businesses
  - Non-basic businesses
  - Retail leakage
  - Budgetary analysis
2. Regional/State/National Trends Impacting Future
3. Competitive Assessment (S.W.O.T)
4. Economic Strategy and Vision
5. Action Plan/Implement

# Key Elements of Local Economic Strategy

## Newton County Economic Development Strategies





# Key Elements of An Economic Action Plan

- **Organization** —who is in charge of specific tasks—  
accountability
- **Staffing** —Committing the personnel needed to implement  
the strategy—can be in the local government or chamber  
but has to be committed
- **Funding** —adequate funding for staff, operations and  
project management
- **Incentive Plan** —what level and type of incentives does the  
community's strategic plan to provide? Are they in place?
- **Monitoring/Feedback** —periodic monitoring of progress keeps  
up momentum and allows for mid-course corrections

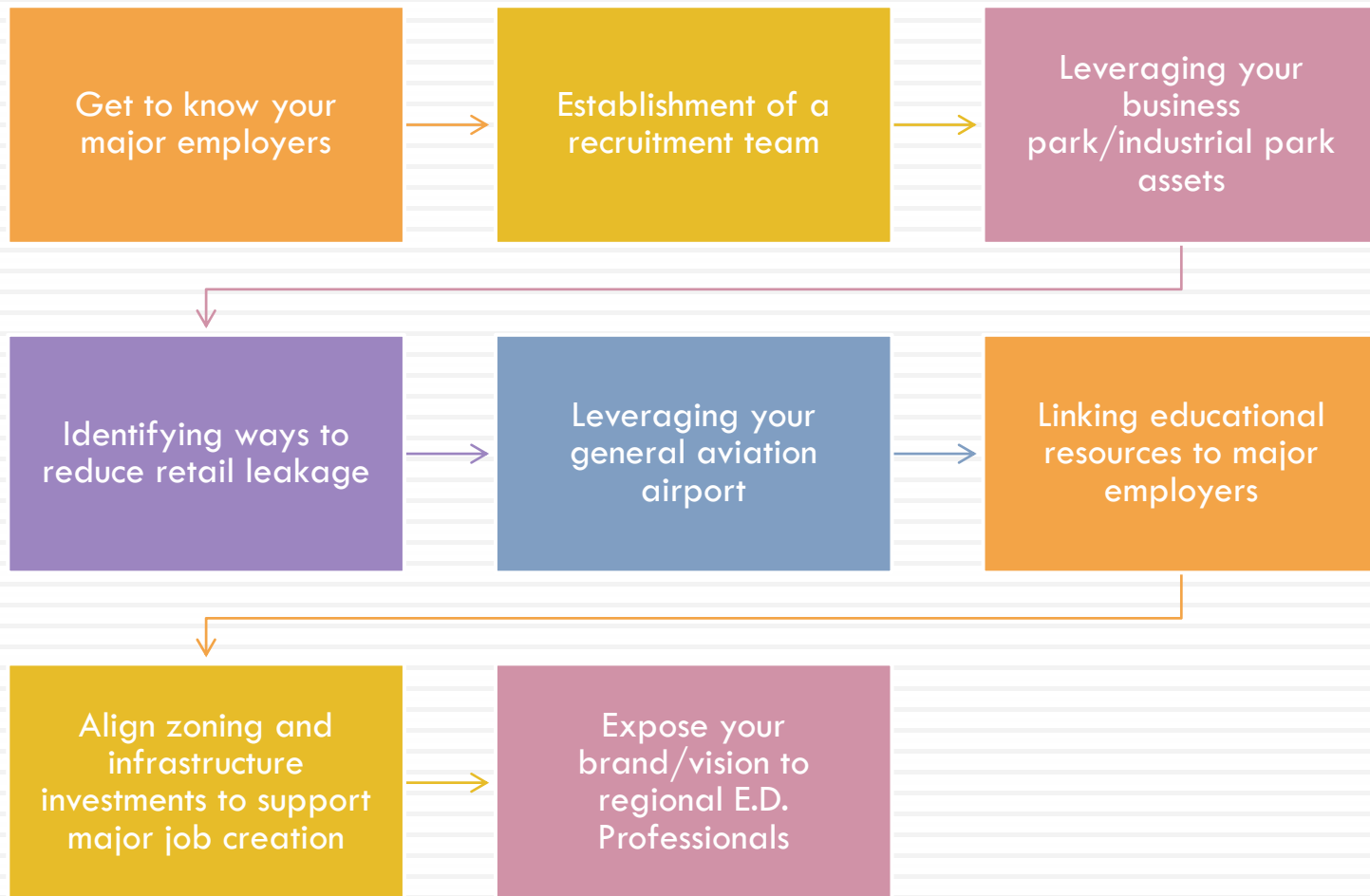
# Key Elements of An Economic Action Plan

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## **Accountability**

- Who is responsible for economic development in your community?
- Who participates in economic development decisions?

# Leveraging Your Assets for Economic Development



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