

# Economic Development: *What it is & What it isn't*

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*Jamie N. Beier Grant*

Director  
Ottawa County Improvement Corporation

*Gary F. Thompson, CPA*

Vice President  
Regional Growth Partnership



# Economic Development: *What it is & What it isn't*

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## Purpose

- Define Economic Development
- Provide Context
- Reinforce Fundamental Facts
- Explain Economic Development Activities
- Highlight Roles for Elected Officials & Administrators
- Compare ED to Related Functions
- Q&A

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**Definition – Economic Development** generally refers to the sustained, concerted actions of policymakers and communities that promote the standard of living and economic health of a specific area. Economic development can also be referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development differs from economic growth. Whereas economic development is a policy intervention endeavor with aims of economic and social well-being of people, economic growth is a phenomenon of market productivity and rise in GDP. Consequently, as economist Amartya Sen points out: “economic growth is one aspect of the process of economic development.”

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## Definition Elements

- Wealth Creation
- Place
- Competitive
- Policy
- Quality of Life
- Infrastructure
- Measurable
- All Encompassing
- Gray Area(s)

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## Definition – Practical Terms

- Capital Investment
- Job Retention
- Job Creation
- Workforce Skill Enhancement

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## Recognizing An Economic Development Opportunity

- **H**iring
- **I**nvestment
- **T**raining
- **S**ite Search

Remember **H – I – T – S**

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## Ohio's Key Industries

- Advanced Manufacturing
- Aerospace & Aviation
- Agribusiness & Food Processing
- Automotive
- Biohealth
- Energy
- Financial Services
- Information Technology
- Polymers & Chemicals

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## Ohio's Function Focus within Key Industries

- Logistics
- Headquarters and Consulting
- Research & Development
- Back Office Operations



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## Fundamental Facts

- 85% of CapEx from Existing Companies
- Easier to Grow What You Have
- Attracting New Companies is Expensive!
- Need to Know Your Market Position
- Leverage Community Assets
- Understand Company Decision Process
- Companies Decide to Stay Everyday

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## Activities

### Business Retention

- Understand current business needs, challenges, opportunities, threats & community involvement
- Understand how community can support existing businesses
- Communicate regularly with business
- In global marketplace, do not take existing business for granted – Demonstrate Appreciation!

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## Activities

### Business Expansion

- Create environment to help business grow
- Understand internal capital competition
- Gather partners to support opportunities through supply chain, logistics, incentives, workforce development, etc.
- Communicate regularly with business to learn about needs and opportunities

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## Activities

### Business Attraction

- The sexiest part of economic development
- The most expensive part of economic development - \$\$
- Leverage resource partners to be successful
- Demonstrate how current businesses thrive
- Know your strengths and weaknesses
- Know and be able to articulate your value proposition

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## 1. Develop & Commit to Long-Term Vision

- Identify “Impact” Assets & Community Strengths
  - Natural Assets (e.g., Lake Erie)
  - Man-made Assets (e.g., Highways, Railroads)
  - Educational Assets (e.g., Community Colleges, Training Initiatives)
- Understand Business Perspectives/Needs
  - What do they need to grow and succeed?
  - Where do they see investment opportunities in the community?
- Identify *Realistic* “Bucket List” – Where are development opportunities – Residential, Industrial Park, Main Street?

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## 1. Develop & Commit to Long-Term Vision

- Innovate & Duplicate – Look at what other communities have successfully done
- Prepare for Realizing Opportunities
  - Develop or Update Land Use Plan, CEDS, etc.
  - Public infrastructure improvements to accommodate growth
  - Partnering with surrounding communities/counties
- Development Happens How Fast?

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## 2. Measure & Celebrate Success – However Big or Small

- Creates & Maintains Momentum
- Convinces Skeptics
- Invigorates Community Volunteers & Leaders
- Keeps Focus on the Strategies



Sustains Support for Long-term Development Goals of a Community

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## Elected Official Support Example

### Hancock County Japanese Investment

- Elected and administrative officials visit Japan
- Community built support infrastructure
- University of Findlay Engagement



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## Ancillary Functions of Economic Development

- Site Readiness & Preparation
- Infrastructure Development to Support Business Growth
- Environmental Remediation – Preparing Old Sites for Reuse

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It's Important, But...It's Not Economic Development

- Community Development Projects – e.g., Bike Trails
- Quality of Life Initiatives – e.g., Revitalization of Parks Systems
- Networking Organizations

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Questions & Answers

*Thank You!*

