



New Trends in Economic Development and the Role of RDOs

NADO

ANNUAL TRAINING CONFERENCE
DENVER, CO
AUGUST 24, 2014

Agenda

1. Rethinking Your CEDS

- Brian Kelsey, NADO

2. RDO Innovations

- Session Participants

3. U.S. Cluster Mapping Demo

- Sarah Jane Maxted, Institute for Strategy and Competitiveness at Harvard Business School

Strengths & Weaknesses of
your CEDS?

CEDS Content Requirements

- Summary background
- SWOT analysis
- Strategic direction/action plan
- Evaluation framework

New:

- **Economic resiliency**

What makes a good CEDS?

- Vision Statement
- Call to Action

Why

- SMART Goals

What

- Strategies
- Actions

How

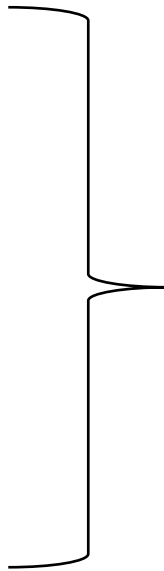
Summary
background &
SWOT analysis

Evaluation
framework

Strategic direction
& action plan

SMART Goals

- **Specific**
- **Measurable**
- **Achievable**
- **Relevant**
- **Time-bound**



Every goal in your
CEDS should meet
these criteria.

How will CEDS implementation improve your
region—what “needles” will you move?

CEDS Hedging Hall of Fame

- “Foster the development of...”
- “Encourage the growth of...”
- “Support the creation of...”
- “Coordinate the XX of...”
- “Facilitate the XX of...”



"NO!

Try not!

DO or DO NOT,
There is no try.!"



MOUNT SNOW, DOVER

has been anticipated and plans are being developed to address a post VY future. We only need to keep moving, confident in our history of adaptation and resilience.

This CEDS, then, is addressing another economic transition of the Southeastern Vermont region.

What is a CEDS?

A Comprehensive Economic Development Strategy (CEDS) is a region's playbook for engaging in a collaborative, region-wide transformation of the economy in order to raise productivity, create wealth, and increase prosperity for residents.

Why is an economic development strategy necessary in Southeastern Vermont?

The residents of Southeastern Vermont have important decisions to make about the economic future of the region. On the one hand, the region's

cultural heritage, small town character, and natural beauty combine to provide a quality of place that many communities around the US are striving to duplicate. The region has benefited from that sense of "authenticity," cultivating a deep appreciation of the arts and culture that attracts creative entrepreneurs and workers, as well as retired or semi-retired households from nearby urban areas searching for a better quality of life.

From the perspective of economic development, as the "free agent" workforce—self-employed, freelancers, artists, etc.—continues to grow, its share of total employment in the US, Southeastern Vermont, and other regions like it, can leverage its quality of place as a competitive advantage. The region's proximity to large population centers and ability to deliver a unique experience are strengths that should be at the core of any strategy targeting sustainable economic development.

Yet, quality of place and the ability to attract artists, free agents, and retired or semi-retired households are not sufficient conditions for long-term, sustainable growth and regional prosperity. Developing and maintaining community assets that contribute to quality of place, for example, requires steady growth in the region's tax base. Cultivating the region's appreciation for creative industries, such as artists, theater, and writers, does little good if the next generation of residents cannot find employment that provides enough discretionary income to attend performances or donate to non-profit arts organizations. And retirees, while valuable members, leaders, and sources of discretionary income in any community, cannot offer much in the way of employment opportunities for the next generation of workers.

Accordingly, achieving sustainable development in quality of place communities like Southeastern Vermont means striking the right balance between preserving natural and cultural assets and growing the regional economy at a sufficient pace to provide the resources that are necessary to preserve those assets. In that respect, the region is facing several challenges that must be recognized and addressed:

- Maine and Vermont rank #1 and #2 as the states with the oldest residents, and Windham County is aging faster than Maine or Vermont (2011 median age 44.9 years).
- Age cohorts entering the working population (late teens and early twenties) have been small and the significant decrease in persons of prime workforce and childbearing age threatens the region's future labor force availability.
- Job creation has been stagnant since the early 1990s, after twenty years of steady growth between 1970 and 1990.

Call to Action



- Average earnings for workers, adjusted for inflation, were lower in 2011 than they were in 1970.
- Per capita income nearly doubled between 1970 and 2011, but much of that growth was from rents, investments, and transfer payments, not wages.

In short, low wages, rising cost of living, and limited job opportunities are creating a disconnect between Southeastern Vermont's perceived sense of economic security today and a future that looks anything but secured, especially for younger residents. Failure to address that disconnect will result in many Southeastern Vermonters continuing to search for economic opportunity elsewhere.

Call to Action

Disconnects and Lack of Cohesion

Throughout the CEDS development process, two themes have consistently risen to the top—*lack of cohesion* within the region and the insular *disconnectedness* of the entire region. In many ways, Southeastern Vermont can be viewed as a collection of unconnected silos of good, which if properly connected have the potential to become centers of excellence. It has also been accurately noted that the region is neither well connected within and across the region nor connected to the surrounding areas of Vermont, southwestern New Hampshire, or western Massachusetts.

Southeastern Vermont Economic Development Strategies (SeVEDS) endeavors to solve these problems of lack of cohesion and disconnectedness. There are, however, still significant barriers. Northern areas of the region are more connected East-West to Manchester and Springfield than North-South to Bellows Falls or Brattleboro. "The Valley" (Wilmington, Dover) is equidistant between Bennington and Brattleboro. Additionally, even within the region many communities of interest and organizations remain disconnected. The underlying challenge is the marked lack of a history or culture of collaboration and the extremely strong culture of looking inward to the local town or village rather than a central county or regional convening entity.

What is SeVEDS?

SeVEDS started in 2007 as a small group of people from across the region looking to improve broadband and cell service. After many meetings and input from stakeholders it became clear that lack of broadband and unreliable cell service were symptoms of a larger and more concerning problem: lack of economic development. In order to respond, SeVEDS incorporated as a non-profit organization and established a legal affiliation with the Brattleboro Development Credit Corporation.

SeVEDS Mission Statement SeVEDS exists to reverse the economic decline of the Southeastern Vermont region.

SeVEDS Vision Statement Southeastern Vermont will have an economy that generates long-term growth and prosperity and that improves quality of life and sustains our quality of place.

Today, SeVEDS is led by a twenty-member board of directors representing public, private, and non-profit organizations from across the region.

Executive Committee

Chair Jenna Pugliese (Stratton Mountain)

Vice Chair Patrick Moreland (Town of Brattleboro)

Treasurer Drew Richards (Richards Group)

Secretary Adam Grinold
(Mount Snow Valley Chamber of Commerce)

Standing Committees

Post VY committee chair Stephan Morse
(Retired, Windham Foundation)

Windham Region Young Professional committee chair Jenna Pugliese
(Stratton Mountain)

Communications committee chair
Julia Sorensen (Brattleboro Retreat)

Redevelopment Robin Sweetapple (BDCC Staff)

Workforce Development Patricia Moulton Powden
(BDCC Staff)

ROGER ALBEE, SEVEDS WORKFORCE COMMITTEE MEMBER



In addition, SeVEDS has established a CEDS advisory committee to augment the SeVEDS leadership with even broader community representation during the process of creating and implementing the economic development Strategy.

Gail Nunziata (Latchis Arts)

William Anton (The Dover School)

Rachel Selsky (Camoin Associates)

Connie Snow (Windham Windsor Housing Trust)

Tapp Barahill (Community College of Vermont)

Chris Moore (Attorney at law)

What will SeVEDS accomplish?

In 2010, SeVEDS began to uncover and understand the underlying regional economic and demographic trends impacting the region's performance. This work, in concert with input collected from business owners, workers, and residents, resulted in SeVEDS deciding to focus on four core themes for improving the region's economy:

- Reversing population decline.
- Increasing the number of well paying jobs.
- Improving the quality of the workforce.
- Raising household income relative to surrounding areas.

In 2011, SeVEDS adopted five objectives to guide the organization's activities:

- Create an operational and fiscal sustainability plan for SeVEDS by December 2011.
- Improve wage parity with the surrounding labor shed.
- Increase the size and quality of the workforce.

Communicating Goals

Board Members

Jenna Pugliese (Stratton Mountain)

Patrick Moreland (Town of Brattleboro)

Drew Richards (Richards Group)

Adam Grinold (Mount Snow Valley Chamber of Commerce)

Stephan Morse (Retired, Windham Foundation)

Lisa Sullivan (Bartleby's Books)

Jeff Lewis (Brattleboro Development Credit Corporation)

Susan McMahon (Windham Regional Planning Commission)

Martin Langeveld (Strolling of the Heifers)

Jill James (Chroma Technology)

Ann Andresatos (New Chapter)

Cynthia Stoddard (Town of Putney)

Ariel Brooks (Marlboro College)

Francis "Dutch" Walsh (Town of Rockingham)

Konstantin VonKrusenstiern (Brattleboro Retreat)



Using the data that SeVEDS has outlined, this section will state four core goals and the six objectives that will help us reach those goals. Under each objective are a series of strategies intended to directly incorporate the region's challenges and opportunities and which provide themes for improving the region's economy. These goals, objectives and strategies are the metrics by which SeVEDS will measure success in the coming years and the intention is that they will be updated in 2018.

Goal 1: Reverse population decline

- Increase population from 2011 baseline of 44,266 (estimated) to 46,266 by 2018.
- Increasing proportion of 25–44 year-olds from 21% to 25% of total population by 2018.
- Double the percentage of foreign-born residents in the region from 3.5% to 7% of total population by 2018.

Goal 2: Increase the number of well-paying jobs

- 1,054 new jobs at \$46,340 and 702 new jobs at \$42,130 by 2018. (new regional average wage goal)
- Increase wages of 4,650 jobs by \$5,000 per year.
- Increase median annual income for associates/some college from \$27,869 to \$32,328.
- Increase median annual income for bachelor's degree from \$34,155 to \$40,597.

Goal 3: Improving workforce quality

Increase associate degrees/some college and technical certificates among 18–24 year old age bracket by 2018.

Goal 4: Raising household income relative to surrounding areas

- \$174M in new wages and \$470M in new GDP.
- Reach regional GDP of \$3.07B.
- Improve the ratio of net earned income to total income from .566 to .65.

Objective 1: Act regionally.

Strategy 1.1 Implement a regional, asset-based S.M.A.R.T CEDS and ecosystem, which expands public, private and non-profit collaboration with a common strategic vision that is annually updated.

Action Plan 1.1.A Expand representation and engagement of private sector in the SeVEDS initiatives and board.

Action Plan 1.1.B Institutionalize a culture of collaboration across boundaries by formalizing a Technical Working Group (TWG) as a regional Subject Matter Expert (SME) of economic and workforce development professionals and educators drawn from across the region in collaboration with BDCC and Windham Regional Planning Commission (WRC) staff. The TWG will bring together community, workforce development and planning practitioners in the region to share knowledge and opportunities to advance the pace of regional and local economic development.

Action Plan 1.1.C The Southeastern Vermont region will achieve a good to excellent rating for best practices in regional CEDS and collaboration by end of 2018.

Strategy 1.2 Maintain a regional economic development planning organization, including funding, to update and guide implementation of the CEDS.

Action Plan 1.2.A Prepare and maintain 3-year budgets for operations and initiatives.

Action Plan 1.2.B Develop and implement a private fundraising campaign with a goal of raising \$750,000 in 2015 from the private sector.

Action Plan 1.2.C Commit public sector partners to multi-year investment commitment.

Action Plan 1.2.D In conjunction with WRC and BDCC, support towns incorporating the CEDS strategies as appropriate in their economic development planning.

Strategy 1.3 Create redevelopment capacity in the Southeastern Vermont region.

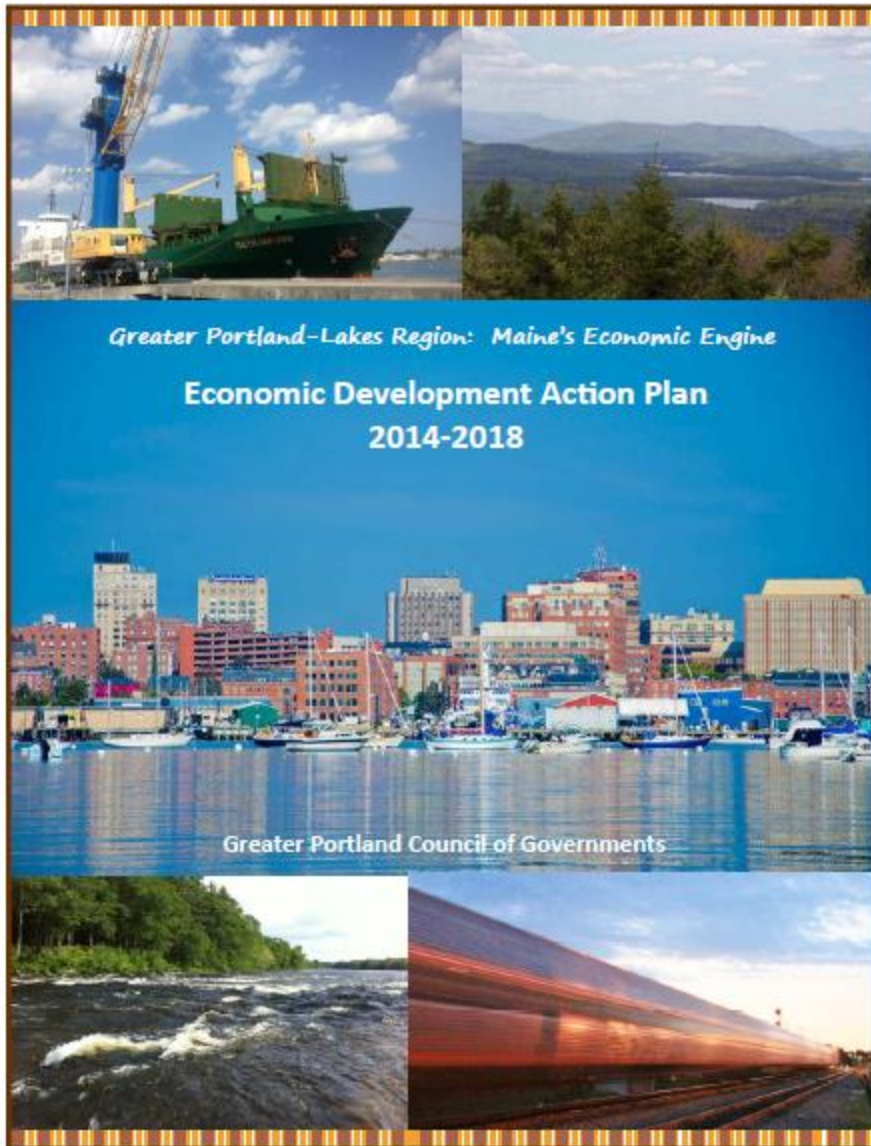
Action Plan 1.3.A Research legal options for the creation of a SeVEDS redevelopment authority unrestricted by town or village boundaries.

Action Plan 1.3.B Conduct an inventory and assemble a database of distressed and/or vacant properties with redevelopment/re-use potential.

Action Plan 1.3.C Conduct a market possibilities assessment for commercial and industrial real estate.

Action Plan 1.3.D In 2015, set goals for number of properties to be redeveloped and capital investment attraction.

Greater Portland COG (Portland, ME)



Sense of Urgency

Our Challenges

We have the highest median age in the nation

We are the least diverse state in the nation

We are the most oil-dependent state in the nation

Our university system is not graduating students in science, technology, and engineering fields sufficient to meet the needs of our knowledge-based economy

Our region is divided by an urban versus rural dichotomy that creates silos and inefficiencies

Our businesses find it increasingly difficult to recruit qualified applicants and to expand

Our Regional Goals

"To really move the economy forward as a region, we must set goals that are ambitious, measurable, and realistic."
Ed Suslovic, GPCOG President

The basis for the strategies and actions in this document is the ability to measure our progress. Dozens of people met for months to create these measurements.

The top half contains a set of standard indicators being used in each of the state's seven federally designated economic development districts. They will become the basis for a statewide economic development strategy resulting from Mobilize Maine's grassroots, bottom-up approach.

The second set of measurements was based on the region's needs and are specific to the Greater Portland-Lakes region.

In the end, we examined trends across three decades as well as reference data for New England and the nation and believe the goals are achievable and realistic.

Standard Indicators

Attract **10,000** people to sustain region's historic population growth rate

Increase the pool of available workers by **1%**

Increase rate of participation in the labor force by **1%**

Create **8,000** new jobs

Increase regional Gross Domestic Product by **7%**

Increase average wage per job to **\$52,000**

Increase the region's total wages by **27%**

Increase per capita income by **17%**

Increase attainment of Bachelor's Degrees to **45%** of the adult population

Increase access to high speed Internet to **100%** coverage

Region Indicators

Attract **5,000+** people aged 25-44 from outside the region

Triple the number of adults with an Associate's Degree

Decrease the region's commercial vacancy rate to **7.5%**

Increase annual number of new business starts by **1,000**

Decrease the time it takes to **permit** a commercial project

Reduce the region's **dependence** on foreign oil

Increase **access** of small businesses to the right resources at the right time

Decrease the **rent-to-income** ratio to the national average

Increase transit ridership by **1 million**



>30%

The region's most serious housing problem is cost burden: 37% of homeowners and 52% of renters pay more than 30% of their income for housing.



38%

By 2030, seniors age 55 and over will comprise 38% of the region's population, compared to 28% in 2010.

\$100,000

While the average salary in the biotechnology sector is \$100,000, less than 30 students per year graduate from the University of Southern Maine with a degree in Biology, Chemistry or Biochemistry.



"It is clear we still have work to do... we are lagging in pivotal areas including key industries, a higher tax burden and housing affordability." Michael Bourque, Vice-Chair, Portland Regional Chamber

\$136,000,000,000

Transportation is responsible for almost half of the \$1.36 billion spent on energy in Cumberland County.



91.6%

While the percentage of minorities has doubled since 2000, non-Hispanic Whites account for over 90% of Cumberland County's population.

Building a “bottom-up” CEDS

- Regional analysis—identify *key* issues
 - ▶ RDO research of economic conditions
 - ▶ SWOT stakeholder engagement
- Develop call(s) to action—engage & focus
- Goal formation—suggest 3 to 5 goals
 - ▶ Decide on key issues your RDO will impact
 - ▶ Estimate improvement from baseline
 - ▶ Create SMART goal
- Move to strategies/actions

CEDS Template Outline

CEDS Goal Example:

“Hold four small business workshops.”

CEDS Goal Example:

“Maintain the region’s quality of life.”

What challenge is your region facing?

What data would you need to create a compelling call to action?

Create one SMART goal and one strategy to address challenge.

Session Participants

RDO Innovations

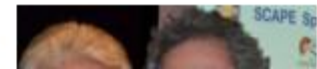


Community of Innovators

Lasting Connections and Friendships

Region 9 Economic Development District of Southwest Colorado

Southwest Colorado's Hub for Innovation, Business Development and Job Creation





Your one-stop resource for finding a career in the greater Charlotte Region.



Search Careers

GO

Browse Careers

Match My Interests

Explore your best career options in the greater Charlotte Region.

Centralina Career Headlight is designed to help you explore your best career options in our region. Here, you can identify careers that match your skills and interests. Then you can explore up-to-date information about careers including salaries, job availability, and education and training options available in the region. It's easy to use. Just click on "[Match My Interests](#)" to get started.

Career Headlight answers questions that will help you be a success.



Centralina Council of Governments

Northeast Oregon Node

Wallowa County | Baker County | Union County



[About Northeast Oregon](#)

[Coalition Partners](#)

[Get Involved](#)

Northeast Oregon

The Northeast Oregon region (Baker, Union and Wallowa counties) is the first member of the ChangeXchange NW Network, bringing finance innovation and avenues for channeling new capital into the tri-county area. Filled with mountains and valleys, the region is rich in natural beauty, cultural heritage, and entrepreneurial citizens. No strangers to pioneering, northeast Oregonians are self-reliant and also community-oriented--perfect candidates for community capital efforts.



[COMMUNITY CAPITAL ACTIVITY >](#)

[HIGHLIGHTS >](#)

NE Oregon Highlights

[News](#)

[Events](#)

[Stories](#)



Northeast Oregon Economic Development District

GROWING BUSINESS :: STRENGTHENING COMMUNITIES

Sarah Jane Maxted

U.S. Cluster Mapping

U.S. Cluster Mapping Project

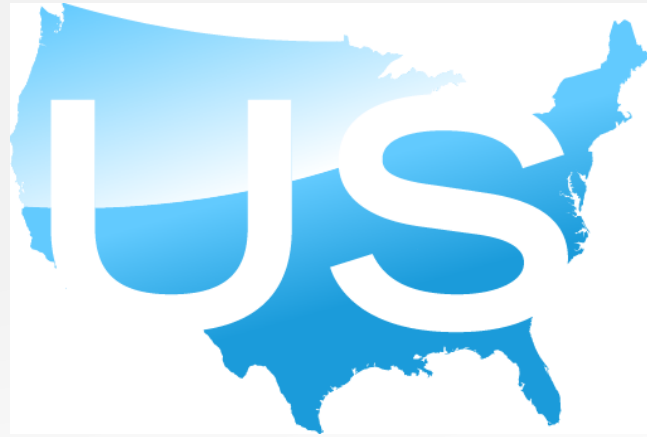
NADO Annual Training Conference
Denver, CO



HARVARD | BUSINESS | SCHOOL
Institute for Strategy & Competitiveness



About the Project



CLUSTER MAPPING

- National economic initiative based at Harvard Business School and sponsored by the U.S. Department of Commerce's Economic Development Administration.
- Through a highly optimized, modern website, the project provides **interactive access** to:
 - Actionable **cluster data and regional statistics** covering the entire U.S. economy.
 - A **community network** for users to contribute resources and news about economic development, policy and innovation; identify partners; and share and discuss their best practices and activities.

Core Data

The Industrial Structure of Regions

- The U.S. Census **County Business Patterns** (CBP) data give the most complete picture of the industrial structure of U.S. regions.
- The data include annual **employment** levels, **establishment** counts, and **payroll** totals in 1088* North American Industry Classification System (NAICS) codes for every state, MSA, and county in the U.S. 1998-2012.
- Importantly for our purposes, the CBP provides **useful estimates for employment** when disclosure standards force the suppression of actual industry data.

The Economic Geography of the U.S.

- The **BEA Economic Areas** comprehensively define the relevant regional markets surrounding metropolitan or micropolitan statistical areas in 179 regions of the U.S.

*1088 industries in NAICS2007 reporting; consolidates to 978 industries in NAICS2012.

The Product: ClusterMapping.us

Project Background - - - Methodology - - - Data Sources - - - Partners

US CLUSTER MAPPING Mapping a nation of regional clusters

Harvard Business School U.S. Economic Development Administration

EXPLORE Search by cluster, region, city, zip, or keyword

ABOUT CLUSTERS REGIONS ORGANIZATIONS RESOURCES BLOG WELCOME Register or Sign in

HELP

Strong regional clusters support post-recession job growth

The recent downturn hit traded activities particularly hard. Strong clusters, however, have held up much better than the overall traded economy. **Food Processing and Manufacturing, Business Services, Aerospace Vehicles and Defense, and Medical Devices** are examples of the 46 traded cluster categories in which strong clusters have outperformed their peers.

Read more on the employment effects of clusters [Clusters, Convergence, and Economic Performance](#), and on their resilience during the crisis [Clusters and the Great Recession](#)

Job Creation by State, 2008-2011

-3,722 0 3,187

Clusters

Regions

Organizations

Research - - - Policy Examples - - - Case Studies - - - News

Register your account for free and add your organization when signed-in

- Determine if your organization is already listed on the site
 - The easiest way is to **search for your organization's name** in the search bar at the top right of every page
 - If your **organization is listed**
 - Contact us at cmp@hbs.edu so that we can authorize you to edit your organization's page
 - If your **organization is not listed**
 - Go to the Organizations page and click the “Contribute” button on the right, followed by “Add Organization”
- **Fill out the form** for your organization
 - Feel free to check back and update it so that the information stays up-to-date and accurate

Formal Launch Event. Please join!

HUMPHREY SPECIAL EVENT

HUMPHREY SCHOOL
OF PUBLIC AFFAIRS
UNIVERSITY OF MINNESOTA
Driven to Discover™

MAPPING THE MIDWEST'S FUTURE: Regional Innovation Clusters and Competitiveness

September 29–30, 2014

Cowles Auditorium

Humphrey School of Public Affairs

301-19th Avenue South, Minneapolis



Join the conversation on the economic competitiveness of the Midwest region and the industry clusters that are critical to its future economic prosperity.



Harvard Business School Professor Michael Porter will discuss how an innovative U.S. Cluster Mapping tool developed for the U.S. Economic Development Administration can be used to map industry clusters and enhance regional competitiveness. Conference topics critical to the competitiveness of the Midwest region will be addressed—transportation and logistics, knowledge creation and education, and the water-energy-food

nexus.



Connecting with the Global Community



17th TCI GLOBAL CONFERENCE 10-13 NOVEMBER 2014, MONTERREY, NL, MEXICO

**CREATING SHARED VALUE
THROUGH CLUSTERS FOR
A SUSTAINABLE FUTURE**



TCI

www.tci-network.org

www.tci2014.org



Questions?

**Sarah Jane
Maxted**
Research
Manager
smaxted@hbs.edu

VISIT  www.clustermapping.us 





National Association of Development Organizations (NADO)

and the NADO Research Foundation

400 North Capitol Street, NW | Suite 390 | Washington, DC 20001

Ruraltransportation.org | Knowyourregion.org | Regionalcouncilguide.org

202.624.7806 | Info@nado.org

NADO.org

Regional Strategies. Solutions. Partnerships.

Brian Kelsey | bkelsey@nado.org | 512-731-7851