

# **Economic Development 101**

Wednesday, January 26, 2011

Ottawa County Courthouse basement meeting room

Sponsored by the Ottawa County Commissioners and the office of Economic Development

**Presented by the Business Development Division of the Kansas Department of Commerce  
Lyle Peterson and Linda NeuPoth Cadoret, presenters**

**Economic Development is the process of creating jobs  
and increasing capital investment to broaden the tax base**

1. Economic Development is important to all facets of the community:
  - Assists in maintaining a desired lifestyle
  - Pays for basic government services
  - Insures the future of the community
  - Changes attitudes
  
2. The scope of economic development can be as wide as to include community development and quality of life issues or more focused on business retention, expansion and recruitment. Regardless of the scope of the effort, all elements of a community ultimately impact economic development, including:
  - Agriculture and agri-business
  - Business recruitment and expansion
  - Community development
  - Education
  - Government services
  - Health care and emergency services
  - Housing and Commercial Property
  - Retail and professional services
  - Tourism, promotion and heritage preservation
  - Transportation

3. Local government should look at Economic Development as the effort to expand the local tax base which comes from property taxes (industrial, commercial and residential) and sales taxes. Best practices should promote a balance of both.

There are two types of businesses:

- Primary businesses that generate new dollars for the community by exporting their goods and services outside the community in exchange for new dollars returned to the community
  - Secondary businesses (e.g. retail stores) that recycle dollars within the community
4. 80% of new jobs are created by existing businesses, making retention and expansion of those existing businesses the primary focus of most economic development efforts, including many state incentives. One of the first steps of economic development is to survey existing businesses to learn more about their current status and needs and any plans they have for expansion. Some efforts could focus on home-based businesses and entrepreneurs.
  5. New business recruitment can be more time-intensive, but there is assistance from the state who helps site consultants hired by corporations searching for locations that meet their criteria. The state can also assist with special incentive packages to lure new businesses.

## **The Mechanics of Economic Development**

1. Develop a plan
  - Community survey conducted
  - Community analysis made
2. Develop the product
  - What's available?
  - Infrastructure needs
  - Industrial park
  - Existing buildings and sites
  - Business incubators
3. Market the product
  - Brochures/website/advertising
  - Location One Information System (statewide commercial/industrial real estate listing service)
  - Regional cooperative advertising
  - Partnerships with local, regional and state e.d. organizations

## Resources

### State

- Enterprise Zone Tax Credits
- High Performance Tax Credits
- Workforce Training Programs

### Local

- Tax abatements/rebates
- Revolving loan funds
- Waiver of fees
- Free and reduced land