

Economic Development 1999

The *Economic Development* surveys were mailed in fall 1999 and spring 2000 to the Chief Administrative Officers in municipalities with populations 10,000 and over and to the Chief Administrative Officers of counties with populations 50,000 and over with the council-administrator or council-elected executive form of government. Of the 2,882 municipalities and 426 counties that received surveys, 912 responded (31.6%) and 130 responded (30.5%) respectively. Of the 3,308 municipalities and counties that received surveys, 1,042 responded (31.5%).

For more information on the ICMA's *Economic Development* survey, please contact [Sebia M. Clark](#).



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Following is the survey text with the aggregate results shown next to each answer. Each answer represents the percentage reporting for that question, except where noted.

GENERAL INFORMATION

In the next five years do you expect a: (% reporting)

- 93.6** population increase
- 6.4** population decrease

What percent of those working in your jurisdiction live there? **49.8**

Which of the following best describes your local government's primary economic base (1) during the *last* five years and (2) which do you think it will be over the *next* five years?

	Last five years % reporting	Next five years % reporting
a. Agricultural (farming and supporting industries)	5.7	3.8
b. Manufacturing	20.6	19.7
c. Retail/service	25.1	26.7
d. Institutional (military, government, nonprofit, etc.)	9.9	7.4
e. Residential community (commuters)	19.5	16.2
f. Tourism/hospitality	5.6	5.4
g. Warehousing/distribution	4.9	4.5
h. Technology/telecommunications	4.5	11.5
i. Other	4.3	4.8

What percent of your land area is zoned for: (% reporting)

Commercial/industrial/manufacturing use **24.9** Residential use **62.0** Open space **16.1**

Which of the following describes the condition of your local government's economic base (1) during the *last* five years and (2) which do you think it will be over the *next* five years?

	Last five years % reporting	Next five years % reporting
a. Rapid expansion (more than 25%)	12.8	10.3
b. Moderate growth (10-25%)	37.6	46.4
c. Slow growth (less than 10%)	32.8	35.7
d. Economic base is stable - no real growth or decline	11.5	7.1
e. Slow decline (less than 10%)	4.6	0.7
f. Moderate decline (10-25%)	0.6	0.2

g. Rapid decline (more than 25%)	0.0	0.2
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Does your local government have a written economic development plan? (% reporting) **54.3** Yes **45.7** No

How many of your professional staff spend at least 70% of their time on economic development activities? **2.2 (Average)**

Which of the following participate in developing your local government's economic development strategies? (% reporting)

92.6 City	40.8 Public/private partnership
48.3 County	22.1 Private economic development foundation
76.5 Chamber of Commerce	28.8 Utility
54.9 Private business	30.3 State government
49.9 Citizen advisory board/commission	8.3 Federal government
15.0 Ad hoc citizen group	10.7 Other

How much did your local government *budget* for economic development activities for FY 1999? \$ **719,698 (Average)**

Do you think your economic development budget over the next five years will (% reporting)

Significantly decrease	2	Remain the same	4	Significantly increase
1.2	3.3	45.4	42.1	8.0

Please identify your competition in attracting investment in your jurisdiction. (% reporting)

79.2 Nearby local governments	46.5 Other states
66.9 Other local governments within the state	12.4 Foreign countries
44.7 Local governments in surrounding states	2.6 Other

How has NAFTA affected your local government over the past five years? (% reporting)

12.6 Job loss	8.6 Job creation
2.6 Revenues from U.S. exports have decreased	7.2 Revenues from U.S. exports have increased
0.3 Illegal immigration has decreased	4.2 Other
73.2 No effect	

Do private companies contribute funds to your local government's marketing efforts? (% reporting)

24.1 No **75.9** Yes If yes, how much do you expect to collect for FY 1999? \$ **136,496 (Average)**

Please indicate which of the following sources of government revenue are used to fund your economic development programs. (% reporting)

88.8 Local revenues/general fund	12.1 Revenue bonds
29.7 Federal grants-in-aid	34.7 Tax increment financing districts
36.0 State grants-in-aid	12.3 Special assessment districts
11.6 General obligation bonds	14.3 Other

Which of the following technology applications has your local government implemented *as part of its economic development efforts*? (% reporting)

7.4 Kiosks with touch-screen computers	
44.6 Videos	
5.8 Hand-held computer terminals used in the permit and inspection process	
74.9 On-line computer services (access to government services and information through computer and modem)	
28.5 Interactive faxing (faxing permits, forms, and applications for a fee)	
5.1 Smart buildings (e.g., equipped with technologies that turn lights on and off, that read security cards, etc.)	
1.7 Intelligent vehicle highway systems (e.g., electronic toll collectors)	
42.1 Fiber optic networking/cable	
6.3 Other	

Does your local government consider its telecommunications infrastructure to be an economic development tool or asset? (% reporting)

74.8 Yes **25.2** No

What percentage of your staff's time is devoted to the following activities? (% reporting)

Retention **26.0** Attraction **26.3** Development **33.4**

Which of the following sectors are the focus of your economic development efforts? (% reporting)

9.9 Agricultural (farming and supporting industries)	41.7 Tourism/hospitality
69.7 Manufacturing	38.3 Warehousing/distribution
67.7 Retail/service	52.5 Technology/telecommunications
9.7 Institutional (military, government, nonprofit, etc.)	7.8 Other
19.2 Residential community (commuters)	

Which of the following barriers to economic development has your local government encountered? (% reporting)

31.5 Citizen opposition	5.2 Declining market due to loss of population
56.8 Availability of land	27.0 Traffic congestion
41.1 Cost of land	38.5 Lack of capital/funding
46.6 Lack of skilled labor	12.4 Lack of political support
27.2 Limited number of major employers	19.5 Other

Does your local government support any of the following programs to promote economic development and if "yes," how does the local government provide the program?

Program	Local government supports program?		How does the local government provide for these programs?			
	Yes %	No %	Non-profit %	For-profit %	Government agency %	Public private partnership %
a. Economic development zones/tax incentives	66.3	33.7	9.1	4.0	83.7	21.8
b. Community development corporation	52.7	47.3	51.8	5.2	29.5	36.8
c. Community development loan fund	54.9	45.1	26.7	6.4	66.4	23.3
d. Microenterprise program	26.6	73.4	52.5	4.9	35.2	32.1
e. Welfare-to-Work	48.7	51.3	27.9	3.6	73.0	29.4
f. Job training	63.2	36.8	31.1	4.9	67.1	33.5
g. Other	40.5	59.5	20.0	2.2	66.7	40.0

BUSINESS RETENTION

Does your local government have a written business retention plan? (% reporting) **26.3** Yes **73.7** No

Please indicate which of the following business retention activities your local government conducts. (% reporting)

74.0 Local government representative calls on local company
22.2 Local government representative calls on national company headquarters
59.6 Surveys of local business
41.1 Business roundtable
35.8 Revolving loan fund program
22.0 Ombudsman program
24.0 Achievement awards
31.8 Local business publicity program
2.7 Replacing imports with locally supplied goods
11.2 Export development assistance
77.7 Partnering with other non-governmental organizations (e.g., chamber of commerce, private firms)
41.9 Partnering with other local governments
6.9 Other

BUSINESS ATTRACTION

Does your local government have a written business attraction plan? (% reporting) **32.0** Yes **68.0** No

Which of the following methods does your local government use to attract business? (% reporting)

54.1 Community resource databases	29.5 Hosts special events
81.6 Promotional material	12.4 Ambassador program
43.8 Media advertising	13.5 Trade missions abroad
40.1 Direct mail	42.5 Regional approaches (pooling resources)
49.8 Participation in trade shows	70.3 Website
61.3 Attendance at conferences	6.5 Other
52.0 Local government representative calls on prospective companies	

In your local government's business attraction program, what has been the emphasis on attracting non-manufacturing commercial businesses? (% reporting)

Very high	2	Moderate	4	Very low
15.0	21.5	37.7	15.9	10.0

Does your jurisdiction have special technology zones that are designed to encourage technology-related industries and businesses to move to your jurisdiction? (% reporting) **88.9** No **11.1** Yes

If "yes," please indicate the incentives used in the technology zones to encourage technology-related industry and business. (% reporting)

24.0 Reduction in permit fees	46.0 Flexibility in special zoning	11.0 Reduction in gross receipts tax
11.0 Reduction in user fees	10.0 Ordinance exemptions	54.0 Other

Please indicate (1) which of the following provides most of your current business prospects and (2) which you would like to attract in the future. (% reporting)

	Current	Future
Agricultural (farming and supporting industries)	1.6	5.7
Manufacturing	20.7	48.7
Retail/service	24.1	50.7
Institutional (military, government, nonprofit, etc.)	0.9	7.2
Residential community (commuters)	4.0	12.6
Tourism/hospitality	15.2	27.4
Warehousing/distribution	14.8	20.6
Technology/telecommunications	20.7	53.1
Other	3.9	6.3

SMALL BUSINESS DEVELOPMENT

Does your local government have a written small business development plan? (% reporting) **16.9** Yes **83.1** No

Which of the following does your local government offer for small business development? (% reporting)

58.7 Revolving loan fund	24.6 Business incubator
48.5 Small business development center	9.0 Vendor/supplier matching
13.6 Executive on loan/mentor	32.0 Matching improvement grants (physical upgrades to business properties)
17.4 Management training	16.2 Other
28.6 Marketing assistance	

BUSINESS INCENTIVES

Does your local government offer business incentives? (% reporting) **68.4** Yes **31.6** No

Do you require a performance agreement as a condition for providing business incentives? (% reporting)

59.4 Always **30.0** Sometimes **10.7** Never

Do you perform a cost/benefit analysis prior to offering business incentives? (% reporting) **77.1** Yes **22.9** No

Do you have formal written criteria used to determine eligibility for business incentives? (% reporting) **65.1** Yes **34.9** No

Please indicate any change in the dollar value of the average business incentive package over the last five years? (% reporting)

Much larger	2	About the same	4	Much less
7.7	19.1	62.7	8.3	2.2

Please indicate which of the following incentives your local government offers. (% reporting)

53.5 Tax abatements	18.8 Utility rate reduction
24.5 Tax credits	71.8 Zoning/permit assistance
27.2 Locally designated enterprise zones	23.1 Regulatory flexibility
26.9 Federal/state designated enterprise zones	17.7 Relocation assistance
49.6 Tax increment financing	39.8 Low-cost loans
45.3 Grants	39.1 One-stop permit issuance
74.1 Infrastructure improvements	18.3 Special assessment districts
38.8 Free land or land write downs	10.6 Subsidized buildings
15.7 Employee screening	9.6 Other
36.0 Training support	

Please indicate how your local government measures the effectiveness of business incentives. (% reporting)

81.3 Amount of jobs created by the new business	19.7 Company revenue/sales
43.2 Amount of money invested in construction materials and labor	37.1 Cost/benefit analysis
25.9 New dollars invested in land	16.1 Other
48.8 Number of new businesses relocating or expanding in jurisdiction	

LOCAL GOVERNMENT PROFILE

Does your local government use performance measures to assess the effectiveness of its economic development efforts? (% reporting)

29.2 No
70.8 Yes

If "yes," which of the following performance measures are used (% reporting)

33.7 Input measures (e.g., number of staff hours expended by program)
60.0 Output measures (e.g., number of organizations that receive assistance by program)
47.0 Efficiency measures (e.g., program expenditures per estimated tax dollars generated)
23.5 Other

Does your jurisdiction have a local sales tax? (% reporting)

47.7 No
52.2 Yes

A. If "yes," what is the rate? **3.1** (Average)

How many schools are in your jurisdiction (both public/private)?

	Average Number of schools	Please indicate if you expect an increase or decrease in the number of schools over the next five (5) years.	
		Increase	Decrease
K-12	20	92.5	7.5
Junior college (2-year)	1	96.7	3.3
Vocational/technical	2	96.2	3.8
University/college	1	97.0	3.0

What is the median cost of a single-family dwelling in your jurisdiction? (Average of the median) **\$140,706**

What is the median rental cost of two-bedroom apartment in your jurisdiction? (Average of the median) **\$656**

Which of the following are in your jurisdiction? (% reporting)

79.4	Railroad	11.1	Port	21.8	Major waterway
48.7	Airport	76.2	Truck route	87.6	Major highway

How many hotel/motel rooms does your jurisdiction have? **2,019** (Average)

How important is tourism in comparison with other industries?

Very important	2	About the same	4	Not important
18.3	20.6	23.0	22.2	15.9

Approximately what percent of your local government's annual revenue is from tourism? (Average) **5.9%**

What is per capita property tax revenue? (Average) **\$1,446**

What percent of the residents in your jurisdiction are retirees? (Average) **16.7%**

What is the unemployment rate in your jurisdiction? (Average) **4.3%**