

# Organizing for Success: Regional Economic Development



*International Economic  
Development Council*



## Research highlights:

1. Advantages and challenges associated with regional economic development organizations
2. Operational aspects of regional economic development organizations, including how they are governed, how they are funded, and what functions they perform
3. The motivating factors behind starting a regional economic development organization
4. Regional economic development best practices

Economic Development Research Partners (EDRP) exists to create cutting-edge practical research useful to IEDC members and the ED profession as a whole. The International Economic Development Council (IEDC) is committed to remaining the world's most comprehensive, up to date economic development information resource.

# **Organizing for Success:**

## **Regional Economic Development**

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# Introduction

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Regional approaches to economic development often afford greater economic opportunity than jurisdictional self-sufficiency.<sup>1</sup> In recent years, regional partnerships for economic development have increased in frequency as communities across the country have sought to leverage leadership, influence, and funding to attract new investment and stimulate job growth.

Regional economic development partnerships are a relatively recent phenomenon. According to a 1997 study conducted by the University of Kentucky, approximately 80 percent of regional partnerships for economic development were created between 1980 and 1997; only 20 percent were formed in the 40 years prior to 1980.<sup>2</sup> Since the 1997 study, the number of regional partnerships has continued to increase. Of the regional economic development organizations that are currently members of the Economic Development Research Partners program of IEDC, more than 50 percent have started within the last 20 years.

Per the 2015 IEDC annual survey on the state of economic development, 90 percent of respondents indicated that they “[had] entered into partnerships or combined resources with other community stakeholders to enhance economic development efforts” within the past year.<sup>3</sup> That figure is almost identical to the 2014 survey results, in which 89 percent of respondents indicated the same.<sup>4</sup>

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<sup>1</sup> OECD (2013), “Rural-Urban Partnerships: An Integrated Approach to Economic Development,” OECD Publishing, pp. 22-23.

<sup>2</sup> Julie C. Olberding, “The Formation, Structures and Processes, and the Performance of Regional Partnerships for Economic Development in U.S. Metropolitan Areas,” The University of Kentucky, 2000.

<sup>3</sup> IEDC Annual Survey on the State of Economic Development, 2016.

<sup>4</sup> IEDC Annual Survey on the State of Economic Development, 2015.

The information presented in this paper is developed from a series of interviews conducted by the International Economic Development Council (IEDC) with representatives from regional economic development organizations across the United States. The organizations interviewed for this paper are members of IEDC's Economic Development Research Partners (EDRP) program, members of the Accredited Economic Development Organization (AEDO) program, or members at large of IEDC. They demonstrate best practices in the field and are leading examples of how effective and efficient regional economic development organizations function.

Developed under the guidance of the EDRP program, the first section of this paper provides a brief overview on the growth of regional economic development organizations and the value they provide. Section two examines the advantages and challenges associated with regional EDOs. The third section examines the operational aspects of regional EDOs, including how they are governed, how they are funded, and what functions they perform. Section four looks at the motivating factors behind starting a regional EDO. Interspersed throughout the paper are case studies and best practices for regional economic development.

## **An Overview of Regional Economic Development Organizations**

In recent years, local economic development organizations have been faced with an increasingly competitive professional landscape marked by pressures to increase efficiency, demands for enhanced accountability from investors and stakeholders, and expectations to gain leverage by creating economies of scale. These factors, combined with increased pressures to accelerate the pace of economic

growth, have encouraged regional cooperation among local EDOs through regional partnerships and organizations.

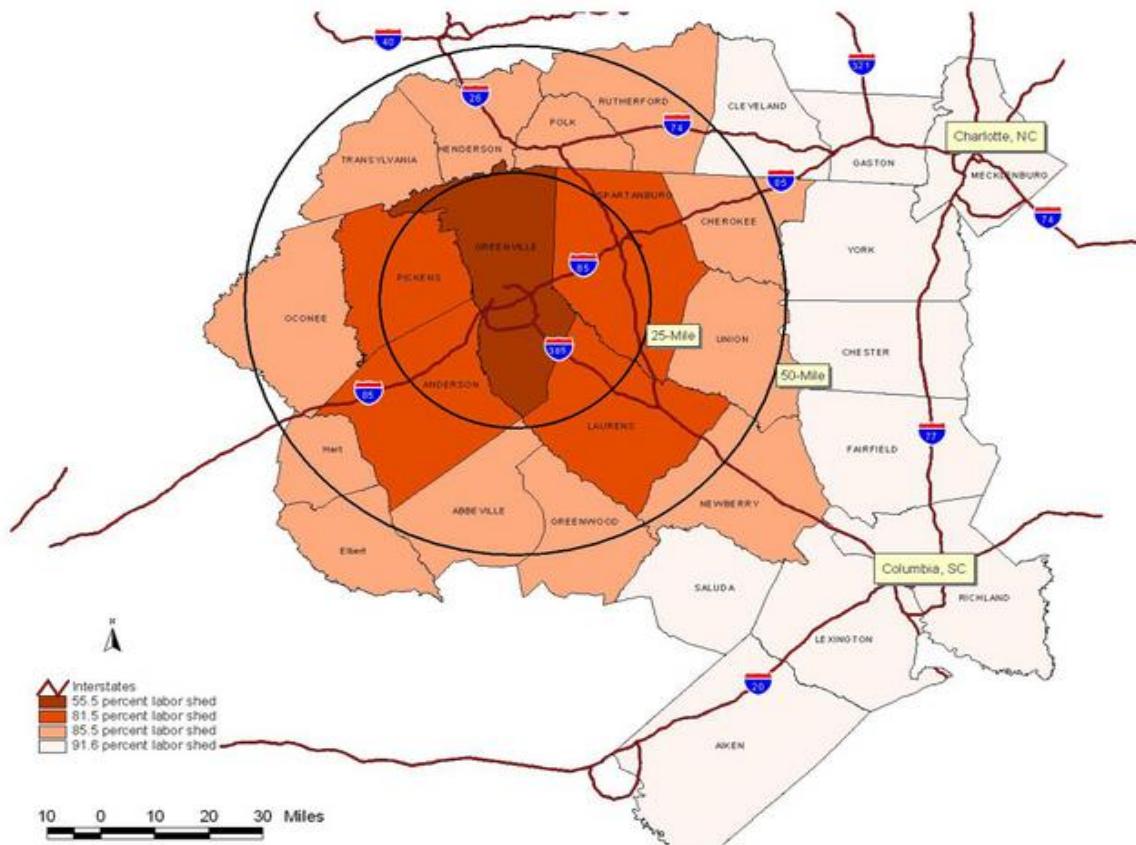
The transition from casual partnerships to formal regional alignments with other economic development organizations, chambers of commerce, workforce investment boards, and related non-profits is a testament to two powerful elements of regional EDOs' value proposition.

First, regional economic development organizations are more naturally suited to serve regional economies than individual cities, counties, or states. Regions often provide a better framework for addressing significant and far-reaching economic development challenges and opportunities because their boundaries are typically based on economic considerations, rather than geographic or political ones. Because commuting patterns, supply chains, industry clusters, and labor markets spread across regions, businesses typically think more about these than about jurisdictional distinctions when determining where to locate.

Thus, it can be useful for communities to approach economic development work in a similar vein. In many communities, regional EDOs provide this function. They aggregate data on area employment, educational attainment, quality of life, cost of living, and workforce availability and quality to market and promote the region in a more efficient, effective, and compelling way.

As shown below, labor sheds and industry clusters transcend jurisdictional boundaries, drawing from a region's cities and counties to fulfill the needs of business and industry. By coordinating and aligning economic development efforts from a regional framework, regional partnerships are able to effectively and efficiently foster economic growth.

Figure 1  
Labor Shed of Greenville, South Carolina<sup>5</sup>



<sup>5</sup> <http://www.greenvilleanconomicdevelopment.com/size-and-composition.php>

Figure 2  
Medical-Sector Employment Shed of Minneapolis, Minnesota<sup>6</sup>



In many instances, regional EDOs also work with public, private, and institutional leaders to improve the economic competitiveness of the communities they serve. For example, the JAXUSA Partnership, which serves the seven-county region of northeast Florida, engages in workforce development and education issues because these topics transcend jurisdictional boundaries and have a significant impact on the regional economy.

Recently, the JAXUSA Partnership joined forces with area educational institutions and CareerSource Florida Northeast, the area's workforce development organization, to increase the region's overall education attainment level. Known as

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<sup>6</sup>[https://www.greatermsp.org/index.php?src=news&srctype=detail&category=Latest%20News&refno=203&displaytype=2016\\_Default&hurl=n](https://www.greatermsp.org/index.php?src=news&srctype=detail&category=Latest%20News&refno=203&displaytype=2016_Default&hurl=n)

“Earn Up,” the initiative seeks to increase the number of adults with training certificates or college degrees from 36 percent of the population to 60 percent by 2025. Cathy Chambers, senior vice president of strategy and business development for the JAXUSA Partnership, says that her organization is leading the effort because “the future economic health of the region is directly tied to our workforce being able to meet the needs of our employers.”

Second, regional economic development organizations enable communities to leverage resources to achieve economies of scale. By pooling resources, regional EDOs are better able to make more substantive progress on economic development initiatives than individual localities could on their own.

For instance, Invest Buffalo Niagara, the regional economic development organization representing the eight counties of Western New York, dedicates over \$350,000 every four years to conduct an exhaustive labor market assessment for the region. The significant cost of this effort would preclude any individual community in the region from conducting this level of research alone. However, by aggregating funds, Invest Buffalo Niagara can afford to conduct this research and then share it with the region’s communities.

It is important to note that regional partnerships do not replace city or county economic development organizations. Rather, they bring all players to the table, combining assets, resources, data, and talents to identify opportunities for business expansions and new investment. They aim to develop and sell a product that aligns with the demands of the private sector.

Across the country, regional economic development organizations range in size, budget, and scale. While there is no “one size fits all” approach to regional

economic development, successful organizations reflect the unique economic and political environments of their regions and are stronger than isolated, purely local efforts.

## **Advantages of Regional Economic Development Organizations**

Areas that implement regional strategies for economic development stand to realize significant efficiencies. Regional frameworks increase coordination and communication among jurisdictions and often reduce overlaps, duplication, and competing efforts. Nevertheless, achieving regional efficiencies frequently requires communities to look beyond ingrained sentiments of independence and cross-jurisdictional competition. For regional partnerships to work best, political leaders, business leaders, non-profit leaders, and economic development officials must trust one another and buy into the process. This requires all parties to set aside sentiments of “turfism” and begin thinking beyond individual mandates.<sup>7</sup>

The process of engaging local partners is a gradual but imperative one according to Tom Kucharski, president and CEO of Invest Buffalo Niagara. “A tremendous amount of time and effort was spent in our regional communities getting to know them,” said Kucharski. “Municipalities used to sue each other for stealing business; now there is occasional angst about not getting a project, but others understand that they are still getting their fair share of prospects who are interested. A trust factor has been built.”

Similarly, in 2013, the economic development teams in St. Louis County and the City of St. Louis decided to come together to form the St. Louis Economic

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<sup>7</sup> Managing EDOs Manual. International Economic Development Council, p. 113.

Development Partnership “after it was found that the city and county were competing against each other,” says St. Louis Economic Development Partnership President Rodney Crim. After a period of study, St. Louis officials determined that because businesses were looking at regional information when determining where to expand and relocate, the formation of a regional EDO would more effectively meet the needs of businesses, demonstrate collaboration and highlight the benefits of the overall region.

### **The Pooling of Marketing Resources**

While there are many advantages associated with regional EDOs, perhaps none is as significant as their ability to pool and leverage limited marketing resources. By combining resources, regional EDOs can reach broader national and global audiences than a local economic development organization can alone. Furthermore, the pooling of resources invites collaboration among local EDOs, helping to achieve marketing outcomes that paint a more complete picture of the region.

Typically, major community assets and anchors such as airports, ports, rail terminals, stadiums, and arts centers serve a broader area than the communities in which they reside. Branding and marketing these assets collectively rather than individually broadens the region’s overall appeal, increasing the likelihood of being noticed by national and international firms.

Participation from the private sector in regional economic development efforts provides significant marketing benefits as well. Julie Engel, president and CEO of the Greater Yuma Economic Development Corporation in Yuma, Arizona, states that private-sector involvement has allowed her organization to market the

region in a more powerful way to outside companies. “The private sector has insights about marketing that help us get our message heard,” she says.

Furthermore, the private sector brings corporate expertise to the table by offering marketing insights, in-kind assistance, and participation on committees and boards of directors. In some cases, the private sector provides a significant percentage of funding and support to regional organizations, which benefits the public sector by reducing or replacing public funds for economic development marketing (which is often grossly underfunded or non-existent at the local level).

### **Collective Advocacy and Alignment**

Regional economic development organizations often are a more effective vehicle for advocacy on issues of collective concern. While jurisdictions within a region do not always agree on every issue, where consensus exists, they can use their position to influence legislation at the state and federal level.

According to David Maahs, executive vice-president for economic development at the Greater Des Moines Partnership, “we speak with one voice on legislative issues at the federal and state levels.” Every May, the Partnership takes over 200 public and private leaders to Washington, D.C., to attend congressional meetings on matters potentially affecting business interests within the Partnership’s jurisdiction.

### **Greater Capacity for Comprehensive Economic Development Services**

Another advantage of regional partnerships is the increased scope of services and assistance they are able to provide to companies. A regional approach to

economic development allows a wide range of sites, buildings, and industrial/business parks across jurisdictions to become common inventory for the region, which can be more effectively marketed to prospects. From the perspective of businesses interested in expanding or locating in the regional economy, having a one-stop-shop saves significant time in their decision process and provides peace of mind in knowing that jurisdictional preferences and biases are largely removed from the picture.

Investing companies and the consultants and advisors they hire to assist them have become more and more demanding in their requests for economic and community information in recent years. They also need the information in increasingly shorter timeframes. It is now imperative for regions to pool and maintain comprehensive economic, real estate, workforce and community data at the regional level and be prepared to respond in minutes or hours, versus days or weeks. Organizing and executing as a regional partnership greatly facilitates these functions.

“Because the process of corporate site selection is one of elimination,” said Don Schjeldahl, principal at consultancy DSG Advisors, “successful regional economic development organizations provide relevant and up-to-date regional information at a moment’s notice; the better the regional group, the faster the process.”

Communities that offer economic development services on a regional basis stand a much better chance of being responsive to the needs of existing businesses and new prospects in their decision-making processes.

## Challenges of Regional Economic Development Organizations

### Demonstrating Value

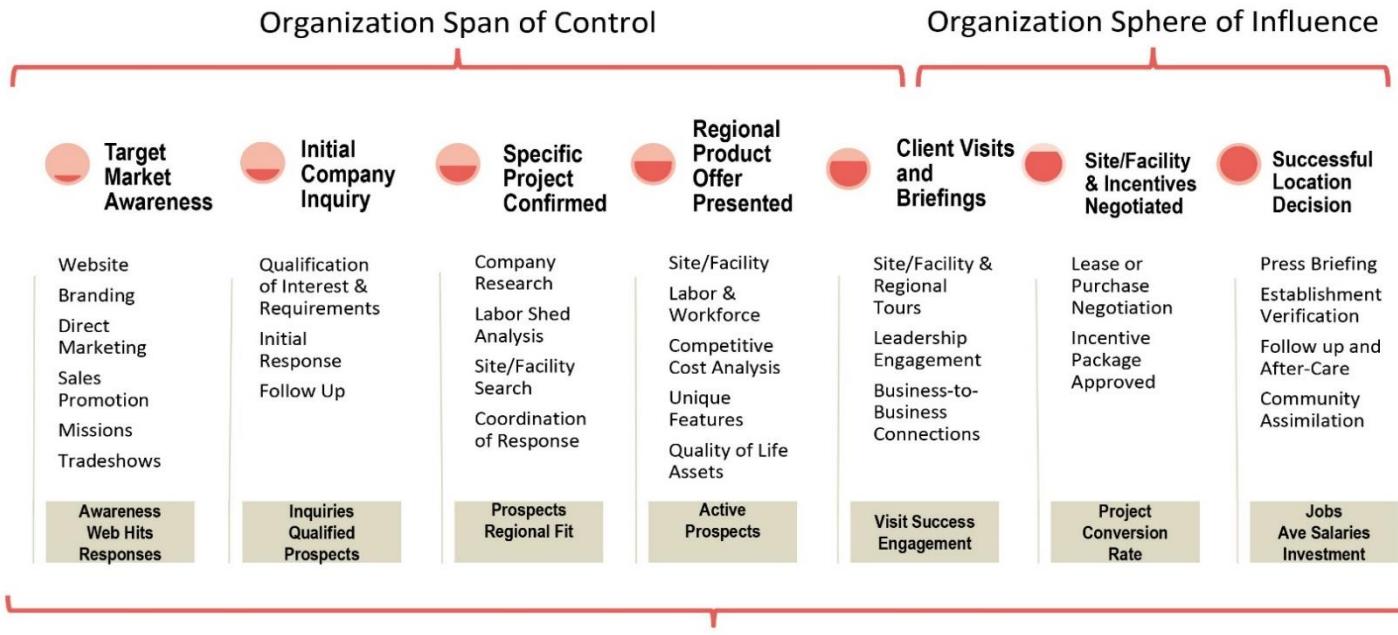
Because regions are made up of many communities, regional economic development organizations typically do not have public champions in the same way that individual towns and cities do. Thus, regional economic development organizations must prove their worth through continual, successful performance.

In communities where regional cooperation is not settled policy, local jurisdictions are more apt to call their participation and investment in regional economic development efforts into question. “Some politicians think we should keep the money locally, with the perception that the regional organization isn’t driving traffic here,” says Tom Rumora, director of economic development for Spotsylvania County, a partner in the Fredericksburg Regional Alliance in Virginia. “They might want to count the number of times businesses were brought to our county by the FRA, but what they eventually come to understand is there is efficiency in creating scale – and in any event, businesses might not look at local jurisdictions. They are actually looking at larger trading regions.”

At times, regional EDOs may find it challenging to demonstrate value to local partners because their involvement in each economic development project changes over time. In the early stages, regional economic development organizations control the process. Branding, marketing, initial company inquiries, research, and competitive cost analyses are all functions typically handled by regional organizations. During the later stages of a project, the role of regional EDOs changes from one of control to one of influence. Client visits, site decisions, incentive packages, and project announcements are functions that may be handled by local partners, with influence from regional organizations. As such, it is important for

regional EDOs to remind local partners of their involvement in the site selection process. Provided below is a continuum that illustrates how a regional EDO's role changes over time.

Figure 3  
Regional Site Selection Continuum



Performance Metrics must be tied to role and value add at each step

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\*Obtained with permission from the Hampton Roads Economic Development Alliance

Most regional EDOs primarily serve as marketing entities, acting as a lead generator, connector, ombudsman, and partner to local jurisdictions on individual company projects to help them achieve their most competitive position to win. They do not typically close deals; nor do they control zoning, permitting, or incentives. Consequently, measuring the return on investment of regional economic development organizations can be a challenge. One way to overcome this difficulty

is for regional partnerships to regularly communicate the results they *can* measure to local economic development organizations and elected officials.

For instance, the FRA recently commissioned an independent audit to help determine the best ways to show its return on investment to its regional constituents. These metrics are now communicated regularly through its website and other written reports. Regional EDOs often rely on activity measurements, which may include the number of leads generated, site tours given, or website traffic driven to local economic development organizations.

In recent years, some regional economic development organizations have expanded their metrics to add value in new ways. Greater MSP, the Minneapolis Saint Paul Regional Economic Development Partnership, developed a “Regional Indicators Dashboard” to establish a set of shared metrics that track the region’s change on critical economic, environmental, and social outcomes. To design the regional dashboard, Greater MSP collaborated with business, government, non-profit, civic, and philanthropic leaders to establish mutually agreed-upon economic indicators that could be regularly tracked and reported. Since its launch in 2014, the dashboard has been used to measure the region’s progress across a range of measures with the goal of maintaining and improving the region’s economic competitiveness. The diversity of the public and private partners involved in maintaining and updating the dashboard demonstrates the ability of the region to work together.<sup>8</sup> Some examples of the regional economic indicators tracked by Greater MSP include:

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<sup>8</sup> Amy Liu and Rachel Barker. “To Drive the Economy, Minneapolis-St. Paul looks to the Dashboard.” The Brookings Institution. June 2015.

- Yearly percentage change in jobs
- Average weekly wage
- Net migration of 25-34 year olds
- Percentage of high-school students graduating on time
- Percentage of population with a commute less than 30 minutes
- Energy costs
- Poverty rate

## Regional Best Interest

Regional economic development organizations often interact with elected officials at the state, county, and municipal levels. Maintaining a collaborative and open dialogue with local leaders is a valuable way for regional EDOs to collect information that can be used to inform their overarching objectives and strategies. Over time, however, some localities may experience changes in leadership and/or political leanings that are in contrast with the direction of the regional effort. When these challenges occur, it is easy for regional EDOs to conclude that they have done something wrong. In fact, however, these challenges are a normal part of any regional economic development organization's operations.

According to Barry Matherly, president and CEO of the Greater Richmond Partnership, “Trying to do things regionally, and trying to do things that bring the most benefit to the most people in the region – sometimes those aren’t exactly aligned with each locality’s goals.” Despite the fact that local political shifts may put jurisdictions at odds with regional efforts from time to time, regional EDOs must stay focused on the goals of the larger region.

## Perceived Loss of Control and Funding

Local economic development organizations frequently express concerns about the formation of regional partnerships because they perceive them as competitors for funding and control. As the Northeast Indiana Regional Partnership was forming in 2006, many of the local EDOs in the region were worried that private sector financial support would be redirected from their organizations to the newly created regional partnership. To alleviate concerns, the regional partnership commissioned a study concluding that private sector funding was well below average when compared to other regions. In the years since the 2006 study, private sector contributions have steadily increased for both local economic development organizations and the regional partnership, validating the conclusion that the supply of private financial support was previously under capacity.

## Operational Functions of Regional EDOs

### Governance and Funding

Most regional economic development organizations are structured as public-private partnerships, meaning that interests of both the public and private sectors are served. However, no two places are exactly the same; all regional organizations are the product of collaboration, compromise, and negotiation over their budgets and structures.

The governance structure of regional economic development organizations is typically determined by negotiation and fairness. The private sector usually drives the notion of organizing at the regional level to achieve scale and to be more organized and efficient. It is common for funding from public sector partners to be

determined according to the unit of government's population – for instance, a county government that contributes \$1 per capita to the regional EDO. When a region reaches one million in population, a higher amount of \$2 or \$3 per capita may be needed to make the regional organization's efforts more competitive.

It is considered a best practice to have public sector contributions matched dollar for dollar with private sector contributions. This helps to ensure a balance of public-private power in the governance structure. Board seats for public and private officials are typically tied to some level of investment in the organization (i.e., "pay to play").

The Fredericksburg Regional Alliance is set up this way. A 501(c)6 organization, the public and private sectors match funds in attempt to keep the organization as balanced as possible. The 17-member board of directors is comprised of investors from the region's top companies, in addition to representatives from each of the county and city governments within the region. The chairman must come from the private sector, which provides for flexibility to respond to pertinent issues and greater insulation from political factors.

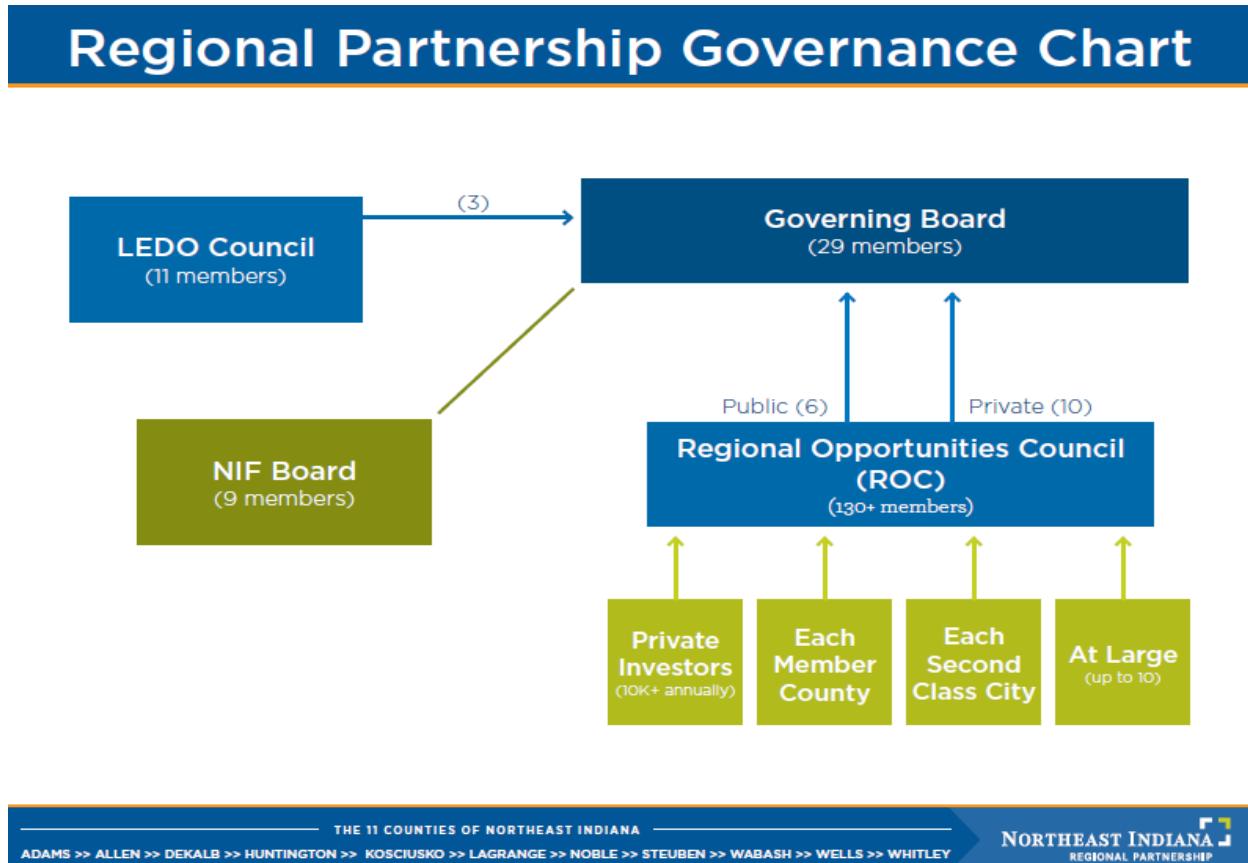
In a hybrid funding scheme, companies that contribute above a certain threshold are guaranteed seats on the board, with a smaller number of seats reserved for smaller investors to ensure they have a voice on the board. Sometimes the small business seats are filled by elected representatives to give a balance between the public and private sectors.

In the case of the Northeast Indiana Regional Partnership, eleven counties contribute to funding the Partnership with amounts proportional to their population. In 2016, this amounted to approximately \$0.40 per capita. The bylaws

of the Northeast Indiana Regional Partnership require the governing board to be comprised of 29 members, a majority of whom must come from outside of the population center of Fort Wayne. This helps to ensure that rural members of the regional partnership maintain a strong voice at the table.

Approximately 50 percent of the Northeast Indiana Regional Partnership's funding comes from the private sector, 30 percent from foundations, and 20 percent from the public sector. Correspondingly, the bylaws of the Partnership mandate that a minimum of ten seats on the governing board be filled by representatives from the business community, and no more than six seats be filled by elected officials.

Figure 4



\*Obtained with permission from the Northeast Indiana Regional Partnership

*NOTE: Figure 4 illustrates the governing structure of the Northeast Indiana Regional Partnership. The LEDO Council refers to the “Local Economic Development Organization” Council, which is an advisory group made up of economic development leaders from the eleven counties contained in the region. The NIF Board refers to the “Northeast Indiana Fund,” which is a 501(c)3 that strengthens the capacity and economic competitiveness of the Northeast Indiana region through sustained leadership, collaboration, transformative initiatives, and alignment of resources. NIF Board members are elected by the Northeast Indiana Regional Partnership’s Governing Board to serve three-year terms. The ROC, which refers to the Regional Opportunities Council, is the investor board for the Northeast Regional Partnership, and is comprised of more than 120 of the region’s top business leaders. These leaders are from all different sectors – business, government, higher-education, K-12 education, foundations, and non-profit.*

## Bylaws

How the bylaws of a regional economic development organization are written is critically important for determining its future success. In some organizations, bylaws are written as restrictive documents; in others, they are written as enabling documents. In organizations where bylaws are restrictive in nature, regional partnerships are often limited in their ability to best serve the needs of the region, thus making it difficult for regional approaches to take hold and become settled policy. In organizations with enabling bylaws, regional EDOs are able to more easily adapt to changes as they arise. In other words, the fluidity inherent in enabling bylaws fosters an environment in which regional economic development efforts can more proactively address the needs of the jurisdictions they serve.

## Starting a Regional Economic Development Organization

Before forming a regional economic development organization, a key question should be answered: “Why should we approach economic development from a regional perspective?” If circumstances and assets exist that would be better served by an umbrella regional organization, then a regional approach is the best way to proceed. However, politicians must allow it to be done correctly to see the advantages in achieving sufficient scale.

If local politicians cannot get beyond the framework of jurisdictional competition, a regional EDO may fail. Collaboration is learned, mature behavior, while competition for resources is more natural. “Starting up a new regional EDO is not for the meek and timid,” says Rick Weddle, president and CEO of the Hampton Roads Alliance in Hampton Roads, Virginia. “Often they get started

without fully working through the philosophical underpinnings of their mandate for action. What is the mandate and upon what authority are they empowered to do what they're doing? Oftentimes they get started without the full vetting that mandates an understanding that it is going to be difficult."

In many communities, local EDOs first enter into regional partnerships as a fee-for-service because they realize that a regional economic development organization can perform a particular function more effectively or efficiently than they can alone. This type of transactional relationship can be an important first step in forming an effective regional organization, as it brings multiple players together and facilitates collaboration. However, in order for regional EDOs to reach their full potential, localities must begin to look beyond their own self-interest and realize that regional policy benefits all involved parties. Only after this occurs do regional approaches to economic development become settled policy.

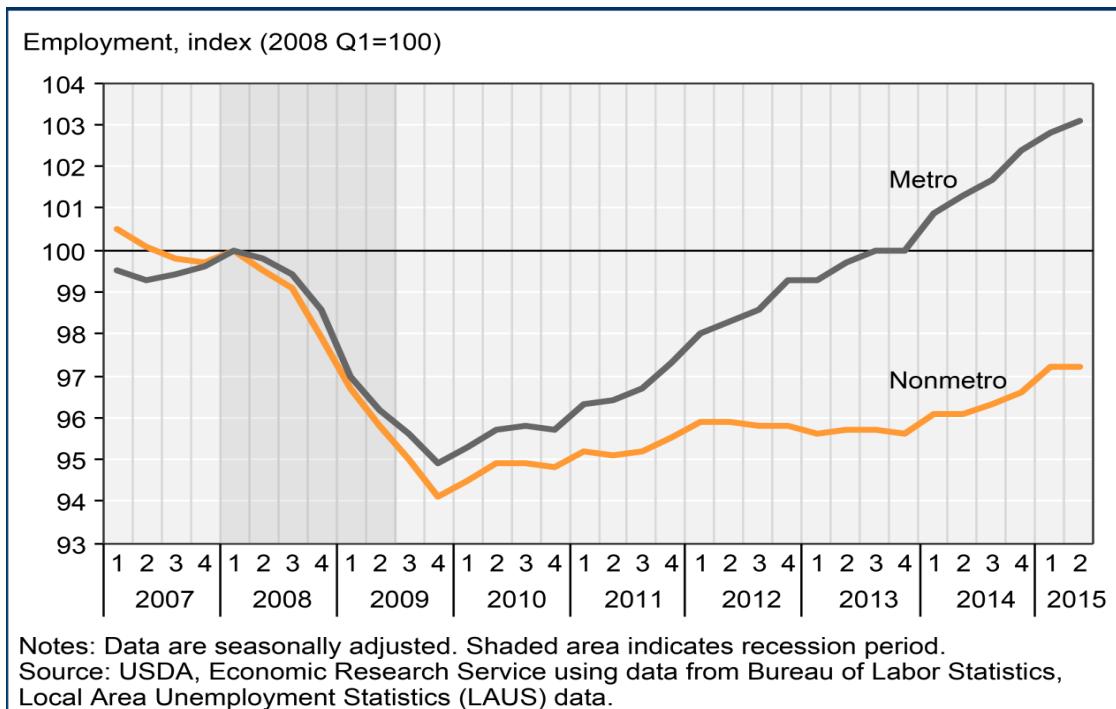
### **Beginning a Rural Regional Economic Development Organization**

Over the past two decades, increased global competition has had adverse effects on the three sectors upon which much of rural America depends – agriculture, manufacturing, and mining. With six in ten rural areas lagging behind the national average in terms of job growth, many rural communities and rural economic development organizations are wondering how to reignite and sustain their economies.<sup>9</sup>

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<sup>9</sup> Jason R. Henderson. "Globalization Forces Rural America to Blaze New Trail." Center for the study of Rural America, Federal Reserve Bank of Kansas City. 2004.

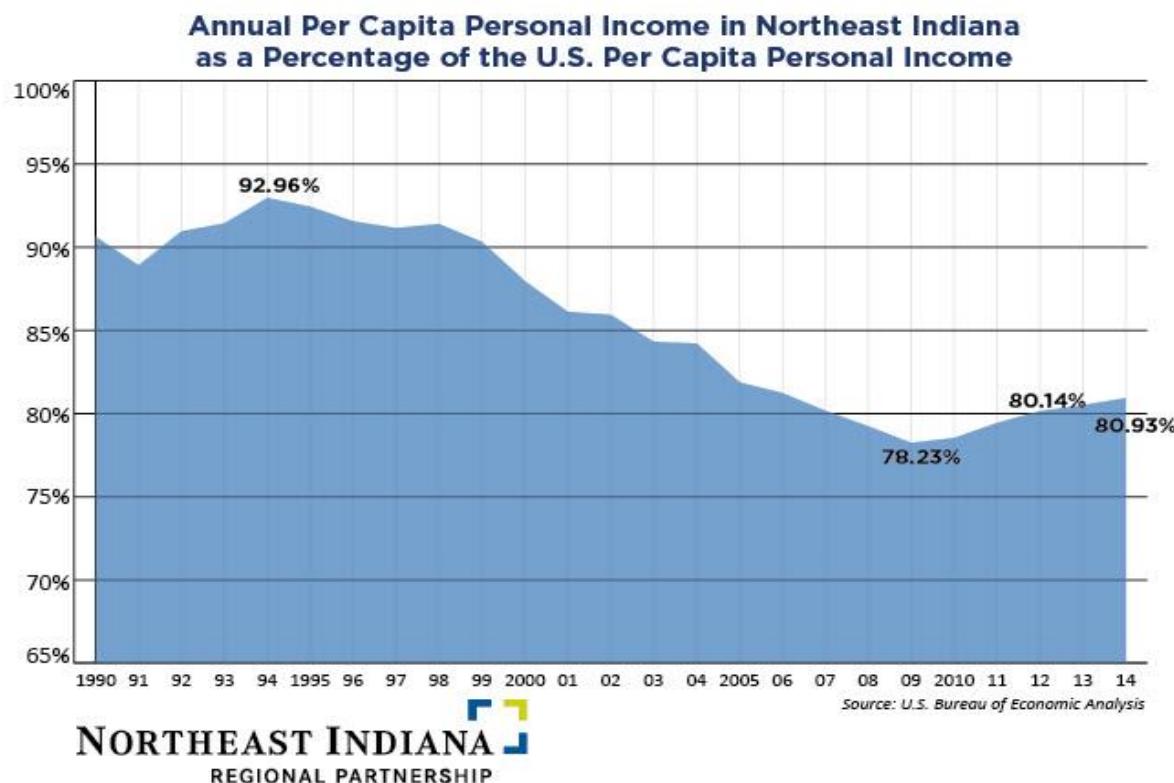
Figure 5  
U.S. Employment, Metro and Non-metro Areas, 2007-2015 (quarterly)<sup>10</sup>



In 2006, nine largely rural counties in northeast Indiana were experiencing negative economic trends. From 1994 to 2006, the per capita personal income among these counties decreased from 92.9 percent to 78.2 percent of the national average. With a median county population of approximately 70,000, these counties sought to improve their economic horizon by coming together to form a regional EDO. Led by 30 investors from both the public and private sectors, the Northeast Indiana Regional Partnership began in 2006, and used the aggregated funds to aggressively market the region to outside investors. By 2014, the region was experiencing its fifth consecutive year of growing regional per capita personal income.

<sup>10</sup> <http://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-employment-and-unemployment/>

Figure 6



\*Obtained with permission from the Northeast Indiana Regional Partnership

A first step rural communities can take is to begin thinking from a regional perspective. Because “turfism” is sometimes more pronounced in rural areas, focusing on collaborative efforts among communities and employers is particularly important.<sup>11</sup> Rural communities benefit from the fact that because people often already know each other, they are more inclined to meet and talk. In urban areas, anonymity, along with an increased number of players, makes regional economic development efforts more difficult to facilitate.

<sup>11</sup> “IoT, Robotics, Automation, 3D Printing: Advancing Tomorrow’s Manufacturing Industry Today” IEDC Webinar, October 26, 2016.

The second step rural communities can take is to define a regional economic niche. Rather than looking to neighbors for inspiration, rural regions must determine their own economic assets and then seek corresponding market opportunities. Since rural regions stand to benefit from trading beyond their borders, the incorporation of exports into economic strategies is also beneficial. Third, rural communities can dedicate additional resources to foster entrepreneurship, because growing employment from within has proven more sustainable than attracting business from the outside.

By putting the focus on local companies, local employment, and local wealth, regional EDOs can diversify their efforts away from the boom and bust cycle created by industrial recruitment and departure.<sup>12</sup> Finally, it is worth noting that small towns and communities can benefit from regional cooperation and partnerships, regardless of prior exposure or familiarity.<sup>13</sup> Regional strategies can arise gradually and increase in scope over time. The key is to begin with a scope and pace that is agreeable to all involved stakeholders.

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<sup>12</sup> Pearl Kaplan. "Rural Regional Alliances – Coming Together to Solve Common Problems." Economic Development America. Summer, 2004.

<sup>13</sup> Pearl Kaplan. "Rural Regional Alliances – Coming Together to Solve Common Problems." Economic Development America. Summer, 2004.

## Conclusions

Regional approaches to economic development are becoming more and more prevalent as localities across the country face increased competition, demands for greater efficiency, and pressure to accelerate the pace of economic growth within their communities. The main conclusions from this paper are discussed below.

### Regional EDOs are Best-Suited to Serve Regions

Because regions are based on economic considerations rather than political or geographic ones, regional economic development organizations are more naturally positioned to serve businesses than individual cities, counties, or states. Adopting regional approaches to economic development often makes additional capacity, services, and assistance available to companies.

### Regional Efforts Produce Benefits

Regional EDOs often result in increased efficiency, communication, and coordination. They can reduce overlaps and duplication and produce economies of scale. The pooling of resources allows regional economic development organizations to leverage funds for collective objectives such as marketing, branding, and research.

### Good Governance and Funding Structures Produce a Sound Foundation

Because no two regions are the same, governance structures for regional economic development organizations vary from place to place. Regardless, regional EDOs should aspire to governance and funding structures with the following traits:

- Enabling bylaws that create an environment in which economic development efforts can more proactively address the needs of the jurisdictions they serve.
- Fairness in “pay to play” funding arrangements.
- Public sector contributions matched dollar for dollar with private sector contributions.

### **Building Strong Local Relationships is Crucial to Success**

Regional economic development organizations work best when strong relationships are developed and maintained with local partners and stakeholders. For a regional approach to economic development to become settled policy, trusting relationships must exist between local and regional partners. By actively and routinely engaging with local entities, regional EDOs can create open dialogues that reinforce regional thinking.

## Further Reading

*The complexity and evolution of regional action is constantly changing and practices are constantly improving. This paper is a “starter kit” for economic development practitioners’ and stakeholders’ understanding of regional economic development organizations. Provided below is a list of additional resources on regional economic development that the reader may find useful.*

Alan Ehrenhalt, *Cooperate or Die*. Governing Magazine. September, 1995.

Doug Henton, John Melville, Kim Wlesh, Chi Nguyen, and John Parr, *Regional Stewardship: A Commitment to Place*. Alliance for Regional Stewardship. October 2000.

Doug Henton, John Melville, and John Parr, *Regional Stewardship and Collaborative Government: Implementation that Produces Results*.

Alliance for Regional Stewardship. March 2006.

J.B Wogan, *Can Cities and Rural Counties Come Together?* Governing Magazine. April, 2014.

Julie Cencula Olberding, *Diving Into the “Third Waves” of Regional Governance And Economic Development Strategies: A Study of Regional Partnerships for Economic Development in U.S. Metropolitan Areas*. Economic Development Quarterly, Vol. 16 No. 3, August 2002, pp. 251-272.

Mark Drabensott, *Rethinking Federal Policy for Regional Economic Development*.

Economic Review. First Quarter 2006.

Michael E. Porter, *Clusters and the New Economics of Competition*. Harvard Business Review. November-December 1998 Issue.

Michael Porter, *Location, Competition, and Economic Development: Local Clusters in a Global Economy*. Economic Development Quarterly. Vol. 14 no. 1, February, 2000, pp.15-34.

Pete Carlson, Robert Holm, and Ray Uhalde, *Building Regional Partnerships for Economic Growth and Opportunity, Jobs for the Future*. February, 2011.

## **Featured Economic Development Organizations**

Fredericksburg Regional Alliance

<http://fredregion.com/>

Greater Des Moines Partnership

<https://www.desmoinesmetro.com/>

Greater MSP

<https://www.greatermsp.org/>

Greater Richmond Partnership

<http://www.grpva.com/>

Hampton Roads Economic Development Alliance

<http://www.hreda.com/>

Invest Buffalo Niagara

<http://www.buffaloniagara.org/home.aspx>

JAXUSA Partnership

<http://jaxusa.org/>

Northeast Indiana Regional Partnership

<http://neindiana.com/>

Spotsylvania County Economic Development Department

<http://www.spotsylvania.org/>

St. Louis Economic Development Partnership

<https://www.stlpartnership.com/>