

Economic Development 2004

The *Economic Development* surveys were mailed in fall 2004 and spring 2005 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 3,703 municipalities and counties that received surveys, 726 local governments responded (19.6%).

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



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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

1. Which of the following statements best describes who has responsibility for economic development in your local government? (Check only one.)

- 66.1** a. The local government has *primary* responsibility for economic development.
- 22.3** b. A nonprofit development corporation has *primary* responsibility for economic development.
- 5.6** c. Other
- 0.9** d. Chamber of Commerce

2. Which of the following best describes your local government's primary economic base and focus of your economic development efforts? (Check only one in each column.)

	What is your current economic base?	What is the focus of your economic development efforts?
a. Agricultural (farming and supporting industries)	5.5	0.8
b. Manufacturing	21.7	29.6
c. Retail/service	25.8	29.1
d. Institutional (military, government, nonprofit, universities, colleges, etc.)	12.2	1.8
e. Residential community (commuters)	18.1	3.0
f. Tourism/hospitality (including travel for pleasure, business, and to visit family and friends)	5.3	4.4
g. Warehousing/distribution	2.5	4.3
h. Technology/telecommunications	2.3	15.6
i. Other	3.0	9.7
j. Mixture	3.6	1.6

3. What percent of your land area is zoned for: **Average**

- a. Commercial/industrial/manufacturing use **22.2**
- b. Residential use **55.7**
- c. Open space **15.5**
- d. Other **21.7**

4. What percent of your land is tax exempt? **14.1 Average**

5. 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? (Check only one in each column.)

	Last five years	Next five years
a. Rapid expansion (more than 25%)	15.0	15.4
b. Moderate growth (10-25%)	32.7	39.6
c. Slow growth (less than 10%)	29.4	36.7
d. Economic base is stable - no real growth or decline	15.2	6.7
e. Slow decline (less than 10%)	5.3	1.2
f. Moderate decline (10-25%)	1.5	0.3
g. Rapid decline (more than 25%)	0.8	0.0

6. Does your local government have a written economic development plan? **51.9** Yes **48.1** No

7. Which of the following participate in developing your local government's economic development strategies? (Check all applicable.)

a. City	93.0	j. Private business/industry	44.7
b. County	53.2	k. Private or community economic development foundation	10.8
c. State government	35.2	l. Utility	29.4
d. Federal government	10.5	m. College/university	34.4
e. Chamber of Commerce	69.9	n. Citizen advisory board/commission	38.4
f. Economic development corporation	47.2	o. Ad hoc citizen group	9.5
g. Regional organizations	39.7	p. Other	5.5
h. Planning consortia	13.8	q. Other	1.0
i. Public/private partnership	38.4		

FUNDING ECONOMIC DEVELOPMENT

8. How much did your local government *budget* for economic development activities for FY 2004? **\$753,161 Average**

A. What percent of the budget was funded by **Average**

79 1. Local government **19** 2. Private sector **30** 3. Other

9. Please indicate which of the following sources of government revenue are used to fund your economic development programs. (Check all applicable.)

a. Local revenues/general fund	87.8	e. Revenue bonds	8.6	h. Hotel/motel taxes	20.0
b. Federal grants-in-aid	23.0	f. Special assessment districts	9.9	i. Sales tax	18.3
c. State grants-in-aid	25.4	g. Tax increment financing districts	28.2	j. Other	10.1
d. General obligation bonds	8.6				

10. What roles do private companies play in underwriting the marketing efforts of your local government? (Check all applicable.)

32.7 a. Charitable in-kind contributions **47.6** c. Joint marketing partnerships
28.6 b. Charitable cash donations **33.7** d. Other

11. What is the expected dollar value of private underwriting that you expect to receive in FY2005? **\$58,166 Average**

TECHNOLOGY

12. Which of the following technology applications has your local government implemented as part of its economic development efforts? (Check all applicable.)

a. Kiosks with touch-screen computers	4.8	e. Web site	96.5	i. Other	7.6
b. Hand-held computer terminals used in the permit and inspection process	10.9	f. Smart buildings (e.g., with technology that controls lights, reads security cards, etc.)	5.5	j. Other	1.1
c. On-line services (e.g., permit applications submitted online)	50.5	g. Intelligent vehicle highway systems (e.g., electronic toll collectors)	3.3		
d. Interactive faxing (faxing permits, forms, and applications for a fee)	26.1	h. Fiber optic networking/cable	31.8		

BARRIERS TO ECONOMIC DEVELOPMENT

13. Which of the following barriers to economic development has your local government encountered? (Check all applicable.)

a. Availability of land	57.4	k. Lengthy permit process	12.8
b. Cost of land	52.8	l. Environmental regulations	22.0
c. Lack of building availability (due to space or costs)	44.9	m. Citizen opposition	21.8
d. Inadequate infrastructure (e.g., no fiber optic cable)	27.7	n. Lack of political support	10.1
e. Lack of skilled labor (Applicants do not have the necessary skills)	17.2	o. Declining market due to loss of population	5.0
f. High cost of labor	11.0	p. High cost of housing	20.4
g. Limited number of major employers	31.9	q. Poor quality of life (inadequate education, recreation, and arts/cultural programs)	5.1
h. Lack of capital/funding	35.6	r. Traffic congestion	23.4
i. Taxes	17.9	s. Other	14.9
j. Distance from major markets	15.4	t. Other	3.9

A. Please indicate the top two barriers to economic development by putting the corresponding letter in the space provided.

Two top barriers 1. **A** 2. **B**

A. What strategies are you using to address the top two barriers?

ECONOMIC DEVELOPMENT ACTIVITIES

14. Does your local government support any of the following programs to promote or support economic development?

a. Community development corporation	49.9 Yes 50.1 No	d. Job training	51.1 Yes 48.9 No
b. Community development loan fund	41.6 Yes 58.4 No	e. Child care programs (including after school and parks/rec programs)	31.7 Yes 68.3 No
c. Microenterprise program	24.6 Yes 75.4 No	f. Other (Please describe)	58.7 Yes 41.3 No

15. What percent of your overall economic development activities are focused on **Average**

41 a. Business retention **44** b. Business attraction/recruitment **19** c. Small business development

Business Retention

16. Does your local government have a written business retention plan? **23.5** Yes **76.5** No

17. Please indicate which of the following business retention activities your local government conducts.

a. Local government representative calls on <i>local</i> company	77.6	i. Replacing imports with locally supplied goods	2.9
b. Local government representative calls on <i>national</i> company headquarters	24.9	j. Export development assistance	11.9
c. Surveys of local business	59.8	k. Partnering with other non-governmental organizations (e.g., chamber of commerce, private firms)	80.5
d. Business roundtable	47.2	l. Partnering with other local governments	52.0
e. Revolving loan fund program	30.8	m. Business clusters/industrial districts	26.4
f. Ombudsman program	21.8	n. Other	8.0
g. Achievement awards	26.0	o. Other	1.5
h. Local business publicity program (community-wide)	33.5		

Business Attraction/Recruitment

18. Does your local government want to attract new business? **98.3** Yes **1.7** No (*If "no," please go to question 24.*)

19. Does your local government have a written business attraction plan? **30.1** Yes **69.9** No

20. Which of the following methods does your local government use to attract business?

a. Promotional and advertising activities (e.g., direct mail, CD-ROM, video, other media advertising)	62.6	f. Local government representative calls on prospective companies	57.0
b. Ambassador program	18.6	g. Works with the Chamber of Commerce	84.2
c. Participation in industry specific trade shows/conferences	52.9	h. Offer high quality of life (good education, recreation, and arts/cultural programs)	73.6
d. Participation in state-sponsored trade missions	28.5	i. Other	11.7
e. Website	86.0	j. Other	2.2

21. Does your jurisdiction have special *technology zones* that are designed to encourage technology-related industries and businesses to move to your jurisdiction? **25.1** Yes **74.9** No

A. If "yes," please indicate the *incentives used in the technology zones* to encourage technology-related industry and business. (*Check all applicable.*)

a. Reduction in permit fees	31.1	e. Flexibility in special zoning	34.4
b. Reduction in user fees	13.1	f. Other incentives	67.2
c. Reduction in gross receipts tax	15.6	g. Other incentives	14.8
d. Ordinance exemptions	10.7		

22. Please identify your competition in attracting investment in your jurisdiction. (*Check all applicable.*)

76.7 a. Nearby local governments **55.2** d. Other states
67.4 b. Other local governments within the state **28.1** e. Foreign countries
55.6 c. Local governments in surrounding states **2.6** f. Other

23. Please estimate the number of jobs and new businesses in your community over the last five years as a result of your business attraction/recruitment efforts. **Average 1,905** a. Number of jobs **142** b. Number of new businesses

Small Business Development

24. Does your local government have a written small business development plan? **16.9** Yes **83.1** No

25. Which of the following does your local government offer for small business development? (*Check all applicable.*)

a. Revolving loan fund	48.3	g. Marketing assistance	33.8
b. Small business development center	54.9	h. Management training	20.8
c. Business incubator	28.9	i. Executive on loan/mentor	10.1
d. Microenterprise program	18.2	j. Other incentives	18.5
e. Matching improvement grants (physical upgrades to business)	28.3	k. Other incentives	3.8
f. Vendor/supplier matching	8.4		

Business Incentives

26. Does your local government offer business incentives? **72.4** Yes **27.6** No

Answer questions 27 - 32 only if you checked "yes" in question 26.

27. Please indicate which of the following incentives your local government offers. (*Check all applicable.*)

a. Tax abatements	57.1	k. Grants	38.1
b. Tax credits	23.7	l. Zoning/permit assistance	68.4
c. Tax increment financing	58.3	m. One-stop permit issuance	41.4
d. Locally designated enterprise zones	24.2	n. Utility rate reduction	12.6
e. Federal/state designated enterprise zones	33.1	o. Regulatory flexibility	12.4
f. Special assessment districts	23.7	p. Relocation assistance	17.4
g. Free land or land write downs	30.8	q. Employee screening	14.9
h. Infrastructure improvements	66.9	r. Training support	29.3
i. Subsidized buildings	9.1	s. Other	10.6
j. Low-cost loans	33.6	t. Other	1.8

A. Please indicate the top two most frequently used incentives by putting the corresponding letter in the space provided.

Two top barriers 1. **A** 2. **H**

28. Do you require a performance agreement as a condition for providing business incentives?

61.0 Always **27.9** Sometimes **11.0** Never

29. Do you perform a cost/benefit analysis prior to offering business incentives? **74.9** Yes **25.1** No

30. Does your local government measure the effectiveness of business incentives? **83.6** Yes **16.4** No

A. If "yes," please identify which of the following measures are used. (*Check all applicable.*)

90.2 a. Amount of jobs created by the new business	31.6 e. Company revenue/sales
62.9 b. Amount of money invested in construction materials and labor	45.4 f. Cost/benefit analysis
46.9 c. New dollars invested in land	10.7 g. Other
31.6 d. Number of new businesses relocating or expanding in jurisdiction	

31. Please indicate any change in the dollar value of the average business incentive package over the last five years? (*Circle one number.*)

Much larger		About the same		Much less
1	2	3	4	5
7.9	17.9	62.3	9.0	2.9

32. Does your local government ever require a percentage of new employees to be hired from within the community?

11.2 Yes **88.8** No

Local Government Profile

33. Does your local government use performance measures to assess the effectiveness of its economic development efforts?

33.4 Yes **66.6** No

A. If "yes," which of the following performance measures are used (*Check all applicable.*)

30.6 1. Input measures (e.g., number of staff hours expended by program)

68.8 2. Output measures (e.g., number of organizations that receive assistance by program)

47.4 3. Efficiency measures (e.g., program expenditures per estimated tax dollars generated)

20.2 4. Other

34. Which of the following taxes does your local government levy and what is the rate?

Type of tax	Jurisdiction has tax		Tax rate (Average %)
a. Real property tax	91.4 Yes	8.6 No	5 rate per \$1,000 of assessed value
b. Personal property tax	56.4 Yes	43.6 No	4
c. Local income tax	17.9 Yes	82.1 No	2
d. Local sales tax	62.6 Yes	37.4 No	3
e. Other local tax	62.8 Yes	37.2 No	4
f. Other local tax	43.1 Yes	56.9 No	5

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

	Average		Please indicate if you expect an increase or decrease in the number of schools over the next five (5) years.	
	No. of schools		Increase	Decrease
a. K-12	18		85.2	14.8
b. Junior college (2-year)	2		94.6	5.4
c. Vocational/technical	1		89.6	10.4
d. University/college	1		90.2	9.8

36. Please provide the following descriptive information **Average**

a. Median cost of a single-family dwelling	\$ 214,753
b. Median rental cost of two-bedroom apartment (<i>monthly</i>)	\$ 846
c. How many hotel/motel rooms	2,879 rooms
d. Approximately what percent of your local government's annual revenue is from tourism	5 %
e. Per capita personal income	\$ 34,766
f. Per capita property tax revenue	\$ 643
g. What percent of the residents in your jurisdiction are retirees	17 %
h. Unemployment rate	4.8 %

37. Which of the following are in your jurisdiction?

81.1 a. Railroad **9.2** c. Port **21.6** e. Major waterway
47.0 b. Airport **79.4** d. Truck route **89.8** f. Major highway