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## From Global To Local

*By Courtney Hendricson*

### **PREPARING YOUR COMMUNITIES FOR YOUR STATE'S INTERNATIONAL RECRUITMENT EFFORTS**

State, regional, and local economic developers must recognize that international recruitment efforts are unsuccessful when local infrastructure is not fully supportive. It makes no sense to spend resources on recruitment if you aren't ready to provide what companies need in a new or expanded location. Using Connecticut as a case study, this article addresses the importance of building local and regional economic development capacity and leveraging your assets and international and domestic business recruitment activities. The result will be more business growth and expansion, jobs, economic vitality, and long-term continuity.

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# from global to local

By Courtney Hendricson

- If you are prepared to invite global companies to invest in your state, then you have to be prepared to support them locally.

Often business recruitment strategies concentrate on the prospects and not as much on specifically where they land. Our approach in Connecticut ties recruitment activities to making sure locations have the knowledge and the tools to land recruitment prospects, increasing the likelihood of success. What foreign companies are specifically looking for in potential relocation communities has evolved and become more specialized.

Attracting companies to expand or relocate requires a strategic plan that includes consideration of:

- Economic development priorities as set forth by the state and its resource partners
- Partner commitments to foster an environment that supports the state's targeted industries
- Economic research of industries, potential prospects and methodology for managing relationships

The process of a town attracting an international company starts with knowing your community. As an economic developer, you must know the locality you represent from all angles.

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## ARM YOURSELF WITH INFORMATION

**1. Demographics** – who lives there, who works there, what is happening to the age shift in town: getting older? Schools declining? What is the median income? Is that shifting? For better or for worse? What is the ethnic makeup in town—is that shifting? How is that affecting the community? All of these stats show us what is happening on the ground and clues us in to what may be happening in the near future. This is critical as companies from out of town, out of state, and outside the United States are making location decisions, often with these issues in mind. (Example 1)

**2. Businesses** – know your business community on both a macro and micro level. Macro means knowing who are the major employers, who are the top taxpayers, which industries are growing, which are stagnant, and which are declining. Knowing your businesses at the micro level simply means knowing the companies and knowing the decision-makers personally. It means forging and maintaining meaningful relationships with the businesses in your community so that you can offer them assistance when they need it (e.g. access to tax relief or help with a sign permit) and the business in turn can offer you assistance in business recruitment by identifying which companies they partner with in their supply chain, who is their largest competitor in the region, etc. (Example 2)

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## PREPARING YOUR COMMUNITIES FOR YOUR STATE'S INTERNATIONAL RECRUITMENT EFFORTS

*State, regional, and local economic developers must recognize that international recruitment efforts are unsuccessful when local infrastructure is not fully supportive. It makes no sense to spend resources on recruitment if you aren't ready to provide what companies need in a new or expanded location. Using Connecticut as a case study, this article addresses the importance of building local and regional economic development capacity and leveraging your assets and international and domestic business recruitment activities. The result will be more business growth and expansion, jobs, economic vitality, and long-term continuity.*

### Example 1

As part of the economic development efforts in the town of Hamden, CT, the Connecticut Economic Resource Center, Inc. (CERC) works directly with all department heads and elected and appointed officials on preparing grant applications and helping them administer the grants. Demographic information, such as the CERC Town Profiles, is key to providing critical information for the grant applications. Current efforts include:

- Applying for a private foundation grant for the Hamden Public Library to fund programs for the patrons;
- Applying for a FEMA grant to fund fire apparatus for the Hamden Fire Department;
- Assisting the Hamden Energy Commission with a utility sponsored grant that will help educate Hamden residents and businesses on solar installations; and
- Managing a large Transit-Oriented Development grant for sidewalk creation and pedestrian connectivity.

These efforts are important to towns like Hamden that have a small economic development team focused on retaining and supporting local business, yet don't have the resources to hire a full-time grant administrator.



*CERC presentation of data to municipal audience*

### Data Tools:

- For demographic data, the best source is American FactFinder, a product of the U.S. Census Bureau. It has data from a variety of Census programs, including the Decennial Census as well as annual demographic estimates produced through the American Community Survey (ACS) and Population Estimates Program. It also has results from surveys of government, housing, business owners and other programs. Much of the data, especially for the Decennial Census and ACS, is available at the broader national level down to local jurisdictions and, in many cases, Census tracts and block groups, so you can really dig in and find the data that you need. FactFinder is online at <https://factfinder.census.gov>.

Another option is your local State Data Center (SDC). Each state has an SDC that works with the Census Bureau to collect and provide access to data. In Connecticut, the Connecticut Data Collaborative (CTData) conducts research projects and helps data users learn how to collect and use their own data in addition to making data available for all the towns and cities in the state. You can find your state's data center and more information on the program at <https://www.census.gov/about/partners/sdc.html>. More information about CT Data is available at <http://www.ctdata.org>.

- To learn more about your local business community, you can check with your local assessor's office, who would likely have information on your largest taxpayers and other details. You might also consider purchasing a business list from one of the many vendors out there, such as D&B Hoovers or infoUSA. You can order the lists based on certain industries, such as manufacturers or retail establishments, if that is what you are interested in, and the lists will usually provide a contact person and phone number and email address if you request that information. However, these companies do charge for business lists.

In Connecticut, one option that we frequently direct our economic developers to is a free business list provided by the state Department of Labor, which also has some industry and contact information available for businesses in the state. It may be worth a check to your state's Department of Labor to see if they have any data they can provide or resources they can direct you to, if you need more than your local assessor can provide.





Know what land and commercial building space is available to a prospective business. The quickest way to learn what is out there is to get to know commercial real estate industry professionals. Meet brokers, local developers, property owners, and site selectors who regularly conduct real estate transactions in your community.

**3. Available commercial property.** Know what land and commercial building space is available to a prospective business. The quickest way to learn what is out there is to get to know commercial real estate industry professionals. Meet brokers, local developers, property owners, and site selectors who regularly conduct real estate transactions in your community. Ask them to show you the spaces and parcels they represent so you can serve as the first line of answering questions to a prospective business. When the real estate professionals know the specific recruitment goals of the community (which industries you are targeting or what types of development make the most sense in certain parts of town), they are well suited to assist you in that effort. Essentially, you and they both share goals – you both want to see long-term successful businesses in town (you in the community and they in the specific space they need to fill). With a shared goal, you can be working together for business recruitment. (Example 3)

### GET TO KNOW THE STATE'S VISION.

The governor and the state level economic development team generally hold a strategic vision for the specific industries they want to grow and the specific locations within the state where that growth makes the most sense. Sometimes it's biotech, sometimes it's high tech, and sometimes it's brownfield cleanup for advanced manufacturing. Whatever the state vision is, know it and determine where your community may best be able to help serve that need.

*Do you have a large underused parcel near a teaching hospital with clinicians and researchers who would partner with private industry?* Perhaps a biotech company could locate there and partner with the medical faculty for research and development.

*Do you have a brownfield site directly next to a rail station or airport?* Perhaps a transit focused mixed-use developer would be interested in building housing that meets the needs of commuters and commercial pads for companies that move goods via rail.

You get the idea. Clue in to the state's overall economic development priorities and align your community accordingly. This allows your community to become attractive to a larger business recruitment effort and potentially lands you some companies.

### Example 2

The towns of Suffield and East Granby, CT, retained CERC to provide shared economic development services. Since the towns are adjacent and have similar local economies, officials recognized the benefits that could arise from having one individual working with both towns.

One of the focuses from the start of the engagement was the marketing of the towns' key assets such as the Bradley Airport Development Zone and their prime location within the New England Knowledge Corridor. CERC evaluated relevant data to determine which industry groups would be most receptive to this marketing and then disseminated this material and started building up contacts in some key industries such as aerospace manufacturing, finance, and technology.

Additionally, CERC created an inventory of available commercial and industrial properties on CTSiteFinder.com, as well as a list of businesses in each town, to get a better understanding of the scope for business retention and the opportunities for business expansion and recruitment. CERC then met with owners of several key parcels that had been vacant for several months or years to discuss ways to fill these buildings and the resources required to do it. CERC is working with many of these property owners and supporting them in acquiring the necessary resources, and there is now action within some of these parcels. In one such case, elected officials from both towns joined representatives from the State's Department of Economic and Community Development to meet with an out-of-state business prospect, share information on a specific property opportunity, and detail the incentives available to them. Staff are also regularly performing business visitations to address any issues that may arise and to maintain retention.

Finally, CERC worked with the towns' Economic Development Commissions to plan a workforce development and education workshop for manufacturers to drive a discussion aimed at finding solutions to real challenges.



Business Tour in Suffield

The state is making decisions you'll want to tune into regarding which countries they are actively recruiting from and which industries they are actively targeting for growth in your state. In Connecticut for example, we are currently targeting Israel (for the high-tech and innovation), Brazil (for the medical tech/supplies industry), and Germany (for the aerospace industry and advanced manufacturing). Israel and Brazil are eager to gain ac-

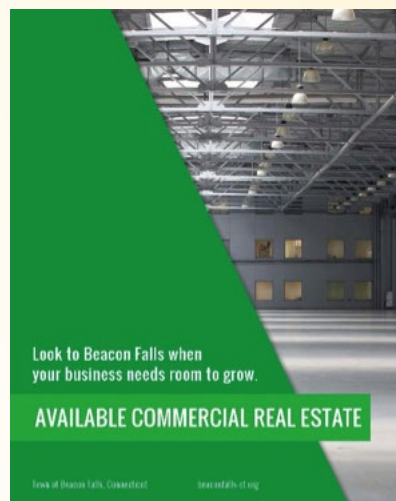
### Example 3

The town of Beacon Falls, CT, is a small community formerly without a formal economic development function. CERC staff worked with the town to prioritize developing internal buy-in for this newly-focused economic development work. This included getting all town employees and land use boards and commissions on the same page in terms of understanding the role of the land use regulatory process in economic development. CERC staff attended land use board and commission meetings to introduce the work that would be done through the economic development function and to speak about the importance of communication and consistency among the different groups. CERC also put together a document outlining the land use regulatory process to be distributed to prospective new and expanding businesses as well as to the boards and commissions.

Another priority was to begin developing relationships between the town and key local and regional economic development players. Staff set up meetings and attended events with local property owners, developers, commercial realtors, the regional chamber of commerce, and the regional council of governments. By conveying the message to these groups that Beacon Falls was serious about economic development and would provide top-quality service to any interested new and expanding businesses, they would begin to spread the word to these prospective clients.

One final priority at the outset was the development of a tax incentive policy. CERC staff evaluated the policies of different municipalities in Connecticut and worked with town staff to create one that would provide the optimal combination of incentive schedules and other benefits to promote the type of business expansion and creation that Beacon Falls wanted. The policy recently was approved at a Town Meeting and is now in use.

CERC is also focused on grand list maintenance and growth in Beacon Falls, engaging in business visitations regularly which allows for feedback and support that are essential for the community's success. Business recruitment is also a focus through a formal marketing campaign which has included a commercial inventory and creation of an online database of available properties, the creation of marketing materials, the engagement of target groups and industries through events, and the creation and leveraging of networks for greater recognition of the town as a prime location for business. Because of this work, the town is seeing many transactions related to new business creation and the expansion of existing businesses.



cess to the large market in the Northeast and have social connections here already established. There are already several German aerospace and advanced manufacturers in the state so they too are helping Connecticut recruit further within this industry all across Europe. (Examples 4 and 5)

### NETWORK, NETWORK, NETWORK

**Partner with your regional business recruitment team** – this may be an economic development organization, this may be a planning agency, this may be a large regional chamber. Whatever the entity is that is actively recruiting companies to your region (and your region may cross county and even state lines in some cases), be sure they know what your community has to offer and what you are interested in welcoming. They will work on your behalf (especially when you have limited resources). The key is that you position your community as aligned with their recruitment interests and maintain a strong relationship so that they are thinking about your town as they are making connections overseas.

So what are those critical local components that international companies currently look for and expect? BOT-TOM LINE – International companies are looking for our localities to be friendly, organized, knowledgeable, and helpful. (Example 6)

### BE READY

When the stars are aligned, and a company is interested in locating in your city, be ready to make it happen. Here's how:

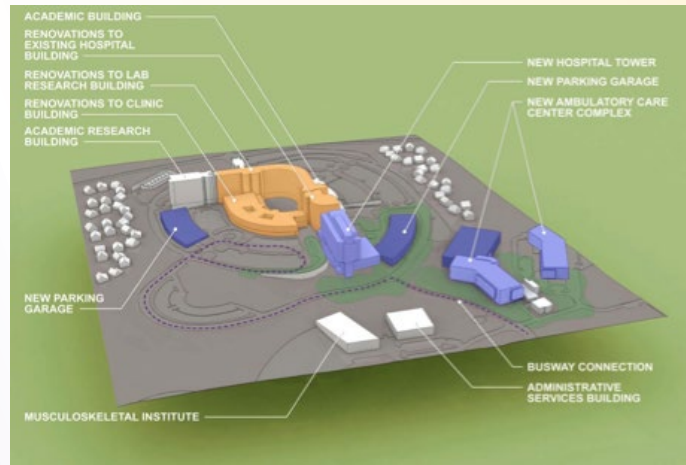
1. Be sure to prepare elected officials ahead of a company visit and brief them on the pertinent questions that a site decision will inevitably bring. Political decision-makers will set the tone for a company to feel welcome or not from the outset.
2. Bring in local business contacts to help welcome the prospective company, especially if they are in the same industry or from the same global region. This can be a powerful influence to the company when the existing business leaders speak about a positive experience and encourage the prospect to re-locate to your specific community.
3. Be sure to invite senior leaders at local institutions and organizations that would be helpful to the company like a community college that is training the workforce for this industry or a cultural organization from the country that the company is from. This will show the prospect that you care about their success and that you are thinking about their employees, spouses, and families – essentially, that your community will make them all feel welcome.

#### Example 4

The town of Farmington, CT, was in need of pro-active economic development that engaged residents and businesses in town and successfully achieved economic development results by way of an increased commercial tax base. Some of the methods used included:

- Identifying and articulating the communities' competitive advantages, including targeted industries
- Creating marketing materials that support those advantages and address those industries
- Creating and strengthening strategic partnerships with major institutions in town
- Creating an e-newsletter and building a distribution list of over 3,000 contacts that receive it quarterly
- Conducting surveys and focus groups as a way to engage with businesses and residents on controversial issues
- Planning and executing numerous networking and speaker events to engage with the residents and businesses on a variety of timely topics
- Bringing together the commercial real estate industry players to network with each other, meet Farmington's elected and appointed officials and key staff and ensure that all were "in the loop" as the economic development efforts continued
- Using the local media to publish op-eds and other "good news" stories that the team wrote and pitched

These efforts sustained over time proved to be successful and are still being used today as the town continues to invite responsible development that fits with the character of the community and increases the commercial tax base in those industries that the town targeted.



*Example of the strategic plan concept developed by Farmington, CT.*

#### Example 5

In the town of Somers, CT, is the Somersville Mill – a 5.5-acre parcel located on the Scantic River. Originally a textile mill, the property was significantly damaged by fire in 2012. The town purchased the site and their goal was to use state grant funding (already awarded) to complete the demolition of the structure and prepare the site for meaningful redevelopment. CERC was retained to:

- Provide coordination of vendors and key municipal staff;
- Engage the public through written updates and project information sessions;
- Serve as the grant administrator;
- Assist with preservation of key historical features;
- Serve as the single point of contact for the Somersville Mill Ad Hoc Committee; and
- Market the site for redevelopment.

Demolition and remediation are completed and CERC is currently marketing the site for redevelopment. This includes conducting a market feasibility study, inclusion in the CERC SiteFinder commercial real estate database, convening real estate developers who want to learn more about the site, and preparing and implementing traditional commercial real estate marketing materials to promote the site and the redevelopment opportunity. Due to the marketing, several developers are engaged in talks with the town leaders about this redevelopment opportunity.



*Somersville Mill*



4. Formalize any incentives that the municipality is willing to provide to a prospective business long before it ever comes to town. It is up to each municipality to determine whether incentives will be offered at all and if so, whether they will be based on number of jobs, level of investment, type of development or will be targeting a certain industry or geographic part of town. Work together to create the policy so that once the prospective business asks what is available, everyone can understand whether the request meets the policy or not. Making these incentive decisions when the company has already shown up often ends with communities feeling like they gave away too much or did it in a way that doesn't reflect their community values.
5. More important than any monetary incentive, a streamlined land-use regulatory process is critical to the success of a prospect turning into a reality for your city. This simply means that the process a business will go through to relocate and get up and running is predictable and consistent. It means that they will understand BEFORE the process starts, what is expected of them in terms of the meetings they will be required to attend, the costs that they will incur to prepare plans, the deliverables that will be expected at each step of the process, and the expected time-frame for the entire process.
  - a. PREDICTABLE – they can count on what you have told them
  - b. CONSISTENT – the process doesn't change halfway through and no matter who they speak with on staff, the answers are always the same
6. The level of trust that will form from a streamlined process will translate into satisfied developers who will likely seek opportunities to do more projects in

#### Example 6

CERC was retained by the town of Clinton, CT, to provide general economic development services. The focus at the outset was on meeting with developers and marketing available commercial properties. CERC also put together an event targeted at small businesses addressing state and local financial resources available to support them. Over time, CERC staff will pro-actively reach out to the community to let them know that economic development is happening and obtain their feedback on ways to expand our efforts. The town is receiving continued guidance and expertise on a variety of economic development challenges they are currently tackling.

your town and will tell others that their experience was positive, potentially influencing other businesses to come and invest in town.

7. Ready for their arrival? Show the prospective business you care by spending time listening to them, answering their questions, touring potential sites with them, and emphasizing your excitement about them coming and your ability to help them thrive.

Now it is time to prepare, implement, and repeat – keeping lines of communication open between state business development and other regional and local partners can result in a pipeline of relocation and expansion opportunities. Successful business recruitment must include collaborative economic development efforts. The result will be more business growth and expansion, jobs, economic vitality, and long-term continuity. 🌐



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