

50 Years in the Making: The Changing Roles of Economic Development

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Historical Perspective

- * 20-50 years ago
- * Last 20 years and today
- * Panel discussion and the future

20-50 years ago . . .

- * **Industrial** development was the primary game
- * MIDA (Minn. Industrial Development Association)
- * Practitioners were business leaders who did business deals with focus on real estate transactions
- * Corporate expansions (3M, IBM, Control Data, Unisys . . .) and need for new buildings and labor supply fed industrial search for available/cheaper land and labor

20-50 years ago . . .

- * Weak economy, and lack of rural economic diversification, were strong motivators
- * Goal: create lots of industrial jobs, with less focus on the quality of the wages and salaries
- * Tools: free land, loans, grants, training, TIF
- * Competition: often fierce among cities, including luring companies from elsewhere
- * Primarily viewed “South Dakota” as main competitor

20-50 years ago . . .

- * Local success measured by how many companies you attracted; failure to do so led to short careers
- * “Economic developers” were often ex-businessmen
- * Few trained in the discipline of “economic development” as taught today
- * Volunteer local leadership, typically local businessmen, city council, trusted community leaders

20-50 years ago . . .

- * Volunteer nature of local leaders gave rise to support for tools: Star City program as a certified-city effort



- * Formal process to plan for development: jobs, tax base, and private investment were the three goals
- * Little formal educational support (university focus on economic development was on third world countries)

20-50 years ago . . .

- * Formal tools to support development included:
 - * Printed community profiles
 - * Local one and five year plans
 - * 3-ring binders with a VHS tape touting the city
 - * Prepared presentations to a hypothetical business considering the town
- * Tools matched the reality of how sites were discovered

20-50 years ago . . .

- * Companies mailed requests-for-information to a wide search area (no on-line data bases)
- * From responses, site teams deployed to investigate
- * Cities welcomed them to town for a visit, **or** the company conducted a secret visit
- * City would have to decide what kinds of incentives they should offer

Last 20 years and today . . .

- * Many older concepts and approaches still apply but have been complemented, amended, and replaced:
 - * Multiple dimensions to economic vitality
 - * Industrial/manufacturing/technology expansion **and** retention
 - * Small business/retail/wholesale/distribution
 - * Workforce development strategies
 - * Adapting to the global economy and new business models
 - * Regional approaches

Last 20 years and today . . .

- * Not MIDA, but EDAM – Economic Development Association of Minnesota
- * Competition remains, but more recognition of need for collaboration, partners and regional thinking:
 - * “A region is a collection of assets that allows you to compete in the global economy”

Last 20 years and today . . .

- * Formal training exists for students seeking careers in community and economic development
 - * University coursework and advanced degrees
 - * Specialized training
 - * International Economic Development Council: Certified Economic Developer – CEcD
 - * National Development Council: Economic Development Finance Professional – EDFP
- * Knowledge of finance, business principles, marketing, infrastructure, workforce development, political environment, public relations, redevelopment tools, more . . .

Last 20 years and today . . .

- * Process for Corporate decision-making has changed
 - * Compressed time frame
 - * Outside site consultants, not company staff
 - * Most data they need is electronically available
 - * Develop a short list of sites from on-line tools
 - * Goal is to eliminate sites that do not work

Last 20 years and today . . .

- * Process for Corporate decision-making has changed
 - * Land is still plentiful, but brownfields in play
 - * Workforce is not plentiful, and often primary driver
 - * Still seek incentives, but even better at extracting them
- * Economic developers increasingly work in a virtual world, but it is still a relationship-oriented profession

Last 20 years and today . . .

- * Development groups more sophisticated than ever:
 - * Community websites furnish great detail
 - * Site information tools better all the time
 - * State and federal government provide copious workforce data
 - * Marketing of sites increasingly more attuned to specific purposes, e.g., shovel ready and data center site certification
 - * Local developers participate in national marketing
 - * Business retention and expansion, and attracting new businesses, are still critical

Discussion among the panel, and the Future . . .

- * **Mike Humpal**, City Administrator,
Fairmont, Minnesota
- * **Janna King**, Economic Development
Services Inc.
- * **Mike Mulrooney**, President and CEO,
Central Minnesota Development Corp.