

## 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 [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

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)	<b>5.5</b>	<b>0.8</b>
b. Manufacturing	<b>21.7</b>	<b>29.6</b>
c. Retail/service	<b>25.8</b>	<b>29.1</b>
d. Institutional (military, government, nonprofit, universities, colleges, etc.)	<b>12.2</b>	<b>1.8</b>
e. Residential community (commuters)	<b>18.1</b>	<b>3.0</b>
f. Tourism/hospitality (including travel for pleasure, business, and to visit family and friends)	<b>5.3</b>	<b>4.4</b>
g. Warehousing/distribution	<b>2.5</b>	<b>4.3</b>
h. Technology/telecommunications	<b>2.3</b>	<b>15.6</b>
i. Other	<b>3.0</b>	<b>9.7</b>
j. Mixture	<b>3.6</b>	<b>1.6</b>

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

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

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

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

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	<b>49.9</b> Yes <b>50.1</b> No	d. Job training	<b>51.1</b> Yes <b>48.9</b> No
b. Community development loan fund	<b>41.6</b> Yes <b>58.4</b> No	e. Child care programs (including after school and parks/rec programs)	<b>31.7</b> Yes <b>68.3</b> No
c. Microenterprise program	<b>24.6</b> Yes <b>75.4</b> No	f. Other (Please describe)	<b>58.7</b> Yes <b>41.3</b> 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	<b>77.6</b>	i. Replacing imports with locally supplied goods	<b>2.9</b>
b. Local government representative calls on <i>national</i> company headquarters	<b>24.9</b>	j. Export development assistance	<b>11.9</b>
c. Surveys of local business	<b>59.8</b>	k. Partnering with other non-governmental organizations (e.g., chamber of commerce, private firms)	<b>80.5</b>
d. Business roundtable	<b>47.2</b>	l. Partnering with other local governments	<b>52.0</b>
e. Revolving loan fund program	<b>30.8</b>	m. Business clusters/industrial districts	<b>26.4</b>
f. Ombudsman program	<b>21.8</b>	n. Other	<b>8.0</b>
g. Achievement awards	<b>26.0</b>	o. Other	<b>1.5</b>
h. Local business publicity program (community-wide)	<b>33.5</b>		

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

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

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

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

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.*)

<b>90.2</b> a. Amount of jobs created by the new business	<b>31.6</b> e. Company revenue/sales
<b>62.9</b> b. Amount of money invested in construction materials and labor	<b>45.4</b> f. Cost/benefit analysis
<b>46.9</b> c. New dollars invested in land	<b>10.7</b> g. Other
<b>31.6</b> 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.*)

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

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	<b>91.4</b> Yes	<b>8.6</b> No	<b>5</b> rate per \$1,000 of assessed value
b. Personal property tax	<b>56.4</b> Yes	<b>43.6</b> No	<b>4</b>
c. Local income tax	<b>17.9</b> Yes	<b>82.1</b> No	<b>2</b>
d. Local sales tax	<b>62.6</b> Yes	<b>37.4</b> No	<b>3</b>
e. Other local tax	<b>62.8</b> Yes	<b>37.2</b> No	<b>4</b>
f. Other local tax	<b>43.1</b> Yes	<b>56.9</b> No	<b>5</b>

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	<b>18</b>		<b>85.2</b>	<b>14.8</b>
b. Junior college (2-year)	<b>2</b>		<b>94.6</b>	<b>5.4</b>
c. Vocational/technical	<b>1</b>		<b>89.6</b>	<b>10.4</b>
d. University/college	<b>1</b>		<b>90.2</b>	<b>9.8</b>

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

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

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