



## **Central Sierra Economic Development District**

### **REQUEST FOR PROPOSALS**

#### **Contract Services for Comprehensive Economic Development Strategy (CEDs)**

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##### **PROJECT DESCRIPTION SUMMARY**

The Central Sierra Economic Development District (CSEDD) is requesting proposals from qualified respondents for research and development, planning and data analysis to create a Comprehensive Economic Development Strategy (CEDs) in compliance with the requirements of the US Department of Commerce-Economic Development Administration (EDA) for the Counties of Alpine, Amador, Calaveras, Mariposa, Tuolumne, and the cities of Angels Camp and Sonora. It is anticipated that one firm will be selected to perform all services related to this RFP. The CSEDD reserves the right to terminate this project prior to selection of a qualified respondent as well as reject any and all responses submitted.

##### **BACKGROUND**

In 1976, the Central Sierra Economic Development District was formed as a Joint Powers Authority (JPA) and established as an EDA-recognized economic development district. Today the CSEDD region encompasses the five counties of Alpine, Amador, Calaveras, Mariposa, and Tuolumne, and the cities of Angels Camp and Sonora. The Central Sierra Economic Development District's vision is to be an economic development resource to its member entities as well as a leader in communications between local counties and state or federal governments.

The vision for the CEDs is to guide CSEDD staff and community leaders as they focus their efforts on enhancing economic prosperity over the next five to ten years. By harnessing regional assets, community leaders will build upon existing programs and infrastructure to improve business resiliency, workforce development, advanced visitor services, and infrastructure improvements.

Public outreach and stakeholder collaboration is a vital component of the CEDs process, and RFP proposal responses should incorporate strong public outreach/collaboration elements.

The CEDs is intended to be a "living document" that is periodically reviewed and updated to reflect the economic development progress and changes in the region, with measurable goals.

The CEDS will be reviewed annually to assess progress determine if plan amendments are needed.

## **SCOPE OF WORK**

### ***Project Goals***

The project is expected to develop a new CEDS for the Central Sierra Region to include regional data for Alpine, Amador, Calaveras, Mariposa, and Tuolumne counties, and the cities of Angels Camp and Sonora. Respondents to this RFP will represent a firm, company, team, or individual possessing experience and expertise in preparing CEDS, conducting strategic planning, research, conducting public outreach, working with municipal officials, organizing focus groups, and the professional document development standards thereof, to undertake and successfully complete the scope of work as outlined in this RFP. Respondents should be prepared to demonstrate a strong strategic planning background and be able to undertake a planning process involving 6 counties, multiple municipalities, local businesses, non-profits, community organizations, state and federal agencies, and various other stakeholders which results in an EDA-approved CEDS.

### ***Project Tasks***

- Analyze current market data and compare to initial baseline analysis;
- Analyze the district's economy in relationship to the regional economy and the projected regional and national challenges in the next four years;
- Arrange and facilitate industry and stakeholder roundtable discussions and community meetings;
- Review and incorporate existing Amador County CEDS data where applicable;
- Review existing CEDS strategy action steps;
- Review other strategies that have been implemented (i.e. Regional and Local Plan);
- Focus on regional objectives including workforce development, business resiliency, infrastructure, and disaster planning to create a stronger, more resilient region, able to withstand both economic and natural disaster disruptions;
- Recommend new and revised action steps. This task should take into account the district's financial capacity, staffing, and short, medium and long term goals;
- Identify proposed development sites/opportunities; and
- Propose an ongoing process for implementing and monitoring the action plan.
- Develop a new CEDS document

### ***Deliverables***

- Updated baseline analysis
- Prepare a final report that details a strategic path forward to guide CSEDD's economic development efforts for the next five years. While we anticipate continual contractor/district staff collaboration throughout this project, CSEDD would like formal, public product review at two-month intervals or each 1/3 of completion of the project

during Board meetings. According to the regulations governing the CEDS (see 13 C.F.R. § 303.7 and Exhibit A), the following sections *must* be included in the final CEDS document:

- **Summary Background:** A summary background of the economic conditions of the region;
- **SWOT Analysis:** An in-depth analysis of regional strengths, weaknesses, opportunities and threats (commonly known as a “SWOT” analysis);
- **Strategic Direction/Action Plan:** The strategic direction and action plan should build on findings from the SWOT analysis and incorporate/integrate elements from other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate as determined by CSEDD in development of the CEDS. The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds;
- **Evaluation Framework:** Performance measures used to evaluate the organization’s implementation of the CEDS and measurable impact on the regional economy.
- In addition, the CEDS must incorporate the concept of economic resilience (i.e., the ability to avoid, withstand, and recover from economic shifts, natural disasters, the impacts of climate change, etc.), either as a separate section, distinct goal or priority action item, or as an area of investigation in the SWOT analysis.

## **PROPOSAL CONTENT**

In order for CSEDD to compare and evaluate proposals effectively and efficiently, all proposals shall be organized in the specific format outlined below. Failure to comply with this requirement may cause disqualification. The proposal shall include the following as a minimum:

1. **Cover Page:** Firm name, title of proposal, and date of proposal.
2. **Transmittal Letter:** Shall include the legal name of the agency or organization making the proposal, business address, name, title, address, email address, and telephone number of person(s) authorized to negotiate and contractually obligate the respondent firm and the contact person(s) authorized by the firm to be contacted for clarifications. The letter shall be signed by a principal or officer of the firm.
3. **Scope of Work/Services:**
  - Present the respondent’s basic scope of services, objectives and intended results of the services to be provided including a list of all deliverables (i.e. number of meetings to be provided, critical components listed above, guarantee of an approved CEDS by EDA, etc.)

- Should summarize how the proposal meets the RFP requirements and why the respondent is best qualified to perform these services including the respondent's financial and technical resources.
  - Discuss any requirements **not** addressed in this RFP and **any constraints** in providing the services listed herein.
4. **Staffing:** List of personnel who will be directly assigned to provide services, together with a discussion of each member's responsibilities and resumes. Include an organizational chart of personnel providing services.
  5. **Statement of Experience and Qualifications:** Description of the nature of the respondent's present work, including a comprehensive list of current and past work on similar projects, staff who worked on those projects, and corresponding client's names, titles, addresses and phone numbers. For any projects referenced in the Statement of Experience and Qualifications, list the involvement of the proposed staff members. Include evidence of any special licensing or qualifications required to perform the work.
  6. **Cost Proposal:** A detailed, task-related cost proposal based upon anticipated hours for services is to be provided including hourly rates for each assigned employee, supplies and equipment costs, travel, office support, all other overhead costs and any reimbursable expenses. Each proposed task should be accompanied by a "not to exceed" cap on costs. Basis for charging on a time and materials basis for preparation of optional elements should be listed and fully explained. The respondent shall submit a detailed budget that includes without limitation costs of required staffing and all associated costs to complete the CEDS. **All cost proposals must be in a separate sealed envelope clearly marked "Cost Proposal".**
  7. **Compensation:** Respondent's should provide for how it expects to be compensated for all of the services required by the Agreement.
  8. **Project Schedule:** The respondent shall submit a detailed proposed schedule identifying all tasks and projected dates of completion for project milestones.
  9. **Work Plan:** Detailed description of the approach and methodology to be used to meet the objectives of the project. Include geographic locations where the services are to be provided, quality control measures, numbers of meetings to be held, total participants projected, types of groups or individuals to be contacted reflecting the different stakeholders for the work, specific needs as required, staff assignments, etc.

**EVALUATION CRITERIA**

A review panel composed of CSEDD staff and officials will rate the initial proposals based upon standardized selection criteria and will select the top two to three firms to attend interviews. All proposals are evaluated to determine whether they met all the requirements of the RFP. Responses are individually scored as assigned to a category. Individual scores are averaged and entered in that category column. Each category is assigned a weight and the result is a weighted score.

Each category is assigned a point range of **0 to 20** (0 = Non-existent 4 = Poor 8 = Marginal 12 = Acceptable 16 = Very Good 20 = Excellent). Proposals will be evaluated based on the rating scale and criteria listed below:

<u>Categories</u>	<u>Possible Points</u>	<u>Weight</u>
Quality and Responsiveness of the Proposal	20	15%
Scope of Work/Services	20	20%
Experience and Qualifications & Staffing	20	25%
Project Schedule & Work Plan	20	20%
Cost Proposal	20	20%
<b>Total</b>	<b>100</b>	<b>100%</b>

CSEDD seeks a firm that offers experience developing economic development strategies particularly in rural areas. The firm that best meets the selection criteria will be selected for this project. Specific evaluation criteria include, but are not limited to:

- Understanding of the project as identified by CSEDD;
- Basic understanding of the six counties and their economic opportunities or challenges;
- Understanding of and relevant experience providing the services required, especially for smaller counties in rural areas;
- Experience and qualification of staff assigned to the project;
- Experience of the project manager;
- References and relevant work performed for those references;
- Accessibility of key personnel to County staff;
- Budget and fee structure;
- Willingness and ability to meet deadlines; and
- Ability to comply with insurance requirements.

**PROPOSAL SUBMITTAL**

Proposals submitted must meet the following criteria to be acceptable for consideration regarding this project:

- Submit one (1) original signed proposal marked “Original”, four (4) bound proposal copies and one (1) electronic copy emailed in PDF format no later than **5:00 p.m. ~~Tuesday, November 2, 2021~~, Tuesday, November 16, 2021** to:

**Mother Lode Job Training**  
**197 Mono Way, Suite B**  
**Sonora, CA 95370**  
[dthoeny@mljt.org](mailto:dthoeny@mljt.org)

Normal business hours are Monday through Friday 8:00 a.m. to 5:00 p.m. and staff can be reached at (209) 533-3396.

(Note: Firms selected for interview may be required to submit additional copies.)

- The proposal must be submitted in an envelope clearly marked with the name and title of the proposal, along with the respondent’s return address. The Cost Proposal must be submitted in a separate sealed envelope along with your proposal which specifies on its face “Cost Proposal”.
- Proposals received incomplete or late, for any reason, will not be accepted.
- All proposals submitted in response to this RFP will become the property of CSEDD and will not be returned. CSEDD reserves the right to make use of any information or ideas contained in the proposals. The proposal itself shall not constitute a contract, but will, if accepted, be incorporated into the contract between CSEDD and the selected respondent.
- Proposals submitted to CSEDD become public documents subject to disclosure once the proposal is awarded. If the respondent considers any portion of their proposal to be confidential, the respondent must label each page of the confidential portions as: “Trade Secret”, “Confidential” or “Proprietary.” The respondent must also list the confidential material at the beginning of its proposal and provide justification for not making such material public. CSEDD shall have the sole discretion to disclose or not disclose such material, subject to any protective order that the respondent may obtain, but it is incumbent on the respondent to assert its rights to confidentiality.
- Respondents may withdraw their proposals at any time prior to the RFP submission deadline. A signed withdrawal request by the respondent’s duly authorized representative must be provided to [dthoeny@mljt.org](mailto:dthoeny@mljt.org).

***Please note:*** *The successful respondent shall be expected to fully meet all representations made in its proposal, including demonstration of the requirements outlined in this RFP.*

## **EXCHANGE OF INFORMATION & CONFLICTS OF INTEREST**

Exchanges of information between interested respondents and CSEDD is encouraged to improve the understanding of the requirements set forth in this RFP. Questions concerning the project and/or RFP requirements should be directed to [dtoeny@mljt.org](mailto:dtoeny@mljt.org). Questions will be posted to ensure questions and answers are available for all respondents to view and respond to ensuring an open, fair, and equal process.

Respondents are specifically directed not to communicate with or make attempts to influence any members of CSEDD's Evaluation Committee or other department representatives involved in the selection process that would create a conflict of interest or unfair advantage.

Failure to adhere to this instruction may result in disqualification of the respondent.

## **TERMS OF REQUEST FOR PROPOSALS**

**Acceptance of Proposals:** CSEDD reserves the right to reject any and all proposals and to waive any informality, technical defect, or clerical error in any proposal and to request additional information from all respondents. This RFP is not an offer to contract. CSEDD reserves the right to request clarification of any information submitted, interview firms and/or request additional information during interviews. CSEDD further reserves the right to enter negotiations with one or more firms and/or enter into multiple contracts and/or not award a contract.

**Amendments and/or Addendums:** We expect that you may have questions as you prepare your response to the RFP and/or changes may be necessary. To handle questions or changes most effectively and to ensure that everyone has the same information, we request that you promptly send your question(s) to Dave Thoeny at [dthoeny@mljt.org](mailto:dthoeny@mljt.org) or visit [CSEDD.org/procurements](http://CSEDD.org/procurements) to view answers to posted questions, see amendments or addendums and/or download information regarding this RFP. Questions must be received no later than no later than **5:00 p.m. on Monday, October 18, 2021**. Should it be found necessary, CSEDD Director, or his designee, shall issue a written amendment/addendum or respond to questions which will be posted to [CSEDD.org/procurements](http://CSEDD.org/procurements). Amendments/addendums issued must be signed and included in your proposal.

**Oral Communications:** Any oral communication between CSEDD and the respondent is not binding, nor will it modify the RFP in any way.

**Proposal Cost:** The cost of developing the proposal is the sole responsibility of the respondent; CSEDD is not liable for any costs incurred by those submitting proposals.

**Basis for Proposal:** The RFP and any amendments to it represent the most definitive statement CSEDD will make concerning information upon which proposals are to be based. Respondents will be assumed to have thoroughly examined these documents.

**Deliverables:** If this Proposal is awarded, and the successful respondent fails to sign and return to CSEDD within **fifteen (15) days** (i) the Contract, (ii) any bonds required, and (iii) the required

insurance certificates as specified in the Sample Contract/Agreement information and documents with an insurer satisfactory to the Risk Manager, CSEDD may, at its option, determine the respondent has abandoned the Contract. In that case, the Proposal and the acceptance thereof shall be null and void, and any security shall be forfeited and become the property of CSEDD.

**Right to Negotiate:** CSEDD reserves the right to negotiate any fee or any provision, accept any part, or all parts of any and all Proposals whichever is in the best interest of CSEDD. CSEDD intends to negotiate only with those firms whose Proposals meet the requirements of the RFP.

**Verbal Agreement or Conversation:** No prior, current, or post award verbal conversations or agreement(s) with any officer, agent, or employee of CSEDD shall affect or modify any terms or obligations of this RFP, or any contract resulting from this RFP.

**Background Check:** CSEDD reserves the right to conduct a background inquiry of each respondent, which may include collection of appropriate criminal history information, contractual and business associations, business practices, employment histories, and reputation in the business community. By submitting a proposal to CSEDD, the respondent consents to such an inquiry and agrees to make available to CSEDD such books and records as are deemed necessary to conduct the inquiry.

### **PROTEST PROCEDURE**

Respondents may file a written protest with CSEDD not later than **five (5)** working days after the date of **evaluation notification by CSEDD's designee which may be by telephone, letter and/or email.**

The protest shall be delivered or sent by registered mail to 197 Mono Way, Suite B, Sonora, CA, 95370.

The protest filed shall:

- Include the name, address, and business telephone number of the protestor;
- Identify the project under protest by name, RFP/Q number, and RFP/Q date;
- Contain a concise statement of the grounds for protest including alleged violations of Federal, State, or local law; provided, however, RFP or RFQ process and procedures, including evaluation criteria, shall not be proper grounds for protest. Concerns related to those issues should be raised and addressed, if at all prior to the proposal opening date to allow adjustments before evaluation of proposals and;
- Provide all supporting documentation, if any. Documentation submitted after filing the protest will not be considered during review of the protest or during any appeal.

## **PROTEST REVIEW**

Upon receipt of a protest, CSEDD's designee shall review all the submitted materials and shall create and retain a written record of the review. The designee shall respond in writing at least generally to each material issue raised in the protest not later than **fifteen (15)** working days after receipt of the protest.

If the protested procurement involves Federal or State funds, the designee shall give notice to the interested party that he or she has the right to appeal to the appropriate Federal or State agency which shall be identified by name and address. An appeal hereunder shall be filed with the appropriate agency within **five (5)** working days of the dispatch of notification to the interested party(ies).

CSEDD designee decisions may be appealed in writing to CSEDD prior to the award date, which is given in the notification. CSEDD shall review and decide the appeal based on the grounds and documentation set forth in the original protest. The appealing party may be represented by legal counsel if desired. Each party shall bear its own costs and expenses involved in the protest and appeal process, including any subsequent litigation. The decision of CSEDD shall be final unless the protested procurements are obtained in whole or in part with Federal or State funds.

## **EXHIBITS**

- CEDS Content Guidelines dated 01/09/20

\*All exhibits annexed and attachments hereto are expressly made a part of this RFP as though fully set forth herein.

# Comprehensive Economic Development Strategy (CEDS) Content Guidelines:

## *Recommendations for Creating an Impactful CEDS*

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## 1. Overview

The Comprehensive Economic Development Strategy (CEDS) contributes to effective economic development in America's communities and regions through a locally-based, regionally-driven economic development planning process. Economic development planning – as implemented through the CEDS – is not only a cornerstone of the U.S. Economic Development Administration's (EDA) programs, but successfully serves as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS provides the capacity-building<sup>1</sup> foundation by which the public sector, working in conjunction with other economic actors (individuals, firms, industries), creates the environment for regional economic prosperity.

Simply put, a CEDS is a strategy-driven plan for regional economic development. A CEDS is the result of a regionally-owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region.<sup>2</sup> It is a key component in establishing and maintaining a robust economic ecosystem by helping to build regional capacity (through hard and soft infrastructure) that contributes to individual, firm, and community success. The CEDS provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region. The CEDS should take into account and, where appropriate, integrate or leverage other regional planning efforts, including the use of other available federal funds, private sector resources, and state support which can advance a region's CEDS goals and objectives. Regions must update their CEDS at least every five years to qualify for EDA assistance under its Public Works and Economic Adjustment Assistance programs. In addition, a CEDS is a prerequisite for designation by EDA as an Economic Development District (EDD).

This guide is primarily intended to assist in efforts to develop the *content* of a CEDS document. It suggests how to develop the document's format and substance to make the strongest, most useful and effective CEDS possible. The focus on content in these guidelines does not diminish the importance of the process used to develop a CEDS. A well-led, broadly inclusive process is vital to the creation of a relevant and effective document. It also serves to build leadership, enhance cooperation, and foster public ownership and enthusiasm. While the high-level steps required to prepare a CEDS can be found in the Preparation section of this document, EDA suggests contacting the appropriate EDA regional office (specific points of contact can be found on EDA's website at [www.eda.gov](http://www.eda.gov)) to learn more about the overall CEDS process and additional resources and guidance available.

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<sup>1</sup> The terms "capacities" and "capacity building" refer to the public sector's role in investing in new ideas, knowledge transfer, and infrastructure to build a foundation so that the private sector can flourish (i.e., enable economic development to promote regional prosperity).

<sup>2</sup> For the purpose of these Content Guidelines, the terms "area," "region," and "community" are often used interchangeably to refer to an appropriate political, economic, or geographic entity for addressing economic development.

From the regulations governing the CEDS (see 13 C.F.R. § 303.7), the following sections *must* be included in the CEDS document:

1. Summary Background: A summary background of the economic conditions of the region;
2. SWOT Analysis: An in-depth analysis of regional strengths, weaknesses, opportunities and threats (commonly known as a “SWOT” analysis);
3. Strategic Direction/Action Plan: The strategic direction and action plan should build on findings from the SWOT analysis and incorporate/integrate elements from other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate as determined by the EDD or community/region engaged in development of the CEDS. The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds;
4. Evaluation Framework: Performance measures used to evaluate the organization’s implementation of the CEDS and impact on the regional economy.

In addition to the sections noted above, the CEDS must incorporate the concept of economic resilience (i.e., the ability to avoid, withstand, and recover from economic shifts, natural disasters, the impacts of climate change, etc.). The EDD or community responsible for the CEDS can address resilience as a separate section, distinct goal or priority action item, and/or as an area of investigation in the SWOT analysis. It may be most effective, however, to infuse the concept of resilience throughout the CEDS document. As a baseline, EDA suggests regions undertake a two-pronged approach to help identify and counter the vulnerabilities that each region may face (see section on Economic Resilience for more information).

This document provides recommendations on what should be included in each of the required sections, and suggests tools, resources, and examples to help in each section’s development. It stresses the importance of linking the sections (e.g., using background information that is relevant to the SWOT) to improve the CEDS focus and impact. Moreover, the guide emphasizes strategic approaches based on regional visioning, goals, measurable objectives, and prioritized actions – rather than the CEDS serving as an inventory of programs and projects already in process in regions. In addition, this guidance underscores the need to think beyond traditional job creation and embrace capacity building and broad-based wealth creation when developing goals, measurable objectives, actions, and performance measures. It also highlights the need to undertake an asset-based approach (i.e., efforts that focus on the strengths of a community or region) while considering the interdependencies between regional economic prosperity and other topics such as job-driven workforce development, natural resource management and development and sustainable land use. Finally, this guide provides practical recommendations about formatting a CEDS that will result in an engaging, technically-sound strategy for guiding regional development.

**Please note, however, that the CEDS examples recommended in this document are intended to be informative and a source of inspiration, and should not be replicated**

**wholesale for the CEDS section or area referenced.** Each region's unique assets and challenges may make the use of another region's section structure and/or content ineffective.

## 2. Content

A CEDS should be developed with broad based community participation and result in a document that is readily accessible to regional stakeholders. Potential partners for developing a CEDS could include government agencies, private sector interests, education providers, non-profits, community and labor groups, workforce boards, utilities, etc. Stakeholders should be able to use it as a guide to understanding the regional economy and to take action to improve it. The CEDS should take into account and, where appropriate, incorporate or leverage other regional planning efforts, including the use of available federal funds, private sector resources, and state support which can advance a region's CEDS goals and objectives. Its quality should be judged by its usefulness as a tool for regional economic development decision-making.

There are four main elements of a CEDS: 1) summary background, 2) SWOT analysis, 3) strategic direction/action plan, and 4) evaluation framework. The background should provide an overview of the region's economic situation. Building on data from the summary background, the SWOT analysis should assess the state of the regional economy, including the opportunities and threats posed by internal and external trends and forces, and the availability of resources for economic development. The region's vision, goals, and measurable objectives, together with an appraisal of the region's competitive advantages, should form the basis of the strategic direction and action plan. The evaluation framework should establish criteria and performance measures for evaluating the region's implementation of the strategic direction and progress toward goals and measurable objectives. The elements of the CEDS, seen through a lens of economic resiliency, should logically build upon and/or shape each other to result in a coherent, targeted document.

***Recommended Resource:*** See *South Florida's 2012 CEDS with the "six pillars" statewide framework which provides a clearly articulated, unifying framework across EDDs in the state:* <http://www.sfrpc.com/CEDS/SouthFloridaCEDS2012-17.pdf>.

Below are recommendations for what should be included in each of the required sections, and suggested tools, resources and examples to help in each section's development:

### **A. Summary Background: A summary background of the economic development conditions of the region**

A background summary of the region should answer the question, "What have we done?", and present a clear understanding of the local economic situation, supported by current, *relevant* data. The information should be presented in the CEDS in a clear and concise manner, and be easily understood by the general public. Data featured in the summary background section should be presented in a way that allows for clear and relevant connections to the SWOT analysis and strategic direction. For example, data analysis revealing that a region's population is significantly older than the state or U.S. population as a whole is an important finding because it

could impact workforce availability. However, it is not necessary to create multiple, detailed tables that break down population by age to prove that point—conserve space in the CEDS by moving that sort of information to an appendix.

Relevant information should be gathered in the following areas that affect the regional economy, *as appropriate*. In other words, not all of these items need to be addressed at length, especially if they are not relevant to regional conditions or needed to define or substantiate goals, measurable objectives, or specific actions. Identify key trends, make the points briefly and clearly for a summary section, and move other supporting data to an appendix. Relevant information may include:

- Demographic and socioeconomic data, including the human capital assets of the area and labor force characteristics such as the educational attainment of the working age population;
- Environmental, geographic, climatic, and cultural (including historic preservation) and natural resource profiles (e.g., mining resources, timber, fisheries, aquaculture, eco-tourism, etc.). Ideally, an environmental baseline for the area should be developed that identifies any environmental elements that may affect and/or constrain the regional economy. Relevant published literature for the region should be researched and dialogues established with the environmental regulators at the local, state and federal levels (for example: the Environmental Protection Agency (EPA), U.S. Fish & Wildlife Service (UFWS), state environmental agencies, etc.), as well as the State or Tribal Historic Preservation Officer. Please contact the appropriate EDA regional office for more information and guidance.
- Infrastructure assets of the area that relate to economic development including water, sewer, telecommunications/broadband, energy distribution systems, transportation modes, etc.;
- Emerging or declining clusters or industry sectors – and their past, present, and projected impacts on the region’s competitive advantages and ability to build capacity for economic development;
- Relationship of an area’s economy to that of a larger region or state (including global perspective), with particular regard to local advantages or disadvantages;
- Factors that directly affect economic performance in the area such as workforce issues; innovation assets; industry supply chains; state and local laws; financial resources; transportation systems; energy costs; business, personal, and property taxes; bonding capacity; land use patterns; and
- Other factors that relate to economic performance in an area such as housing; health services; educational, cultural and recreational resources; and public safety.

The CEDS should be a vehicle for promoting integration between economic development and other regional plans (including other federally-funded plans), which could include, but not be limited to, sustainability, transportation (e.g., Metropolitan Transportation Plan, Transportation Improvement Program), land use, housing, environmental protection, natural resource management and development, workforce development, disaster resilience, or others.

The CEDS should also identify opportunities for the integrated use of other local, state, private, and federal funds. The nature and extent of the integration between regional plans and funding streams will vary based on the unique circumstances of each CEDS region, but every effort should be made to leverage scarce resources to avoid duplication and increase impact.

In addition, the research should include a review of the long-term trends of the area to gain a more complete understanding of how the region's current economic situation has been shaped over time by national and global forces.

***Recommended Resources:** Data sources include the U.S. Department of Commerce's Bureau of Economic Analysis (<http://bea.gov/>) and the U.S. Census Bureau (<http://www.census.gov/>). In particular, the Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) program provides information combining federal, state and Census Bureau data on employers and employees (<http://lehd.ces.census.gov/>). It includes statistics on employment, earnings, and job flows at detailed levels of geography and industry and for different demographic groups. Census' OnTheMap tool (<http://onthemap.ces.census.gov/>) is a web-based mapping and reporting application that shows where workers are employed and where they live. It also provides companion reports on items such as age, earnings, industry distributions, and educational attainment. In addition, for communities with a focus on manufacturing, Census' Investing in Manufacturing Communities Data Tool provides information on supply chains, workforce, research and innovation, and trade assets (<http://www.census.gov/fastfacts/imcp/>).*

*Other sources include the U.S. Department of Labor's Bureau of Labor Statistics (<http://bls.gov/>), including the Occupational Outlook Handbook (<http://www.bls.gov/ooh/>); state, tribal, and local governments; and universities. EDA-funded University Centers may serve as valuable resources in providing and analyzing the necessary data as well. In addition, this section may benefit from leveraging EDA-funded data tools, such as the U.S. Cluster Mapping Tool (<http://www.clustermapping.us/>) and STATS America (<http://statsamerica.org/>). Most EDD regions do not align with standard, federally-defined regions, such as metropolitan statistical areas. Most EDD regions are pre-loaded into STATS America, which makes collecting and aggregating data for multiple counties unnecessary. Information should also draw from any relevant and recent studies available.*

## **B. SWOT Analysis: An in-depth analysis of regional strengths, weaknesses, opportunities and threats**

A SWOT analysis of the regional economy should answer the question, "Where are we now?" by using the *relevant* data (see above) and background information to help identify the critical internal and external factors that speak to the region's unique assets and competitive positioning.

The SWOT is a strategic planning tool used by organizations to ensure that there is a clear objective informed by a comprehensive understanding of a region's capabilities and capacity. A SWOT analysis identifies the region's competitive advantages—those indigenous assets that make the region special or competitive in the national and global economies—juxtaposed against those internal or external factors that can keep a region from realizing its potential. Determining and analyzing what the region already possesses that could be leveraged better to build the capacity for growth, including competitive cultural, economic, technological, intellectual and physical assets, is critical to developing the strategic direction and implementation plan to promote regional economic vitality. Leveraging assets refers to using the activities and engagement of business, government leaders and other stakeholders to maximize the economic potential of a region.

In addition, the SWOT analysis should consider economic resiliency. Specifically, what factors and/or elements are in place (or need to be put in place) to ensure the long-term success, viability, and durability of the regional economy?

**Recommended Resource:** See NADO's 2011 report *Mobilize Maine: Asset-Based Regional Economic Development* at [http://www.knowyourregion.org/wp-content/uploads/2011/09/NADO\\_MM\\_FINALlores.pdf](http://www.knowyourregion.org/wp-content/uploads/2011/09/NADO_MM_FINALlores.pdf) for an example of an asset-based strategy.

SWOT analysis elements are commonly understood in the following terms:

- **Strengths** are a region's relative competitive advantages (e.g., industry supply chains and clusters, extensive port, rail, and broadband assets, specialized workforce skills, higher education levels, collaboration among stakeholders) and often are internal in nature;
- **Weaknesses** are a region's relative competitive disadvantages (e.g., a risk-averse or change-resistant regional culture), also often internal in nature;
- **Opportunities** are chances or occasions for regional improvement or progress (e.g., expansion of a biosciences research lab in the region), often external in nature; and
- **Threats** are chances or occasions for negative impacts on the region or regional decline (e.g., several companies in the region considering moving to lower-cost areas of the state), also often are external in nature.

**Recommended Resources:** *The SWOT should assess a wide-variety of regional attributes and dynamics. Specific areas and potential tools to facilitate their analysis are identified below:*

- *State of the regional economy. What are the strengths and weaknesses? What are the strong existing and growth sectors? Which areas are most distressed? What is driving job creation or loss and the state of economy in general? What are the region's assets? See the Regional Innovation Accelerator Network (RIAN) at <http://www.regionalinnovation.org/assets.cfm> for more information on identifying and measuring asset categories (i.e., tangible, intangible, and business climate assets).*

- Regional clusters. Which clusters, and industries and occupations within the cluster, are growing and declining, and why? EDA defines clusters as a geographic concentration of firms, workers and industries that do business with each other and have common needs for talent, technology, and infrastructure. See the U.S. Cluster Mapping Tool (<http://www.clustermapping.us/>) for more information on clusters and the promotion of clusters.
- External trends and forces. What are the opportunities and threats? How is the region positioned to succeed in the national and global economies? What sources of exports and tourism, as well as foreign direct investment, can bring new wealth to the region? What industry sectors and clusters have growth potential through international trade and investment, and what are the region's target foreign markets based on these industries? What local public, private and nonprofit partnerships have been developed to promote exports and increase the region's export base? What are the strategic needs or gaps to fully implement an export promotion and investment attraction program (e.g., foreign outreach events, marketing materials, and research; and regional transportation infrastructure or regulatory issues)?

Helpful resources for information on global competitiveness and positioning include the U.S. Department of Commerce's International Trade Administration's (ITA) program for investment attraction, SelectUSA (<http://www.SelectUSA.gov>), and local export promotion contacts, U.S. Export Assistance Centers/U.S. Commercial Service (<http://export.gov/eac/index.asp>). The following web resources also provide useful tools for analyzing a region's export trends: a) the U.S. Census Bureau's USA Trade Online (<https://usatrade.census.gov/>) provides monthly and annual trade statistics for goods at the district and port level, as well as state exports and imports; b) ITA develops state-level (<http://www.trade.gov/mas/ian/statereports/index.asp>) and metropolitan statistical area-level factsheets (<http://www.trade.gov/mas/ian/Metroreport/index.asp>) and TradeStats Express state (<http://tse.export.gov/TSE/TSEhome.aspx>) and metro (<http://tse.export.gov/metro/SelectReports.aspx?DATA=Metro>) databases with information on exported products, the number of exporting companies by state, and jobs supported by exports by state.

- Workforce considerations. Are the region's community colleges, workforce boards, economic development agencies, and industry groups aligned and working together? Is the region's workforce strategy aligned (and not in conflict) with the workforce strategy of local elected officials, the Workforce Investment Board, and education providers? Is there active engagement by leading businesses, industry associations, and labor organizations in such activities as developing training curriculum, or providing work-based learning opportunities? Are training programs informed by employers' skill needs, labor market and career information, and do the programs have clearly understood outcomes with demonstrable job and career results? Are there occupations or workforce skills that are critically important to the region's economic growth strategy, and if so, how can they be leveraged as competitive

*assets? What short and long-term human resource challenges exist for the local economy along the region's proposed development path?*

*Does the workforce strategy include education and training programs that are part of a continuum of education and training that leads to good jobs, increased earnings, and career advancement as evidenced by career pathways and industry-recognized, stackable credentials? Are work-based learning opportunities such as on-the-job training, paid internships, job shadowing, and registered apprenticeships provided? Are there program evaluations and an approach to continuous improvement associated with workforce development? Has the local or regional Workforce Investment Board been engaged in the development and/or review of the CEDS? Helpful resources include the Administration's Job-Driven Training Checklist ([http://www.whitehouse.gov/sites/default/files/docs/skills\\_report.pdf](http://www.whitehouse.gov/sites/default/files/docs/skills_report.pdf)) and the Bureau of Labor Statistics (<http://bls.gov/>) website, including the BLS Occupation Outlook Handbook (<http://www.bls.gov/ooh/>).*

*The following web resources also provide useful information for workforce considerations: (a) state and local workforce contacts can be found at [www.servicelocator.org](http://www.servicelocator.org) by searching for Workforce Investment Boards under the "Workforce Systems Contacts" link; (b) state labor market information can be found at [www.careerinfonet.org](http://www.careerinfonet.org) by clicking on the "State Information" link; and (c) state occupational projections can be searched at [www.projectionscentral.com](http://www.projectionscentral.com). Another useful site is STATS America's Occupation Cluster section of the Innovation Data Browser (<http://statsamerica.org/innovation/anydata/index.asp?TI>). Also, for a good example of a workforce strategy in a CEDS, see the Centralina Economic Development Commission's latest document (<http://www.centralinaedc.org/documents/WorkforceEducationAlignmentReport12-6.pdf>).*

- *Spatial efficiencies/sustainability. How can land use, housing, economic development, transportation, and infrastructure planning be better integrated to support regional prosperity? Are there opportunities to redevelop brownfields and vacant industrial space? Can the region's workforce easily access the jobs and housing options in the area? (see the Partnership for Sustainable Communities at <http://www.sustainablecommunities.gov/> for more information on the important linkages between land use, housing, transportation, and the environment in promoting economic competitiveness; and see this report on the economic benefits of livability at <http://www.smartgrowthamerica.org/documents/building-better-budgets.pdf>. Also, see EPA's Smart Location Database for a useful tool comprised of interactive maps and data for measuring spatial efficiency at <http://www.epa.gov/smartgrowth/smartlocationdatabase.htm>).*
- *Broadband needs. Do communities, institutions and businesses agree as to the broadband and telecommunications needs of the region? Has the region discussed ways to leverage strong broadband infrastructure to support business retention and expansion, as well as its applicability to health, education, public safety, energy and*

*civic life? The National Telecommunications and Information Administration's (NTIA) resources on broadband mapping, planning, adoption and implementation can be found at [www.ntia.doc.gov/broadbandusa](http://www.ntia.doc.gov/broadbandusa) (see NTIA's [www.broadbandmap.gov](http://www.broadbandmap.gov) for information about current availability; also, check with the state economic development office to find out whether your state has data on underlying infrastructure or more granular broadband availability/use data).*

- *Energy needs. Are the energy needs of the region – and the importance of reliable energy security – understood? Have the methods of production, transmission, and distribution been analyzed in relation to regional economic development efforts (e.g., utility siting)? In particular, have opportunities for distributed and advanced energy been considered and addressed? Have utility companies been consulted and included in discussions about economic resilience and overall regional development? Have future energy needs been considered and planned for in light of changes in demand and climate? For information on Smart Grid see <http://energy.gov/oe/articles/economic-impact-recovery-act-investments-smart-grid-report-now-available>.*
- *Natural hazards. Does regional hazard mitigation planning take into account future as well as current risk from events such as droughts, floods, storm surges, and wildfires? Does the region's climate adaptation and hazard mitigation planning integrate land use and workforce planning to ensure a resilient and prosperous region under the effects of climate change? How might climate change impact flood risk, water supply, wildfire risk, sea levels and storm surges, extreme heat, extreme precipitation, and other extreme weather events into the future?*

*Helpful resources include the National Association of Development Organization's report, "Resilient Regions: Integrating Economic Development Strategies, Sustainability Principles and Hazard Mitigation Planning," available at <http://www.nado.org/wp-content/uploads/2011/07/NADOResilientReport.pdf>. For information on future climate conditions, resources include the National Climate Assessment (<http://nca2014.globalchange.gov/>) and regional climatologies (<http://scenarios.globalchange.gov/regions>).*

- *Equitable development. Is there active engagement from the region's vulnerable and/or underserved populations (e.g., low-income families, seniors, ethnic minorities)? Have those populations been provided appropriate access to and inclusion in the planning process and has their input into the final product been actively encouraged? Has the region used technology-based tools to widen the distribution of information and increase the potential of feedback from residents?*
- *Partners for economic development. Who are the influential actors in the region? These may include organizations, businesses, or individuals that represent important issues, including those that may be less familiar to the economic development organization such as social service delivery and natural resource organizations.*

- *Resources for economic development. What relevant groups, organizations or individuals are located in the region? Who – including other federal agencies beyond EDA – can provide support and funding to build capacity for economic development activities? How can the CEDS leverage federal, state, and private sector funding resources in pursuit of its economic development objectives?*

*Also, for an example of a relevant SWOT section of a strategy, see <http://arcreativealliance.com/resources/Southeast+Arkansas+Growth+Initiative+-+Regional+Plan+for+Economic+Development+-+Draft.pdf>*

### **C. Strategic Direction/Action Plan: Strategic direction and an action plan (flowing from the SWOT analysis), which should be consistent with other relevant state/regional/local plans.**

The strategic direction and corresponding action plan contained within the CEDS are the heart and soul of the document. They should answer the questions “Where do we want to go?” and “How are we going to get there?” by leveraging the analysis undertaken in the SWOT. The strategic direction and associated action plan should logically flow from the critical internal and external factors that speak to the region’s assets and limitations and its role in capacity building. The strategic direction should evolve from a clearly defined vision with prioritized goals and measurable objectives. A successful action plan should then focus on those regionally-driven strategic priorities that will be undertaken to bring the prosperity aspirations of the region’s stakeholders to fruition.

- **Strategic Direction: Vision Statement and Goals/Objectives**

The vision statement, goals, and objectives should respond to the analysis of the area’s development potential and problems (i.e., SWOT analysis). The goals should reflect the desires of most regional stakeholders and should also be realistic and limited to a manageable number. Some should address things that can be realized within a short period of time, while others require a longer period for implementation. The vision, goals, and measurable objectives will provide a strategic framework for public and private decision-making and serve as the basis for the formulation and focus of the action plan.

**Sample Vision and Goal/Objective:**

**Vision** - Increase regional prosperity by being a globally competitive, business-friendly region, comprised of healthy communities that sustain a high-quality of life.

**Goal 1** – Enhance emerging health care cluster

**Objective 1** – Expand rural health care workforce development by increasing the percentage of people age 25+ with a completed postsecondary degree by 10% over the next five years

The **vision statement** should answer the question “Where do we want to be in the next ten to twenty years?” The most common method for developing a vision statement is through a series of sessions or workshops. Regardless of the method used to form the vision statement, the visioning process should include broad community participation. A draft vision

statement (and the associated goals and objectives) should be widely circulated for review and comment to ensure maximum stakeholder engagement.

**Goals and objectives** provide the basis for formulating the action plan and serve as milestones to evaluate regional progress. *Goals* are broad outcomes or general intentions that build upon the vision and are often intangible. Each goal should have a rationale that is clearly understood and publicly supported. *Objectives* are more specific, measurable, concrete, and support the obtainment of the goals. Goals and objectives provide benchmarks by which area officials, economic development stakeholders, and the community can measure performance. The goal and objectives should be consistent with community aspirations for economic prosperity.

The goals and objectives should be prioritized to provide a basis for decisions on the use of available resources. Establishing priorities at the goal-setting stage is a critical step toward formulating the CEDS. The following factors should be considered:

- The effect that achieving each goal will have on the development potential or problem.
- Actions related to the goals and objectives that are already underway or planned.
- The relationship of this goal and objective to the accomplishments of the other goals and objectives.

The successful establishment of a vision with corresponding goals and measurable objectives—properly prioritized and based on a reasonable view of the region’s strengths and capabilities—will result in a well-defined strategic framework that will drive overall implementation of the CEDS.

**Recommended Resource:** See North Central Florida RPC’s CEDS ([http://ncfrpc.org/Publications/CEDS/NCFRPC\\_CEDS\\_2013-2017.pdf](http://ncfrpc.org/Publications/CEDS/NCFRPC_CEDS_2013-2017.pdf)) or the measurable aspects of the Mobilize Maine strategy: <http://mobilizemaine.org/goals-accomplishment/>.

- **Action Plan: Implementation**

The action plan answers the question “How do we get there?” and is based primarily on the prioritized goals and objectives of the strategic direction. The action plan distills the vision, goals and objectives into concrete, specific actions to achieve the aspirations of the region’s stakeholders. Building on the well-defined strategic direction, the action plan should explicitly describe how the region will work together to achieve its goals and measurable objectives, including activity ownership, timetables, and committed resources.

*The action plan, however, should NOT simply be a list of projects. Nor should it exclusively reflect those activities which EDA alone could potentially support.*

The action plan should include a wide-range of activity types (housing, transportation, broadband, environmental, sector specific or cluster asset-leveraging efforts, etc.) and must be clearly linked to the goals and objectives from the strategic framework. A limited number of activities with the highest priority and potential for regional impact should be identified and described. Descriptions of these high priority activities of regional significance should include:

- a) An outline of the steps required to take each selected high-priority activity from inception to successful completion;
- b) A roster of the key individuals and institutions that will be responsible for implementing and supporting these steps;
- c) A reasonable estimate of the costs associated with implementing the activity;
- d) A list of the integrated funding sources (public, private and nonprofit) to support the costs; and
- e) A realistic time frame for execution (i.e., implementation schedule), with relevant benchmarks and performance measures that speak to overall impact.

A detailed, well-considered action plan increases the overall value of the CEDS, and makes it relevant and useful. While the action plan should provide a guide to prioritizing resources and efforts, it should not be used to limit the identification and implementation of other activities that support the strategic direction that was established as part of the development of the vision, goals and objectives within the CEDS.

Identification of priority activities should include broad-based participation from regional stakeholders, involving those affected by the proposed activities and those that can ensure their success. Partnerships with a variety of organizations and the private sector in the region are a key to successful implementation. Identifying elements for action may be undertaken using the following questions for guidance:

- What are the activities and what are their expected benefits?
- Which activities address the area's greatest need or best enhance the region's competitive advantages?
- Do these activities represent the best use of limited resources?
- Will the activities have positive economic, environmental, and social impacts and how can these be measured?
- Will the activities contribute to the overall economic resiliency of the region?

***Recommended Resource:*** For example, see the Action Plan in Southeastern Utah's CEDS at <http://seualg.utah.gov/EDD/SEUEDD.htm>.

#### **D. Evaluation Framework: Performance measures used to evaluate the organization's implementation of the CEDS and its impact on the regional economy.**

The evaluation framework serves as a mechanism to gauge progress on the successful implementation of the overall CEDS while providing information for the CEDS Annual Performance Report (see section on Preparation), as required by EDA. These regular updates keep the strategic direction and action plan outlined in the CEDS current and the plan as a whole relevant. The evaluation framework is an important element of the ongoing planning process and should answer the questions “How are we doing?” and “What can we do better?” The evaluation framework, with its associated measures and timelines, should cascade from the strategic direction and action plan, which, in turn, flow from the SWOT analysis.

Performance measures should be identified to evaluate the progress of activities in achieving the vision, goals and objectives. EDDs and communities should consider traditional (e.g., jobs created and/or retained, private investment) and non-traditional (e.g., wealth creation such as GDP per capita, household income, per capita income, wages, net worth) performance measures for evaluating regional impact.

Although important, job creation and retention is just one element in determining whether a region is building the appropriate capacity to help the private sector flourish and the region, as a whole, prosper. Job creation is the result of successful economic development investments and should be linked with broadband availability and adoption, quality of place, established entrepreneur networks, supply of skilled workers, increases in workers' earnings and wages, a climate of innovation, and/or other strategic investments.

The measures that are ultimately selected should be based upon what is important to the region, what conditions the region needs to reverse or create, and what regional assets can be leveraged. In effect, the measures should reinforce the *relevant* data and background information collected, SWOT analysis undertaken, and strategic direction and action plan developed to help identify the critical internal and external factors that speak to the region's assets, limitations, and overall ability to build capacity.

***Recommended Resource:*** See NADO's *Performance Metrics Matter: Go Beyond Counting Jobs to Create a Highly Effective Comprehensive Economic Development Strategy* at <http://www.nado.org/performance-metrics-matter/> for more information on performance metrics can be used to create a more effective CEDS.

There are numerous options to consider (depending upon regional priorities, as noted above) when thinking about how to measure regional capacity building and prosperity. However, the concept of wealth is one that should be highlighted because of its natural alignment with asset-based strategies and approaches. More than just jobs and income, regional wealth is represented by intellectual, individual, social, natural, built environment, political, financial, and cultural assets. These assets, when invested in, nurtured, and leveraged appropriately, can reflect the true level of a region's economic (and social) well-being. Finding ways to better identify, foster, and measure these assets can help a region towards a more lasting

prosperity since a focus on wealth creation and retention can build a region's resiliency and long-term sustainability.

**Recommended Resource:** See [www.wealthworks.org](http://www.wealthworks.org) for more tools and information on building and measuring regional wealth.

When developing measures of any kind, some key questions to ask that may help determine the quality and applicability of the measures include:

- Can the measures be evaluated in an objective, timely, and cost-effective fashion?
- Are the measures focused on an outcome or result (i.e., data and information on the success of a specific process or engagement) rather than an output or activity (i.e., data or information on activities to help achieve an outcome)?
- Do the measures include a clear statement of the results expected?
- Do the measures support regional goals?
- Do the measures allow for meaningful trend or statistical analysis?
- Are the measures challenging but at the same time attainable?
- Are assumptions and definitions specified for what constitutes satisfactory performance?
- Have those who are responsible for the performance being measured been both identified and fully involved in the development of the measures?
- Are the measures tracking trends that are completely within the region's control or will national or global developments impact performance?

If a desired result from a strategic direction contained within the CEDS is not achieved, measures can help identify specific weak points and/or identify better approaches. In addition, while the CEDS evaluation is the responsibility of the economic development organization's professional staff, an outside party (e.g., staff from another EDD), a university center, or a consultant, may assist in the evaluation. For EDA investments in projects listed in the CEDS, the outcomes of the projects should be tied clearly to the performance measures in the CEDS (i.e., how did the grant-funded project help achieve a goal and measurable objective in the CEDS?). The evaluation should document where actual results met, exceeded, or fell short of projected outcomes.

Jobs and private investment will remain critical evaluation factors for CEDS plans and EDA-funded projects. Nonetheless, jobs and private investment do not tell the whole story about the impact of EDDs and implementation of CEDS. Take a comprehensive view of performance measures when communicating the results of CEDS implementation.

## **E. Economic Resilience:**

It is becoming increasingly apparent that regional economic prosperity is linked to an area's ability to prevent, withstand, and quickly recover from major disruptions (i.e., 'shocks') to its economic base. Many definitions of economic resilience limit its focus on the ability to quickly recover from a disruption. However, in the context of economic development, economic resilience becomes inclusive of three primary attributes: the ability to recover

quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether. Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. Often, the shocks/disruptions to the economic base of an area or region are manifested in three ways:

- Downturns or other significant events in the national or international economy which impact demand for locally produced goods and consumer spending;
- Downturns in particular industries that constitute a critical component of the region's economic activity; and/or
- Other external shocks (a natural or man-made disaster, closure of a military base, exit of a major employer, the impacts of climate change, etc.).

At the regional or community level, economic development practitioners are instrumental in building the capacity for economic resilience. Economic development professionals and organizations often become the focal point for post-incident coordination, information dissemination, responding to external inquiries, and the lead grant administrator for federally-funded recovery initiatives.

In building economic resilience, it is critical that economic development organizations consider their role in the pre- and post-incident environment to include **steady-state** and **responsive** initiatives.

Steady-state initiatives tend to be long-term efforts that seek to bolster the community or region's ability to withstand or avoid a shock. Responsive initiatives can include establishing capabilities for the economic development organization to be responsive to the region's recovery needs following an incident.

Examples of *steady-state* economic resilience initiatives include:

- Engaging in comprehensive planning efforts that involve extensive involvement from the community to define and implement a collective vision for resilience that includes the integration and/or alignment of other planning efforts (e.g., hazard mitigation plans) and funding sources;
- Undertaking efforts to broaden the industrial base with diversification initiatives, such as targeting the development of emerging clusters or industries that (a) build on the region's unique assets and competitive strengths; and (b) provide stability during downturns that disproportionately impact any single cluster or industry;
- Adapting business retention and expansion programs (e.g., economic gardening or other enterprise supports) to assist firms with economic recovery post-disruption;
- Building a resilient workforce that can better shift between jobs or industries when their core employment is threatened through job-driven skills strategies and support organizations;
- Maintaining geographic information systems (GIS) that link with municipal business licenses, tax information, and other business establishment data bases to track local and regional "churn" and available development sites. GIS can also be integrated with hazard information to make rapid post-incident impact assessments;

- Ensuring redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of natural or manmade disasters;
- Promoting business continuity and preparedness (i.e., ensuring businesses understand their vulnerabilities—including supply chains—in the face of disruptions and are prepared to take actions to resume operations after an event); and
- Employing safe development practices in business districts and surrounding communities. Strategies may include locating structures outside of floodplains, preserving natural lands that act as buffers from storms, and protecting downtowns and other existing development from the impacts of extreme weather.

Some examples of *responsive* economic resilience initiatives include:

- Conducting pre-disaster recovery planning to define key stakeholders, roles, responsibilities, and key actions;
- Establishing a process for regular communication, monitoring, and updating of business community needs and issues (which can then be used after an incident) ;
- Establishing/using a capability to rapidly contact key local, regional, state, and federal officials to communicate business sector needs and coordinate impact assessment efforts; and
- Establishing/using coordination mechanisms and leadership succession plans for short, intermediate, and long-term recovery needs.

The CEDS provides a critical mechanism to help identify regional vulnerabilities and prevent and/or respond to economic disruptions. Therefore, embracing economic resilience must be a key component of the CEDS document.

Integrating resilience into the CEDS should be undertaken as part of a two-pronged approach:

- 1) **Planning for and implementing resilience** through specific goals or actions to bolster the long-term economic durability of the region (**steady-state**), and
- 2) **Establishing information networks** among the various stakeholders in the region to encourage active and regular communications between the public, private, education, and non-profit sectors to collaborate on existing and potential future challenges (**responsive**).

**Recommended Resource:** See NADO's *CEDS Resiliency Library* (<http://www.nado.org/resources/ceds-library/>) for catalogued examples of how EDDs are currently addressing resilience. The library allows users to browse CEDS that incorporate resilience by state and topic.

- **Planning for and Implementing Resilience**

All communities, whether those in locations likely to experience significant natural disasters or those dealing with immediate or pending economic shifts, must be able to recognize their vulnerabilities. They should then develop goals, strategies, and actions that can mitigate the effects of an economic incident and support long-term recovery efforts. While there is no

universal blueprint for building regional economic resilience, the following items may help in establishing a general framework or identifying specific activities/projects:

1. *Identify persistent economic challenges or deficiencies:* What are the region’s economic “weak spots” (i.e., vulnerabilities)? Is there a specific asset deficiency (e.g., poorly educated workforce, excessive dependency on a single employer or industry, lack of transportation access/options, low levels of broadband availability and/or adoption, impediments hindering a firm's ability to gain access to the financial resources required to advance its business, major employers located in vulnerable areas)? Has a “planning horizon” been established (e.g., 10 to 15 years) for assessing economic vulnerabilities?
2. *Prepare for disruptions by identifying “early-warning” tools:* Does the region have an “anticipatory focus” that will help it react quickly when confronted with potential disruptions and challenges? Do community economic development professionals work with their local/regional emergency managers to address the risks identified through hazard mitigation planning? Do community leaders employ mechanisms (e.g., scorecards, state of the region reports, economic dashboards) that offer a regularly updated assessment of the regional economy?
3. *Build mechanisms that create flexibility:* Do the local governments have detailed and tested disaster response and recovery plans? Do the local governments and major employers have access to “surge” capital/credit resources? Does the region have a good handle on its assets to help identify emerging economic sectors that may lead to a diversified economic base? Has the region established mechanisms to realign and retrain its workforce post-disruption?
4. *Promote a positive vision for the region:* Is the messaging about the region’s assets and opportunities positive (to encourage investments in both times of tranquility and disruption)? Do stakeholders understand that actions that build resilience are good for the regional economy whether or not an economic shock occurs, and have they reached consensus on a set of actions they can take proactively? Are economic shocks used as an opportunity to “re-vision” (i.e., reassess) the region’s economy?

Regardless of the specific steady-state approaches considered or undertaken, the CEDS, *at a minimum*, should include an identification of the region’s key vulnerabilities and resilience-building goals, measurable objectives, and/or projects in the action plan.

**Recommended Resource:** See *Southeastern Vermont CEDS* (<http://seveds.com/wp-content/uploads/2012/08/FINALCEDSReport.2013.pdf>) for a good example of how to effectively describe a region’s economic vulnerabilities and recommend a strong set of measurable objectives and actions to address the challenges.

- **Establishing Information Networks**

In addition to identifying regional vulnerabilities and specific actions to address them, the region should establish mechanisms to facilitate active and regular communication between

the relevant sectors to collaborate on common challenges. The economic development organization should be prepared to serve as a responsive participant in economic recovery efforts. The region should also be prepared to serve as an information hub by collecting data and convening the appropriate players to facilitate recovery post-disruption. The effectiveness of a region's response to a major economic disruption is often enhanced if the public, private, education, and nonprofit sectors are aware of each other's roles and responsibilities – particularly as they pertain to recovering from economic shocks. Established communication networks and information collection protocols coupled with broadly understood knowledge of key elements (such as supply-chain relationships) can help speed a region's response. Once the networks are established, participants can be called upon in times of crisis to provide services and support in the case of a disruption.

More experienced economic development organizations will find opportunities to enhance and expand their business retention and expansion programs as a vehicle to mobilize action and facilitate information sharing. Other networking examples include the establishment of Business Emergency Operation Centers (BEOC) or Business Recovery One-Stop Centers. Among other actions, BEOCs serve as a hub of business-to-business collaboration and communication to connect private sector organizations with each other and with emergency response and recovery efforts while interfacing with local and federal emergency operations centers to ensure assistance and resources are being directed to businesses in need.

***Recommended Resource:*** *Information on establishing a Business Recovery Center can be found at <http://restoreyoureconomy.org/recovery/business-recovery-center/>. Several states operate BEOCs, including Louisiana, Rhode Island, Missouri, and New Jersey. They take a variety of forms: state funded, state and university partnerships, and privately organized collaborations with universities. There is also a National BEOC operated by FEMA (see [http://www.fema.gov/media-library-data/20130726-1852-25045-2704/fema\\_factsheet\\_nbeoc\\_final\\_508.pdf](http://www.fema.gov/media-library-data/20130726-1852-25045-2704/fema_factsheet_nbeoc_final_508.pdf)).*

Regardless of the specific responsive approaches considered or undertaken, the CEDS, *at a minimum*, should demonstrate how the region serves as both a source for information to deal with an economic challenge and as a convener of regional stakeholders to gather data and encourage collaboration post-disruption.

*A note on structure:* The two-pronged approach to resilience noted above can be included in the CEDS as a separate section. However, resilience could also be addressed by weaving the concept throughout the document (e.g., identifying a region's vulnerabilities in the SWOT section, then developing specific goals or action items to counter those vulnerabilities in the strategic direction/action plan, followed by an exploration of ways to measure success in the evaluation framework). Regardless of how resilience is included in the CEDS, it is critical for regions to identify vulnerabilities and, where possible, bolster the capacities that may lead to economic resilience as part of regional planning efforts.

***Recommended Resource:*** *The North Central Florida Regional Planning Council's Economic and Disaster Resiliency Study ([http://ncfrpc.org/Publications/EADRS/NCFRPC\\_EconomicAndDisasterResiliencyStudy.pdf](http://ncfrpc.org/Publications/EADRS/NCFRPC_EconomicAndDisasterResiliencyStudy.pdf))*

*assesses the vulnerability of the region's industries, critical infrastructure, housing, and other economic assets to hurricanes, and models the effects of a catastrophic event. This type of assessment could be used to inform the SWOT analysis.*

- **Pre-Disaster Recovery Planning**

It should be noted that a number of regions, particularly those that are prone to natural disasters, have engaged in resilience planning by focusing on the development of disaster recovery strategies. Developing and implementing a strategy for disaster recovery is often a good first step in establishing resilient regions. Specifically, certain regions have integrated economic development strategies, sustainability principles and hazard mitigation planning to ensure such activities are undertaken in a complimentary fashion. Examples of the benefits from this “cross-pollination” planning include promoting local procurement and hiring, the pre-prioritization of the resumption of major employers, and the siting of new commercial and industrial development in locations that are out of harm’s way.

In addition to providing a vehicle to approach resilience in a comprehensive fashion, a CEDS can often fill an important role in ensuring that disaster mitigation efforts are well-coordinated across municipal and county-lines to shape stronger, more resilient regions. Regardless of focus (i.e., broader economic resilience or a more directed look at disaster recovery planning), the CEDS should still include the two primary elements: 1) “steady-state” initiatives that seek to bolster the community or region’s long-term ability to withstand or avoid a shock and, 2) “responsive” initiatives that establish and utilize capabilities for an economic development organization to be responsive to the region’s recovery needs post-disruption.

***Recommended Resources:*** *See the Eastern Plains Economic Development Corporation’s appendix on disaster and economic recovery and resilience in its most recent CEDS at <http://www.epedc.com/brochures/full2012-2017CEDS.pdf>. Other examples include South Florida RPC’s CEDS (<http://www.sfrpc.com/CEDS/SouthFloridaCEDS2012-17.pdf>), Iowa Northland Regional COG’s CEDS ([http://www.inrcog.org/pdf/2012\\_CEDS.pdf](http://www.inrcog.org/pdf/2012_CEDS.pdf)), and Mountainland EDD’s CEDS (<https://mountainland.org/site/webroot/images/upload/files/ED/Mountainland%20Full%20CEDS%2012-19-14-1.pdf>).*

*The Northwest Oregon CEDS quantifies the region’s economic vulnerability by measuring the number of businesses and jobs located in flood zones, total and by industry, and the number of critical facilities in flood zones ([http://www.nworegon.org/Assets/dept\\_2/PM/pdf/2014-2018ceds-final.pdf](http://www.nworegon.org/Assets/dept_2/PM/pdf/2014-2018ceds-final.pdf)).*

*EDA, working with the State of Colorado, has developed an Economic Resilience Planning Evaluation Tool ([http://www.eda.gov/about/files/disaster-recovery/EDA\\_CO-Economic-Resilience-Planning\\_Oct2014.pdf](http://www.eda.gov/about/files/disaster-recovery/EDA_CO-Economic-Resilience-Planning_Oct2014.pdf)) that contains a list of economic mitigation, preparedness and/or recovery components that could be used in infusing resilience into a CEDS.*

*A number of tools exist to help regions craft robust disaster resilience strategies. The Infrastructure Security Partnership’s 2011 Regional Disaster Resilience Guide for Developing an Action Plan (RDR Guide) provides a practical, “how to” approach to help*

communities and regions develop a useable disaster resilience strategy along with a number of key lessons learned from recent disasters and events. (see the RDR Guide at <http://tisp.org/index.cfm?cdid=10962&pid=10261>). Also see Florida's guidebook *Post-Disaster Redevelopment Planning: A Guide for Florida Communities* at <http://www.floridadisaster.org/Recovery/IndividualAssistance/pdredevelopmentplan/tools.htm#guidebook>. The guidebook is intended to assist communities developing post-disaster redevelopment plans during pre-disaster periods. It provides best practices for planning and implementation based on research and pilot programs associated with the initiative led by the Florida Department of Community Affairs and Florida Division of Emergency Management.

NADO's publication titled *Resilient Regions: Integrating Economic Development Strategies, Sustainability Principles and Hazard Mitigation Planning* (<http://www.nado.org/resilient-regions-integrating-economic-development-strategies-sustainability-principles-and-hazard-mitigation-planning/>) highlights how several regional organizations are incorporating disaster mitigation and sustainable development approaches into their economic recovery and resilience work.

In addition, *RestoreYourEconomy.org* (<http://restoreyoureconomy.org/>) contains a wealth of information to help regions impacted by disasters, as well as a number of tips and techniques to support overall economic resilience (see "[Leadership in Times of Crisis: A Toolkit for Economic Recovery and Resiliency](#)"). The site is a one-stop shop for disaster preparedness and post-disaster economic recovery resources, tools, event announcements as well as opportunities to connect with peers through social media groups.

- **Measuring Resilience**

Measuring the economic resilience of a community or region, including the actions taken to foster resilience, will vary depending on the assets and vulnerabilities of each region. Two common measures are the degree of regional income equality (i.e., how evenly income is distributed across a regional population) and the degree of regional economic diversification (i.e., degree to which economic activity is spread across sectors). Regardless of the specific types of data collected and measures used, it may be helpful to benchmark data collected against national averages to help identify trends and better inform the development of key strategies.

**Recommended Resources:** See the University of California Berkeley's Network on Building Resilient Regions at <http://brr.berkeley.edu/> for general information on resilience and specifics on measuring resilience through the Resilience Capacity Index (RCI). As a means to gauge a region's ability to effectively respond to a future stress, the RCI identifies regional strengths and weaknesses, and provides regional leaders with the ability to compare their region's capacity profile to that of other metropolitan areas. In addition, see the *Economic Diversity in Appalachia* tool at <http://economicdiversityinappalachia.creonline.org/> for one method of determining industry, employment, and occupational diversity by region across the United States.

### 3. Format

While the content of a CEDS is critical, the structure and presentation of the information contained within the document is also important. The following suggestions should help:

**Keep your audience in mind.** A CEDS must be a technically sound plan, but plans do little good if nobody reads them. Consider how your readers consume information. For example, a target of approximately 25 to 30 pages—with a three to five page executive summary containing key findings, opportunities, and initiatives—is a reasonable expectation for keeping a general audience engaged. Extremely busy readers, such as elected officials or business owners, may require a shorter version of the document as an overview, with a reference explaining where to go to find the more complete version. For professional planners, the full technical version of the CEDS may be appropriate. An executive summary, in particular, is an important and useful element since the general public, local officials, federal policy makers, and other senior level executives will generally seek information in a brief, easily digestible form. Decision makers, in particular, need an executive summary to make informed choices based on a short yet useful synopsis.

***Recommended Resource:** See North Central Florida RPC's "strategy" and "technical" versions of the CEDS: [http://ncfrpc.org/Publications/CEDS/NCFRPC\\_CEDS\\_2013-2017.pdf](http://ncfrpc.org/Publications/CEDS/NCFRPC_CEDS_2013-2017.pdf). The Florida RPCs adopted this format as part of their statewide coordinated CEDS development.*

In addition, data that do not directly link and support the strategy should not be featured prominently in the main part of the document. Too much data can be a distraction, especially if it interrupts the flow of the narrative. Use appendices for data that cannot be tied directly to the vision, goals, measurable objectives, and strategies.

**Communicate creatively.** While the content of a CEDS is clearly the most significant factor, the region or organization developing the CEDS does itself a disservice if the document does not have a professional and appealing look and feel. Many groups, especially those unfamiliar with EDA, will look to the CEDS as an indication of the organization's or region's capabilities and overall commitment to effective economic development. Also, the CEDS should make extensive use of charts, graphs and professional photos to draw attention to and bolster the messages within the CEDS.

In addition, the CEDS should be crafted in whatever format provides the best medium for communicating the strategies within the document. Regions are encouraged to experiment with hard copy reports, web-based CEDS, or even mobile apps for phones or tablets if that is appropriate and of interest to the region. In some instances, a CEDS may be best developed in a traditional word processing format. However, many strategy documents are now being developed using other mediums. Different formats should be researched to widen the possibilities. Recent strategy documents from consulting firms, research organizations and university centers may provide ideas on creative formats.

**Recommended Resource:** For an example of a creative format, see [http://nyworks.ny.gov/themes/nyopenrc/rc-files/southerntier/CU\\_RegEcoDevRprt\\_loR.pdf](http://nyworks.ny.gov/themes/nyopenrc/rc-files/southerntier/CU_RegEcoDevRprt_loR.pdf).

**Think beyond the document.** When crafting the CEDS, a community should think creatively about how the document (or specific portions) may be used as a vehicle to engage stakeholders in a meaningful conversation and debate about their region. Consider how the CEDS can be used in social media – podcasts, blogs, videos, etc. How can the CEDS, or parts of it, be showcased on a website?

**Recommended Resource:** Two examples of economic development organizations that have created engaging websites to complement their strategy documents include <http://pennyrilefuture.com/> and <http://ceds.alabama.gov/>.

## 4. Preparation

The following is an overview of the steps required to prepare a CEDS, including recommended participants and the role of EDA. For more information on any step in the process of preparing a CEDS, please contact your appropriate EDA regional office (see <http://www.eda.gov/contact/>).

The preparation of a CEDS will depend on local circumstances, the organization’s staff capacity, and level of resources of the region. The time it takes to develop an effective process will vary depending on the area’s experience with economic development, the complexity of its problems, and the degree of coordination and cooperation among the participant stakeholders.

A key element in the process is the Comprehensive Economic Development Strategy Committee (Strategy Committee).<sup>3</sup> Established by the planning organization, the Strategy Committee is the principal facilitator of the CEDS process and is responsible for developing and updating the CEDS. The Strategy Committee should broadly represent the main economic interests of the region.

### Stakeholder Engagement

As previously noted, a CEDS emerges from a continuing planning process developed with broad based and diverse stakeholder participation that addresses the economic problems and potential of a region. The CEDS should include information about how and to what extent stakeholder input and support was solicited. Information on how the planning organization collaborated with its diverse set of stakeholders (including the public sector, private interests, non-profits, educational institutions, and community organizations) in the development of the CEDS and the formation of the Strategy Committee should be documented. For updated CEDS, information on how these critical stakeholder groups contributed to the plan’s implementation should be noted. Documented evidence of these strategic partnerships strengthens a CEDS by demonstrating the commitment of local partners to coordinate work and investment across the region, helps to

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<sup>3</sup> Establishment of a Comprehensive Economic Development Strategy Committee is a requirement only for EDA funded EDDs and Native American tribes.

effectively target local funds and private sector resources, and legitimizes the CEDS as a product representing the region as a whole. Information should also be included that describes the planning organization's efforts to regularly engage partners and stakeholders on monitoring progress on the CEDS and to keep the plan both current and relevant.

Planners should take care to build stakeholder participation and buy-in for long term planning initiatives. Stakeholders need to understand how they fit into the picture of regional economic competitiveness and, more important, how engagement in a CEDS process will benefit their communities and organizations.

Consider using the CEDS as an opportunity to illustrate how the region's stakeholders are linked together. Illustrate the business to business linkages (clusters, supplier networks, value chains) and the social connections (social networks, places of worship, investor relationships). In addition, consider identifying opportunities for short-term, medium-term, and long-term activities in the CEDS. Stakeholder engagement can be maintained effectively and expanded to new stakeholders through short-term "wins."

***Recommended Resource: Innovate Kansas <http://innovatekansas.org/>.***

The steps below apply only to EDA-funded planning grantees (e.g., EDDs and Native American tribes):

Step 1: Establish and maintain an Economic Development Strategy Committee (Strategy Committee) to oversee the CEDS process. It is recommended that members of the Strategy Committee be listed in the CEDS.

Step 2: Define the Strategy Committee's role and relationships.

Step 3: Leverage staff resources.

Step 4: Adopt a program of work.

Step 5: Seek stakeholder input. Craft the initial CEDS document and solicit and address public comments (per 13 C.F.R. § 303.6).

Step 6: Finalize CEDS document.

Step 7: Submit a CEDS Annual Performance Report.

Step 8: Revise/update the CEDS (at least every five years).

You can and should contact your EDA regional office staff at any point in this process for general technical assistance and advice. The regional office staff can help with EDA approval of the CEDS and with the annual reports.

Economic development organizations are encouraged to work with and make use of other EDA programs such as University Centers, Local Technical Assistance, Trade Adjustment Assistance, and Economic Adjustment Assistance. EDA regional office staff can provide current information on accessing these programs, as well as other non-EDA programs and that may be useful in the development and implementation of the CEDS.

## 5. Equivalent/Alternative Plans

As noted earlier, a CEDS should serve as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional economic collaboration.

However, a region does not have to develop a CEDS if a strategy has already been prepared or is being crafted for an alternate but complimentary purpose, for example, a regional sustainability plan. In the absence of an EDA-funded CEDS, and in an effort to reduce duplication and foster cross-agency collaboration, EDA may accept as a CEDS any regionally prepared plan, including plans prepared under federally or state supported programs. All that is required is that

- the alternate plan is current (developed or updated within the past five years and shows relevancy through actions such as public posting and/or active use)
- its preparation and contents address EDA's regulations (13 C.F.R. § 303.7)
- the plan is consistent with these guidelines – containing at least a summary background, analysis, strategic direction/action plan, and an evaluation framework
- alternate plans should clearly define the area that the plan will serve and provide evidence of a robust participatory process (broad-based and inclusive community engagement)

Those plans submitted as a CEDS alternative or equivalent that are *not* accepted by EDA often lack one or more of the elements noted above. Many plans that are not accepted do not include a robust action/implementation plan (with well-defined priorities), or the plans may not have a sufficient evaluation framework (with clearly defined measures). The equivalent plan must also include a mechanism for regular updates and “check-ins” that will keep the strategies and activities outlined in the plan current, and ensure that the plan as a whole continues to be relevant.

When crafting a regional plan that will also serve as a CEDS alternative or equivalent that covers a geographic area already covered (in part) by one or more CEDS, those previously approved CEDS should be folded into (sometimes called “nesting”) the new plan. The existing plans and evaluation frameworks can be effectively used to strengthen the newer plan. At a minimum, the organization(s) (for example, the Economic Development District) that prepared the previously approved CEDS should be consulted. Including key elements from the previously approved CEDS will ensure that the larger regional plan continues to address more local needs and requirements.

One model of “nesting” is the statewide CEDS (EDA encourages regions to collaborate across regions and at the statewide level on CEDS plans). A number of states have (or are in the process of) rolling-up the work of their regions’ individual CEDS

- to more effectively address larger, cross-cutting needs and priorities or
- to attain benefits that accrue beyond regional boundaries and that may require economies of scale to implement.

**Recommended Resource:** *See this example of a statewide CEDS:*

<http://ceds.alabama.gov/>). *Examples of successful alignment between the CEDS and HUD’s Sustainable Communities Planning Grant include Central Minnesota: <http://resilientregion.org/> and the Centralina region in the Charlotte area: [http://www.centralinaedc.org/2012\\_CEDS\\_Update.php](http://www.centralinaedc.org/2012_CEDS_Update.php)*

It is critical that you begin the process of developing a regional plan that can also serve as a CEDS alternative document by engaging the appropriate EDA regional office and that region’s point-of-contact for your state (<http://www.eda.gov/contact/>).

The EDA regional office staff can help guide the process and ensure the new plans meet the basic requirements noted above. They also may be able to point out examples where such approaches have been undertaken successfully. Moreover, they may be able to help align schedules and increase coordination while preventing duplication in the development of multiple regional plans.

It should also be noted that EDA does not formally “approve” these alternate/equivalent plans. Rather, the EDA regional office will accept or deny the plan when the community or region applies for an EDA-funded project.

## 6. Opportunity Zones

### Opportunity Zones Overview<sup>4</sup>:

Opportunity Zones, created under the 2017 Tax Cuts and Jobs Act, are a federal economic development tool focused on improving the outcomes of communities across the country, especially in areas that have suffered from disinvestment over many years. Opportunity Zones are designated low-income census tracts where tax incentives are available to groups or individuals who invest in an Opportunity Fund (i.e., an investment vehicle for injecting money in an Opportunity Zone) and hold their capital gains in Opportunity Zone-related assets or property. There are over 8,700 Opportunity Zones (representing 12 percent of all census tracts), with nearly a quarter (just over 23%) in rural areas. By investing in Opportunity Zones, investors stand to gain a temporary deferral on their capital gains taxes if they hold their investments for at

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<sup>4</sup> The information contained herein is general in nature and based on authorities that are subject to change. It is not intended and should not be construed as legal, accounting or tax advice or opinion.

least 5 years, and a permanent exclusion from a tax on capital gains from the Opportunity Zones investments if the investments are held for 10 years. For more information on the basics of Opportunity Zones and Opportunity Funds, visit <https://opportunityzones.hud.gov/> or see <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>.

## **Opportunity Zones and the CEDS:**

### **Purpose**

To effectively position themselves for investment through Opportunity Zones, communities need to have a strong economic development plan in place that can send a signal to the private sector that the area has established a clear vision for the future, identified its important assets and challenges, and engaged key stakeholders. EDA believes that encouraging the desired private sector investment requires an understanding of the Opportunity Zones and the communities in which they reside from a regional perspective. Many of the assets touted within an individual community as reasons to invest in a particular Opportunity Zone are, in fact, regional assets. By placing a community's assets and strengths in a regional context, the advantages of the entire region can further incentivize investment. The inherently regional focus of the CEDS therefore provides a unique platform to capture and promote the advantages of Opportunity Zone communities within a distinct economic region by highlighting and emphasizing the linkages among the key regional assets.

Many of the current recommendations on how communities should make the most of their Opportunity Zones (see the Local Initiatives Support Corporation (LISC) Opportunity Zones Community Playbook at <http://www.lisc.org/opportunity-zones/community-partners-playbook/>) highlight the importance of planning and stakeholder engagement – convening key players, gathering economic and demographic data on the area, identifying economic assets and challenges, etc. – all of which are important existing elements of the CEDS planning process. As such, the CEDS is well-positioned to inform a deeper dive into the Opportunity Zones within each region. Moreover, including Opportunity Zone-content in (or appended to) the CEDS serves as a mechanism to further promote the economic attractiveness of each region by emphasizing Opportunity Zones as key investment ready locations.

***Recommended Resource(s):** In addition to LISC, other great Opportunity Zones sources of information and tools include: the Council of Development Finance Agencies (CDFA) at <https://www.cdfa.net/cdfa/cdfaweb.nsf/resourcecenters/OZ.html>; Novogradac at <https://www.novoco.com/resource-centers/opportunity-zones-resource-center>; Milken Institute at <http://milkeninstitute.org/programs/opportunity-zones>; and the Economic Innovation Group (EIG) at <https://eig.org/opportunityzones>. EIG, in particular, has launched an interactive online portal (sourced from local press and public announcements) highlighting many innovative and impactful Opportunity Zone developments.*

Similar to EDA and the CEDS, the U.S. Department of Housing and Urban Development requires many of its grantees to develop a three- to five-year Consolidated Plan (Con Plan). EDA believes that a better alignment of the CEDS and the Con Plans will allow grantees receiving funds from both agencies to optimize the investment of Federal, state and local resources for

sustainable, innovative economic and community development projects. Grantees are strongly encouraged to coordinate their CEDS and Con Plan processes to the greatest extent possible and to align these separate plans to maximize the community's ability to attract and support Opportunity Zone investment and achieve sustainable community revitalization (see <https://www.eda.gov/edi/planning/> for more information).

### **Content/Structure/Format**

The Opportunity Zones content and structure within each CEDS may vary based on the needs, regional focus, and capacities of each EDD or community or tribal organization. For those regions that encompass one or more Opportunity Zones, the new content may be as straightforward as an overview of regional Opportunity Zones in relation to CEDS-identified goals, objectives, and/or projects, or it could take the form of an appended, in-depth “regional investment prospectus” aimed at potential investors. **Like the CEDS itself, how and to what extent Opportunity Zones are incorporated into economic development planning may vary based on the needs and focus of each region.** Either path – a separate section within the CEDS or an appended regional prospectus – is a viable way to help make the most of a region's Opportunity Zones from a planning perspective.

### ***CEDS Section***

For those EDDs looking to establish an Opportunity Zone-focused section within the CEDS, there are three basic elements that we recommend be included to enhance the economic attractiveness of the region:

1. Inventory/map the Opportunity Zones in the region: Provide a general overview of the Opportunity Zones (including the distinct census tracts) within the larger regional context, while adding information on the communities in which the Opportunity Zones reside. While each Opportunity Zone may have its own unique character, consider identifying common attributes that allow the Opportunity Zones to share a common typology within the region. These groupings (i.e., urban/rural, industry cluster, proximity to anchor institutions, etc.) may help gauge the compatibility of potential Opportunity Zone projects within the existing environment (see both [www.statsamerica.org](http://www.statsamerica.org) and the U.S. Census Bureau On the Map Tool, <https://onthemap.ces.census.gov/>). Also, consider mapping the location of the Opportunity Zones among existing local and regional assets and typology to provide an overall spatial context (see the public edition/open map of [www.policymap.com](http://www.policymap.com)).
2. Identify key partners/collaborations: Provide an overview of local/regional stakeholders involved with Opportunity Zones, including public/private/nonprofit organizations actively involved in the planning and implementation of community and economic development. This may include Community Development Corporations, community groups, state and local governments, leaders of anchor institutions, and philanthropic organizations. Identify any local or regional “champions” of Opportunity Zones – including regional consortiums (see below) that may have been established specifically to

leverage Opportunity Zones – as touchpoints and points-of-contact for potential investors. Highlight specific local or state incentives that may be available (see below for more on incentives). A focus should also be given to economic inclusiveness, and how the Opportunity Zone effort is working to maximize economic benefits for people in low-income communities.

3. Recognize linkages with the data, goals/objectives, and priority projects within the CEDS: Re-emphasize key data elements (including socio-economic data points and trends) from the CEDS that have a direct linkage to or impact on the individual Opportunity Zones as investment-ready locations. Key data on population, higher education enrollment, workforce, and major employers may be particularly ripe for inclusion. Identify any SWOT-related linkages, including market strengths and specific assets (e.g., infrastructure highlights) that may be key to driving investor interest. Highlight specific goals or objectives within the CEDS that have a connection to the Opportunity Zones, and identify specific priority projects that may address asset gaps in each of the Opportunity Zone communities. On the flip side, incorporating Opportunity Zones in the CEDS may require specific updates to the SWOT, a revision of the goals and/objectives, and a change to the priority projects as part of an annual update or five-year revision of the CEDS (if applicable/pertinent to the overall economic development strategy of the region).

***Recommended Resource:** Statsamerica.org has established an Opportunity Zones mapping tool (<http://www.statsamerica.org/opportunity/>) that will allow users to see Opportunity Zones in relation to boundaries and information specific to each EDD, which can be helpful when developing Opportunity Zone-related content for the CEDS.*

### **Regional Prospectus**

Beyond the basics noted above, certain regions may wish to develop (in addition to or in place of a separate section in the CEDS) a “regional investment prospectus.” This prospectus can be used to describe and communicate regional (and specific local) competitive advantages, community partnerships, and projects that are ready for public and private investment. Intended for regions that want to put a high-profile emphasis on their Opportunity Zones and the potential associated benefits, the regional investment prospectus can specifically help:

- market their Opportunity Zones to local, regional, and national investors
- highlight their regional assets to have maximum economic impact
- coordinate stakeholders around a common vision of inclusive growth

A regional prospectus may include, in addition to the elements noted above:

1. Purpose of the prospectus/introduction to Opportunity Zones: Point to the prospectus as a marketing strategy, economic development policy brief, and a “way-finding” mechanism to help potential investors find and explore the region. Consider noting how Opportunity Zones can facilitate and integrate investments generated by the new tax benefit to

complement current and future economic development activities, helping to define or emphasize the region's economic development vision for the future. Also, provide an overview of the Opportunity Zones program and where more detailed information can be found.

2. **Key partners/collaborations:** As noted above, identify the organizations and groups involved with Opportunity Zones, particularly any local or regional partnerships or consortiums that have been established specifically to bolster Opportunity Zone efforts.
3. **About the region/region by the numbers:** Use this portion to orient investors to the region, highlighting socio-economic data and related trends. Provide an overview of population, employment, workforce/talent, and other data and information that emphasizes what makes the regional special. Use both quantitative evidence and qualitative regional knowledge. Make sure the information provided links to the key background information in the CEDS as applicable.
4. **Market strengths:** Summarize what gives the Opportunity Zones in the region market traction and are good targets for investment. Identify regional assets (including transportation) and how they enhance or link to specific Opportunity Zone characteristics. Note any anchor institutions (major employers, universities, hospitals, etc.) and the capital investments they recently made or are planning to make.
5. **Institutional capacity:** Highlight applicable financing tools (zoning, joint ventures, tax credits, etc.). Identify public and private initiatives (including existing economic development projects and programs) already undertaken, both regionally and locally, that will impact the Opportunity Zones. Determine specific local and state incentives that may be available (see more on incentives below).
6. **Opportunity Zones in the region and typology:** Identify the specific location of the Opportunity Zones in the region, including the census tracts that comprise the Opportunity Zones. As noted above, consider identifying common attributes that allow the Opportunity Zones to share a common typology within the region. Map the location of the Opportunity Zones within the region, including in relation to other regional assets (major transportation networks, waterways, etc.) to provide context and spatial linkages.
7. **Individual community profiles:** Provide specific information and data on the individual Opportunity Zones and the communities in which they reside. This should include the types of projects and the economic (and social) impact goals of each community, with linkages to the region and the CEDS. Consider profiling specific projects that are both investor ready and community enhancing. If individual county or community prospectuses exist, include them here (see below for more information).

**Recommended Resource(s):** Accelerator for America has developed a “how-to” guide for localities to develop an investment prospectus (see <http://www.acceleratorforamerica.com/OZGuide>). While aimed at individual communities, the suggestions can easily be “scaled-up” in the development of a regional prospectus. As of late-2019 over two-dozen individual investment prospectuses have been developed and can be accessed at <http://www.acceleratorforamerica.com/tools>.

*In addition to the example prospectuses identified at Accelerator for America, check out the city of Montrose's (Montrose, CO) prospectus for a smaller city/town perspective that may be helpful in scaling-up smaller communities in an EDD into a regional prospectus:*

<https://www.cityofmontrose.org/DocumentCenter/View/39168/Montrose-CO-Opportunity-Zone-Invitation-To-Invest?bidId=>

A number of cities that contain Opportunity Zones have already developed (or are in the process of developing) an investment prospectus. If individual, locality-based prospectuses exist within your region, a regional prospectus effort may simply consist of compiling and linking/integrating the individual city prospectuses and highlighting detailed local strengths through a CEDS-driven regional lens. If no local investment prospectuses exist, the regional prospectus effort provides an opening to reach out and help communities that have Opportunity Zones promote their local and regional advantages. Specifically, individual prospectuses may provide an opportunity to take a more detailed look at the assets found in each community. Part of this process should include developing an asset map for each community that not only identifies each communities' strengths but also identifies critical asset gaps, and which planned projects may address the specific local (or regional) asset gaps.

***Recommended Resource(s):*** *Check out the Acadiana Planning Commission's (APC) Opportunity Zone regional prospectus, templates for local opportunity zone prospectuses, and a regional Opportunity Zone website at <https://investacadiana.org/>. APC's Strategic Regional Opportunity Zone Initiative is focused on long-term reinvestment and cultural preservation and advances the goals and objectives of Acadiana's CEDS.*

*In addition to the excellent regional prospectus developed by APC, a number of other planning organizations have begun engaging in Opportunity Zones activities in their regions, in different ways and at different levels. For example, the Eastern Upper Peninsula Regional Planning & Development Commission in Michigan has created an online mapping tool that can be used to better understand the infrastructure surrounding the census tracts designated as Opportunity Zones in the region (see more at <http://euprpd.maps.arcgis.com/apps/webappviewer/index.html?id=01049e08b82349a0aee9d789446ad7fd>). The Isothermal Commission in North Carolina has developed a number of online resources and drafted a prospectus template and an individual prospectus for each of the region's Opportunity Zones (see more at <https://regionc.org/opportunity-zones/>).*

Like the CEDS itself, the regional prospectus is an opportunity to put a “best foot forward” to attract investors and effectively market the region. Therefore, the look and feel of the regional prospectus is critical and should be structured in a way that compellingly communicates its concepts to key stakeholders. Creativity, coupled with a professional and appealing format is highly recommended. Charts, graphs and professional photos should be used extensively to draw attention and bolster the document's primary messages.

### **Other Key Opportunity Zone Elements:**

In addition to the recommended components noted above, additional elements may be included in an Opportunity Zone-focused section of the CEDS or in a separate regional prospectus as applicable:

### **Incentives**

As part of an overall institutional capacity (see above), a number of states and localities have created or are leveraging specific incentives to help generate investor interest in Opportunity Zones. This information should be investigated and highlighted in the CEDS or regional prospectus since the pairing of Opportunity Zones with additional incentives (i.e., “incentive stacking”) is proving to be a key factor in attracting investors. For example, New Mexico’s incentive program for Opportunity Zone (OZ) projects offers \$1 million bonus to investments that meet certain benchmarks ([www.nmopportunity.com](http://www.nmopportunity.com)) and Ohio gives investors an additional 10% tax credit if they invest in one of Ohio’s Opportunity Zones (<https://opportunityzones.ohio.gov/wps/portal/gov/ooz/home>). Maryland has an interactive tool to help identify incentives by Opportunity Zone location (<https://maryland.maps.arcgis.com/apps/webappviewer/index.html?id=1cc479d2dc3948239f0c47bda8b6967e>).

In addition to state and local incentives, the White House Opportunity and Revitalization Council has identified over 190 federal programs where targeting, preference, or additional support could be granted to Opportunity Zones:

([https://www.hud.gov/sites/dfiles/PA/documents/OppZone\\_Agency\\_Completed\\_Actions.pdf](https://www.hud.gov/sites/dfiles/PA/documents/OppZone_Agency_Completed_Actions.pdf)).

EDA, in particular, has added Opportunity Zones as one of its five Investment Priorities to help significantly increase the number of catalytic Opportunity Zone-related projects funded by EDA, and made Opportunity Zones eligible for funding from EDA through its special needs category – even if the area would not meet EDA’s regular economic distress criteria.

### **Consortiums**

States and localities have also begun to form consortiums to organize and drive Opportunity Zone-related activity and, particularly, to serve as an early entry point for investors. Check out examples such as Opportunity Cleveland (<https://www.opportunitycle.com/>) and Opportunity Investment Consortium Indiana (<https://www.opportunityinvestmentconsortium.com/>).

These consortiums are focused on a number of different activities including:

- providing training and technical assistance on Opportunity Zones to various public/private/nonprofit stakeholders
- establishing an online presence (see below) for Opportunity Zones that can serve as source of information, a marketing tool and as a deal portal for both businesses and investors interested in Opportunity Zone projects

- pressing states and localities for increased or additional incentives related to Opportunity Zones.

Consortiums, as well as any related public, private, or nonprofit groups organized around the issue of Opportunity Zones, should be noted in the CEDS section or the regional prospectus focused on key partnerships and collaborations.

***Recommended Resource(s):** Check out the Rockefeller Foundation, which, through its Community Capacity Building Initiative, will channel financial and human resources support to six cities, including funding for a Chief Opportunity Zone Officer embedded in city government. The Rockefeller Foundation has also helped launch (along with Smart Growth America) an Opportunity Zones National Academy—for Chicago, Seattle, Miami, Pittsburgh, and Norfolk—to build capacity and foster inclusive economic development focused on Opportunity Zones (see both <https://www.rockefellerfoundation.org/our-work/initiatives/opportunity-zones/> and <https://smartgrowthamerica.org/new-national-opportunity-zones-academy/>).*

### **Marketing/Online Presence**

The creation of an online presence, including an interactive website, can be a critical tool in helping investors identify the various Opportunity Zones within a particular region and assess the resources, incentives and project possibilities that may exist. Much like a regional prospectus, a creative, data-driven online presence can serve as an early entry point or “way-finding” mechanism to help potential investors find and explore the region, while providing a platform to potentially start marketing projects to Opportunity Funds. For example, check out Erie, PA’s “Flagship Opportunity Zone” site at <https://www.flagshipopportunityzone.com/>. Also see the “Opportunity Exchange,” an online marketplace for Opportunity Zone projects seeking investment (<https://www.theopportunityexchange.com/>).

### **Measures/Outcomes**

While no federal reporting requirements currently exist related to Opportunity Zones, regions are highly encouraged to measure and report on the outcomes of their Opportunity Zone efforts in a transparent and accessible manner. Measuring and reporting on these outcomes will help to demonstrate that Opportunity Zones are providing tangible benefits to regions and communities, helping to drive positive social and economic change.

***Recommended Resource:** Again, check out LISC’s Opportunity Zones Community Playbook at <http://www.lisc.org/opportunity-zones/community-partners-playbook/>, particularly the section on developing impact metrics. LISC identifies a number of organizations that have begun to craft metrics, as well as recommendations on types of outcomes that should be measured.*