

Windham, New Hampshire: A Look at Economic Development

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October 2, 2014

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www.northeastern.edu/dukakiscenter

A “Think and Do” Tank

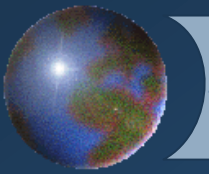
Promoting Economic Development in Windham



*Practical Strategies to Attract and
Retain Economic Investment:
Learning from EDSAT*

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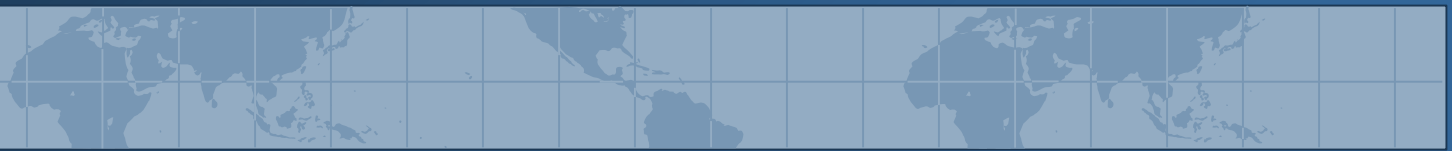
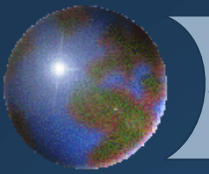


Economic Development is a collaborative
process that builds strong, adaptive
economies
and *requires leadership*

Companies move to municipalities, not states

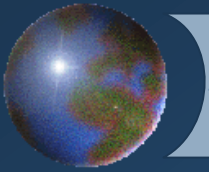
Municipal Officials

must play a critical role in attracting business
investment, jobs, and a strong tax base



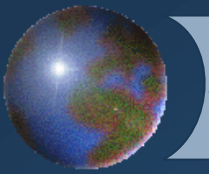
Local Communities on their Own

- ✚ With rising **federal deficits** and a bipartisan drive to cut the federal debt ... and at the same time a call for **tax cuts**, there will be little additional aid to local communities from the federal government



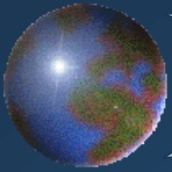
States in Crisis

- ✦ With states facing **structural budget deficits**, local aid from state governments will be in short supply in many states



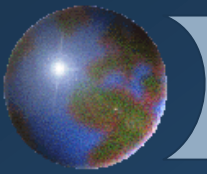
Local Economic Development

- ❖ In this new environment of fiscal constraint, local communities will prosper only if they are successful in finding new sources of revenue ... and the **best way to do this is to attract business enterprise to town**



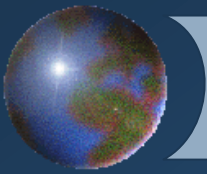
*Be the **CEO** for Economic Development*

- ❖ Municipal leaders must initiate and support the development process
- ❖ Begin by assessing your municipality's strengths and weakness
- ❖ Change what you have **control** over
- ❖ Collaborate with others on what you can **influence**



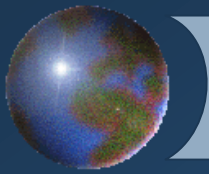
Fundamental Proposition

Cities and towns have the ability to create their own destiny, and they can benefit from having sophisticated partners who can help them develop tools and information to compete successfully.



Development of EDSAT

- ✦ We surveyed corporate real estate and development professionals on location decisions
 - NAIOP (National and Massachusetts Chapter)
 - CoreNet Global
- ✦ Based on the NAIOP/CoreNet survey the Economic Development Self-Assessment Tool (EDSAT) for municipal leaders was created



Sample

NAIOP

CoreNet

Project type selected

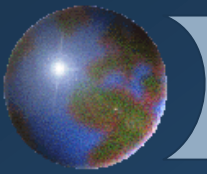
| | |
|-----------------------|-------|
| General Industrial | 40.0% |
| Commercial / Profess. | 38.8% |
| Mixed-use | 8.8% |
| R& D Facility | 5.0% |
| Retail | 5.0% |
| Manufacturing | 2.5% |

| | |
|--------------------------|-------|
| Office / Headquarters | 68.5% |
| Manufacturing | 10.4% |
| Retail | 10.4% |
| Mixed-use | 5.7% |
| R&D Facility | 2.8% |
| Distribution / Warehouse | 1.9% |

Geographic area in which do most of work

| | |
|--------------------|-------|
| Pacific | 18.9% |
| Middle Atlantic | 18.9% |
| South Atlantic | 18.9% |
| East North Central | 8.8% |
| International | 7.6% |
| East South Central | 6.3% |
| West North Central | 6.3% |
| New England | 5.0% |
| West South Central | 5.0% |
| Mountain | 3.8% |

| | |
|--------------------|-------|
| International | 38.3% |
| Pacific | 32.7% |
| Middle Atlantic | 28.0% |
| West South Central | 21.4% |
| East North Central | 20.5% |
| South Atlantic | 19.6% |
| New England | 19.6% |
| West North Central | 15.8% |
| East South Central | 15.8% |
| Mountain | 11.2% |



Deal Breakers



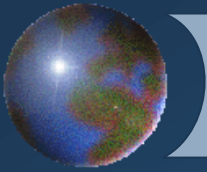
City Self-Assessment



City Action

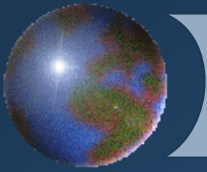


Deal Makers



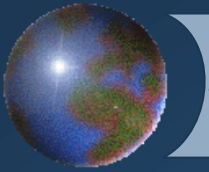
Deal Breakers

- ❖ Ignorance of Changing Market Conditions – “Time to Market”
- ❖ Uncorrected “Cognitive Maps”
- ❖ Too Little Attention to Site Deficiencies
- ❖ Slow Municipal Processes
- ❖ Too much reliance on Tax Breaks



NAIOP/CoreNet Survey Categories

- ⊕ Permitting Processes
- ⊕ Labor
- ⊕ Development and Operating Costs
- ⊕ Business Environment
- ⊕ Transportation and Access
- ⊕ Quality of Life/Social Environment



The Self-Assessment Tool (EDSAT)

The self-assessment tool includes sections on:

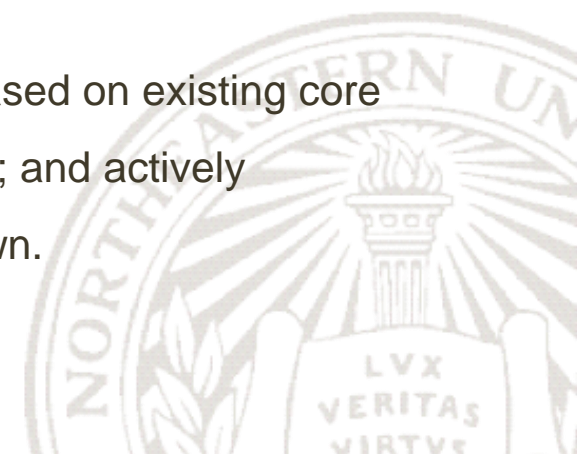
1. Access to Customers/Markets
2. Concentration of Businesses and Services (Agglomeration)
3. Cost of Land (Implicit/Explicit)
4. Labor
5. Municipal Process
6. Quality of Life (Community)
7. Quality of Life (Site Amenities)
8. Business Incentives
9. Tax Rates
10. Access to Information

Key EDSAT Results for Windham

How does Windham fare on the EDSAT questions relative to Comparable Group Municipalities (CGMs)?

Windham's Strengths

- **Timeliness of Approvals:** Zoning Variances, Special Permits, and Appeals for both new and existing projects are faster. However, site plan review of new projects takes about four weeks longer.
- **Workforce Composition:** A higher proportion of the workforce are professionals
Labor: A higher proportion of your labor force has at least a bachelor's degree.
- **Business Services:** Your regional chamber of commerce is active.
- **Marketing:** Windham follows up with prospective firms about their affirmative and negative decision on locating in Windham.
- **Industry Sensitivity:** Windham has a marketing program based on existing core strengths, identified opportunities, or industry concentrations; and actively engages local business owners to speak on behalf of the town.



Windham's Strengths (Con't)

- **Predictable Permits:** Windham provides a flowchart of the permitting process and a development handbook to prospective developers.
- **Available Land:** Windham has open space and parcels larger than five acres.
- **Crime:** Windham has a low crime rate.
- **Local Schools:** Windham public schools are high performing.
- **Website:** Your website features information useful to prospective businesses.



Windham's Weaknesses

- **Infrastructure:** All of Windham's water, wastewater, electric power, telecommunications, and broad band infrastructure appear to be inadequate for growth.
- **Timeliness of Approvals:** Site plan reviews for new projects take an about four weeks longer in Windham. Still, permitting is more efficient than among the CGM.
- **Rents:** Rents for retail, manufacturing, and office space in Windham's central business district are higher than average. Rents for office space in the highway district are also higher than for other CGM.
- **Critical Mass Firms:** Windham's industrial/commercial attraction policy is identified as "weak".
- **Predictable Permits:** Windham does not provide a checklist or flow chart of permitting requirements or a development handbook to prospective developers.



Windham's Weaknesses (Con't)

- **Sites Available (zoning):** Windham lacks land use regulations to protect land currently zoned industrial from encroachment by incompatible uses.
- **Public Transit:** Windham does not have any available sites for retail, manufacturing, or general office space within a quarter mile of public transit.
- **Housing:** Single family home prices and rent for two bedroom apartments in Windham tend to be higher.
- **Airport:** The nearest international airport is farther from Windham than from the typical CGM.



EDSAT Results from 2008 to 2014

Changes in Windham between 2008 and 2014

- **New Strengths**

- Permitting became faster for existing projects (zoning variances, building permits, and appeals).
- Marketing program grew to include resident firms, business organizations, and regional and state planning and development agencies.
- Marketing programs now include Windham's core strengths, opportunities, and industry concentrations.
- Collaboration with local chamber of commerce became more active.
- Additional information was added to the town's website.

- **New Weaknesses**

- Review of site plans for new projects increased by about 4 weeks.
- Capacity declined for all categories of infrastructure.



But What Really Matters?

Factors Correlated with Greater Establishment Growth

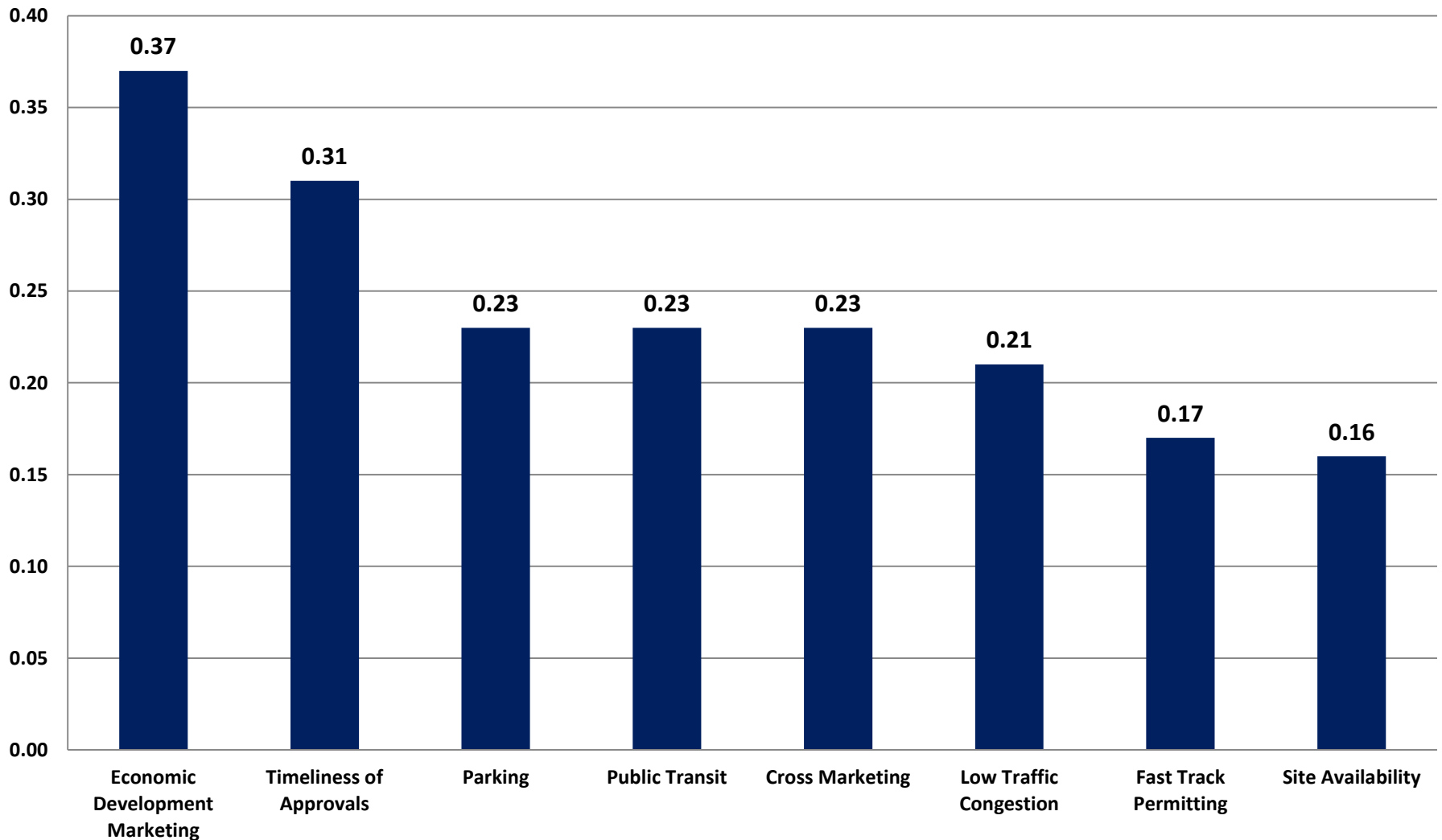


**CORRELATIONS BETWEEN
ESTABLISHMENT GROWTH
AND
EDSAT VARIABLES**

2001-2011

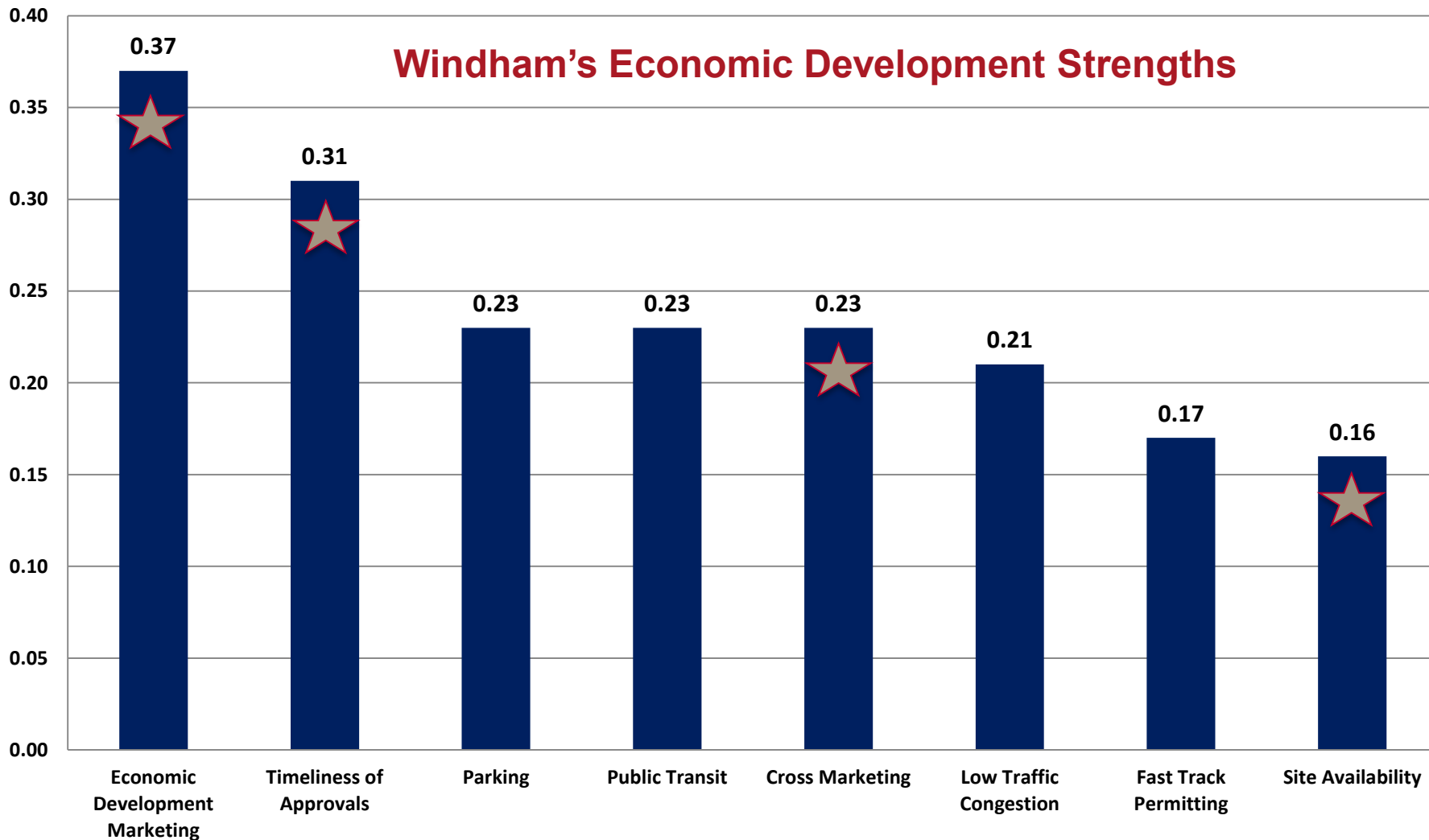
ES-202 DATA

50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011



50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011

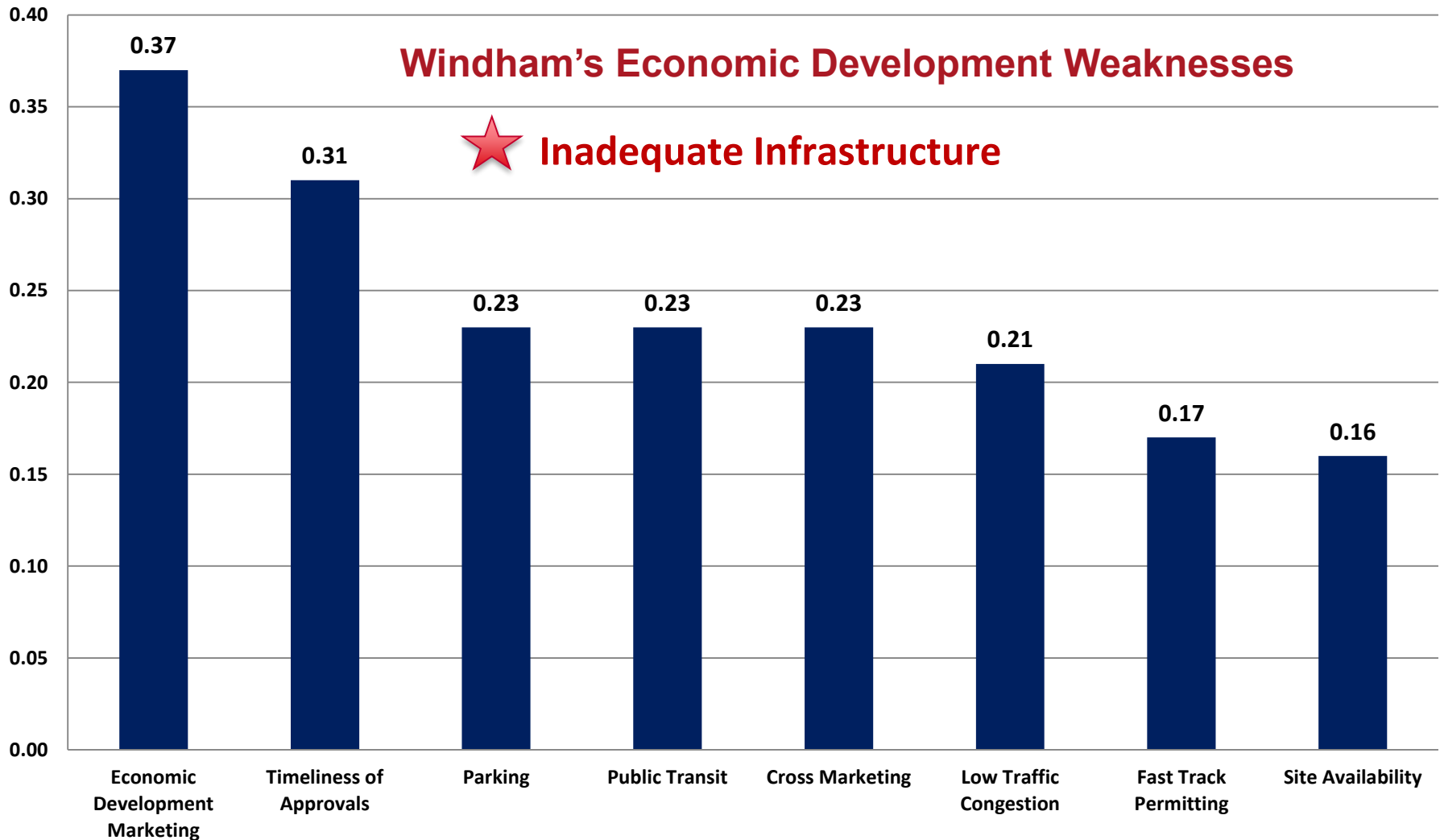
Windham's Economic Development Strengths



50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011

Windham's Economic Development Weaknesses

★ Inadequate Infrastructure



Conclusions

Things to Think About

- **Economic Development** - Windham has a lot of good things going for it:
 - Mostly Efficient Permitting Processes
 - Highly Educated, Professional Work Force
 - Marketing and Collaboration with Resident Businesses
 - Available Space
 - Safe and Attractive Community with Good Schools
- But you could be better positioned to attract business investment and jobs by:
 - **Investing in your Infrastructure**
 - **Providing technical support for prospective businesses**
 - **Adding zoning that creates buffers between land uses**
 - **Actively attract businesses to your community**





Thank You!

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