

# BEWARE OF DEAL BREAKERS

## The 'Economic Development Partnership' Enables Communities to Compete

By David C. Soule & Don E. Zizzi

If you are working hard to attract industry and private investment to your community, if you are striving to relieve pressure on your residential property taxpayers, if you need to broaden and diversify your tax base, if you are ready to focus your economic development activities and are willing to share your experience with other communities, then CURP wants you.

Northeastern University's Center for Urban and Regional Policy (CURP) has partnered with the National Association of Industrial and Office Properties (NAIOP), the

### Our First Step

With the assistance of NAIOP and their international equivalent, CoreNet Global, corporate real estate and development professionals were surveyed on factors affecting business location decisions like local permitting processes, labor availability, development and operating costs, the existing local business environment, transportation access, and quality of life. More than fifty of these business leaders were then interviewed to determine what factors contributed most to their decision making process. The goal was to identify the key "deal breakers" that act as barriers to development and to identify strategies aimed

specifically at overcoming these obstacles to private investment.

What we found was that some of the usual suspects that generate a lot of discussion and hand wringing in municipal buildings across the country – minimum wage laws, access to rail, strong labor unions, local tax rates, and business incentives – really are not important factors. In fact, these ranked at the very bottom of the findings. Positioned at the top of the priority list, however, are the following: labor availability, timeliness of local approvals, transportation access, real estate costs, nearby amenities and services, on-site parking, and a business friendly environment. At least two of these, timeliness of local approvals and a business friendly environment, are directly within the purview of local officials. **The vast majority of the qualitative comments we received can be summarized in these three quotes:**

"Once a product has passed its Phase III trials, we want to get the new product into production before another company does. Speed is so critical that we start building the production facility before the product is approved." –

#### Biotech Executive

"From our perspective, time is money. We may actually be able to make a deal work more effectively if we can get expedited permits and infrastructure enhancements than by factoring a tax subsidy into our pro forma." –

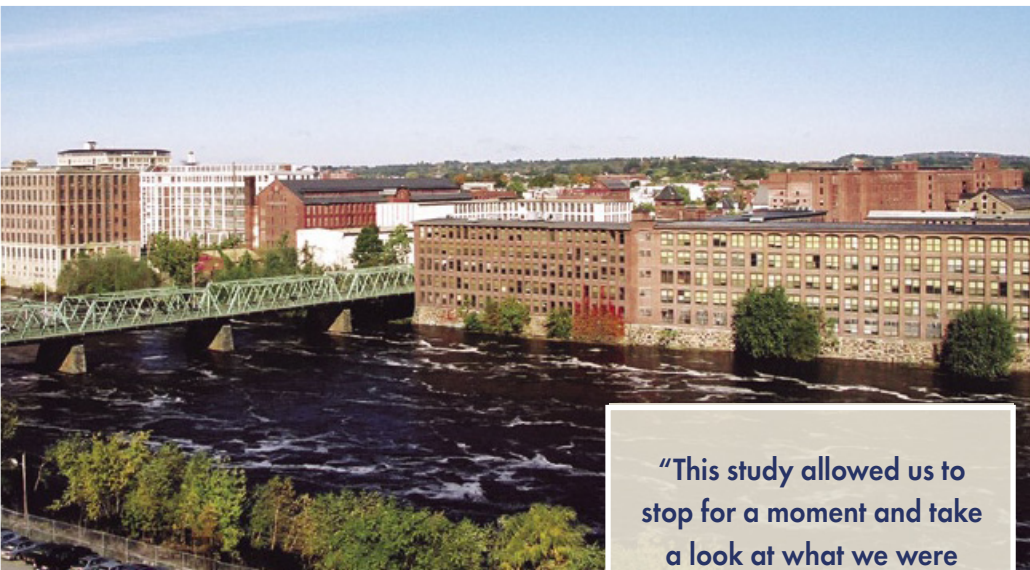
#### Commercial Developer

"If municipal leaders can work with us as a team to expeditiously solve problems related to zoning regulations, permitting, and an array of related factors that can be barriers to investment, we can do business." – **Project Consultant**

What this means to mayors and managers and community development directors and economic development practitioners is that local jurisdictions can do something about the most critical factors that really matter to businesses looking to locate, relocate or expand.

### Our Next Step

As a result, CURP has focused its efforts on developing a tool with which a community can gauge its own readiness to compete for private investment and compare its relative strengths and weaknesses with the universe of competing jurisdictions. Working with twelve test cities in Massachusetts and a team of



**"This study allowed us to stop for a moment and take a look at what we were doing both from 40,000 feet as well as 4 feet.**

**It gives us a practical 'to do' list on how to make our city more competitive in this global economy."**

*Robert Luongo, New Bedford, MA*

nation's principal commercial and industrial real estate trade association, to create a practical set of tools for local governments to better position themselves to attract industry, private investment, sustainable tax base and high quality good paying jobs. CURP embarked upon this initiative to help cities, towns, and full service counties surmount the "deal breakers" within their control that have been working against their efforts to foster economic growth and opportunity...to enhance the power of local officials to effect positive change in policies and procedures and to better enable these communities to compete for critically needed private sector investment.



private sector collaborators, CURP developed a secure and confidential online self-assessment tool for evaluating and interpreting a municipal jurisdiction's characteristics and processes directly linked to the NAIOP survey findings. With over two hundred questions, this rigorous examination helps public officials explore their own potential "deal breakers" as well as their relative capacity to overcome them.

Once the self-assessment is completed, it is analyzed by CURP staff and a comprehensive report is prepared that weighs each community's performance against the multi-jurisdictional data base that CURP is continuously expanding as more jurisdictions join the partnership. Local officials receive specific feedback in each assessment category, and they can then use the results as a reality check on their community's economic development strategy.

**Partnership = Teamwork**

**So, What's In It For CURP?** Northeastern University has a well earned reputation for linking academy with community led by its nationally recognized student co-op programs; and in that same fashion, CURP was founded less as a "think tank" and more of a "do tank". While we are confident that this initiative will result in important academic research in advancing public policy, our primary mission is to affect the culture and the way business is conducted in our public institutions... most particularly at the local and regional levels where the landscape of this country is shaped.

**What's in it for our corporate partners should be fairly obvious:** a streamlined and effective development process at the local level is the lifeblood of realtors and location specialists. There should be no question that the business community has a legitimate financial interest in advancing the state-of-the-art in municipal buildings everywhere. There are direct benefits to U.S. industry and commerce, and the national public interest organizations – from the EDA to the National League of Cities to the Association of Chamber of Commerce Executives – to mention just a few of our other partners, see it as a valuable service to their members.

**But The Most Important Question Is: What's In It For You?** The first part of the answer is professional committed partners from academia and the private sector knowledgeable in the field of business development, access to sophisticated practical tools and strategies, plus the latest and best information and training to better equip you to compete. You also gain a certain visibility to the development community and recognition by federal and state economic development program officials. Finally, we hope to engage you in an enduring long-term relationship through which we can all improve the practice of economic development at the local level... where the rubber meets the road.

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Northeastern University's Center for Urban and Regional Policy ([www.curp.neu.edu](http://www.curp.neu.edu)) was established in 1999 where faculty, staff and students from the university community pool their expertise, resources and dedication to address a wide range of critical public policy issues.



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