

# Economic Development Strategic Planning

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INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

*The Power of Knowledge and Leadership*



# Project Identification

## Agenda:



Overview of Project Cycle



Project Identification



Project Assessment



Project Implementation

# Principal Stages of the Project Cycle



# Ways to Gather Ideas



Existing plans and documents



Utilizing existing meetings



One-on-one discussions

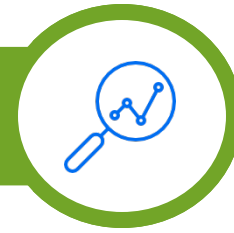


Focus groups



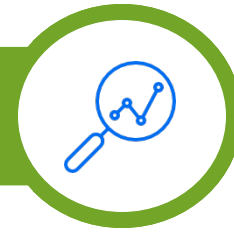
Input through email/social media

# Project Identification



- Consider range of alternative projects & programs
- Identify projects & programs in light of:
  - Strategic economic development goals
  - Objectives
  - Strategies established earlier
- Broadly evaluate project proposals

# Broad Criteria



- Does it help achieve a goal or objective?
- Does the community have the resource & capacity to undertake the program?

## Note:

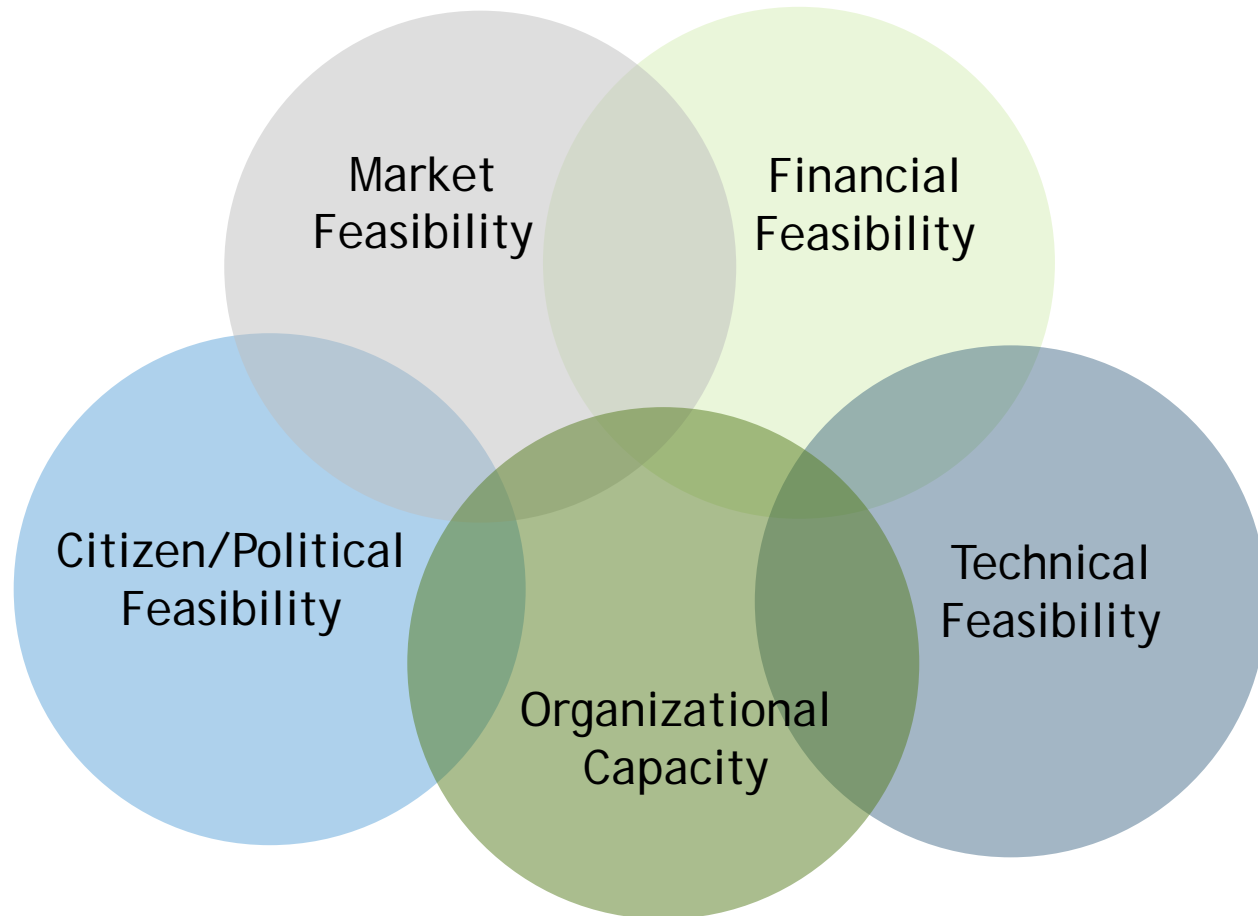
- Limit depth of analysis
- Decide if further consideration is warranted

# Project Assessment



- Stakeholders should establish set of standards or criteria
  - Identify best possible projects
  - Recognize both positive & negative impacts
- Conduct research to assess feasibility
  - Initial or first phase: assess which proposals to pursue, & prioritize
  - Second phase: in-depth feasibility study

# Ingredients for a Successful Plan





# Project Worksheets



1. Basic description



2. Relation to strategic plan (in terms of goals)



3. Economic development benefits



4. Regional benefits & issues



5. Resources available for execution



6. Additional resources required



7. Potential barriers to overcome



8. Findings about project feasibility

# Project Feasibility Section



## Details to Consider:



Funding - public & private



Capital cost



Required gov't body proceedings



Ongoing public and private support

## Steps After Collecting Project Info



### Quantify information

- Tally scores for each program



### Input data into matrix

- Higher scores reflect higher feasibility

# Assessing Alternatives



Priorities



Impact



Feasibility

- time
- cost
- social/political
- technical



Cost-benefit analysis

# Establishing Priorities



- Projects that reflect plans, goals, & objectives rank higher
- Review alternatives individually
- Compare alternatives
  - likely effects
  - how well it meets specific goals

# Measuring Impact



- Determine positive & negative
  - local economy
  - regional way of life
- All ventures have advantages & disadvantages
- Estimate degree of impact of each
- Rank projects with greatest net effects as top priorities

# Economic Feasibility



## Time Estimates

- 1-2 year projects rank higher
- longer completion time increase uncertainty

## Cost Estimates

- Operating expenses and financing capacity
- *opportunity costs*

Expensive & time-consuming proposals with low returns should be designated low priority

# Cost-Benefit Analysis



- Determines economic viability
- Used to assess a single project or for comparison
- Can be used to determine most efficient use of resources
- Process
  - Identify & calculate costs & benefits
  - Calculate the net impact



# Benefits



- All revenue that results from project operation
- Measured by increase in output or cost savings
- Examples of project revenues
  - Municipal taxes
  - Fees or charges for services
  - Sale of remaining equipment

# Direct & Indirect Costs



## Direct costs

- Result specifically from the project

## Indirect costs

- Result because of ripple effects

# Social/Political Feasibility



Rank highly proposals with a great degree of community support from public officials, business leaders, & residents.

Social support can make or break a program alternative.

# Technical Feasibility



Can the region handle a project of this magnitude?

Do the right people with the right skills exist in the to carry out the project?

Is the technology available?

Is the experience & knowledge there?

Are the resources available?

# Simple Vertical Matrix



Criteria/Proposed Project

Project  
1

Project  
2

Project  
3

Project  
4

in line with present goals

exploits opportunity

depends against a threat

length of time to measure impact

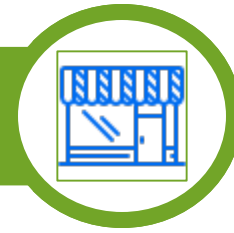
financing available

politically acceptable

has stakeholder support

necessary skills/staff/space

# Action Plans



## Tasks involved

- sequence with respect to other tasks.

Who or what organization is responsible for each task

Realistic timetables for the completion of different activities

Expected impacts or results of the action

Funding requirements, including identification of sources

# Sample Implementation Matrix

## Economic Development Vision and Plan - Template

### Guiding Principle/Vision:

#### Goal 1:

Actions	Roles/Responsibilities	Priority Level	Timeframe	Costs	Resources
1 Action		High			
2 Action		Medium			
3 Action		Low			

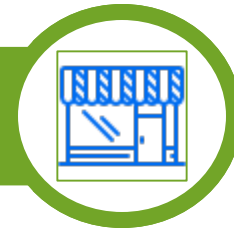
#### Measurements/Evaluation:

#### Barriers:

#### Goal 2:

Actions	Roles/Responsibilities	Priority Level	Timeframe	Costs	Resources
1 Action		High			
2 Action		Low			

# Implementing Programs



- Need for flexibility
  - Leave room for changes & delays
  - Develop strategy for problem resolution
- Keeping the plan alive
  - Marketing, marketing, marketing





- Revisit & update annually
- Confirm or adjust
- Opportunities or threats require immediate action
  - New grant program, plant closing, natural disaster

# Factors for Economic Development Implementation Success



## Trust

Internally and externally



## Process & Procedures

To build trust in the process



## Leadership

Adaptability and leading through uncertainty



## Communications

Open and active, across networks



## Capacity

Ability to function within a system of networks



## Adaptability

Respond and adapt to external changes



## New Funding Models

Reduce reliance on government entities



## Ongoing assessment

Continual improvement and efficient use of funds



## Jim Damicis - Senior Vice President

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- IEDC, Economic Development Research Program, International Economic Development Council & Course Instructor
- Collaborator – Communities of the Future
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