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This is the sixth in the ongoing series about collaborative economic and community development efforts between the City of Crawfordsville, County Commissioners, and County Redevelopment Commission. This month we give you an inside look at business attraction and how data can be used to develop economic development strategies to leverage a community’s competitiveness. While this article is focused on business *attraction*, it is important to note that business *retention* is as equally important to the sustainability of a community’s business climate.

Companies looking to relocate or expand operations is big business and highly competitive. In 2015, an estimated 5,400 business location decisions were announced in the United States, accounting for more than $166 billion of capital investment and more than 402,000 new and retained jobs, according to the 2016 edition of Ernst & Young’s “U.S. Investment Monitor”.

When a new company comes to town and the headlines read “ABC Company to Break Ground, Create Jobs” it creates a sense of excitement within the community, there are photo ops with hard hats and shiny new shovels, but what many folks don’t realize is how long a journey it was to arrive at that point. To anyone who believes it’s easy to attract a new company or that it “just happens”, I will tell you to read on. It does not happen in a vacuum and it is only through planning and a collaborative team effort that success occurs.

First, let’s establish some terminology. A business attraction “lead” is simply that—a lead and/or inquiry. A lead represents a company searching for either land or a building for a new or additional location. A “project” on the other-hand is a lead that is being actively pursued by a community. It is not uncommon to receive numerous leads throughout the year, but only a handful may turn into actual projects. We will explain why, later. Finally, “inventory” in the field of economic development means land sites ready for development or vacant industrial or warehouse buildings for sale or lease.

Sources of lead activity generally fall into four categories: 1) Site Selection Firms, 2) Real Estate Brokers, 3) Direct company inquiries, and 4) Our State’s economic development office (IEDC). The majority of leads we receive come from the Indiana Economic Development Corporation (IEDC). Leads from the other sources are based heavily on relationships and is why Mayor Barton and his staff visit local companies on an annual basis and most recently traveled to Atlanta to meet with several site selection firms.

Business lead activity this year has been steady. Since January, twenty-five leads have been received. Meaning, twenty-five companies were searching for either land or a building, and Montgomery County was included in the geographic location matrix. To clarify, rarely do these requests specify a city or town, rather they are looking at either a state-wide level, regional level, or county level. To put this in perspective, the IEDC has received a total of 50 lead requests in this same timeframe. As you can see, Montgomery County is not always in the search criteria and there is a myriad of reasons why. Maybe the geographic search area is defined to southern Indiana, maybe there is a need for proximity to a port, perhaps there is a requirement to be within a certain mile radius to a particular interstate, or the Fed Ex hub at the airport. As you’ve read, the reasons are numerous and generally beyond a community’s control.

So, what can a community do to increase its competitiveness? Economic Development is a data-driven field. Every lead, prospect, inventory, gaps in inventory, areas for future development, everything is tracked and analyzed. That data is then used to assist in the formation of strategies that hopefully will build a more competitive advantage for the community. Looking at the leads that were received, sixteen were searching for a vacant manufacturing building. When we compared this search criteria with the existing inventory there were no matches, so we were not able to respond. This equates to a lost opportunity at new tax revenue for the community and new job opportunities for residents. In analyzing the types of lead requests that were declined, we know there were two primary reasons: 1) little to no vacant manufacturing or warehouse facilities and 2) no land parcels of 50 + acres that are zoned and ready for industrial development. While some would argue that no vacant industrial buildings are a good thing, the business attraction world may see it as a barrier.

Today, the speed to market for a company is faster than it has ever been. When a company makes the decision to expand and invest in its operations, getting the new facility up and running quickly is critical. Many companies cannot take the time required to build a new facility from the ground up and prefer to renovate an existing building that will meet their operational needs and thus get them up and running more quickly. Understanding this need, some communities have chosen to build a shell building. As the name implies, a shell building is simply four walls and a roof and is designed to be as flexible as possible. Due to its flexibility, it can be used for manufacturing, warehousing, even research & development or lab space. Construction costs and maintenance are minimal because it is a shell structure, and more importantly it can provide a huge competitive advantage for those communities that have one. Why? Because unlike an existing manufacturing building which may have been built 25-30 years ago for a specific type of operation, a shell building allows a company to complete it to their own specifications and helps expedite the timeline to get operational.

Given this overview, you may be asking how Crawfordsville and the County are trying to position themselves to be more competitive when it comes to business attraction leads. Mayor Barton recognizes the lack of both vacant industrial buildings and large land parcels for business attraction are an issue. His office is continuing to track the data, as well as research options and resources to develop the best strategy for competitiveness going forward.

Like the City, the County Commissioners and County Redevelopment Commission are aware that the one large land site they do have identified for industrial development is not zoned which is a barrier to most companies looking for land. As a result, they collectively have launched a county comprehensive plan process, and as you’ve read recently, one of the outcomes of the plan will be guidance on areas that may make sense for industrial development. Once the plan is complete they can begin to formulate next steps to increase the County’s opportunity for new business recruitment.

Your elected leaders are forever mindful of the need to work collaboratively to implement plans and strategies that will build a desirable community which is sustainable, affordable, safe, and attractive to those who choose to live, learn, work, and play here.

Submitted by Cheryl Morphew