

Strong Economies, Resilient Counties: The Role of Counties in Economic Development



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Overview

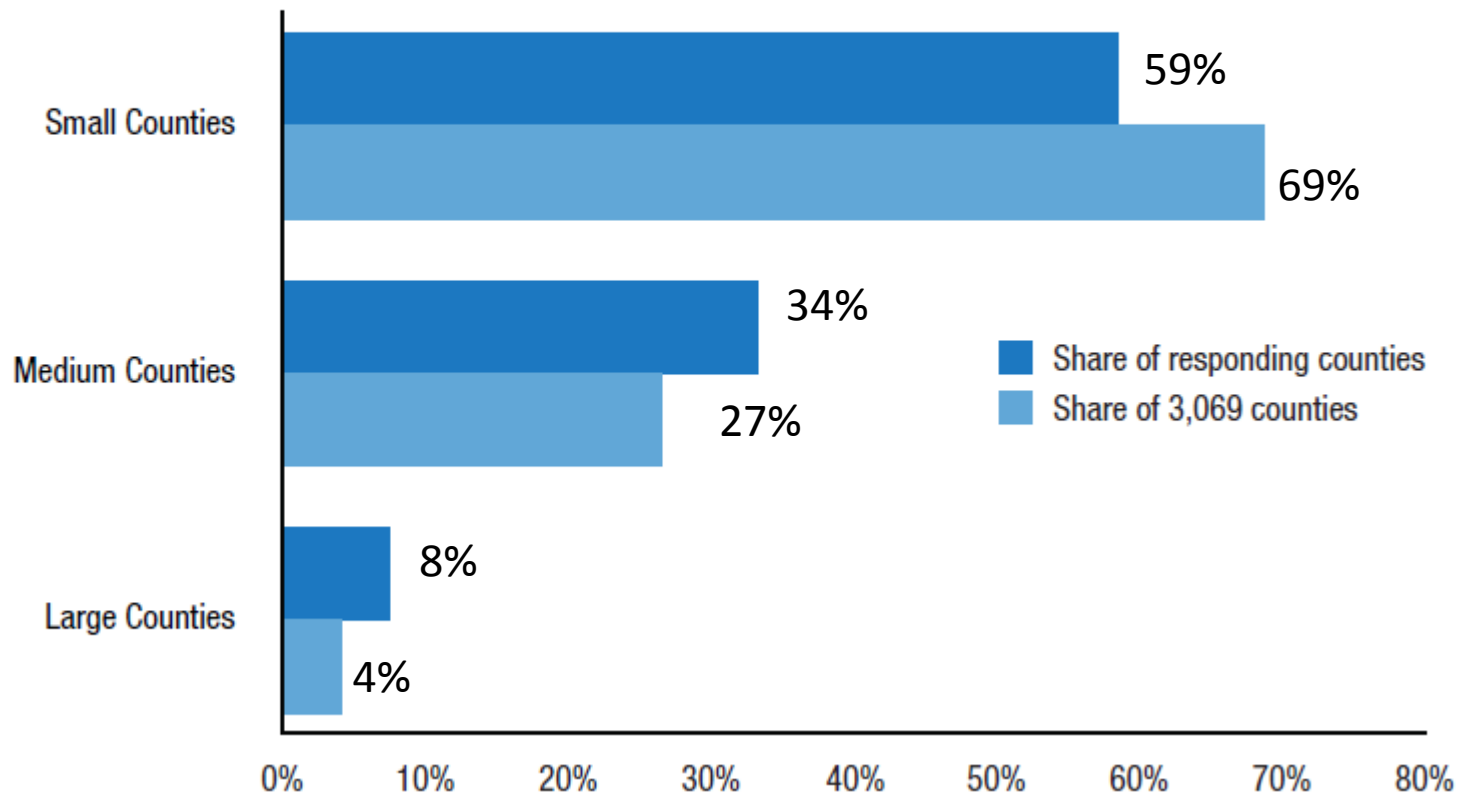
- Joint project by NACo & LBJ School of Public Affairs at University of Texas at Austin
- Methodology: survey (Sept-Oct 2013) and case study research (Jan-Mar 2014)
- 480 counties responded to survey (16%)
- 35 case studies (125 interviews)

Purpose

- Understand how counties are engaging in economic development
- Identify opportunities and challenges that are facing county elected officials
- Highlight county innovations to encourage peer learning & promote county role

Survey

FIGURE A1: 2012 POPULATION DISTRIBUTION OF THE RESPONDING COUNTIES TO THE 2013 NACo SURVEY AND THE 3,069 COUNTIES



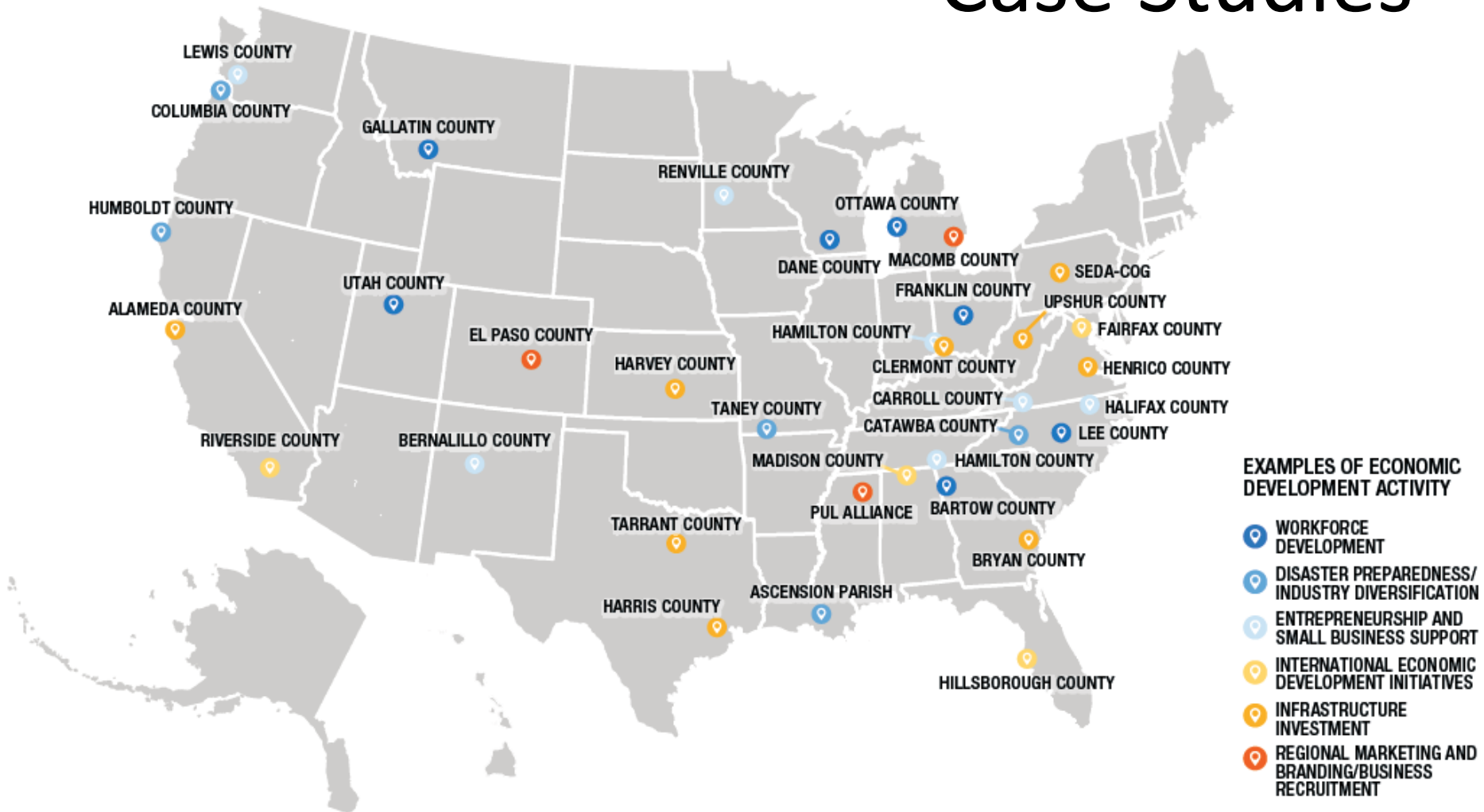
Note: Percentages may not sum to 100 due to rounding. Response rate to survey was 16%.

Case Studies

County Population	# of Counties in Case Studies	Share of Feat. Counties
Large (500k+)	13	28%
Medium (50k-500k)	19	40%
Small (< 50k)	15	32%
Total	47	100%

Note: 35 case studies include a total of 47 counties (33 counties and two regional planning organizations with 12 member counties).

Case Studies



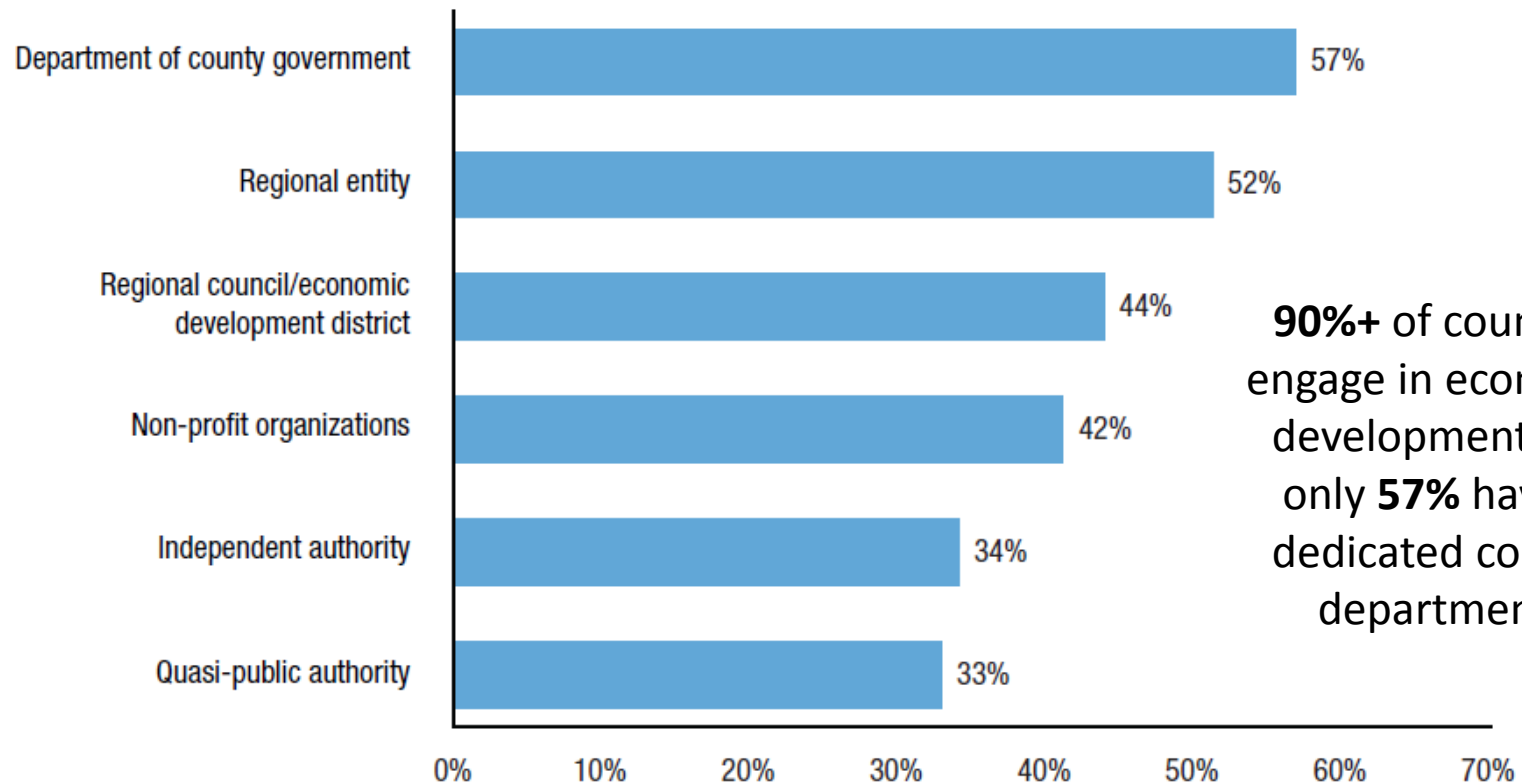
For the full report, the companion interactive data tool and the text of the case studies, see the ***Strong Economies interactive*** at www.naco.org/StrongEconomies

Key Findings

- Counties are important sponsors of local economic development initiatives
- Workforce challenges are at top of county economic development agenda
- Collaboration is key to county economic development initiatives

County Role: Convener/Funder

FIGURE 1: ENTITIES MANAGING COUNTY ECONOMIC DEVELOPMENT INITIATIVES, PERCENT OF RESPONDING COUNTIES, 2013



90%+ of counties engage in economic development but only **57%** have a dedicated county department.

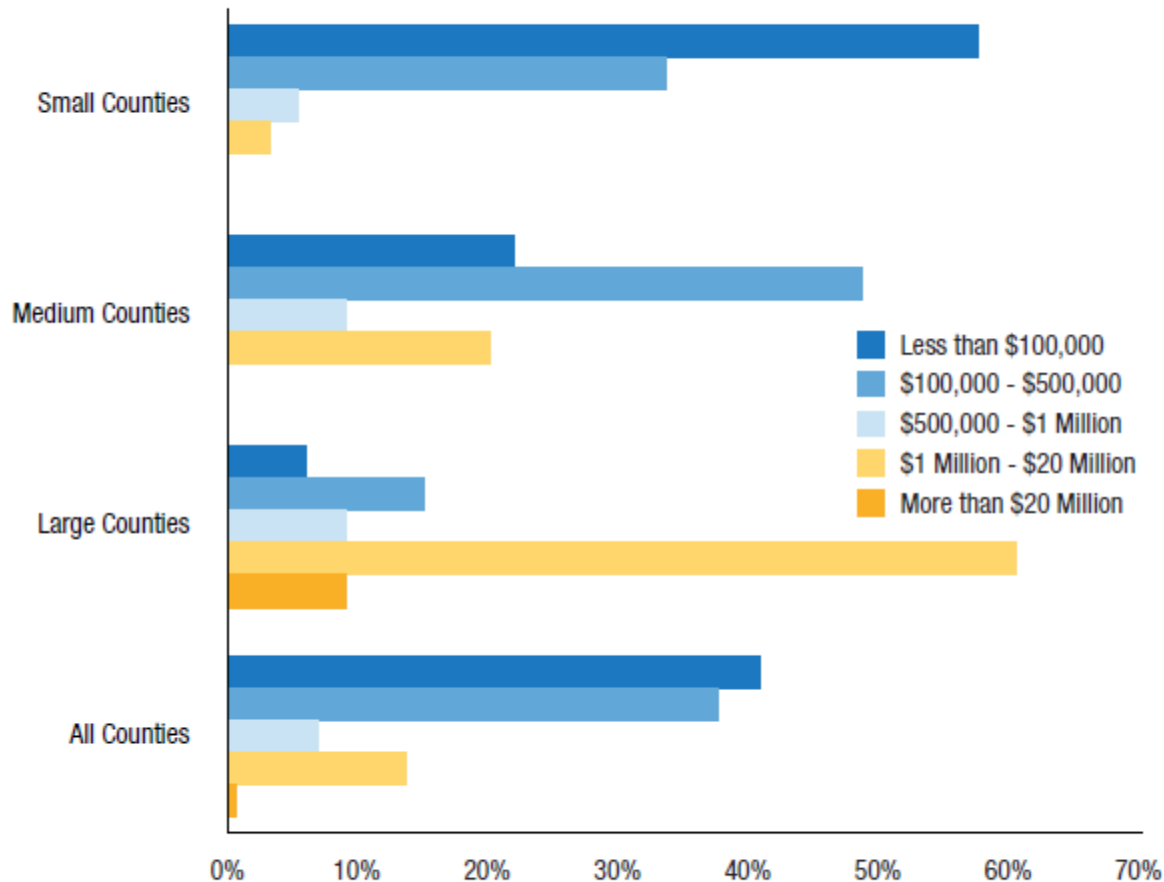
Sources: NACo survey, October 2013

Partnerships

Most Mentioned County Partners in Economic Dev Initiatives	Small (%)	Med (%)	Large (%)	Total (%)
1. Chamber/business association	81.6	85.9	85.3	83.5
2. Regional econ dev organization	84.6	84.0	73.5	83.5
3. Cities in the county	76.1	90.4	97.1	83.0
4. State government	77.4	83.3	91.2	80.7
5. Other counties in the region	71.4	61.5	47.1	65.8

Funding

FIGURE 4: COUNTY ANNUAL INVESTMENT IN ECONOMIC DEVELOPMENT,
PERCENT OF RESPONDING COUNTIES BY COUNTY POPULATION SIZE, 2013



Notes: Large counties have more than 500,000 residents. Medium-sized counties have between 50,000 and 500,000 residents. Small counties are counties with less than 50,000 residents.

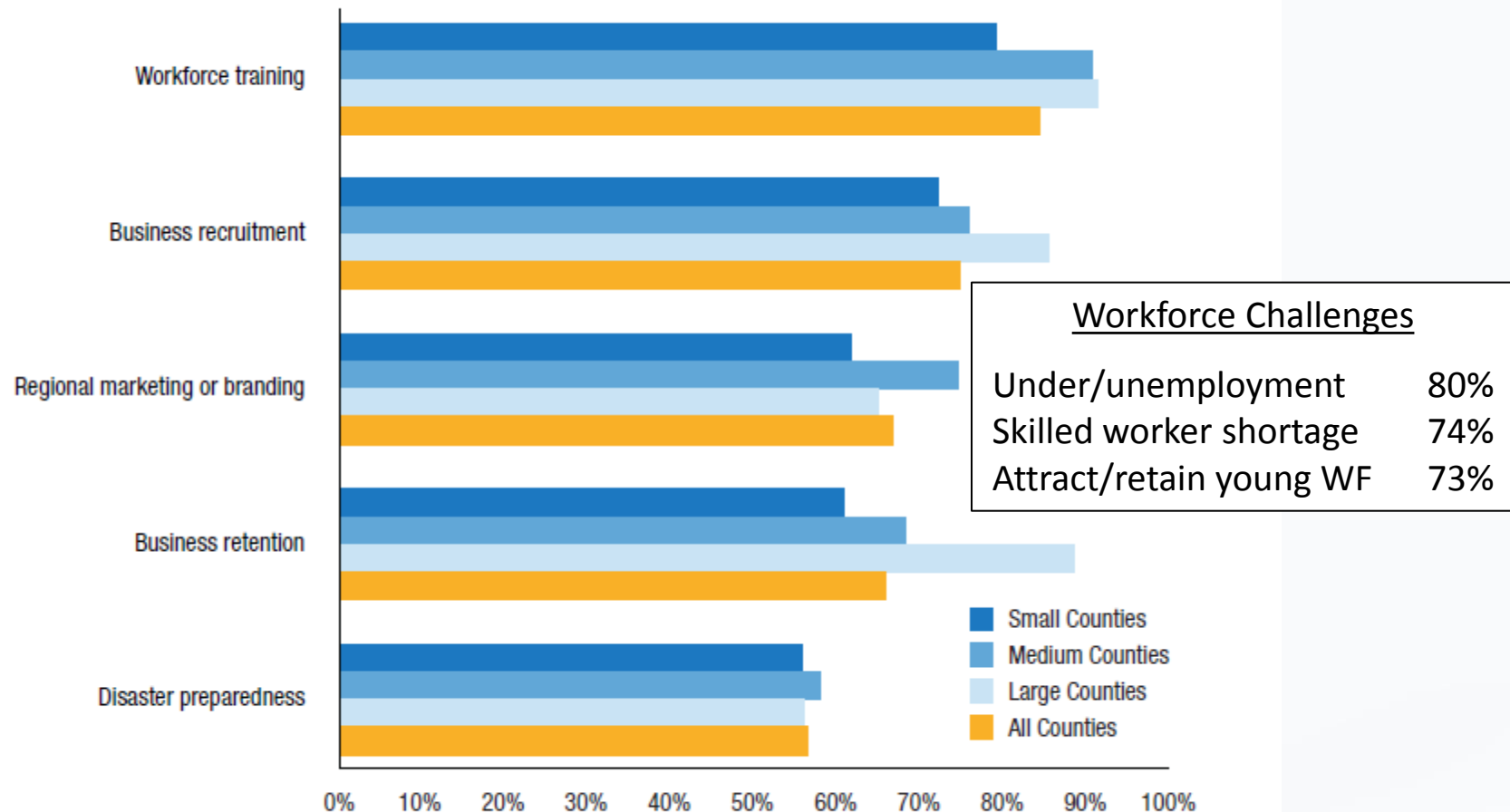
Sources: NACo survey, October 2013; 2012 population data-U.S. Census Bureau, Population Estimates, 2013

Counties invest **\$25.6 billion** annually in econ dev and **\$106.3 billion** in building infrastructure and maintaining and operating public works.

82% of counties fund econ dev w/ general revenue.

Workforce Development

FIGURE 2: TOP FIVE ECONOMIC ACTIVITIES FOR COUNTY PARTNERSHIPS,
PERCENT OF RESPONDING COUNTIES BY COUNTY POPULATION SIZE, 2013

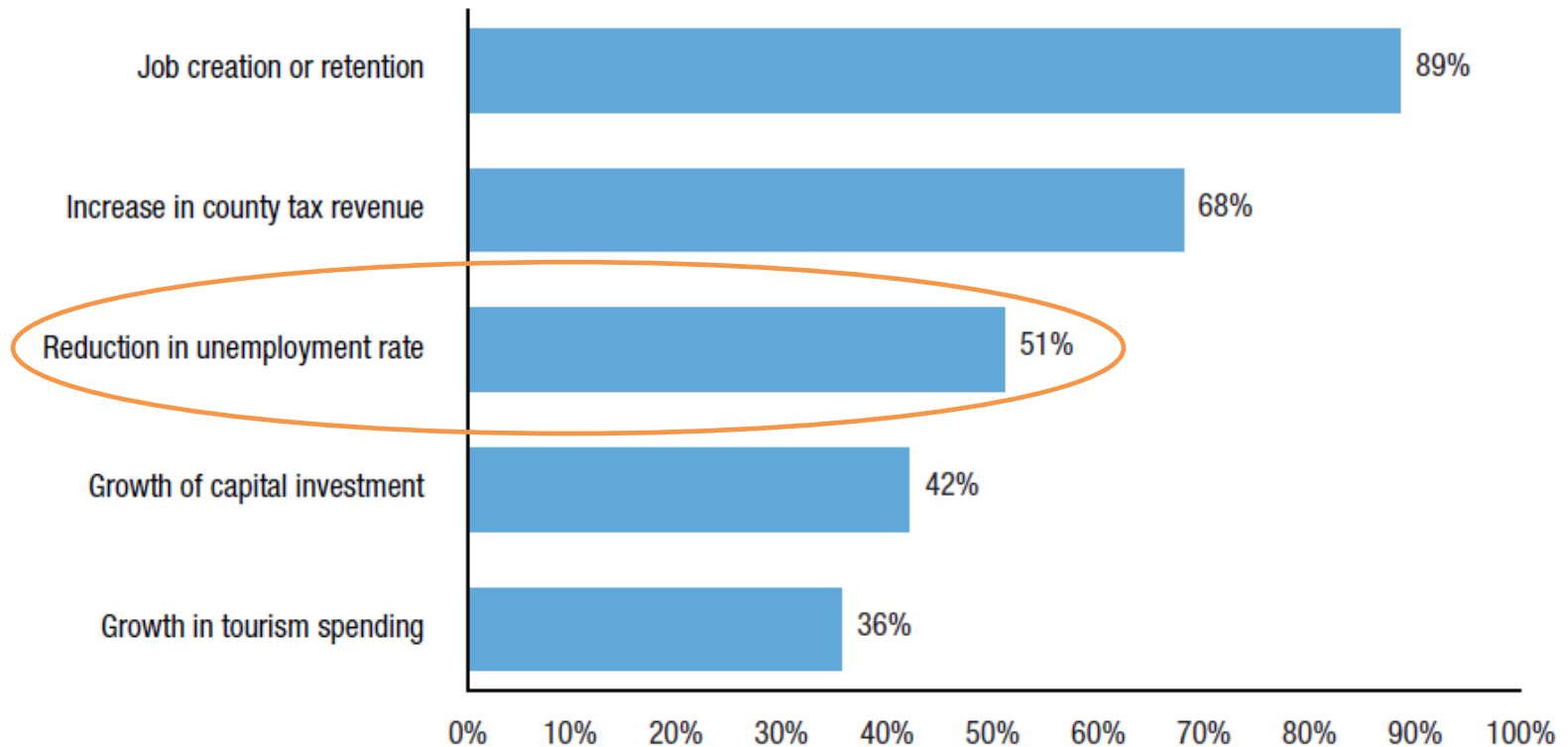


Notes: Large counties have more than 500,000 residents. Medium-sized counties have between 50,000 and 500,000 residents.
Small counties are counties with less than 50,000 residents.

Sources: NACo survey, October 2013; 2012 population data-U.S. Census Bureau, Population Estimates, 2013

Workforce Development

FIGURE 6: TOP FIVE MOST USED PERFORMANCE MEASURES FOR COUNTY ECONOMIC DEVELOPMENT INITIATIVES, PERCENT OF RESPONDING COUNTIES, 2013



Sources: NACo survey, October 2013

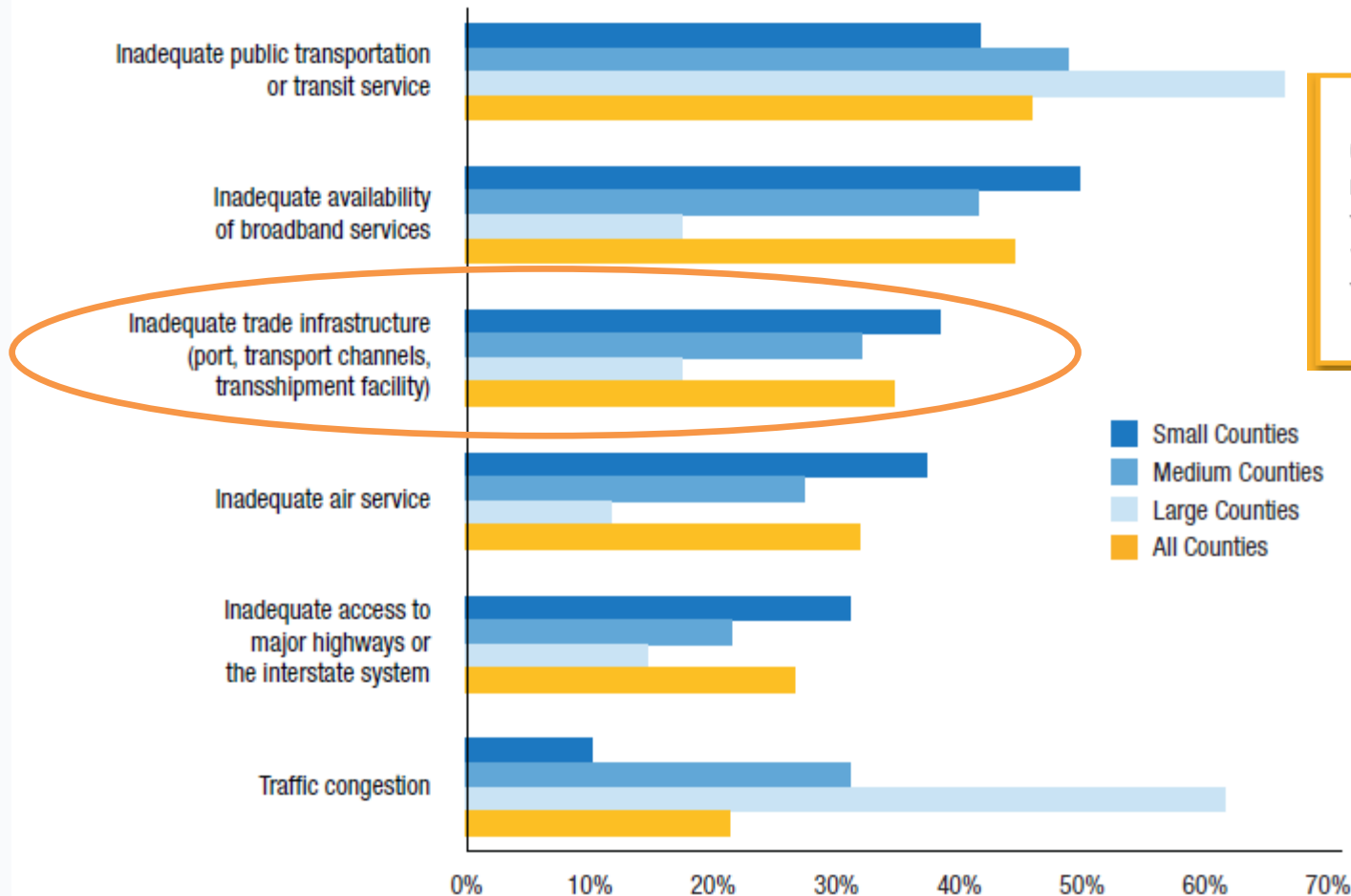
International (Trade/FDI)

	Export Promotion	FDI Attraction
Large	41%	38%
Medium	31%	31%
Small	16%	10%
Total	23%	20%

Economic development opportunity: 95% of world consumers live outside US;
foreign direct investment (FDI) added **\$193 billion** to US economy in 2013

Trade Infrastructure

FIGURE 9: INFRASTRUCTURE CHALLENGES FOR COUNTIES,
PERCENT OF RESPONDING COUNTIES BY COUNTY POPULATION SIZE, 2013



Counties of all sizes need more and better trade infrastructure, from ports and roads to transshipment facilities.


Notes: Large counties have more than 500,000 residents. Medium-sized counties have between 50,000 and 500,000 residents. Small counties are counties with less than 50,000 residents.

International (Trade/FDI) Case Study

STRONG ECONOMIES, RESILIENT COUNTIES


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MADISON COUNTY, ALABAMA

Diversifying Defense Industries through International Trade




Located in north Alabama, Madison County is a center of defense-related industries. The third most populous county in the state, it has a highly skilled labor force, with almost 38 percent of the population older than 25 years old holding a bachelor's degree or higher. Redstone Arsenal and NASA's Marshall Space Flight Center have propelled Madison County to the national and international stage and the city of Huntsville is an epicenter for missile and rocket development and aerospace technology. The uncertainty around federal defense spending is always a challenge. In addition to making the workforce investments necessary to meet the changing needs of the modern military, the county seeks to encourage activities not dependent on military contracts, increase advanced manufacturing alongside already strong research and development facilities and promote international trade.

The International Trade Development Center (ITDC)

In 1983, the Madison County Commission Department of Planning and Economic Development established the International Trade Development Center (ITDC) as part of the County's economic development strategy to assist companies in expanding and diversifying their markets worldwide. ITDC offers direct one-on-one export assistance to businesses including consultation, market research, mentorship, referrals, training and market outreach. In conjunction with the formation of Madison County's ITDC, county staff worked closely with the private and public sectors to form a public-private joint venture. The North Alabama International Trade Association (NAITA), managed by ITDC, is a nonprofit 501(c)(6) business-driven organization committed to increasing knowledge, interest and activity in international trade in North Alabama. Key partners include private sector companies experienced in all aspects of trade; the local chamber; international service providers in the legal, finance, transportation and translation/interpretation sectors; area universities; and the Huntsville/Madison County Airport Authority (Port of Huntsville).

The mission of the ITDC/NAITA public-private partnership is to promote economic growth through international trade education, training and networking. NAITA serves as the private sector trade advisory board for the ITDC, which provides access to a pool of expertise for specific questions or challenges. The ITDC/NAITA partnership is also a member of the statewide Export Alabama Alliance, which is comprised of trade professionals from the state's Alabama Department of Commerce - International Trade Division, the University of Alabama International Trade Center

- Population, 2013: 346,892
- County Board size: 7



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Promoting international trade as an economic diversification strategy to leverage federally-funded programs in defense industries.

Providing critical technical expertise to entrepreneurs, as well as existing businesses of all sizes.

Partnering with local university to measure economic impact & gauge industry needs on ongoing basis.

International (Trade/FDI) Case Study

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RIVERSIDE COUNTY, CALIFORNIA

Actively Pursuing Foreign Trade Opportunities



Located in the middle of the the Riverside-San Bernardino metropolitan area, Riverside County, Ca. is a large county with a fast growing population. Since 2000, the county added more than 733,000 residents, a 47 percent growth rate in only 13 years. The latest economic downturn affected significantly the county economy; the county unemployment rate is still above 8 percent, as of April 2014, although it dropped by half since 2010. Riverside County was not alone experiencing the negative effects of the recession, as the entire Riverside metro area recorded high foreclosure rates. In the same time, 90,000 jobs in the county are in manufacturing of goods sold abroad. One of the county strategies to help create job opportunities for a fast-growing resident population and counteract the latest downturn effects is the expansion of local market prospects abroad through export promotion, foreign direct investment (FDI) attraction and strategic partnerships with foreign countries.

The Riverside County Board of Supervisors established the Office of Foreign Trade (OFT) in March 2009 to diversify the economy through trade, foreign direct investment and expansion of new export markets. A Commissioner of Foreign Trade, an appointed position within the County Economic Development Agency, manages the office. OFT represents Riverside County business owners, entrepreneurs and investors during discussions with foreign governments.

Foreign Trade Zones (FTZs)

With the creation of the OFT in 2009, the county expanded its three foreign trade zones to attract foreign investment in the county. As of June 2014, Riverside County has four FTZs and a fifth underway, making it an appealing county for large manufacturers. Foreign trade zones lower costs for businesses located within the designated zone by reducing or eliminating tariffs and taxes on exports. These cost savings draw an increasing number of firms such as Skechers and Flexsteel to the county, creating jobs for county residents. In 2012, active sites within the FTZs employed 564 people and moved \$1 billion worth of product through the FTZs.

The county's focus on trade and use of FTZs capitalizes on its strong agricultural and manufacturing industries. Riverside County is proactive in attracting LEED certified buildings, offering discounts for manufacturing, electrical and utility

- Population, 2013: 1.6 million
- County Board size: 5
- County Executive Officer



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Office of Foreign Trade established in 2009 by Board of Supervisors.

Four foreign trade zones (FTZ) and a fifth FTZ underway—500+ workers & \$1 billion in good shipments.

FDI from 35 countries created 11,800 jobs w/ annual payroll \$800M (2013).

Negotiated trade agreements with Japan, Canada, & Croatia in 2013 & currently pursuing one with China.

Partnering with local universities & colleges to educate and train small businesses on exporting.

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