

GEORGIA INSTITUTE OF TECHNOLOGY  
OFFICE OF CONTRACT ADMINISTRATION  
SPONSORED PROJECT INITIATION

Date: January 25, 1977

Project Title: "Community Organization for Economic Development Program (COEDP)"

Project No: A-1919

Project Director: R. B. Cassell

Sponsor: Defense Supply Service - Washington

Agreement Period: From January 1, 1977 Until Sept. 14 - 1977  
December 31, 1977

Type Agreement: Contract No. MDA903-77-0102

Amount: \$19,671

Reports Required: Interim and Final

Sponsor Contact Person (s):

Technical Matters

Mr. Thomas Winhurst, OASD(I&L) EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310  
(202) 697-9155

Contractual Matters

(thru OCA)

*cc Sam Berner  
8/11/82*

Defense Priority Rating:

Assigned to: Economic Development Laboratory (School/Laboratory)

COPIES TO:

Project Director  
Division Chief (EES)  
School/Laboratory Director  
Dean/Director-EES  
Accounting Office  
Procurement Office  
Security Coordinator (OCA) ✓  
Reports Coordinator (OCA)

Library, Technical Reports Section  
Office of Computing Services  
Director, Physical Plant  
EES Information Office  
Project File (OCA)  
Project Code (GTRI)  
Other \_\_\_\_\_

GEORGIA INSTITUTE OF TECHNOLOGY  
OFFICE OF CONTRACT ADMINISTRATION  
SPONSORED PROJECT TERMINATION

Date: 8/13/80

Project Title: Community Organization for Economic Development Program (COEDP)

Project No: A-1919

Project Director: R.B. Cassell

Sponsor: Defense Supply Service - Washington

Effective Termination Date: 9/14/79

Clearance of Accounting Charges: 9/14/79

Grant/Contract Closeout Actions Remaining:

- ☒ Final Invoice and Closing Documents
- ☐ Final Fiscal Report
- ☐ Final Report of Inventions
- ☐ Govt. Property Inventory & Related Certificate
- ☐ Classified Material Certificate
- ☐ Other \_\_\_\_\_

Assigned to: EDL/AR (School/Laboratory)

COPIES TO:

Project Director  
Division Chief (EES)  
School/Laboratory Director  
Dean/Director-EES  
Accounting Office  
Procurement Office  
Security Coordinator (OCA)  
Reports Coordinator (OCA)

Library, Technical Reports Section  
EES Information Office  
Project File (OCA)  
Project Code (GTRI)  
Other \_\_\_\_\_

ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
November 30, 1977

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 30 November 76

Dear Mr. Winshurst:

We are continuing the practice of reporting on activities at all three of the localities where we are involved in conducting the COEDP.

Work Accomplished: We have now completed Phase V at both Baraboo, Wisconsin and Savanna, Illinois, and initiated Phase II in Clark and Floyd counties, Indiana. A number of the items cited below were reviewed in Washington last month in a conference with Mr. Paul Sage and other staff members who share a responsibility for activity in one or more of these communities.

Baraboo-Sauk Company: Our work has been completed in this community. We expect to prepare the final report in December-January.

Savanna-Carroll County: On our final trip to Savanna, we presented at the Savanna city hall a community-wide seminar reviewing the COEDP program which has been conducted there. Mr. W. G. Dodson and I discussed economic trends in Carroll and Jo Daviess counties, Illinois and adjoining areas, and some of the techniques used in development effort.

A total of 40 persons, including officials of the Carroll County Development Corporation, the public sector and private businesses from nine separate communities were in attendance. A review of our recommendations for short- and long-range action was presented, with considerable emphasis on the need for local initiative and innovation, coordinating such efforts with those of state and regional agencies.

Mr. Thomas Winshurst  
Page 2  
December 14, 1977

Newspaper articles on the program have been collected; these will be included in our final evaluation report which we hope to prepare shortly after drafting the one on Baraboo-Sauk County.

Clark and Floyd Counties: We intend to conduct early in December the Phase II portion of the program, which consists of the consultant's conference with local representatives. We are retaining the same consultant for this phase who previously participated with us in Illinois and Wisconsin.

The local groups have been put on notice about the forthcoming investigation trip. We are still unable, at this writing, to determine the receptivity of the state development organization to full participation in the program.

Work Ahead: After conducting Phase II in Clark and Floyd counties, we will prepare our critiques and series of recommendations for each community group, and discuss appropriate dates for Phase III with local representatives.

We will also be working on the final reports on Sauk and Carroll counties.

Some discussion has taken place with Mr. Sage with respect to other locations that might be suitable to participate in this program.

Expenditures: Through the end of October, our internal accounting reports the following expenditures:

Personal Services	\$6,617
Travel	3,016
Materials and Supplies (including consultant)	893
Overhead and Staff Benefits	<u>4,973</u>
Total	\$15,499

This does not constitute any billing, merely an informal accounting. Of this total, about \$1,750 has been expended in the early stages of our work in Clark and Floyd counties.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division



# ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Economic Development Laboratory  
January 31, 1977

Mr. Thomas Winshurst, OASD(I&L)EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 31 January 77

Dear Mr. Winshurst:

This project was formally initiated on 1 January. Certain preliminary steps were undertaken prior to that date, and these as well as January activities are reported herein. In mid-November we held an initial orientation for this work at Washington with members of the staff of the President's Committee for Economic Adjustment (Messrs. Ruane, Sage, Bishop, MacKinnon and Magurn).

Work Accomplished. While actual contractual arrangements were being completed, we proceeded to make contacts in Savanna, Illinois and in Baraboo, Wisconsin. With the assistance of Mr. Eldon L. Erickson, director of the Kansas City regional office, and additional assistance from Mr. MacKinnon and Mr. Bishop of the Washington staff, we made direct contact with the executive directors for the respective development corporations, explained our program and arranged for meetings with the representatives of those corporations and of the participating communities.

Prior to these sessions, I reviewed all reports, newspaper clippings and other data which had been provided as a result of the mid-November Washington session. I also contacted the state development agencies in Illinois and Wisconsin to obtain their full cooperation.

Savanna. On January 12, I met Mr. Erickson in St. Louis. We then flew to Moline, Illinois and drove to Savanna. We first visited with Mr. R. C. Bush, executive director of the Carroll County Development Corporation, discussed our program and then toured the community with Mr. Bush and Mr. Al Cordes.

Having prepared an introductory news release (copy attached), this was reviewed with Mr. Bush and hand delivered to Ms. Lila Atherton, editor of the Savanna Times-Journal. Other copies were left with Mr. Bush for distribution and one was handed over to Mr. Jonathan Whitney, publisher of the Carroll County Review.

At the evening session, ten local members of the Carroll County Development Corporation were present (list attached). Following Mr. Erickson's introduction, I explained the program proposed for the community, discussed various aspects and answered a number of questions. A copy of Bringing in the Sheaves by John R. Fernstrom was presented to Mr. Bush with the specific suggestion that

Mr. Thomas Winshurst

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January 31, 1977

members of the development team read certain sections of that primer.

At my personal invitation, Mr. Alan Fisher, representing the Illinois Office of Industrial Development, attended; he commented on the worthy objectives and thorough presentation of the program, and indicated a desire to assist the local group in the course of the training. Also, Mr. E. Stuart Richter, planner from the Northwest Illinois Regional Council of Public Officials, was in attendance and will participate.

Baraboo. As with the Illinois situation, Mr. Erickson and I visited first with the executive director of the Sauk County Development Corporation, Robert C. Fleming. We reviewed the press release (copy attached), and additional copies were left with him to distribute to proper sources. We also made a tour of the six villages and cities included in the corporation's territory.

The evening meeting was attended by 16 directors of the Sauk County organization (list attached). As at Savanna, we explained the program, obtained local agreement and support, and made reference to the Fernstrom book, copy of which was handed to Mr. Fleming.

At my invitation, David H. Swanson and Vance Rayburn of the Wisconsin Division of Business Development Services attended the session. They urged local participation and promised their own involvement.


Other Activity. Upon my return to this office, I contacted Dr. Howard Roepke of the University of Illinois, explained the proposed program and engaged him as the consultant to represent the simulated plant search. Dr. Roepke is very knowledgeable in the field of plant location and has acted as consultant to several companies. He will have some input into the particular location project to be presented to Carroll County and Sauk County development groups.

Work Ahead. This month we will complete the location project, check it out with our consultant (see above) and recontact the subject communities. We will also outline future news releases, considering a possible series on the development process tailored for the publics in the two areas involved.

Most of our work effort will be aimed for the forthcoming return trip during the week of March 14, when the consultant and I will guide each development group through the industrial location project.

Expenditures. Since our accounting system lags some two weeks behind the close of the month, my next report will cover expenditures for the month of January. To date, initial start-up expenditures, prior to formal initiation of the project on January 1 total \$524.

Sincerely,

  
Robert B. Cassell  
Industrial Development Division

H-1919

# ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Economic Development Laboratory

February 28, 1977

Mr. Thomas Winshurst, OASD (I&L) EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 28 February 77

Dear Mr. Winshurst:

Only a limited amount of time was expended upon this project during the month of February. That effort, however, is critical to the success of the entire program, in that it has required considerable research in order to develop the case simulation which we will be applying in both Baraboo, Wisconsin and Savanna, Illinois.

Work Accomplished. We have determined that a metal-working company, one which manufactures a line of office and institutional items, would be compatible in either community. Thus, our prospective company could very logically consider both communities in the course of plant facility locations investigations.

Complete data has been developed for use by the consultant, including both the rather general data which will be presented initially prior to the visit, and the more complete details upon which we are basing the entire investigation. We have prepared extensive background information, and statements which describe the setting of the problem, extensive details on plant location requirements, and possible lines for the follow-up. Also, we have prepared sample check sheets for use of the observers.

All of these are in the hands of the consultant for his review, and we are also reexamining all of these items to be certain no contradictions remain.

Initial contacts by letter to the Sauk County Development Corporation and the Carroll County Development Corporation have been made. This approach will invite some response to a general inquiry in which certain details either have not been furnished, or are subject to further refinement and changes. This procedure follows the accepted fashion in which plant location inquiries are conducted, with the refinements being made as the investigation intensifies. But in our case, we already know the details to be filled in, answers to some questions that may be asked, and additional items we feel should be emphasized. The respective state development departments also have been brought up to date on the status of the project.

Mr. Thomas Winshurst

Page 2

February 28, 1977

Work Ahead. In the month ahead we expect to make the full-scale locational investigation survey of both communities, now scheduled for the week of March 14. Only limited advance notice will be given the subject communities; part of their response and reaction will be judged upon their ability to perform within the short time frame provided and with a limited amount of preconference guidance and direction.


As the consultant and I guide the development groups through the location project, we anticipate the opportunity to obtain sufficient details to make our subsequent report to them worthwhile and meaningful.


We are also selecting subject areas and phasing in a series of articles to be supplied to the local press on the development process which will be of interest to the public at large.

Expenditures. Through the end of January, our accounting shows the following expenditures:

Personal Services	\$665
Travel	499
Overhead and Retirement	<u>471</u>
Total	\$1,635

I shall be pleased to furnish additional details should that be desired.

Sincerely, 

  
Robert B. Cassell  
Industrial Development Division

H-1919

ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Economic Development Laboratory  
March 31, 1977

Mr. Thomas Winshurst, OASD(I&L)EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 31 March 1977

Dear Mr. Winshurst:

Work Accomplished. The execution of Phase Two of our development program was accomplished last month. A consultant from the Middle West, representing a metalworking company which has several plants and produces a line of commercial and institutional products, was conducted by us to Savanna, Illinois and Baraboo, Wisconsin.

Complete data on the location project had been developed for the consultant's investigation. These materials and a further amplification of details were reviewed with the consultant -- Dr. Howard Roepke of Urbana, Illinois -- prior to our visit in each community. Accompanying me also was Mr. Philip Potts, Research Engineer from Georgia Tech, as a team observer.

The local team representing the Carroll County Development Corporation met in Savanna. They had about five hours to make their presentation, to show industrial sites and other features of importance. Certain points of additional information were requested by the consultant, this information to be supplied to him within ten days.

In a similar manner, we held a meeting with the team representing the new Baraboo Economic Development Council. This was done upon recommendation by the Sauk County Development Corporation. We used the same approach and method here; however, since representatives of Sauk City and Prairie du Sac were not present, we agreed to an evening session with those representatives. Once again, we reviewed details of the project, testing to see how effectively the local situations were presented.

In both instances, the procedures which were followed in presenting the project, in outlining company needs, and in the request for followup information were faithful to the accepted fashion in which similar plant location inquiries are usually conducted. At Savanna, a representative of the state development

Mr. Thomas Winshurst

Page 2

March 31, 1977

department from Springfield participated, at our request. Similarly at Baraboo, a representative of the state development agency at Madison was present for the prospect investigation, again at our request.

Work Ahead. In the coming month, we expect to prepare a critique of the performance of each group in Savanna and in Baraboo. These will incorporate the comments from the consultant, indicating what he would report to his management on each location. Our critique will also attempt to assess the pluses and minuses of each situation.

We shall make arrangements to meet with the same groups in May for a presentation of the critique, a review of this analysis, and an outline of a program of work. We expect the program of work to be practical oriented, with some specific short-range and long-range items.

As indicated in last month's report, we are planning a short series of articles suitable for publication in the local press. They will deal with the development process and the particular features that should be of community-wide interest. We have already had some indication of interest on the part of one paper in publication of the proposed series.

Expenditures. Through the end of March, our internal accounting lists the following expenditures:

Personal Services	\$1,846
Travel	1,269
Overhead and Retirement	<u>1,424</u>
Total	\$4,539

I shall be pleased to furnish additional details should that be desired.

Sincerely,

Robert B. Cassell  
Industrial Development Division

14-1919



## ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Economic Development Laboratory

April 29, 1977

Mr. Thomas Winshurst, OASD(I&L)EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 29 April 1977

Dear Mr. Winshurst:

Work Accomplished. The consultant who served as the industrial prospect in March at Savanna, Ill., and at Baraboo, Wis., has submitted reports with his analysis of each situation.

These have been reviewed and are being incorporated into our overall critique of the activity as analyzed by our team. Each report will constitute an appraisal of the assets and weaknesses in the respective situations. We expect to make specific recommendations for a positive program of work to correct or to offset some of the latter.

Also, we have begun to develop a series of background articles which will be offered to the news media in each community. These are planned as a series of features which will include the background and rationale for communities engaging in the industrial development activity, the actual process of organizing and preparation, the location factors leading to new plant site selection, trends in the development process, and lastly the local development team and its program. These would be specifically related to our program in the two communities.

Work Ahead. As indicated above, a tailor-made critique is being prepared on the performance as observed in March. Also, tentative arrangements have been made with each community for a return visit at which time I expect to review the details of our report with members of the local development corporation. At the moment, we are planning to have these conferences during the week of May 23.

Mr. Thomas Winshurst

April 29, 1977

Page 2

We intend the work program to be practical in orientation, with specific short-range as well as some long-range items.

Expenditures. Through the end of April, our internal accounting reports the following expenditures:

Personal Services	\$2,039
Travel	1,269
Materials and Supplies (including consultant)	794
Overhead and Retirement	<u>1,570</u>
Total	\$5,672

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Industrial Development Division

A-1919



## ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory

August 31, 1977

Mr. Thomas Winshurst, OASD(I&L)EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 31 August 1977

Dear Mr. Winshurst:

Work Accomplished. In May, Mr. Paul Sage, project manager on this contract, and I met with the industrial development contact teams in Savanna, Ill., and Baraboo, Wis. At those meetings we reviewed with each group the critiques prepared by the Georgia Tech group, including the consultant's analysis.

A series of recommendations for short-range and long-range actions was prepared for each locality. These suggestions include a series of activities from the preparation of materials on the one hand to the acquisition of land areas and their development into industrial sites.

In June, during a conference in OEA offices in Washington, the progress of this project was reviewed with Mr. Sage, as well as with Messrs. Bishop and McKinnon, to bring all management current on activity which had been generated in both Savanna and Baraboo.

We agreed upon the execution of the next two phases: one, my return to each community to examine in depth the progress made and any obstacles encountered, and two, to make definitive plans for the carrying out of the last step the communitywide seminar and review of all activities undertaken. We also reached agreement about a verbal, non-recorded analysis of the constituency of the local industrial contact teams would be presented, with some informal recommendations as to the restructuring or expansion of the roles of local civic leaders.

Four of the five proposed media articles have been supplied to the local development groups. I have received clippings of publication of those which appeared in Sauk County newspapers.

Mr. Thomas Winshurst  
August 31, 1977  
Page 2

Work Ahead. In the month of September I plan to make trips to each community to undertake the fourth phase described above, and to finalize plans for our community seminar (our fifth phase).

The fifth article in the media series originally proposed will be either delivered or sent to each local contact. Copies of all of these will be included in our final reports to your office.

At the request of Col. William Epling, we have initiated work in Clark and Floyd counties, Indiana. A one-day trip to these localities, under direction of Eldon Erickson from the Kansas City regional office, has led to our "prephase one" get-acquainted activity. Our present plans call for the start of formal program late in September.

Expenditures. Through the end of July, our internal accounting reports the following expenditures:

Personal Services	\$3,661
Travel	1,777
Materials and Supplies (including consultant)	849
Overhead and Retirement	<u>2,795</u>
Total	9,049

This does not constitute any billing, merely an informal accounting.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,



Robert B. Cassell  
Economic Development Division

A-1919

ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
September 30, 1977

Mr. Thomas Winshurst, OASD(I&L)EA  
Defense Supply Service  
Department of the Army  
Room 3E772, The Pentagon  
Washington, DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 30 September 1977

Dear Mr. Winshurst:

In view of the contract amendment and new reporting dates, it seems appropriate to report on all aspects of our work, although the original agreement which covered the Sauk County, Wisconsin, and Carroll County, Illinois, situations did not specify additional interim reports. However, it would seem more effective for your project managers, as well as our Division, to keep all posted on the current status in each locality.

Work Accomplished. The execution of Phase IV in Baraboo and in Savanna was undertaken during the month.

On my return trip to Baraboo, I spent considerable time with Mr. Robert Fleming, executive director of the Sauk County Development Corporation, about the implementation of the program we had recommended. Mr. Fleming and other local representatives of the Sauk County development effort have identified a large acreage for an industrial park -- it will require utility extensions and some grading to reduce terrain differentials, but has definite potentials. Also, Mr. Fleming has started on the color film slide presentation which we urged.

We also discussed other aspects of the community's economic expansion thrust, including those at Reedsburg, Spring Green and Prairie du Sac. In making arrangements for the final Phase V of the program, we reviewed planning for the seminar and inspected the physical facilities. In an informal "off the record" session, we also discussed the constituency of the local contact team and the identification of special spokesmen. It is my impression Mr. Fleming is working diligently on all these aspects.

On my return trip to Savanna, I spent considerable time with Mr. R. C. Bush, executive director of the Carroll County Development Corporation. We discussed at length the implementation of the program we had recommended. Since Mr. Bush

Mr. Thomas Winshurst  
September 30, 1977  
Page 2

has been largely preoccupied with specific details leading to the acquisition of property and pending public announcement for a new large chemical industry, he had not been able to attack some of the other problems.

I was especially impressed by the fact that many of the techniques and approaches stressed in our training program had been applied during the negotiations with this major chemical industry.

We agreed upon a time and place for our community seminar -- to be held in early November. We also inspected the work being performed to clear and rough grade the locally owned industrial site, and inspected the large acreage which the chemical firm is acquiring.

In an informal "off the record" discussion, we also reviewed the makeup of the local contact team and evaluated candidates for the spokesman slot.

In connection with the Savanna visit, I joined Mr. Bush in a Tri-State Seminar offered by the Dubuque, Iowa Area Industrial Development Corporation where some of the experiences of the Savanna group were touched upon.

Also, last month the fifth in the series of articles were prepared for both Sauk and Carroll counties; I was informed subsequently that they were published in both communities.

We began the preparation of economic background materials on Wisconsin for the Baraboo-Sauk seminar, and made contact at the Dubuque meeting for the purpose of acquiring similar data for Illinois which will be presented in slides to be used in the Savanna-Carroll program.

In the Indiana program, because of local conflicts, the initial meeting which we planned for this month had to be shifted forward to October. This action required numerous contacts with local representatives, regional district officials, and your own staff members. At the same time, initial contacts were made with the Indiana state development department to explain our proposed program and to seek cooperation and participation from that sector.

All of these items have been reported verbally to Mr. Paul Sage as the designated project manager, and also to Mr. Eldon Erickson, the regional director.

Work Ahead. In the month of October we intend to complete Phase V which is the community seminar for the Sauk County communities. This seminar will be presented in Baraboo at the County Courthouse on October 3.

Mr. Thomas Winshurst

September 30, 1977

Page 3

Also, in mid-October we will initiate Phase I of the work in Clark and Floyd counties, Indiana. Arrangements have now been finalized with local contacts in each county. We anticipate that between 25 to 40 local leaders will attend this session, which will be held jointly for both counties on the campus of Indiana University Southeast.

Finally, I have made arrangements with Mr. Sage to have an interim project review on October 31 in the Washington offices of the Office of Economic Adjustment.

Expenditures. Through the end of August, our internal accounting reports the following expenditures:

Personal Services	\$4,063
Travel	1,877
Materials and Supplies (including consultant)	849
Overhead and Staff Benefits	<u>3,096</u>
Total	\$9,885

This does not constitute any billing, merely an informal accounting. Naturally, of this total, only a very small amount was expended for the start of work in Clark and Floyd counties.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division

# ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
October 31, 1977

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 31 October 77

Dear Mr. Winshurst:

We are continuing the practice of reporting on activities at all three of the localities where we are involved in conducting the COEDP.

Work Accomplished: We have completed Phase V at Baraboo, initiated Phase V in Savanna, and completed Phase I for Clark and Floyd counties.

Baraboo-Sauk County: On our final trip to Baraboo, we presented at the Sauk County courthouse our community-wide seminar assessing the program which has been conducted there. With assistance from Mr. Eldon Erickson from your Kansas City regional office, Mr. W. G. Dodson and I reviewed our community economic development program in Sauk County and its constituent communities. We did discuss trends in Sauk County compared to the State and other Wisconsin counties.

A total of 24 persons, including representatives from the Sauk County Development Corporation, the public sector and private business attended. A list of attendees will be supplied with our final report. A review of our recommendations for short- and long-range action was presented. We stressed the need for local initiative, coordinated with state and regional thrusts.

Mr. Robert C. Fleming wrote an excellent critique after conclusion of the total program. A copy of his letter is attached. I would urge that we give serious consideration to his request for a re-evaluation visit some nine to twelve months from this time. Newspaper articles on the program have been collected.

Savanna-Carroll County: We have made final arrangements for the Savanna-Carroll County seminar, similar in structure but different in specific content,

Mr. Thomas Winshurst

October 31, 1977

Page 2

which will be presented in November 3. Regrettably, Mr. Erickson will be unable to attend this session.

Articles have been published in Savanna papers on the program, and our five-part series has been published also.

We have been in regular telephone contact with Mr. Paul Sage and Mr. Erickson on the status of both of these efforts.

Clark-Floyd Counties: Mr. Erickson and I made our initial formal presentation on October 12 at an evening session at Indiana University Southeast, with assistance from the River Hills Regional Planning Commission. There were 25 persons in attendance from the two counties.

After discussion of the proposed work, complete agreement was reached to proceed with the project. Press releases were furnished to the contacts in both Clark and Floyd counties. I have contacted Dr. Howard Roepke of Champaign-Urbana, Illinois, to act as the consultant again, and I have written the initial inquiry letter to the contacts in the two counties.

Due to a certain reluctance of the Indiana economic development department to participate in this program, Mr. Erickson has volunteered to contact Mr. Donald Moreau and to obtain his endorsement and the department's participation.

Work Ahead: Early in November we will complete Phase V, which is the community seminar and program review, in Savanna-Carroll County.

Also, late in November or early December, depending upon the responses from the two counties, we will conduct Phase II the visit of the industrial company's consultant who is on a new facility location search. Planning and arrangements for this session are currently underway.

Our proposed review session with Mr. Sage set for the end of October in Washington in your offices has now been rescheduled for mid-November, because of other travel commitments of Mr. Sage.

Expenditures: Through the end of September, our internal accounting reports the following expenditures:

Personal Services	\$5,163
Travel	2,122
Materials and Supplies (including consultant)	852
Overhead and Staff Benefits	<u>3,881</u>
Total	\$12,018

Mr. Thomas Winshurst

October 31, 1977

Page 3

This does not constitute any billing, merely an informal accounting. Naturally, of this total, only about \$875 has been expended in initiation of our work in Clark and Floyd counties in this period.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell

Economic Development Division

# Sauk County Development Corporation

522½ Oak Street Box 33

Phone: (608) 356-3133

BARABOO, WISCONSIN 53913

## MEMBERS OF COUNCIL

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Sauk City, Wis.

### MAX HERRMANN, Mgr.

Manager - Humane Equip. Co.  
Baraboo, Wis.

### RAYMOND SCHOEPHORSTER

County Board Chairman  
Prairie du Sac, Wis.

### JOHN JOHNSON

Bank of Spring Green  
Spring Green, Wis.

### TED MANDT

Baraboo Ind. Dev. Comm.  
Gift Shop Retailer  
Baraboo, Wis.

### JIMMY C. HALL, Mgr.

Flambeau Products Corp.  
Baraboo, Wis.

### FRITZ WAGNER

Attorney  
Baraboo, Wis.

### WM. CAREY

U. of W. Extension Agent  
Baraboo, Wis.

### ROBERT C. FLEMING

Executive Secretary  
Baraboo, Wis.

October 12, 1977

Mr. Robert B. Cassell  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlantic, GA 30332

Dear Mr. Cassell,

At the conclusion of the last seminar that you conducted in Sauk County I would like to add some personal assessments. Those assessments would deal primarily with the past, the present, and the future of Sauk County in relation to economic development and the program as presented by you.

First of all, the attitude that exists in Sauk County today compared to what it was a brief fifteen months ago when the office of Economic Adjustment first made a field trip to Sauk County, is completely turned around. Part of the attitude that exists now compared to 15 months ago and the change that has taken place, has to be attributed to the program that you conducted in Sauk County. The educational process that was put forth by you and was pointed out to community leaders showed that by having the right attitude and so called "taking the bull by the horns" created a new attitude in Sauk County. That attitude is reflected in the communities that participated in your program.

Point two relates to point one that I just mentioned. We had five communities that were asked to participate in your program. Four of the five did participate in the program and three of the five attended the program very well from the very start. Those communities that did

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October 12, 1977

participate have shown marked improvement in the accomplishments within their own community and the attitudes that exist in many of the elected officials in those communities. The communities that contributed little to the program or did not attend at all are still in the same doldrums that they were 15 months ago.

Based on this type of history, it is my opinion that your program had very much to do with educating the community leaders on the necessity of creating the right attitude within their communities.

Point three that I would like to point out would be the idea of calling back on Sauk County in say nine months to a year from now. It would be interesting to assess a year from now the completion of an Industrial Park in Baraboo, what has happened in the Sauk-Prairie area, and how is Reedsburg doing; the communities that did participate in your program. It would seem that a return visit a year from now would give one the necessary data to really evaluate the program and give a better conclusion to the effects of the program. This is only a suggestion, but it may be something that you will want to consider with Eldon Erickson or toher people that have been associated with the sponsorship of your being in Sauk County.

In conclusion, the last seminar was attended by 23 community leaders throughout Sauk County. The representation included some people from the Wisconsin Dells area that have never been at any of the other programs. The feedback that I am getting today, a week after your being here, is all positive and all good. The thirst for more knowledge about community development and how communities can help themselves is now very evident in Sauk County. The responsibility for


Mr. Robert B. Cassell 3

October 12, 1977

educating these communities and providing more programs to them on the community development concept and industrial development will be mine. I do assure you that in the future I will be conducting classes and courses in those communities that are willing and wanting to create change and build new attitudes within their communities. The programs that you presented were all excellent background and gave the basic ingredient that is needed for community change and development.

My sincere thank you for a job well done.

Sincerely



Robert C. Fleming  
Executive Director

RCF/yca



ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

A-1919

Technology and Development Laboratory  
July 20, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 31 December 77

Dear Mr. Winshurst:

This interim report covers activities in those four localities where we have been involved in conducting the COEDP.

Work Accomplished: We have completed Phase V at both Baraboo, Wisconsin and Savanna, Illinois, and initiated Phase II in Clark and Floyd counties, Indiana.

Baraboo-Sauk County: Our work has been completed in this community. We expect to prepare the final report in January-February.

Savanna-Carroll County: Our work has been completed in this community. We expect to prepare the final report in January-February.

Clark and Floyd Counties: We conducted early in December the Phase II portion of the program, which consisted of the consultant's conference with local representatives. We retained the same consultant for this phase who previously participated with us in Illinois and Wisconsin.

We have amended and adapted our location problem which was presented in other locations so that it will conform to local Indiana circumstances. However, the basic situation of the consultant searching for a suitable location, and seeking the best combination of conditions will continue to prevail.

Work Ahead: We will prepare our critiques and series of recommendations based upon the performance in Phase II for each community group, and discuss

Mr. Thomas Winshurst

Page 2

July 20, 1978

incorporated an outline of company needs, discussion of the project, and a request for followup information. These duplicate the accepted fashion in which most similar investigations are made.

In March, a full critique was presented to each group. This was Phase Three of the program. Each critique stressed strong points in the presentation and underscored weaknesses which need local attention and correction. In each case, a program of work, with both short-range and long-range objectives, was presented.

Work Ahead: A return trip to each community is planned for June, to carry out what will be Phase Four of the revised program. This activity will include a review of the actions taken on the recommendations made in March and formulating arrangements for an early community-wide seminar in the fall.

Also, the first in a series of articles on local community economic development for dissemination to the press and radio will be prepared for release by the local organization.

Revision of the Illinois and Wisconsin final reports will be undertaken when OEA comments are received.

Expenditures: Through the end of March, our internal accounting reports the following expenditures:

Personal Services	\$10,294
Travel	4,185
Materials and Supplies (including consultant)	1,680
Overhead and Staff Benefits	<u>7,953</u>
Total	\$24,112

This does not constitute any billing, merely an informal accounting. Of this total, \$7,042 has been expended in the work in Clark and Floyd counties.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division



ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
July 20, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 30 April 78

Dear Mr. Winshurst:

This interim report covers activities on all four locations where we are conducting the COEDP.

Work Accomplished: Drafts of the final reports on Baraboo-Sauk County, Wis., and Savanna-Carroll County, Ill., were transmitted in February for review by the Office of Economic Adjustment staff.

A trip was made in March to Westover-Chicopee, Mass., to explain this program and to obtain local concurrence. The offer was rejected, and no alternative location has been selected.

Clark and Floyd Counties: The completion of Phase Two of the program occurred early in December. The Middle West consultant, representing a metalworking company with several plants and making a line of commercial and institutional products, was escorted to Jeffersonville and New Albany and introduced to the local development leaders.

Complete data on the location project had been reviewed with the consultant, along with materials and details furnished by the local development groups. Mr. Wayne Hodges, Research Scientist from Georgia Tech, accompanied us as a team observer.

In both instances, the local development team had adequate time to interview the facility specialist and to make a full presentation. The procedures followed

Mr. Thomas Winshurst

Page 2

July 20, 1978

incorporated an outline of company needs, discussion of the project, and a request for followup information. These duplicate the accepted fashion in which most similar investigations are made.

In March, a full critique was presented to each group. This was Phase Three of the program. Each critique stressed strong points in the presentation and underscored weaknesses which need local attention and correction. In each case, a program of work, with both short-range and long-range objectives, was presented.

Work Ahead: A return trip to each community is planned for June, to carry out what will be Phase Four of the revised program. This activity will include a review of the actions taken on the recommendations made in March and formulating arrangements for an early community-wide seminar in the fall.

Also, the first in a series of articles on local community economic development for dissemination to the press and radio will be prepared for release by the local organization.

Revision of the Illinois and Wisconsin final reports will be undertaken when OEA comments are received.

Expenditures: Through the end of March, our internal accounting reports the following expenditures:

Personal Services	\$10,294
Travel	4,185
Materials and Supplies (including consultant)	1,680
Overhead and Staff Benefits	<u>7,953</u>
Total	\$24,112

This does not constitute any billing, merely an informal accounting. Of this total, \$7,042 has been expended in the work in Clark and Floyd counties.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division



## ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
Economic Development Division  
October 17, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 31 May 78

Dear Mr. Winshurst:

This interim report covers activities on all locations where we have contracted to perform services under the COEDP.

Work Accomplished: Drafts of the final reports on Baraboo-Sauk County, Wis., and Savanna-Carroll County, Ill., were transmitted in February for review by the Office of Economic Adjustment staff. In May, Mr. Paul Sage made suggestions for final revision.

No alternative location has been selected to the Westover-Chicopee, Mass. site.

In March, a full critique was presented to each Indiana group. This was Phase Three of the program. Each critique stressed strong points in the presentation and underscored weaknesses which need local attention and correction. In each case, a program of work, with both short-range and long-range objectives, was presented.

Work Ahead: A return trip to both Indiana communities is planned for next month, to carry out Phase Four of the revised program. This activity will include a review of the actions taken on the recommendations made in March and formulating arrangements for an early community-wide seminar in the fall.

Mr. Thomas Winshurst  
Page 2  
October 17, 1978

The first in a series of articles on local community economic development for dissemination to the press and radio will be prepared for release by the local organization.

Revision of the Illinois and Wisconsin final reports will be undertaken in accordance with OEA comments.

Expenditures. Through the end of April, our internal accounting reports the following expenditures:

Personal Services	\$10,570
Travel	4,309
Materials and Supplies (including consultant)	1,720
Overhead and Staff Benefits	<u>8,167</u>
Total	\$24,766

This does not constitute any billing, merely an informal accounting. Of this total, some \$7,400 has been expended in the work in Clark and Floyd counties.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Principal Research Scientist



## ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory

Economic Development Division

October 17, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E, 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 30 June 78

Dear Mr. Winshurst:

This interim report covers activities on all locations where we have contracted to perform services under the COEDP.

Work Accomplished: A return trip was made to Clark and Floyd counties during the month in order to carry out Phase IV of the program. Progress made on earlier recommendations (see reports for 30 April and 31 May) were reviewed with the local development professionals at each location. Also, arrangements were finalized for the development seminar scheduled for mid-September. On this same trip, contact was made with the Indiana state development department to obtain needed data and to attempt to involve staff members in the final phase of the program.

Three articles on local community economic development dissemination to the press and radio as a release from the respective local organizations were delivered on this visit.

Also during the month we were assured that proposed work in Guam would be "locked on". Preliminary scheduling, programming and related planning efforts were initiated. This work included a one-day meeting with Mr. Paul Sage of your office and Mr. Michael McClure, executive of the Guam Growth Council, by members of the team who will participate in the Guam program.

Work Ahead: It is anticipated that most of the personal services effort in the coming month will be involved in the several-day seminar with Guam development leaders and the extensive travel in connection with that program.

Mr. Thomas Winshurst

Page 2

October 17, 1978

Also we expect to initiate editing of the final reports on Savanna, Ill., and Baraboo, Wis.

Expenditures: Through the end of May, our internal accounting reports the following expenditures:

Personal Services	\$11,114
Travel	4,309
Materials and Supplies (including consultant)	1,751
Overhead and Staff Benefits	<u>8,587</u>
Total	\$25,761

This does not constitute any billing, merely an informal accounting. Of this total about \$8,000 has been expended in the work in Clark and Floyd counties, and \$878 on the abandoned activity at Westover-Chicopee, Mass.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division



ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

A-1919

Technology and Development Laboratory  
Economic Development Division  
October 17, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 31 July 78

Dear Mr. Winshurst:

This interim report covers activities on all locations where we have contracted to perform services under the CODEP.

Work Accomplished: A four-day workshop/training program was presented on the island of Guam describing techniques for total economic development by a team of specialists from our Division. Approximately thirty Guam citizens attended one or more of these sessions. The entire program was observed and monitored by Mr. Paul Sage of your office.

A considerable amount of intensive preparation, development of subject course outlines, collection of handout materials, and selection of reference materials was undertaken in order to make this presentation as effective as possible.

A limited amount of time was expended, upon the return from Guam, getting current on interim reports which were due your office.

Work Ahead: In the coming month we shall complete the editorial revision of the final reports on Savanna, Ill., and Baraboo, Wis., prepare additional news releases and advance our preparations for the two seminars scheduled for mid-September at New Albany and Jeffersonville, Ind.

Mr. Thomas Winshurst

Page 2

October 17, 1978

Expenditures: Through the end of June, our internal accounting reports the following expenditures:

Personal Services	\$11,978
Travel	4,424
Materials and Supplies (including consultant)	1,751
Overhead and Staff Benefits	<u>9,255</u>
Total	\$27,408

This does not constitute any billing, merely an informal accounting. Of this total, about \$8,200 has been expended in the work in Clark and Floyd counties, \$878 on the abandoned activity at Westover-Chicopee, Mass., while most of the Guam project expenditures will be reflected in the end of July accounting.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Principal Research Scientist



ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
Economic Development Division  
October 17, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E, 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 31 August 78

Dear Mr. Winshurst:

This interim report covers activities on all locations where we have contracted to perform services under the COEDP.

Work Accomplished: Certain details following the training session on the island of Guam were carried out such as collecting information requested by interested participants, preparing certificates for attendees, and expediting of the consultant's charges and travel expenses.

Some time was expended on various preparations for the forthcoming seminars in Indiana, including the preparation of certain visual aids for the sessions, and writing of news releases and articles.

Final editing on the reports on our work in Savanna, Ill., and Baraboo, Wis. was completed and ready for final typing.

Work Ahead: Major tasks next month are to deliver the community economic development seminars in New Albany and Jeffersonville, Ind.

Typing, proofing, and delivery of the final reports on Savanna and Baraboo activities will be undertaken.

A visit to OEA offices in Washington to review status of the project is also planned.

Mr. Thomas Winshurst

Page 2

October 17, 1978

Expenditures: Through the end of July, our internal accounting reports the following expenditures:

Personal Services	\$17,548
Travel	11,417
Materials and Supplies (including consultant)	1,753
Overhead and Staff Benefits	<u>14,037</u>
Total	\$44,755

This does not constitute any billing, merely an informal accounting. Of this total, about \$8,550 has been expended on the work in Clark and Floyd counties, and about \$19,200 on Gaum (additional expenditures to be reflected next month).

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division

A-1919



ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
Economic Development Division  
October 17, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E, 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 30 September 78

Dear Mr. Winshurst:

This interim report covers activities on all locations where we have contracted to perform services under the COEDP.

Work Accomplished: During this month, we completed Phase V for the Indiana communities. Community-wide seminars on economic development were conducted on September 20 and 21 at New Albany and Jeffersonville. These were attended by about fifteen leaders in each community. Full details on this phase will be incorporated in our final report on the Indiana project.

Last month we formally transmitted three copies of final revised reports for work in Carroll County, Ill, and Sauk County, Wis. Copies were also hand-delivered to the project directors in the OEA offices in Washington.

At this Washington conference, a debriefing session was held with Col. Jerome Pearring on the work accomplished and the remaining tasks ahead. An informal accounting of expenditures was also reviewed. In the discussion with Col. Pearring certain changes in reports scheduling were suggested, these to be formally proposed through contracting channels.

Work Ahead: There are yet a few details on the Guam project to be completed, such as completion of certificates to attendees in the program there, and a final report.

Mr. Thomas Winshurst

Page 2

October 17, 1978

A final report on the program conducted in Indiana is to be drafted and forwarded for review.

Informal arrangements have been made to transfer work commitments originally assigned for Westover-Chicopee to the three-county area in Georgia centered on Hinesville, all impacted by the Fort Stewart build-up.

Expenditures: Through the end of August, our internal accounting reports the following expenditures:

Personal Services	\$18,645
Travel	11,417
Materials and Supplies (including consultant)	4,818
Overhead and Staff Benefits	<u>14,974</u>
Total	\$49,854

This does not constitute any billing, merely an informal accounting. Of this total, about \$8,900 has been expended on the Clark-Floyd County work, about \$23,000 on Guam, with final reports on both activities yet to be compiled.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division

Mr. Thomas Winshurst

Page 2

December 1, 1978

Expenditures: Through the end of October, our internal accounting reports the following expenditures:

Personal Services	\$20,651
Travel	11,932
Materials and Supplies (including consultant)	4,894
Overhead and Staff Benefits	<u>16,687</u>
Total	\$54,164

This does not constitute any billing, merely an informal accounting.

I shall be pelased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division



ENGINEERING EXPERIMENT STATION  
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

A-1919

Technology and Development Laboratory  
Economic Development Division  
January 2, 1979

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E, 772, The Pentagon  
Washington, D.C. 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 31 December 78

Dear Mr. Winshurst:

This interim report covers activities at all locations where we have contracted to perform services under the COEDP.

Work Accomplished: During this month, we completed a draft of the final report of work in the Indiana communities of Clark and Floyd counties -- this draft will be typed and forwarded for your review shortly.

Final revised reports for work in Carroll County, Ill., and Sauk County, Wis., have been accepted by your office.

We transmitted to the Guam Growth Council the certificates for those individuals who participated in our training program there.

Several contacts were made in Hinesville, Ga., and in Washington to begin our program in Liberty - Bryan - Long counties.

Work Ahead: Only a few details on the Guam project are to be completed, including a draft of the final report.

Draft of the final report on the program in Indiana will be forwarded for review.

We will prepare a detailed outline of activities in the three-county area of Georgia around Hinesville, all impacted by the Fort Stewart build-up, as soon as we receive a copy of the Kavanagh report. First meeting is scheduled late in January, and this will put us far behind schedule.

A-1919



## ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
Economic Development Division  
December 1, 1978

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of The Secretary of Defense (MR&L)  
Room 3E, 772, The Pentagon  
Washington DC 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program  
(COEDP)  
Interim Report 30 November 78

Dear Mr. Winshurst:

This interim report covers activities at all locations where we have contracted to perform services under the COEDP.

Work Accomplished: During this month, we began writing the draft of the final report of work in the Indiana communities of Clark and Floyd counties.

We earlier transmitted copies of final revised reports for work in Carroll County, Ill., and Sauk County, Wis.

We began preparation of the certificates for those individuals who participated in our training program on Guam.

A meeting was held in Atlanta with Mr. Harry Levy to plan the work program to be instituted in Hinesville, Georgia.

Work Ahead: There are a few details on the Guam project to be completed, such as completion of certificates, and drafting of the final report.

The final report on the program conducted in Indiana is to be completed and forwarded for review.

We will begin detailed outline of activities in the three-county area of Georgia around Hinesville, all impacted by the Fort Stewart build-up.

Mr. Thomas Winshurst  
Page 2  
January 2, 1979

Expenditures: Through the end of November, our internal accounting reports the following expenditures:

Personal Services	\$21,279
Travel	11,932
Materials and Supplies (including consultant)	4,903
Overhead and Staff Benefits	<u>17,225</u>
Total	\$55,339

This does not constitute any billing, merely an informal accounting.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Economic Development Division



## ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

Technology and Development Laboratory  
Economic Development Division  
February 2, 1979

Mr. Thomas Winshurst  
Office of Economic Adjustment  
Office of the Secretary of Defense (MR&L)  
Room 3E, 772, The Pentagon  
Washington, D.C. 20310

Reference: Contract No. MDA-903-77-0102  
Community Organization for Economic Development Program (COEDP)  
Interim Report 31 January 79

Dear Mr. Winshurst:

This interim report covers activities at all locations where we have contracted to perform services under the COEDP.

Work Accomplished: Draft copies of the final report on work in the Indiana communities of Clark and Floyd counties were forwarded for your review.

Final revised reports on work in Carroll County, Ill., and Sauk County, Wisc., have been accepted by your office.

We began preparation of the draft of the final report of our program in Guam.

Late in the month we attended meetings in Hinesville, Ga., where our program in Liberty-Bryan-Long counties was initiated.

Work Ahead: We expect to transmit for your review a draft of the final report on the program conducted in Guam.

As soon as we receive your comments on the final report describing the program in Indiana, we will then complete that document.

We will proceed with Phase Two of our program in the three-county area of Georgia around Hinesville, all impacted by the Fort Stewart build-up. Since our first session did not occur until late in January, this will put us

Mr. Thomas Winshurst

Page 2

February 2, 1979

far behind schedule. We shall try to compensate for this lag by compressing the other segments.

Expenditures: Through the end of December, our internal accounting reports the following expenditures:

Personal Services	\$21,785
Travel	11,932
Materials and Supplies (including consultant)	4,906
Overhead and Staff Bene- fits	<u>17,659</u>
Total	\$56,282

This does not constitute any billing, merely an informal accounting.

I shall be pleased to furnish additional details, should such be desired.

Sincerely,

Robert B. Cassell  
Principal Research Scientist

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report on  
Pembroke/Bryan County  
Hinesville/Liberty County  
Ludowici/Long County  
Glennville/Tattnall County  
Georgia

For  
OFFICE OF ECONOMIC ADJUSTMENT  
DEPARTMENT OF DEFENSE

Prepared by  
Robert B. Cassell  
Principal Research Scientist

GEORGIA INSTITUTE OF TECHNOLOGY

ENGINEERING EXPERIMENT STATION  
Economic Development Laboratory  
Atlanta, Georgia 30332

April 1980

## COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Pembroke/Bryan County  
Hinesville/Liberty County  
Ludowici/Long County  
Glennville/Tattnall County  
Georgia

### Background

This program was originally conceived as a vehicle to involve local community leaders from counties impacted by military installation closings or reductions in force. The process was intended to stimulate effective economic development efforts at the local level. The Georgia counties involved, and the principal communities, were identified by the Office of Economic Adjustment, Office of the Secretary of Defense, as impacted by the substantial reactivation of activities at Fort Stewart, Georgia.<sup>1/</sup>

In this case, the activation of the 24th Infantry Division, and subsequent expansion of facilities at Fort Stewart, created a situation which led to the issuance of Industrial Development Profile (January 1979) by the Office of Economic Adjustment. It was deemed desirable to follow this with a training program for community leaders to demonstrate how to respond to inquiries from interested firms and investors who would generate new economic activities.

Conduct of the Economic Development Program was assigned to the Economic Development Laboratory of the Engineering Experiment Station at the Georgia Institute of Technology. This Laboratory was given the responsibility for executing all phases of the program, as described below.

### Program Purpose

The main thrust of this particular program is to provide a basis for

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1/ Impact Status Report, Presidents' Economic Adjustment Committee,  
(December 1976).

concerted community action directed towards achieving economic progress. It gave recognition to the fact that the enormous impact in terms of population increases, as well as the expansion of businesses and start-ups of new firms oriented to the construction and military requirements should be balanced with strong efforts to attract different types of economic activities. Such a strategy will serve to alleviate the major weakness in that the local economy may become almost completely dependent upon the military installation.

Involvement in the process of attracting new and suitable industrial facilities can provide an insight into the decision-making processes, as well as stimulating an impartial analysis of community strengths and weaknesses. From this combination of keener perception and confidence in negotiation procedures, a program of work with specific tasks for the leadership group can be recommended for action.

This program serves as a device for providing the local economic development team with a more intensive and a broader acquaintance with the scope and depth of local economic data and a ready recognition of appropriate situations in which this information can be readily utilized. In the course of such activity, community needs for expanding and improving infrastructural support would also be identified.

#### Specific Accomplishments

In involving the leadership in Bryan, Liberty, and Long counties and the City of Glennville, certain specific accomplishments were sought:

- o Participation by both the private and the public sectors in the various communities.
- o Use and application of economic data, already developed or easily accessible.
- o The proper function of a professional staff, contrasted with the role of the volunteer elements both from business and government.

- o The necessity to plan efforts for a period of long duration, using a proper mixture of both patience and persistence.
- o Positive attitudes and mature judgement decisions required in attracting new investment opportunities.

Fundamental to this approach is the assumption that any training or teaching experience with an adult group ought to immerse the subject members in a real-life experience. Out of this extended exposure can come the learning experience which highlights the best fashion in which to conduct negotiations. By focusing attention on processes which are not completed or areas which require further exploration and attention, mistakes can be averted and sound guidelines for future activity by the leadership group will be identified.

Ultimately, this series of interactions serves to broaden the knowledge and experience of the local leadership group, giving personal confidence to it and showing how to apply valid information. In the future, this group can assume the responsibility for expanding the economic base of the community, in conjunction with sources outside the community.

#### Phases of Activity

The program for the four Georgia local development groups consisted of three phases. These phases constituted (one) the initial introduction session or orientation, (two) the stage of prospect investigation, (three) the performance review and work program initiation.

Some preparatory work was required once the program commitments were made. Initial contacts in the subject communities were delayed at the request of Mr. Harry Levy of your office, until the Industrial Development Profile was released and discussed with local leaders.

Phase One. Within the time frame permitted, due to external circumstances mentioned above, the following schedule was followed. The initial meeting with local contact and officials took place late in January when the first draft of the Kavanagh report was presented for discussion with these representatives.

After we explained how the training program would operate, and fielded a number of questions, general agreement was obtained that the designated communities would participate, and names of those to be contacted, were furnished. A list of those attending this session is attached in the Appendix.

Phase Two. After arrangements were made for a consultant (Mr. F. Adrian Norton of Atlanta), and the location project was fine tuned, we contacted the communities early in March with the preliminary location contact inquiry. After replies and information was screened, arrangements were made for the industrial prospect's (consultant) visit.

A genuine manufacturing plant location search made by a metalworking corporation was used as the case and adapted so that it would meet the general circumstances of the southeastern situation. The consultant was rehearsed with complete details on the project and was also supplied with all community information which had been furnished in writing or telephoned prior to this visit.

The case was an investigation by a medium-sized metalworking concern which would employ 150-175 workers initially and 250-300 workers after five years. It required a site of 25-30 acres. The facility had some need for semi-fabricated materials, would use both electric power and natural gas, and the management expressed more than a mild concern with general community attitudes on new industry as well as the receptiveness of the existing industrial complex.

In April a team consisting of Mr. Norton, Robert Rotan of the Georgia Department of Industry & Trade, Larry Edens from the Savannah office of the Industrial Extension Division, and the project director visited each of the four communities to meet with local contact groups and to inspect communities and plant sites. This inspection trip required two days.

At each location, the company's needs and requirements were described in detail and discussed with the local team members. Mr. Norton prepared an analysis and critique on each location. The observations of the other three team

members were melded into a final evaluation of the performance of each community contact team.

Phase Three. A detailed written report, of 8 to 10 pages, was prepared for each community and reviewed with the respective contact team members in September. The recommended program of work was reviewed in detail with each community team leader. The report for Liberty County (Hinesville) is attached as a sample of the type of report delivered and discussed with those team leaders. Sufficient copies were provided for distribution to other team members who were unable to attend the debriefing session.

#### Accomplishments

Without doubt, substantial improvement has taken place in the knowledge of local resources and updating and expansion of the information developed on the part of some of the contact teams in the selected communities. The use of more sophisticated techniques in the attraction of new investment has been stressed to each group.

An awareness of the need for more local initiative and less dependence upon the conduct of economic development by outside sources has been emphasized. At the same time, the involvement of those agencies at appropriate times has been illustrated. Throughout the program emphasis has been placed upon the desirability and the importance of self-reliance in expanding local economic development programs.

#### Evaluation and Recommendations

Initially, as well as during the conduct of the work in the respective communities, evaluations of both the constituency and the effectiveness of each contact team were made. While the ideal situation would be to have a genuine cross-section of the various "publics" with the top leadership from each group involved, this was not possible in a practical sense in any of these situations. In two cases, Pembroke and Hinesville, almost all the contact team was with one

individual. In the case of Glennville, the original contact just dropped out of the picture (with no loss to the community effort, it should be added).

Thus, the greatest weakness demonstrated in many of these communities was a failure to involve enough of the local leadership, and a definite lack of continuity. It may be concluded that the second weakness is inherent from the first deficiency.

Throughout the program, efforts were made to involve state development agencies and other external professional agencies (such as regional councils, utilities, railroad, etc.) in the process, both to inform them of local accomplishments as well as to involve them more specifically in the local presentations. For example, a staff member of the Department of Industry & Trade participated in the team evaluation procedure.

Furthermore, continuing contact was maintained with OEA officials at the Washington level. Also, contact was continued with the designated G-5, Civil-Military Operations officer at Fort Stewart, and with staff members of the Coastal Area Planning & Development Commission at Brunswick.

This program differs in two aspects from previous training programs which the Georgia Tech group has conducted at other locations at the behest of the Office of Economic Adjustment. For one, the communities are much smaller, and with the specific exception of Hinesville, unable to support full-time or part-time professional assistance. Secondly, these communities are not suffering the negative impact of excessive unemployment resulting from base closings; rather, the opposite case exists in that they are likely to be overwhelmed by the base expansion.

This condition calls for different treatment. Some type of common umbrella organization which could support professional development expertise and talent for attracting new investments and job opportunities, and which could explore some of these economic pursuits previously identified and recommended, could serve all these communities.

Also, some systematic process for recontacting and for review of actions taken, should be instituted. This would permit OEA and its consultants to measure results to date and reevaluate local development strategies. At present, no such process is in place, and without it, these communities are receiving little, if any, specific assistance and guidance in economic development strategy decisions.

Limitations of inadequate funding (since the project was conducted on the remainder of contract funds unexpended by January 1979) and the requirement to complete field work by September handicapped execution of the program. Quite probably, with sufficient funding and a lengthier period of time to execute all phases, more definite results could have been identified.

## APPENDIX

DEVELOPMENT REPRESENTATIVES

Meeting at Hinesville, Ga.

January 26, 1979

<u>Name</u>	<u>Organization</u>
John White	CAPDC - Fort Stewart
LTC Ward M. Chewning, Jr.	Civil-Military Operations, G-5, Fort Stewart
Karl Brendle	CAPDC - Fort Stewart
John Kavanagh	Economic Research Council, Washington, D.C.
Harry Levy	OEA, Washington, D.C.
Allen Brown	Chamber of Commerce, Hinesville/Liberty County
Danny Ramp	Chamber of Commerce, Hinesville/Liberty County
Charlie Rowland	Glenville, Ga.
E. C. Robinson	Richmond Hill, Ga.
L. S. Boles	Richmond Hill, Ga.
John Winn	Liberty County Industrial Authority, Hinesville
Larry R. Edens	Georgia Tech - Savannah Office
Ed Bee	Coastal APDC, Brunswick
Robert B. Cassell	EDD/Georgia Tech, Atlanta

# COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM

## Report on Activity of Liberty County Development Team

(Program under sponsorship of the Office of Economic Adjustment,  
Office of the Assistant Secretary of Defense,  
Department of Defense, Washington, D. C.)

by  
Economic Development Laboratory  
Engineering Experiment Station  
GEORGIA INSTITUTE OF TECHNOLOGY

Atlanta, Georgia

August 1979

## INITIAL PROSPECT INQUIRY AND RESPONSE

### PROSPECT INQUIRY

Our initial letter of inquiry provided the following details:

Metal manufacturing company -- consultant inspecting Georgia locations.

Plant site of 25 to 30 acres, ready for construction, with adequate utilities.

Initial employment: 150 to 175 people (needed -- machine operators, welders, polishers/buffers; office personnel, small number of unskilled).

Eventual employment: --

Company interested in:

present union situation  
community attitude  
attitude of existing industry  
rail and truck transportation  
easy access to air transportation  
electric power and natural gas

### COMMUNITY RESPONSE

- o Call with apologies for not responding earlier
- o Asked about timing for visit
- o Second call about property, particularly size of site
- o Asked how much time we would have
- o Did not say where we would have meeting

## COMMUNITY HANDLING OF PROSPECT'S VISIT

### Strong Points

Although the community development team representing Hinesville and Liberty County needs more experience and practice in handling industrial inquiries, certain positive aspects were observed:

#### INTRODUCTION

- o Private places for meeting, comfortable, coffee provided
- o Effect of Fort Stewart honestly stated

#### INFORMATION FURNISHED

- o Map used to point out sites
- o Data on community and site supplied

#### LABOR

- o Gave estimate of available labor
- o Cited training facilities and "Quick Start" services

#### SITES

- o Knew land situation and industrial site availability
- o Able to cite land costs, water tank and well costs

## COMMUNITY HANDLING OF PROSPECT'S VISIT

### Weak Points

A number of weak points surfaced in the Hinesville program:

#### INTRODUCTION

- o No inquiry was made as to prospect's time and schedule.
- o No opportunity offered to meet other community leaders.

#### INFORMATION FURNISHED

- o Material on the community and sites handed over in the office meeting -- very little explanation or interpretation given, except for Fort Stewart information.

#### LABOR

- o Little specific given on labor supply; some data on employment could have been interpreted.
- o Too much emphasis on transient population.
- o No suggestion made for contact with or interview with existing industry.

#### UTILITIES

- o Did not explore company's water and sewer needs.

#### SITES

- o Third site needed better map and information -- this can be a real asset.

#### FINANCING

- o Better familiarity with advantages and disadvantages of industrial revenue bonds would make the presentation more convincing.

#### COMMUNITY HANDLING OF PROSPECT'S VISIT

#### COMMUNITY TOUR

- o Not organized; very little specific shown

#### MISCELLANEOUS

- o No exploration of company's needs as to supplies and services.
- o Failed to describe some community amenities: closeness to Savannah and air transportation; churches, school system.
- o Did not inquire what, in effect, it would take to make this the company's choice.

## COMMENTS FROM THE CONSULTANT

The meeting took place in the offices of the authority, with businessman of varied talents and occupations, quite intelligent and positive in his statements. The offices were roomy, nice, cool, etc., with coffee served by a very charming young lady. He had not, though, furnished any previous information about the community; when chided for overlooking this feature, he later apologized, with the lame excuse of having been "busy."

We were presented with an Industrial Survey of Long County, two site brochures, and some rather detailed information as to the impact of Fort Stewart on the general area. Did go into detail about this feature stating that the economy had its up and downs according to the Fort Stewart programs.

We were furnished with copy of a survey of the seven-county area comprising the Hinesville labor market, showing total manufacturing occupations by Occupational Group Distributions (no date), but nothing specific as to what numbers are available for employment.

Transportation was discussed generally regarding Hinesville, but not specific except as related to the industrial sites.

Site 1 at Allenhurst has gas and electric utilities adequate for our requirements, has rail, but size is small (22 acres) and is also triangular in shape, creating a building site problem. Water is available only from artesian sources, requiring a well and standpipe facilities. Sewer would have to be septic.

Site 2 at Walthourville also has gas and electric service, but water and sewer are as stated at Site No. 1. This is a nice piece of land, fairly level, slightly higher than the surrounding area, rectangular in shape.

Site 3 (no map). This is a proposed industrial park, still in the planning and thinking stage. Privately owned, no price, also permission is required from Fort Stewart for sidetrack connection to rail line.

COMMENTS FROM THE CONSULTANT (Cont.)

I would rule out sites 1 and 3, but Site 2 has some possibilities, if objections to spending an additional \$100,000 for water and sewer can be overcome.

Revenue bonds were discussed, although this was a prompted question. Indicated willingness and ability to deliver, but had no previous experience with this type of financing. Construction costs are somewhat of an unknown factor, not discussed in detail.

Other than our trip to the three sites, none of the town was shown to us.

This visit was set up several weeks in advance, and other local citizens interested in the welfare of their city should have been present. There were some excuses for no availabilities. The information furnished is not complete or of such nature as to create a good impression with an industrial prospect.

The sites are probably too far removed from the city to be of interest. I must say that this is a good-looking town, with nice residential areas and business district. However, the seeming lack of interest on the part of the leaders (who did not show up) is an indication of what comes later. I cannot recommend further consideration at this time.

## COMMUNITY FOLLOW-UP

If the Hinesville/Liberty County Development Corporation team is genuinely interested in obtaining the industry which this prospect represents, then it is essential that the consultant who is making the investigation be furnished all of the information about the community as soon as possible prior to his visit. This will enable him to be knowledgeable about the situation and to expedite his inspection.

Secondly, other specific details should be compiled as developed from the prospect's visit and conference. That information should be furnished, accompanied by a letter setting forth the community's interest and an offer of further material and other specifics on the town.

Do not assume that when the prospect leaves that he is satisfied, and has all the facts he may need. Find out if that is the case, by asking.

As far as is known, no effort was made by the Hinesville/Liberty County group to follow-up on this project. The prospect would likely assume that this failure to pursue the project showed a lack of community interest in obtaining this plant.

An immediate follow-up is also highly desirable for another reason: since both state and area development agencies deal with many communities and with many prospects, they must be kept current on local activity, particularly in any further contacts with the prospect.

## RECOMMENDATIONS FOR FUTURE ACTION

Hinesville and Liberty County have already demonstrated that they can support new industry (though this point was not developed in the meeting with the prospect as positively as it should have been.) We are convinced that the Hinesville contact team could improve its effectiveness by certain measures described below.

For purposes of accomplishing this program, we have separated them into "Short-Range Objectives" which can be initiated and completed within a short period of time and which will not place an undue burden upon the Liberty County Industrial Authority. Another set are listed as "Long-Range Objectives"; these will require more time to complete, as well as a considerable amount of research and editorial work on the part of the executive.

### SHORT-RANGE OBJECTIVES

- o Select a spokesman for the group who is a businessman citizen.  
(This is no reflection on the paid professional, but he is regarded as just that by the inquiring prospect).
- o Develop a detailed "Game Plan" for handling industrial prospects.  
This plan will cover all items from the introductions to the community tour plan.
- o Create specific task forces on major subject areas and assign responsibility for: utilities, labor supply, transportation, sites, community attitude, financing, local amenities. Give each definite responsibilities.
- o Develop a standard statement and explanation on the Fort Stewart situation.
- o Develop a "Briefing Book" for use of the entire team (no matter who the individuals that are involved) with numerous subject areas brought up-to-date.

## RECOMMENDATIONS FOR FUTURE ACTION (Cont.)

### LONG-RANGE OBJECTIVES

- o Prepare a regional orientation map.
- o Prepare a community tour map and supplement with pictures.
- o Push development of the proposed industrial district.
- o Expand labor supply data, supplement with information from existing employers.
- o Initiate a color slide presentation as a substitute, or back-up for the community tour.
- o Start your own program of prospect solicitation.

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report on  
TERRITORY OF GUAM

For  
OFFICE OF ECONOMIC ADJUSTMENT  
DEPARTMENT OF DEFENSE

Prepared by  
Robert B. Cassell  
Principal Research Scientist

GEORGIA INSTITUTE OF TECHNOLOGY  
ENGINEERING EXPERIMENT STATION  
Economic Development Laboratory  
Atlanta, Georgia 30332

February 1980

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

TERRITORY OF GUAM

Background

In each location where the Community Organization for Economic Development Program (COEDP) has been conducted previously, the Office of Economic Adjustment, Department of Defense, has determined that the impact of personnel reductions at major defense installations is severe enough to require the marshalling of local community effort in order to minimize the negative aspects of such reductions. A system to accomplish this objective has been demonstrated in programs prepared for localities in Illinois, Wisconsin, and Indiana.

In the case of the territory of Guam, however, where reductions at the Naval Ship Repair Facility and other military installations had taken place,<sup>1/</sup> the enormous travel distances, combined with a totally different economic base and an unique regional context as well, required that a different program be employed.

Important considerations were Guam's physical location across the International Date Line from the continental United States, and the strong influence of political and social events and economic circumstances prevalent in the Far East, particularly the Asian continent. Moreover, the economy of the island of Guam, extremely sensitive to major United States military installations, and reflecting economic activities that are mainly service in nature and not oriented to agricultural or fishing pursuits, provides a different environment and calls for innovative approaches. Vast cultural differences, more attuned to oriental attitudes, exist; these demand substantial delicacy in focusing positive

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<sup>1/</sup> "Economic Adjustment Program for the Territory of Guam," Office of Economic Adjustment, July 1977.

responses to western business location procedures.

As outlined in an excellent analysis of the Guam situation in the "Economic Adjustment Program" study, the major thrust of local economic development efforts should be to find solutions for reducing Guam's sensitivity to defense spending and to expand the economic base with increased local employment in the private sector. Such achievements must come about through increased coordination between the public and private sectors, more coordination among local public agencies, enlarged human resource development, and targeting of development objectives.

These were the central themes of the Georgia Tech program conducted on Guam. But the program of work which had proved successful in Illinois, Wisconsin, and Indiana could not be applied; a different approach, therefore, was required.

#### Program Purpose

The main thrust of the COEDP was to create a climate for concerted community action to achieve economic progress and to compensate for the losses in employment, both actual and anticipated. Essential to this procedure was the recognition of the fact that recovery from the impact of substantial employment decreases, and the accompanying secondary effect on local business and commerce, as well as diversifying and expanding the economic base, cannot be achieved automatically. What is required is that enlightened and informed leadership, in both the private and in the public sectors, undertake a number of measures which can provide positive directions for generating new employment opportunities. A definite strategy for accomplishing these objectives must be created.

The most desirable response by Guamanians would be to generate new investment and new economic activity through activity from the private sector. This effort, however, requires the use of sophisticated techniques and an understanding of the processes of economic development.

The negative psychological attitudes which substantial employment reductions generate within a community can be replaced with a positive outlook.

Furthermore, in negotiations with potential investors who operate outside of the designated communities, a posture that can influence the course of events can be adopted, rather than that of merely reacting to the inquiries which will be made regarding local resources.

After considerable discussion with the OEA project manager and other OEA staff members, it was decided that since only one opportunity to interface with Guam leaders would be possible that the training for resolving economic development problems could best be accomplished through an intensive Seminar/Workshop. In this fashion, the local community leaders would be immersed in development practical attitudes and techniques. Furthermore, emphasis could be focused on those methods which are most productive.

The major thrust of such a Seminar/Workshop program was to provide training in and familiarization with those fundamentals employed to stimulate private investment. It was hoped the training sessions would stimulate both the private sector and the governmental agencies to collect and display information which would be required to attract business interests that might consider Guam as the site for new or expanded activities. Emphasis was to be placed upon the process of creating a favorable business environment, with "packages" which cover financing assistance, developed land areas ready for occupancy, appropriate labor training programs, and the like.

#### Results Sought

In general, the program was constructed to demonstrate to participants:

- o The optimum function of a professional staff, in contrast with the role of the volunteer elements both from business and government.
- o The proper utilization of economic data appropriate to the local situation, already developed or easily accessible.
- o Emphasis upon the desirability of continuing positive economic

development efforts over a long period of time, requiring a judicious mixture of both patience and persistence.

- o The need for positive attitudes and mature judgment decisions in the process of developing new investment opportunities.
- o The proper combination of financial and moral support from both private and public sectors to achieve optimum results.

Many so-called contact teams -- such as industrial commissions or chamber of commerce committees -- without training and exposure, simply lack the expertise to handle projects which can materialize as new investment opportunities for the area. In many cases where the professional talents are not available, these organizations must rely upon volunteer participation. The better trained the volunteers, the greater will be the opportunity for positive and productive results.

Fundamental to this approach is the assumption that any training or teaching effort with an adult group should immerse the subject members in real problem-solving experiences. Out of this intensive concentration can come the learning experiences which highlight the best techniques to be used to carry out negotiations with investors. As a result, the problem-solving activity reveals weaknesses or deficiencies in the local development approach and thus attention can be devoted to actions which are incomplete in results or to areas which require further exploration. This provides a framework for solid future activity by the leadership group, and improves its capability.

#### Program Development

Taking into consideration the unique circumstances of the Guam situation, planning for the training seminar was initiated in March, 1978 in a meeting with Mr. Paul Sage, project director of OEA, and staff members of the Georgia Tech Economic Development Division team who would participate in the Guam program. The general outline of the program was developed at that time.

Subsequently, Mr. Sage and Mr. Michael McClure, treasurer and a director of the Guam Growth Council, came to Atlanta in June for review of the revisions in the proposed program. At that time, it was decided to finalize the Seminar/Workshop package for presentation to as many as 50 local participants with scheduling arranged in order to accommodate a group of that size.

The original plan was to present four days of instruction and training, comprised of two three-hour sessions each day. In order to have close contact with the community leaders, it was decided that concurrent sessions would be conducted and discussion groups established for all but the opening and closing teaching periods. This planning and these arrangements had to be discarded once the session was initiated, and the physical arrangements for the program were changed so that all attendees would be involved in nearly all the same sessions each day.

Considerable preparatory work was required once the program elements were agreed upon. Subsequent to the March meeting, background on the Guam situation, in the main drawn from prior OEA studies, was reviewed by the Georgia Tech team.

Continuing contact was maintained with OEA officials at the Washington level. Project review sessions were held in the OEA offices in Washington, as indicated, prior to the initiation of the field work, and upon conclusion of the program. These sessions were useful to the Georgia Tech project manager in his efforts to refine and to evaluate the program's timing and effectiveness.

#### Contacts on Island of Guam

Once the program was finalized, accelerated efforts were made to involve the Guam Department of Commerce and other concerned agencies in the process.

As soon as the Georgia Tech team arrived in Guam for the training program, contacts were initiated with local representatives in order to explain the program and to increase local attendance. This served a two-fold purpose: to learn

more of local accomplishments and to involve these groups specifically in the presentations. Up to this point, the training team had relied upon the Guam Growth Council to extend invitations to the Seminar/Workshop, to handle local publicity, and to make necessary physical arrangements.

During the visit, efforts were made to solicit the direct participation of the Guam Government. In view of the outspoken opposition of J. B. McDonald, director of the Guam Department of Commerce (see April 1978 article in Pacific Daily News), the Georgia Tech project director made a special effort to become acquainted with Mr. McDonald, to review our program, and to seek his participation. This did not produce the desired results, although one staff member did attend the sessions, and Mr. McDonald made a brief, token appearance on the first morning, staying for about 30 minutes. In actual fact, the Guam Department of Commerce performs the function of public relations contact and provides some research support for other economic development efforts; it does not engage directly in the economic development field.

By contrast, the Guam Economic Development Authority is actively engaged in financing, brochure production, fact dissemination, and other aspects. Its director Mr. David Flores was much more receptive to the Georgia Tech program in our pre-session conference, although he admitted that he had little prior notice about the training sessions. Mr. Flores was able to attend and participate in one session during the week.

Other contacts were made with Mr. Paul Souder, chief planner (who appeared briefly at the opening session), and the Guam Department of Labor, and the University of Guam. However, there was not sufficient time prior to initiation of the training sessions for the Georgia Tech staff to cultivate the full variety of government officials who might be considered as potential audience for the program.

#### Program Delivery

The program was presented on four consecutive days at the Guam Reef Hotel,

Tumon Bay. The initial session was attended by about 22 persons; during the four days some 30 different persons attended. However, due to limited number of local citizens in the first session, a decision was made (with the concurrence of Mr. Sage, the OEA project manager who monitored all segments of the program), to consolidate the sessions originally scheduled for concurrent presentation.

Furthermore, the manner in which the pre-designed case studies were presented was altered from the pre-seminar plan. Inasmuch as the ultimate purpose of the entire program was to present information and to explore techniques through an informal dialogue, the changes in mechanics and in the program structure did not materially affect the presentations.

The schedule for the Seminar/Workshop on Economic Development is attached as Appendix I. Instead of the original format of concurrent workshops, a subject-by-subject approach was employed. However, two groups of the attendees were created for the problem-solving sessions, as described below.

A selection of lecture outlines and of handout materials are attached as Appendix II. In addition to these, several audio/visual presentations from the series prepared by the AIDC Educational Foundation were shown, followed by discussions of the contents. Upon conclusion of the workshop, several publications, including "Principles of Industrial Development" and "Handbook on Community Development," as well as a few specialized economic development studies, were presented to the Guam Growth Council to support its reference capacities.

#### Program Segments

Major segments, or program elements, presented in the four-day sessions covered in detail the following themes.

Why Economic Development? The principles and purposes of total economic development were described. Emphasis was placed upon the best and highest use of resources in compatibility with overall program objectives. The planning process, taking into account external factors

and influences, was described and strategies employed by other development groups were described.

Expanding the Economic Base. This period of discussion laid the foundation for stressing coordinated efforts among all groups. It emphasized the need to broaden local efforts to participate in a number of economic activities, with an exposition of the need for diversity and the attraction of such new employment sources as manufacturing, agribusiness, services, mineral processing, and tourism.

Organizing for Economic Growth. Following the segment above, this session evaluated the various vehicles which are being used by communities for the promotion of development objectives. It reviewed programmatic elements and priorities, and offered guidance for financing local programs, staff, and other considerations.

Community Assets Inventory. All too often, the community fails to fully appreciate exactly what it has to offer an industrial prospect; yet its leadership cannot begin to do an efficient selling job until it knows the "plus" aspects of its product. This period described the process of determining a community's assets and the procedures for promoting those assets.

Location Factors. Various factors which influence the selection of locations for new facilities were examined. These were assessed from the point of view of the location of manufacturing or production units and also in the light of requirements for other types of economic activity. The distinction between basic factors and secondary factors was stressed in the presentation.

Marketing Team. In the contemporary local economic development process, which concentrates on the attraction of new investments, a major ingredient is the team of community leaders who are charged with the responsibility for selling community assets to the facility locator. Composition of

the team, information which it must have on hand, as well as data which might be needed, were all reviewed.

Manpower Resources and Training. This workshop session was concerned with labor resources analysis and documentation, and their importance to community economic development effort; what expansion plant location specialists want to know about the community's labor resources; how to develop an action plan for accumulating or developing needed labor resources information. In the discussion, advice was given on how to disseminate the information that is collected and analyzed, how to present details on the educational background of the labor pool, and methods for demonstrating the availability of a well-trained continuing labor supply.

Development Financing. This period of training included a discussion of the need for formulation of an industrial financing policy by the local development group. Various financing programs available to the community were reviewed, with emphasis on industrial plant financing. Discussion focused on the types of financing agencies, local industrial development corporations, industrial revenue bond financing, conventional financing, federal financing sources, and industrial facility leasing.

Industrial Sites and Buildings. During this workshop session, the importance of sites and buildings as development tools was emphasized. The characteristics of industrial sites and districts were discussed, and the process of land development and the construction of speculative buildings was reviewed. Discussion of the methods of site and building data presentation and promotion of the land and facilities concluded the session.

Transportation Considerations. This workshop period reviewed the role of transportation in an industry's cost structure and in the location decision-making process. The types of transportation available to Guam were examined, along with the advantages and problems inherent in each.

The segment concluded with a review and discussion of the transportation data needed by industrial prospects and the best means for presenting such data.

Environmental Constraints. Given the imperative of modern economic development, what are the limitations and legal restrictions? Applications to societal demands as a whole and to the Guamanian environment were established as conditions for restricting unlimited growth.

Business Development. The importance of encouraging small business development in the total economic development program was examined. Attention was called to factors which can encourage the establishment of new ventures or supporting activities for existing industry, thereby enlarging the economic base. Difficulties in identifying and encouraging entrepreneurs were reviewed, and some external sources for financial support were described.

Locational Problems. Two problems involving location search and selection were constructed for group discussion and solution. One of these constituted a description of the search currently being conducted by a company headquartered on the United States mainland seeking to establish a facility to manufacture fabric ornamental items and sewed apparel. The other case presented the alternatives for consolidation of marketing and engineering activities by a multi-national firm which had activities scattered throughout the Far East.

No positive and final answer was suggested for either of these cases. Rather, the conclusions focused upon an analysis of the alternatives and a presentation of the most appropriate documentation describing the Guam situation for each case. The intent was to present each team confronted with these problems an insight into the management decision process.

### Results

It is difficult to assess fully the results of this type of training,

particularly within a very short time-period. Many important points can be highlighted, and the participants can be brought to a high level of understanding and enthusiasm. But, lacking the financial base to maintain a program, without the direction which an experienced professional can furnish on a day-to-day basis, only partially successful results can be anticipated. Furthermore, without the active involvement of the public sector, certain limitations will prevail. With these reservations, then, a number of accomplishments can be cited.

It can be demonstrated that substantial improvement has taken place in the knowledge of local resources and the information developed on the part of the local contact team selected from the Guam Growth Council. The use of more sophisticated techniques in dealing with potential investors will become apparent in the future.

An awareness of the need for local action, with less dependence upon the initiation of activity by outside sources, has been realized. At the same time, the appropriate involvement of such forces was underscored. Emphasis has been placed upon the desirability and the importance of local initiatives in expanding and advancing economic development programs.

This training program served to give the local economic development team a more intensive and a broader acquaintance with the scope and the depth of local economic data and a ready recognition of those appropriate situations where such information can be readily utilized. In the course of these analyses, community needs for expanding and improving infrastructural support were also identified.

The local participants initially were loosely knit, but by the conclusion of the program they operated in much more cohesive fashion and as a better informed group. Responsibilities for the performance of tasks and the management of resources data were more clearly defined.

Some participants who were poorly informed, or even uninformed, regarding certain resources at the start, had acquired considerable information. Further, it appeared that the private sector development group could function with

more confidence and authority at the conclusion of the program, and that many of the techniques suggested would be applied.

While it was the original intent to obtain the participation of all public and private sector organizations (e.g. chamber of commerce, public utility, regional or territorial agency) that might be involved in economic development activities, this could not be accomplished, for reasons previously explained. Thus, it was not possible to obtain the type of private-public sector involvement which is essential to the establishment of a successful economic adjustment program.

An analysis of the evaluations which attendees submitted at conclusion of the program tend to substantiate some of these conclusions. Major drawbacks cited were the short time span for exposure to the concepts, and the feeling that the local group was left to its own resources without access to reliable sources for further consultation and advice.

Expectations for improvement and accomplishment can be high for the long range, but there presently is no reliable method for the measurement of results. A system for periodic followups with the local development group after a lapse of about a year might be appropriate.

At the beginning of this training program it was announced that certificates of completion would be awarded those who attended at least eighty percent of the training sessions. Twelve certificates were prepared and transmitted to the Guam Growth Council for distribution to the recipients. A list of those completing the course, a list of those invited by the Growth Council to participate, and a copy of the certificate, are contained in Appendix III. Included in this Appendix also is copy of an article in the Pacific Daily News of July 13 reporting upon the Seminar/Workshop.

APPENDIX I

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SEMINAR/WORKSHOP ON ECONOMIC DEVELOPMENT  
FOR THE CITIZENS OF GUAM

Presented by

Economic Development Division  
Technology and Development Laboratory  
Engineering Experiment Station  
Georgia Institute of Technology

Robert B. Cassell  
Seminar Director

Edwin A. Bethea  
Robert E. Collier

Winfred G. Dodson  
Roger K. Sund

Under Sponsorship of  
Office of Economic Adjustment  
Department of Defense

Paul Sage  
Project Manager

July, 1978

# ECONOMIC DEVELOPMENT SEMINAR/WORKSHOP

July 11-14, 1978

## Schedule

Tuesday, July 11

### Morning Session

9:00 a.m. Introduction and Orientation (Sage)  
10:00 a.m. -- Why Economic Development? (Cassell)  
12:00 noon Expanding the Economic Base (Cassell)

### Afternoon Session

1:00 p.m. -- Concurrent Workshops:  
2:30 p.m. Organizing for Economic Development (Collier) -- Groups, A, B, C  
Community Assets Inventory (Dodson) -- Groups D, E  
2:30 p.m. -- Concurrent Workshops:  
4:00 p.m. Organizing for Economic Development (Collier) -- Groups D, E  
Community Assets Inventory (Dodson) -- Groups A, B, C

Wednesday, July 12

### Morning Session

9:00 a.m. -- Concurrent Workshops:  
10:30 a.m. Location Factors (Cassell) -- Group A Industrial Sites (Dodson) -- Group D  
Marketing Team (Collier) -- Group B Business Development (Bethea) Group E  
Manpower Resources and Training (Sund) -- Group C  
10:30 a.m. -- Concurrent Workshops:  
12:00 noon Location Factors (Cassell) -- Group B Industrial Sites (Dodson) -- Group E  
Marketing Team (Collier) -- Group C Business Development (Bethea) -- Group A  
Manpower Resources and Training (Sund) -- Group D

Wednesday, July 12

Afternoon Session

1:00 p.m. -- Concurrent Workshops:  
2:30 p.m. Location Factors (Cassell) -- Group C Industrial Sites (Dodson) -- Group A  
Marketing Team (Collier) -- Group D Business Development (Bethea) -- Group B  
Manpower Resources and Training (Sund) -- Group E  
2:30 p.m. -- All Groups will work on Location Problem  
4:00 p.m.

Thursday, July 13

Morning Session

9:00 a.m. -- Concurrent Workshops:  
10:30 a.m. Location Factors (Cassell) -- Group D Industrial Sites (Dodson) -- Group B  
Marketing Team (Collier) -- Group E Business Development (Bethea) -- Group C  
Manpower Resources and Training (Sund) -- Group A  
10:30 a.m. -- Concurrent Workshops:  
12:00 noon Location Factors (Cassell) -- Group E Industrial Sites (Dodson) -- Group C  
Marketing Team (Collier) -- Group A Business Development (Bethea) -- Group D  
Manpower Resources and Training (Sund) -- Group B

Afternoon Session

1:00 p.m. -- Concurrent Workshops:  
2:00 p.m. Financing Development Projects (Cassell) -- Groups A, B  
Speculative Buildings (Sund) -- Groups C, D, E  
2:00 p.m. -- Concurrent Workshops  
3:00 p.m. Financing Development Projects (Cassell) -- Groups C, D, E  
Speculative Buildings (Sund) -- Groups A, B  
3:00 p.m. -- All Groups will finalize conclusions and prepare reports  
4:00 p.m.

Economic Development Seminar/Workshop

Schedule

Page 3

Friday, July 14

Morning Session

9:00 a.m. --

Concurrent Workshops:

10:00 a.m.

Communications (Sund) -- Groups D, E

Transportation (Bethea) -- Groups A, B, C

10:00 a.m. --

Concurrent Workshops:

11:00 a.m.

Communications (Sund) -- Groups A, B, C

Transportation (Bethea) -- Groups D, E

11:00 a. m. --

Environmental Considerations (Dodson)

12:00 noon

Afternoon Session

1:00 p.m. --

Reports on Location Problem from each Group (Collier)

2:30 p.m.

2:30 p.m. --

Summary of Program and Critiques

3:30 p.m.

ROBERT B. CASSELL

Mr. Cassell was educated at the University of Chattanooga (B.A.) and Vanderbilt University (M.A.) with additional work at Princeton University. He has had over thirty years' experience in industrial development. He has been with Georgia Tech's Technology Development Laboratory (and its predecessors) since 1960, and previously was with the Tennessee Industrial and Agricultural Commission.

Mr. Cassell is Principal Research Scientist in the Economic Development Division. He is the author of numerous economic analyses and for fifteen years edited the Georgia Development News. Among his latest studies are Industrial Plant Financing, Handbook on Community Development for SBA Personnel, Industrial Districts in Georgia: A Directory and the Chapter on Research in Guide to Industrial Development. He conducts numerous seminars and workshops in community and industrial development, and has been director of the Georgia Tech's Basic Industrial Development Course since its inception.

He is a past president of the American Industrial Development Council, a former director on its Board and a fellow member of AIDC. He is also a Certified Industrial Developer. He recently was honored by the award of Honorary Life Membership in the Council.

He is past president of the Southern Industrial Development Council and presently serves as its Executive Director. Mr. Cassell is also a member of the AIDC Regents for Education Programs, and a faculty lecturer at AIDC Industrial Development Institute at the University of Oklahoma. In 1975 he received the Board of Regents Special Recognition for Dedicated Service to Education in Industrial Development.

EDWIN A. BETHEA

Mr. Bethea is a research scientist in the Technology and Development Laboratory of Georgia Tech's Engineering Experiment Station. He received his B.A. degree in Sociology at Knoxville College. He received his Masters in Social Work, specializing in community organization.

Prior to coming to Tech in 1972, he worked for the Department of Welfare in Washington, D.C., with United Planning Organization, an Anti-Poverty agency, as a Community Organizer and an Economic Development Specialist. In 1968 he became Executive Director for Youth Enterprises, Inc., and in 1970 became Regional Director for the Volunteers in International Technical Assistance's East Central Regional Office (VITA-East Central), a multi-purpose consultant firm.

Mr. Bethea is a member of the Georgia Industrial Developers Association, the National Business League, the National Association of Black Manufacturers and serves on several regional and local economic and industrial development committees.

ROBERT E. COLLIER

Mr. Collier, Senior Research Scientist with the Engineering Experiment Station of the Georgia Institute of Technology, has an academic background in business administration and public financial management. He held responsible management and administrative positions in the Department of Defense before joining the Engineering Experiment Station in 1966 as a management consultant to small business. There, he developed training programs and conducted them for the Economic Development Administration, the Small Business Administration, and various state agencies. This activity involved the development of handbooks, manuals, lesson plans, and visual presentations.

During 1970-72, he served as Training Director for the National Area Development Institute, Spindletop Research Center, in Lexington, Kentucky. Since returning to the Engineering Experiment Station in 1972, Mr. Collier has been involved in international training as well as the training of local and state officials in the field of economic development, and federal agencies including the State Department of Community Affairs and the Coastal Plains Regional Council.

He received his Bachelor's degree in agriculture from Texas A & M University and Masters' degree in management from the Georgia Washington University.

WINFRED G. DODSON

Mr. Dodson is a Senior Research Scientist and Head, Urban Development Services for the Technology and Development Laboratory in Georgia Tech's Engineering Experiment Station. He received his M.S. degree at the University of North Carolina and the Master of Regional Planning degree from that same university. Mr. Dodson is also a graduate of the Industrial Development Institute at the University of Oklahoma.

Prior to coming to Georgia Tech in 1966, Mr. Dodson worked with city and county planning agencies and with a multi-county planning and development commission.

He is a member of the American Institute of Planners, the American Society of Planning Officials, the Georgia Planning Association and the Southern Industrial Development Council.

ROGER K. SUND

Mr. Sund is the Manager of the Economic Development Department for the Cobb County (Georgia) Chamber of Commerce. He received his B.S. degree in Industrial Management at the Georgia Institute of Technology and has taken advanced training in the economic development field at the American Industrial Development Council Industrial Development Institute at the University of Oklahoma. He has been designated a Certified Industrial Developer by AIDC.

Beginning his career in industrial development as a research associate at Georgia Tech's Industrial Development Division in 1960, Mr. Sund subsequently became Manager of Industrial Development at the Greater Macon (Georgia) Chamber of Commerce, head of technical training at Georgia Tech, State Office Director for U. S. Senator Sam Nunn (also serving as staff aide in community development matters) and most recently, serving with the Cobb County Chamber of Commerce.

He is a member of the Southern Industrial Development Council, member and former vice president of the Georgia Industrial Development Council, and member of the Atlanta Economic Development Council.

## APPENDIX II

## REASONS FOR ECONOMIC DEVELOPMENT

- A. JOBS
- B. TYPES OF ACTIVITIES (refer to Bradley)
- C. SOURCE OF REVENUE
- D. TRADITIONAL VIEW
  - 1. Developed Nations
  - 2. Developing Nations
  - 3. Movement into Amenities Sector
- E. GENERAL MISCONCEPTIONS
- F. HOW THE PROGRAM FITS TOGETHER
  - 1. Use the schedule and subjects
  - 2. Use of the case history(ies)
  - 3. Application of information and your knowledge
  - 4. Break into groups of teams

## COMPREHENSIVE COMMUNITY DEVELOPMENT

### I. FUNDAMENTALS: Principles Involved

- A. Participation
- B. Perspective
- C. Understanding and Consensus

### II. PURPOSE

- A. The Community
- B. Value System
- C. Mechanisms
- D. Creation of Desired Environment

### III. ELEMENTS IN LOCAL DEVELOPMENT PROGRAM

- A. Human Resources
- B. Natural Resources
- C. Institutional Resources
- D. Leadership

### IV. PROGRAM OBJECTIVES

- A. Economic
- B. Social
- C. Physical
- D. Political ..

### V. EXTERNAL FACTORS AND INFLUENCES

- A. Public and Private Agencies
- B. Regional Distinctions
- C. National and International Trends

### VI. THE PLANNING PROCESS

- A. Types
- B. Comprehensive Planning
- C. Current Trends

### VII. EFFECTIVE COMBINATIONS OF ELEMENTS

## THE ECONOMIC BASE

### A. CHANGE (a constant in active life)

Fact finding

Discussion

Action

### B. ECONOMIC BASE ANALYSIS

What it is - what makes economy

How to use it - usually a regional base  
need to look at entire Western Pacific Basic

### C. MAJOR FIELDS OF ECONOMIC GROWTH

Wholesale -- retail

Warehousing -- distribution

Transportation

Construction

Tourism -- recreation

Services (business, professional)

Agriculture

Forestry

Fisheries

Mining

Communication

Utilities

Financial -- real estate, insurance

Government installations

Manufacturing -- processing

THE ECONOMIC BASE (cont.)

D. SUCCESSFUL PROGRAM REQUIRES

Time

Energy

Money

E. INDUSTRIAL SURVEY

Why it is needed

How to make it

F. EVALUATION OF ASSETS

Analyze strengths -- and weaknesses

Emphasize strong points

Policy determinations

G. PROBLEM SOLVING

## FINANCING INDUSTRIAL DEVELOPMENT

### I. INTRODUCTION

- A. Competetion in Providing Lowest Costs
- B. Reasons for Leasing
- C. Packaging the Project

### II. SOURCES OF FUNDS

- A. Revenue Bonds
- B. Mortgage Banker
- C. Investor - Builders
- D. Commercial Banks
- E. Savings & Loans Institutions
- F. Insurance Companies
- G. Investment Bankers
- H. Individuals with Loanable Funds
- I. Small Business Administration (502 - Lease Guarantee)

### III. RESTRICTIVE AND/OR SPECIALIZED FINANCING SOURCES

- A. Economic Development Administration
- B. Small Business Investment Corporations
- C. Factoring Companies
- D. Leasing Companies

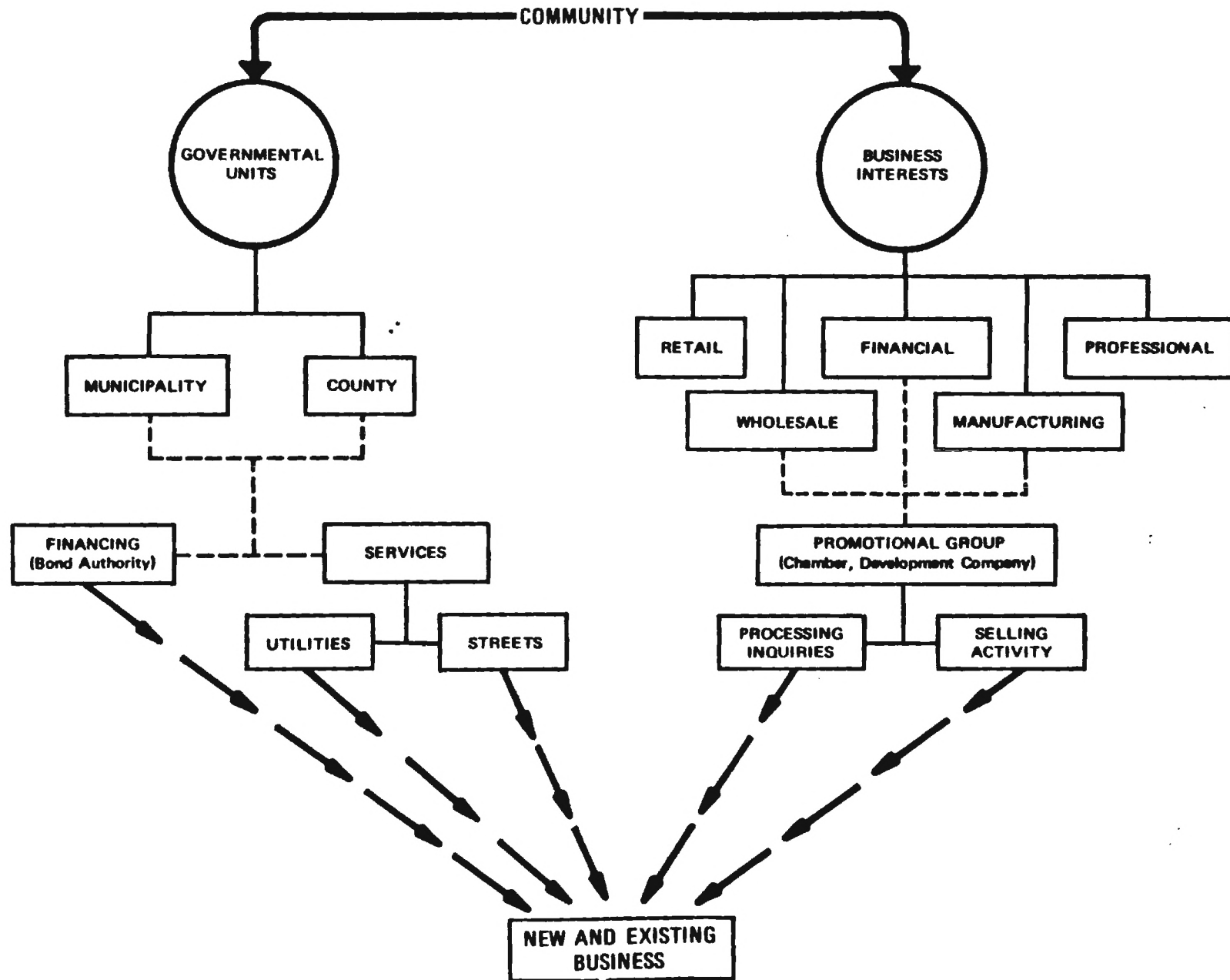
### IV. FUNDS FOR THE LOCAL DEVELOPMENT CORPORATION

- A. Function of the Industrial Foundation
- B. Types of Foundations

### V. OTHER ASPECTS

- A. Evaluating the Prospect
- B. Sources of Working Capital
- C. Financing the Machinery

# TYPICAL ORGANIZATION FOR COMMUNITY ECONOMIC DEVELOPMENT



# USUAL KEY LEADERS IN COMMUNITY ACTIVITY

<u>Sector</u>	<u>Usual Type of Leader</u>	<u>Extent of Involvement in Community Development</u> *		
		<u>Policy Making</u>	<u>Advisory</u>	<u>Implementation</u>
Economic	Financial executives	F	F	A
	Commerce executives	F	F	F
	Industry executives	F	F	F
	Wealth leaders	F	F	F
	News media executives	A	F	S
	Lawyers	F	F	F
	Educators	A	A	S
	Realtors	F	A	S
Government	Federal agency administrators	S	A	S
	State department executives	S	A	S
	County officials	S	A	S
	Mayors, councilmen	F	F	A
	City department heads	S	A	A
Civic	Service club officers	S	S	A
	Chamber of commerce executives	A	F	F
Trade	Trade association executives	S	A	A
Labor	Union leaders	S	A	S
Neighborhood	Improvement organization leaders	A	A	A
	Garden clubs, etc.	S	S	S
	Parent-teacher associations	S	S	S
Minority	Negro leaders	S	S	S
	Ethnic group spokesmen	S	S	S
Cultural	Social leaders	S	S	S
	Religious leaders	S	S	S
	Cultural leaders	S	S	S

\* F = Frequent, A = Average, S = Seldom.

## BASIC COMMUNITY DATA REQUIRED FOR ECONOMIC PROFILE

1. Population - Covers city, county and labor drawing area; includes detailed breakdown as needed.
2. Existing Industry - Lists new and expanded firms by name, with employment breakdown; industrial services and union activity in area if present.
3. Labor Supply - Total available analyzed by sex, skills, training and education.
4. Transportation - Information on all forms of transportation, including rail, truck, airline, water, bus and pipeline.
5. Raw Materials - Information on minerals, forest products and agricultural commodities and producers.
6. Power and Fuels - Rates and other details on electricity, natural and LP gas, fuel oil and coal.
7. Water Utilization - Information on sources, rates, streams and sewage system.
8. Finances and Taxes - Tax rates, bonded debt, and revenues and expenditures for city and county.
9. City Services - Information on fire and police protection and planning and zoning regulations.
10. Government - Description of municipal and county governmental structure.
11. Education - List of public facilities with details; also information on technical and post-high school institutions.
12. Libraries - Service and holdings.
13. Health - Hospital, clinic and health department information.
14. Recreation - Programs, facilities and funding; also information on special recreation attractions.
15. Living Conditions - Information on climate, housing, churches and area income estimates.

16. Accommodations - Details on the availability of motels, hotels and restaurants.
17. Communications - Information on services such as telephone, telegraph, post office, radio, television and newspaper.
18. Banking - Resources of commercial banks and of savings and loan associations.
19. Local Development Program - Where such a program exists, include a brief history of its experience in financing and site development.
20. Optional - Maps, testimonials from employers, local economic trends, etc.

GUIDE FOR CATALOGING NEEDS  
AND REQUIREMENTS OF INDUSTRIAL PROSPECTS

1. Nature of the business.
2. Facility will be: branch plant, main, assembly, distribution, etc.
3. General location desired: size of city, inside or out of city limits.
4. Employment requirements: total, skills.
5. Space requirements: construction, special features.
6. Preference for: lease, purchase of existing building, construct new facility.
7. Site: acreage, special requirements.
8. Transportation facilities: rail, motor, air, water.
9. Utilities: power, fuel, gas, water, sewer.
10. Major raw materials.
11. Markets: local, regional, specialized.
12. Principal factors in making location decision.
13. Who should be furnished additional information.
14. Other: financial responsibility; other contacts made.

In addition to these basic facts, obtained from the inquiring industrial prospect, further details may be developed about some of the subject areas. A suggested list of items about which the community development contacts should be informed includes:

Market Situation

Is the market for the product growing?

Are time and distance of delivery to the market important?

Are transportation costs of the finished product a significant segment of total cost?

Is price or quality of the product an important consideration?

Is the product used by other industries or by the general consumer?

Are marketing channels complex?

Are sales seasonal or year-round?

Are special warehousing or distribution facilities required?

#### Labor Supply

Will the employment pattern be seasonal?

What are specific skills that are considered essential?

How much local labor will be recruited?

#### Raw Materials

Are the raw materials of such nature that the processor must be located nearby (bulk, perishable, fragile and the like)?

Can alternative sources be developed easily?

#### Transportation

Is rapid or low-cost movement required for raw products?

Is rapid or low-cost movement required for finished products?

Is a combination of transportation modes preferable?

Are special transportation facilities required?

#### Energy

What is the preferred type of fuel?

Is heat an essential production process?

Are significant quantities of electric power or natural gas required?

Can the production process accommodate to interruptible service?

#### Water and Sewer

Is the cost of water a significant factor?

Are special water characteristics required?

Any special sewer treatment requirements required?

What can be done in the plant for pre-treatment purposes?

### Taxes

Will local tax/assessment policies affect the location?

Is the capital investment substantial enough to make local tax rates of consequence?

Will inventory be carried in large quantities?

### General Living Conditions

Does the level of amenities have any influence in location selection?

Are there special cultural requirements for management and supervisory levels?

Will the work force created by the plant impact available housing facilities?

### Climate

Do the production processes require special weather conditions?

Will local climate conditions impact transportation, raw material collection or market penetration?

### Legal Restrictions

Is the industry controlled or affected by special laws or administrative regulations?

## ACCEPTED PROCEDURES FOR HANDLING INDUSTRIAL PROSPECTS

- Step 1.      Develop a working organization.
- Step 2.      Determine if your town is ready for industry. Make a complete inventory including all the facts on: available labor, transportation services, available plant sites and buildings, raw materials in quantity, availability and cost of fuels and power, local tax structure, housing, schools, recreational and cultural advantages and extent of financial assistance.
- Step 3.      Develop a community Economic Brochure.
- Step 4.      Get your community behind the drive for industry.
- Step 5.      Decide whether to provide financial assistance for industry.
- Step 6.      Handle your prospect's inquiry properly. This includes response to requests, of provision of information, recontacts and related matters.
- Step 7.      Handle your prospect's visit properly. This includes preliminary information on requirements, meeting with the community team, conduct of the interview. In particular, be prepared to negotiate with your prospect, but know how far you can go on financing, provision of utility services, and related matters.

## SAMPLE QUESTIONNAIRE

### LABOR FORCE SURVEY

To make our industrial development program more effective we need to know more about the human resources of \_\_\_\_\_ County. When a prospective industry looks at our area, we need to be able to tell them the occupations and skills of our labor force. Prospective new industries need to know if they can hire an adequate number of potentially skilled local workers.

County increases its chances of success of having a new industry locate here if it can provide accurate, up-to-date labor force information. For this reason, the \_\_\_\_\_ Industrial Development Commission and the \_\_\_\_\_ Agency are cooperating to study the labor force potential of \_\_\_\_\_ County.

This survey is distributed to only a sample of the residents of \_\_\_\_\_ County rather than to the entire population. Your household was selected by mathematical chance and is one of \_\_\_\_\_ being contacted. (Eliminate if a door-to-door survey is contemplated.) You are not asked to put your name on this questionnaire as the total numbers are all that we are interested in. Return of all the questionnaires is necessary to draw valid conclusions, so please complete the questionnaire and return it to us.

Please have all persons in your household who are 14 years old or over fill out a separate form. We hope you will give us your cooperation in our effort to build a better community through industrial development.

1. Sex                      \_\_\_\_\_ Male                      \_\_\_\_\_ Female

2. Age on your last birthday: (Check the age group)

_____ 14 to 17	_____ 35 to 44
_____ 18 to 24	_____ 45 to 54
_____ 25 to 34	_____ 55 to 64
	_____ 65 or over

3. Last grade in school completed:

_____ 4th or lower	_____ 9th to 11th
_____ 5th or 6th	_____ 12th (high school completed)
_____ 7th	_____ 13th to 15th
_____ 8th	_____ 16 or more (college graduate)

4. Main activity at the present time:

- a. \_\_\_\_\_ Keeping house
- b. \_\_\_\_\_ Going to school but want local job after graduation.
- c. \_\_\_\_\_ Working for wages, salary or commission (non-agricultural)
- d. \_\_\_\_\_ Operating own business or professional practice  
(non-agricultural)
- e. \_\_\_\_\_ Operating a farm (as owner, part owner, or tenant)
- f. \_\_\_\_\_ Retired
- g. \_\_\_\_\_ Looking for work
- h. \_\_\_\_\_ Not working now, but have a job or business and will be working within 30 days
- i. \_\_\_\_\_ Other (please specify)

5. Description of full time job or business:

(If you checked a,b,f, or g above, please write in the blank the word "None" under "Occupation" below)

OCCUPATION	INDUSTRY	YEARS OF EXPERIENCE
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. Other occupations in which you are skilled or experienced.

(List as many as you feel you are qualified in.)

7. If you are *not* presently employed and a new industry needed employees in an occupation for which you might be qualified, (and the industry paid wages equivalent to others in the area) would you accept employment in \_\_\_\_ County:

\_\_\_\_\_ Yes

\_\_\_\_\_ No

(From: Bringing in the Sheaves, John R. Fernstrom)

## HINTS ON HOW TO CONDUCT A MANPOWER REGISTRATION

- I. Get all the basic facts. Meet with the representative of the prospective industry and decide on the information to be collected, analyzed, and tabulated. Determine what the prospect wants to know about the manpower force in the area. Discuss final table format. Determine if he or his consultant has any specific guidelines to be followed during the survey/registration.
- II. Decide on dates and time. Make sure you have at least 3 to 4 weeks lead time.
- III. Decide on the area to be covered in the registration.
- IV. Well in advance of the registration date, develop the questionnaire, forms, and other information sheets to be used during registration.
  - A. Confidential registration form
  - B. Basic facts sheet for registrants
  - C. Instructions for registrars and assistants
  - D. Map indicating radius of area to be registered
- V. Meet with community leaders and civic groups. Outline to them the need for the registration and the problems involved. Request their guidance and help.
  - A. What other organizations should be involved?
  - B. How do we get voluntary help to staff booths?
  - C. How do we get people to register?
  - D. Who will do what and when?
- VI. Decide on best possible locations throughout the area for setting up booths.
- VII. Organize registration by area and booth. Someone should be designated as Chief of the registration, and every booth should have a leader. Decide on how many helpers are needed. Decide on materials and equipment needed at each booth.
- VIII. Allowing at least three weeks lead time, plan promotion of the registration by using the following media:
  - A. Radio/Television
  - B. Newspapers
  - C. Any other (student take home information sheets)
  - D. Develop appropriate news releases for each media
- IX. Develop instruction for all workers. Meet with all workers. Explain in detail all forms that they will be using and give them the necessary information that will help them do a good job.

- X. Develop a control system.
  - A. Organization chart
  - B. Map showing booths
  - C. List of booths indicating:
    - 1. Location and person in charge
    - 2. Telephone and address
  - D. List of workers indicating shifts
  - E. List of coordinators in charge of:
    - 1. Keeping booths staffed
    - 2. Keeping booths stocked with material, equipment, and forms
    - 3. Picking up forms at end of day
- XI. Hold dress reshearsal for workers.
- XII. Provide workers with an information center so they can call for answers to questions that they cannot answer.
- XIII. Provide appropriate signs at each booth.
- XIV. During registration, provide workers with leadership -- don't leave them to fend for themselves.
- XV. During registration, analyze only the number, sex, and area of registrants. This will indicate where you need to concentrate publicity.
- XVI. After registration, make sure all booths are quickly secured and the area cleaned.
- XVII. Appropriate thanks to the volunteer workers.
- XVIII. Tabulate questionnaires and analyze tabulated information.
- XIX. Present information to prospect in best possible format.

A thorough registration may cost from \$1,000 to \$20,000 depending on the size of the manpower market and the degree of sophistication and detail of the registration. This makes it important to consider those methods and techniques that will best utilize the community's available manpower and money.

## STATE FINANCIAL ASSISTANCE PROGRAMS

Industrial Development Bonds	State or local government agencies issue revenue bonds, repayment keyed to lease payments. Proceeds used to finance purchase of land, construction of plant, and in some cases equipment, for lease to private firm.
Industrial Finance Authorities	State development agency provides long-term loans to private firms at low rates. Funds obtained either from state appropriations (Pennsylvania plan) or from bond issues (Oklahoma plan).
Development Credit Corporations or Business Development Corporations	State chartered, with funds obtained from sale of stock to members (banks, insurance companies, utilities, etc.) and loans from financial institutions. No public credit used; represents pooling of risk by group of private organizations.
Loan Guarantee Programs	Administered by state industrial finance authorities. State guarantees repayment of loans made to firms by conventional private lenders.
Tax Incentives	Exemptions from specific taxes such as property tax (rare), inventory taxes, sales/use taxes. The cost to governments is tax revenue.

## SMALL BUSINESS AIDS

### Government Agencies

#### Small Business Administration (SBA)

1441 L Street, N. W.

Washington, D. C. 20416

- SBA 502 - Local Development Corporation
- SBA 8A Program
- Management Assistance - Dr. Patricia L. Burr (202) 653-6881

#### Department of Transportation (DOT)

400 7th Street, N. W.

Washington, D. C. 20590

(202) 429-4000

- Federal Aviation Administration
- Federal Highway Administration

#### Department of Commerce (DOC)

14th Street between Constitution Avenue and E Streets, N. W.

Washington, D. C. 20230

(202) 377-2000

- Bureau of International Trade
- Office of Minority Business Enterprise
- Economic Development Administration

#### Department of Agriculture (DOA)

The Mall, 12th and 14th Streets, N. W.

Washington, D. C. 20250

(202) 447-2791

- Rural Development
- Farmers Home Administration
- Agricultural Marketing Service

#### Volunteers in Technical Assistance (VITA)

3706 Rhode Island Avenue

Mt. Rainier, Maryland 20822

(301) 277-7000

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Your Community Can Profit from the Tourist Business. U. S. Superintendent of Documents, Washington, D. C., 1957.

## LOCATION PROBLEM

A nationally recognized manufacturer of fabric ornamental items and sewed apparel (shirts and blouses) is considering the location of a facility in the Pacific Ocean area. Whether this manufacturing operation could distribute piece goods on a consignment basis to households and then collect the processed materials for shipment is a major locational consideration.

Employment demands, and building facilities as well, can be somewhat smaller than comparable manufacturing processes in the States.

Company officials anticipate they would require about 50 people to inspect, package and ship the finished products. Also, they will need 20 to 30 clerical personnel for records keeping, distribution of materials, and the like.

The company's building requirements are for 15,000 to 30,000 square feet of space with warehousing, inventory, and office space provided. The firm needs good communications access.

\* \* \*

Your job is to respond to this company's inquiry and to develop specifics for convincing its officials that a facility on Guam would be successful.

1. What is your team's initial response?
2. What are major advantages to be stressed?
3. What sort of follow-up should be planned?
4. What specific information items ought to be compiled?

## LOCATION PROBLEM

A major United States corporation is considering the consolidation of its marketing and engineering activities which at the present time are scattered at several points in the Orient and on the Asian mainland.

The investigating team for this firm is comprised of a vice president for operations, a marketing director, and a director of personnel from the company. They are placing considerable emphasis on the escalating costs encountered in operating some of their offices in Tokyo and Hong Kong. They also express concern over the apparent political instability in some other locations.

This company will make a major capital investment in consolidating its widespread operations. It is planning initially a building facility of 40,000 to 60,000 square feet, with offices which will house about 100 marketing and engineering staff and about 100 support personnel. The support personnel will include computer specialists, draftsmen, market researchers, and the like.

The company expects it will need about 10 to 15 acres of land. It also requests cost data on wages and salaries, land, communications, and utilities.

\* \* \*

Your group has been approached by the investigating team, and your job is to convince them that a facility on Guam would be successful.

1. What is your team's initial response?
2. What particular strong points would you stress?
3. What kind of follow-up to the investigation would you plan?
4. What sort of information packet would you compile?

EVALUATION

SEMINAR/WORKSHOP ON ECONOMIC DEVELOPMENT IN GUAM

Did the contents of the seminar/workshop meet your objectives in attending?

Yes \_\_\_\_\_ No \_\_\_\_\_ If no, why? \_\_\_\_\_

\_\_\_\_\_

Did you learn what you wanted to learn from the seminar/workshop? Yes \_\_\_\_\_

No \_\_\_\_\_ If no, explain \_\_\_\_\_

\_\_\_\_\_

Do you feel that your attendance at this seminar/workshop made you more qualified to participate in economic development in Guam?

To a great extent \_\_\_\_\_ Somewhat \_\_\_\_\_ No \_\_\_\_\_

Did you find the seminar/workshop relevant to the situation in Guam?

Very relevant \_\_\_\_\_ To some extent \_\_\_\_\_ No \_\_\_\_\_

What was the level of this seminar/workshop: Too theoretical \_\_\_\_\_ Good

combination of theoretical and practical \_\_\_\_\_ Inadequate on the

theory side \_\_\_\_\_ Inadequate on the practical side \_\_\_\_\_

How would you rate the whole seminar/workshop? Excellent \_\_\_\_\_

Good \_\_\_\_\_ Poor \_\_\_\_\_

Did you like the methods of presentation? Yes \_\_\_\_\_ No \_\_\_\_\_

Were the materials distributed of interest? Yes \_\_\_\_\_ No \_\_\_\_\_

Other Comments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### APPENDIX III

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ECONOMIC DEVELOPMENT SEMINAR/WORKSHOP

List of Invitees

Guam Growth Council Board of Directors

Michael D. McClure\*  
Employers Council

Gerry S. A. Perez\*  
Nanbo Insurance Underwriters

Jack Rosenzweig\*  
Ching, Rosenzweig & Boertzel  
Attorneys-at-Law

Willis R. Lawrence  
Klemm, Dear & Lawrence  
Attorneys-at-Law

Guam Growth Council Committees

Chris Felix  
Calvo Management Company

Phil J. Flores  
Guam Savings and Loan Association

John E. West\*  
Dairy Farm Flight Services, Inc.

Dan Urman\*  
Kloppenburger Enterprises

Lee M. Holmes\*  
Guam Cable TV System

Norm Santos  
RCA Global Communications, Inc.

Rosemarie Silva\*  
Marianas Travel Agency

Paul Douglas  
Matson Navigation Company

Bob Barney  
Mobil Petroleum Company, Inc.

William T. Andrianos\*  
Duty Free Shoppers Limited

Jean Gaskins  
NavMar Federal Credit Union

Greg Perez\*  
Chamber of Commerce

Joe Stoll  
Merrill, Lynch, Pierce, Fenner & Smith

Fred Jackson\*  
Jackson's Automatic Carwash

Chuck Bacchi\*  
Senator Frank Blas's Office  
Guam Legislature

Commander Pete Patacsil  
COMNAV Marianas, FPO San Francisco 96630

Captain William Chin  
COMNAV Marianas, FPO San Francisco 96630

Priscilla Cruz  
Exporta

Iris Muna  
KGFT, GW Senior High Campus

Don Roberts  
Kaiser Cement & Gypsum Corp.

Wayne R. Baumunk  
Coral Reef Marine Center, Inc.

\*Attended one or more sessions

ECONOMIC DEVELOPMENT SEMINAR/WORKSHOP

List of Invitees

Others in Attendance--One or More Sessions

Carl Taitano  
Calvo Management Company

Sam Gillentine  
Department of Interior

Carol Enders  
Guam Employers Council

Henry Cruz  
Guam Department of Commerce

Sen. Thomas V. C. Tanaka  
Guam Legislator

John DeNorcey  
Administrative Assistant

David Flores  
Guam Development Authority

J. B. McDonald  
Guam Department of Commerce

Paul Souder  
Guam Planning Department

Certificates Awarded

William T. Andrianos

Chuck Bacchi

Carol Enders

Sam T. Gillentine

Fred Jackson

Michael D. McClure

Greg Perez

Jack Rosenzweig

Rosemarie Silva

Carl Taitano

Dan Urman

John E. West

# **The Georgia Institute of Technology**

**This is to certify that**

**has successfully completed the**

## **SEMINAR ON GUAM'S ECONOMIC DEVELOPMENT**

**conducted by the**

**Economic Development Division, Engineering Experiment Station**

**under sponsorship of**

**OFFICE OF ECONOMIC ADJUSTMENT**

**DEPARTMENT OF DEFENSE**

**Given at Atlanta, Georgia**

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**Seminar Director**



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**Division Chief**

this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

# Business News

## GovGuam Gap Is Key Problem



Right News Photo by Bob F.

CASSELL

By Susan J. Marks  
Daily News Staff

Cooperation between GovGuam and local private business and industry may be the key obstacle to developing a viable economy for Guam, according to an economist from the Georgia Institute of Technology.

"There is a real gap between the business sector and the government sectors," Robert A. Cassell said yesterday.

Cassell is directing a federally-sponsored economic development workshop this week at the Reef Hotel. The seminars are aimed at explaining exactly how Guam can expand and develop its economy, he said.

"We are here at the request of the (President's) Economic Adjustment Committee to tell the local people about techniques to expand the economic base on island," Cassell said outside of one of the seminars.

Originally half of the participants were to be from the private business community and half from the government.

"But we haven't got any government people. Either they didn't know about it or they have other interests that are more important," he said.

"We recommended that instead of hiring Georgia Tech, the money should be given to the University of Guam," Eugene Ramsey, Gov. Ricky Bordallo's special assistant, said yesterday.

The administration's recommendation to Batelle would have provided a more long term effect, Ramsey said.

As yet there has been no response to that recommendation. "And you don't see me there (at the conference)," Ramsey said.

Two GovGuam officials did attend briefly Tuesday morning's seminar sessions chaired by Cassell.

"Guam can develop a viable economy of its own," Cassell said.

"This doesn't mean say, given certain facts that you could expect the same kind of economy that you would find on

the mainland," he said and cited the problem inherent in an island community. Raw materials are not as readily available here as on the mainland, he said.

"That is not to say that light industry in certain areas could not be feasible — sewing or regional headquarters for multinational companies on Guam," Cassell added.

"Why pick Guam for a business location should not be the question." Instead, through analysis and eventual promotion of the island's benefits, the question should be, why not pick Guam, Cassell said.

There are certain other roadblocks to economic development here like federal restrictions, Cassell said. He cited the Jones Act, which restricts U.S.-bound goods to only U.S. flag carrying ships, and the use of alien labor which keeps much of the money from recirculating on island.

Whether or not Guam can have a viable economy without the U.S. government is a different question, Cassell said.

"Because", he added, "At present, so much of the economy depends on the government."

## But Not Insurmountable

A series of economic development seminars this week are being sponsored by the President's Economic Adjustment Commission.

The seminars are a follow-up to the Guam economic growth report by the Battelle Memorial Institute of Columbus, Ohio which was issued amidst controversy last August.

One aspect of that report included the suggestion of forming a Guam Growth Council to coordinate the public and private sectors in developing the Guam economy.

This conference is giving that council guidance in its Battelle follow-up efforts to sell Guam as a viable business community, Mike McClure, executive director of the Guam Employers Council, said at the conference yesterday.

McClure is also treasurer of the growth council. "What we are trying to do is organize the private sector in line with the public sector, exactly like the Battelle report was trying to do," McClure said.

With or without GovGuam, representatives of which are not attending except for brief appearances, the sessions are valuable. "We are making a start by saying how can we as a business community encourage other people to come into the business community. That is something the government can't do."

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report On  
BARABOO/SAUK COUNTY, WISCONSIN

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report On  
BARABOO/SAUK COUNTY, WISCONSIN

For  
OFFICE OF ECONOMIC ADJUSTMENT  
DEPARTMENT OF DEFENSE

Prepared by  
Robert B. Cassell  
Principal Research Scientist

GEORGIA INSTITUTE OF TECHNOLOGY

ENGINEERING EXPERIMENT STATION  
Technology & Development Laboratory  
Economic Development Division  
Atlanta, Georgia 30332  
February 1978

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Baraboo/Sauk County, Wisconsin

Background

This program was originally conceived as a vehicle to involve local community leaders from Sauk County, Wisconsin, in an effort to achieve effective economic development efforts at the local level. This county and its communities were the initial target location identified by the Office of Economic Adjustment, Office of the Secretary of Defense, because of the impact of severe personnel reductions resulting from placing of a major defense installation on standby status. The facility involved is the Badger Army Ammunition Plant near Baraboo which was phased out between 1973 and 1975.<sup>1/</sup>

Conduct of the Economic Development Program was assigned to the Industrial Development Division (now the Economic Development Division) of the Engineering Experiment Station at the Georgia Institute of Technology. This Division was given the responsibility for executing four phases of the program, as described below.

Program Purpose

The main thrust of this particular program is to provide a basis for concerted community action directed towards achieving economic progress. It gave recognition to the fact that recovery from the impact of substantial employment decreases, and the accompanying secondary effect on local business and commerce, cannot be achieved automatically. What is required is that enlightened and informed community leadership be assisted in undertaking measures which can

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<sup>1/</sup> Economic Adjustment Program - Sauk County, Wisconsin (September 1976).

provide positive directions for generating new employment opportunities.

The negative psychological attitudes which a base closing can have upon local leadership has to be replaced with a positive outlook. Furthermore, in negotiating with potential investors from beyond the community, a posture that can influence the course of events should be adopted, rather than merely reacting to the situation.

Involvement in the process of attracting new and suitable industrial facilities can provide an insight into decision-making processes, as well as stimulating an impartial analysis of community strengths and weaknesses. From this combination of changed attitudes and confidence, a program of work with specific tasks for the leadership group can be recommended for action.

Moreover, this program can serve as a device for giving the local economic development team a more intensive and a broader acquaintance with the scope and depth of local economic data and a ready recognition of appropriate situations in which this information can be readily utilized. In the course of such activity, community needs for expanding and improving infrastructural support would also be identified.

#### Specific Accomplishments

In the time when the program involved Sauk County leadership, certain specific accomplishments were realized:

1. Participation by both the private and the public sector in the various communities was stressed.
2. The proper function of the professional staff, contrasted with the role of the volunteer elements both from business and government, was illustrated.
3. Application of economic data appropriate to the local situation, either already developed or easily accessible, was demonstrated.

4. Emphasis was placed upon the necessity to mount efforts for a period of long duration, with a proper mixture of both patience and persistence.
5. Positive attitudes and mature judgement decisions were shown to be essential for attracting new investment opportunities.

Fundamental to this approach was the assumption that any training or teaching experience with an adult group should immerse the subject members in a real life experience. Out of this extended exposure will come the learning experience which highlights the best fashion in which to conduct negotiations. Also, more attention to actions which are incomplete in results or areas which require further exploration and attention will similarly be illustrated. These results, hopefully, will constitute guidelines for future activity by the leadership group.

Ultimately, this series of interactions serves to broaden the knowledge and experience of the local leadership group, giving it confidence and soundly derived information. In the future, this group can assume the responsibility for expanding the economic base of the community, relying on sources outside the community to support local efforts, and thus overcome the negative effects which the original employment decline may have generated.

#### Phases of Activity

The program for Sauk County was designed to consist of four phases, but subsequently was expanded to five. These phases constituted (one) the initial introduction session or orientation, (two) the stage of prospect investigation, (three) the performance review and work program initiation, (four) an interim review of progress achieved, and (five) a final reassessment along with a community-wide seminar on development techniques.

Considerable preparatory work was required once the program commitments were signed by the sponsor and the contractor. Background on Sauk County,

Baraboo and seven other communities was reviewed, based upon prior OEA studies. Contacts were made with the Wisconsin state development department, initial contacts were arranged in the subject communities, and background research undertaken for an appropriate industrial facility search project.

Initially, and during the course of the work in the various communities, the constituency of the contact teams was analyzed. An ideal situation would be to involve a true cross-section of the various "publics" with the top leadership from each group involved. Short of this ideal, however, most professional developers must work with those participants who are willing to be involved. Thus, part of the task is a continuous process of motivation, indoctrination, and training.

Phase One: This phase was initiated in Sauk County in mid-January 1977. An evening session, arranged through the Sauk County Development Corporation, was held with 17 community leaders and 2 representatives of the state development department. A list of those in attendance is included in Appendix I.

At this session, the regional director of the Office of Economic Adjustment from Kansas City, Missouri (Mr. Eldon Erickson) and the Georgia Tech project director reviewed the background of the project, explained the processes involved, described similar activities undertaken in the same manner elsewhere, and obtained local concurrence and general support.

Phase Two: This phase was initiated in February and concluded in mid-March. Having adapted a genuine manufacturing plant location search made by a metalworking corporation so that it would meet the general circumstances of the midwestern situation, a consultant (Dr. Howard Roepke, location consultant and member of the Department of Geography at the University of Illinois) was invited into the community. He was informed on complete details on the project and was also acquainted with the community information which had been accumulated prior to this visit.

The case which was used was an investigation by a medium-sized metal-working concern which would employ 120 workers initially and 200 workers after five years. This facility had some need for semi-fabricated materials, would use both electric power and natural gas, and the management expressed more than a mild concern with general community attitudes on new industry as well as the receptiveness of the existing industrial complex.

In the Sauk County situation, only two locations were inspected, but a second, follow-up session was held with representatives of two other communities in order to take advantage of the training potential and to obtain additional community response.

Phase Three: This phase of activity was based upon the consultant's conclusions and considerable comments prepared by the Georgia Tech team which served as observers. A detailed report was prepared for the community group, and was reviewed with the participating community leaders in sessions held late in May. The project director from OEA (Mr. Paul Sage) and the Georgia Tech project manager participated in this session. The report to Sauk County is incorporated as Appendix II.

Included in the report is a series of recommendations for local action designed to improve and to strengthen local economic development activities. In addition, a number of important points were stressed verbally in the session held with the Sauk County group.

Phase Four: (not originally planned): As the program unfolded, it seemed desirable that another segment be provided for the successful conduct of the work. This provided the opportunity for the Georgia Tech project director early in September to review with the Sauk County development director the process of identifying obstacles to the local program, to evaluate future program needs and directions, and to plan for the Phase Five activity which would seek to generate and motivate local support for the development program.

From this conference, certain suggestions were made verbally which were deemed inappropriate for written dissemination to the entire leadership contingent. Certain items touched upon personalities and individuals who constituted part of the "contact" team. Another significant item of discussion concerned the intermediate and long-term financing of the development organization's program.

Phase Five: This aspect required a Georgia Tech team to hold a meeting in Sauk County and Baraboo early in October. This meeting was designed to explain publicly activities which had taken place under the program, with added comments and suggestions to reinforce local efforts to expand the economic base.

This public, community-wide seminar on economic development concluded the program's formal activity. Invited to the session were the leadership which had participated in the previous stages as well as other involved persons who had not previously participated. Background on the area's economic achievements, on its needs and its potentials were discussed with a specific review of the programmatic elements. The emphasis was upon the report's recommendations, and some of the verbal elaboration on these. Several hand-outs excerpted from the report were given to the attendees.

In attendance at Baraboo were 24 persons from 8 separate communities. A registration list for this session constitutes Appendix III.

#### Other Program Elements

To support certain of the activity phases detailed above, a series of explanatory articles suitable for use by local press and radio were prepared. With special assistance from the executive of the participating development corporation, these articles were published in the local newspapers. Copies are displayed in Appendix IV.

Throughout the program, strong efforts have been made to involve state development agencies and other external professional agencies (such as regional

councils, utilities, railroad, etc.) in the process, both to inform them of local accomplishments as well as to involve them more specifically in the local presentations.

Furthermore, continuing contact was maintained with OEA officials, both at the regional and Washington levels. On several of the trips to the communities in Sauk County, a representative of at least one office was present. In addition, interim written reports on the work in progress have been prepared and transmitted to the authorized project directors.

Several project review sessions also have been held in the OEA offices in Washington, prior to initiation of the field work, at approximately midpoint in the program execution, and upon conclusion of the conduct of the last phase described above. These sessions have been extremely useful to the Georgia Tech project manager in providing a sounding board as to the program's timing, effectiveness, and desirable changes or alterations.

#### Accomplishments

Without doubt, substantial improvement has taken place in the knowledge of local resources and the information developed on the part of the contact team representing Sauk County and its communities. Further, the use of more sophisticated techniques has been apparent.

An awareness of the need for local action and less dependence upon the initiation of activity by outside sources has been pointed out. At the same time, the appropriate involvement of those same forces has been stressed. But throughout the program emphasis has been placed upon the desirability and the importance of self-reliance in expanding local economic development programs.

While the local group was initially loosely knit and somewhat suspicious of members who were from other communities, by the conclusion of the program, the group was observed to be more cohesive and better informed. Responsibilities for performance of certain tasks and the management of resources were

clearly defined. Many members who were poorly informed, or even uninformed, regarding certain resources at the start had acquired considerable information. It appeared that the community development group was functioning with more confidence and authority at the conclusion of the program and that many of the techniques suggested were being applied.

While there is no tangible evidence in the case of the Sauk County Development Corporation (Baraboo) succeeded in attracting a new firm in the period under discussion, the continued presence of a development authority able to focus and concentrate renewed community leader confidence and enthusiasm must be regarded as a strong factor.

For the long range, expectations can be high, but there presently is no reliable method for the measurement of results. It would appear that a system for periodic follow-up after a lapse of about a year might be appropriate, as is suggested in the project summary evaluation provided by the director of the development organization -- reproduced in Appendix V.

Among the specific benefits from the cooperation sought between the various agencies operating on different governmental levels is one embodied in a statement made by the Administrator of the Wisconsin Department of Business Development at an open meeting during the course of this effort: "I will certainly feel more confident in referring (industrial) prospects to Baraboo as a result of your having received the training provided in this program." As a matter of fact, preliminary discussions were initiated with representatives of this department to explore some method of extending this training and technical improvement to other Wisconsin communities.

Establishment of a better, more representative set of offices which gives a better impression of the community, one of the informal recommendations, has been undertaken.

In the application of this program approach to other impact situations, it has been deemed desirable to add some substantive program modifications. One

of these is to institute an orientation visit to the community for the purpose of becoming acquainted with certain of the key participants and decision-makers (now included as part of Phase I). This visit can also incorporate a first-hand inspection of the community. It would then be followed by a second trip when a larger spectrum of participants, including the key community leaders as well as those on the fringes, are involved in the orientation aspects. Another interim contact visit has already been incorporated into the program; this is described above as the Phase Four activity.

APPENDIX I

SAUK COUNTY DEVELOPMENT CORPORATION

Baraboo, Wisconsin  
January 13, 1977

Matt Pinnion	Engineer
Fritz Wagner	Attorney
Gene Madalon	Mayor
Max Herrmann	Herrmann Equipment
Pete Litscher	Assemblyman
Jim Hall	Flambeau Products
Bill Carey	Agricultural Extension Service
Ray Schoephorster	Chairman, Sauk County Board
Al Gastrow	
Bill Mossman	Wisconsin Power & Light
Terry Ramaker	Engineer
Woody Zantow	Real Estate
Ralph Sveldner	Village of Plain
John Schulter	Trustee, Plain
Merlin Zitzner	Baraboo Bank, Dev. Corp. Chairman
Robert C. Fleming	Executive Director

Others

David H. Swanson	Administrator, Wisconsin Div. of Business Dev. Service
Vance Rayburn	Wisconsin Div. of Business Dev. Service
Glen Pulver	Extension Service University of Wisconsin
Eldon L. Erickson	OEA, Kansas City
Robert B. Cassell	EDL, Atlanta

FOR IMMEDIATE RELEASE

Baraboo -- A program to stimulate Sauk County's economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant got underway this week under sponsorship of the Department of Defense's Office of Economic Adjustment (OEA).

Meeting with the directors of the Sauk County Development Corporation to initiate the program were Eldon Erickson of Kansas City, regional director for OEA, and Robert B. Cassell of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. Erickson and Cassell discussed with community leaders the specialized training program which employs simulation techniques to show industrial development volunteer teams how to carry out more effective industrial promotion efforts.

The new Community Economic Development Program was conceived by and will be conducted by Georgia Tech under contract to the OEA. The OEA was established by the President's Economic Adjustment Committee to assist communities affected by military base closings in marshalling their resources to lessen the economic impact of these defense realignments. Baraboo and Savanna, Illinois, have been selected for initial testing of the OEA-Georgia Tech approach.

Attending <sup>for</sup> the Sauk County Development Corporation were Robert C. Fleming, executive director; \_\_\_\_\_; \_\_\_\_\_; and \_\_\_\_\_. Also participating was David Swanson, administrator of the economic development division of the Wisconsin Department of Business Development.

The program will fall into four phases. The first phase is the initial orientation session with the local economic development team to review its efforts, accomplishments and failures and to plan for participation in the training program.

Phase two will consist of a visit by an industrial prospect. The local development team will prepare a presentation on Sauk County's attractions and resources for industry and attempt to persuade the prospect to select the county for the proposed facility. Georgia Tech is preparing a detailed, true-to-life industrial project for the simulation, which also will involve other professional developers on the area, state and national levels.

In the third phase, a follow-up session will bring together the Baraboo team and the professional developers who participated in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of

work will be presented that will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

Phase four will include a seminar/workshop for both the active participants and other interested citizens. This meeting will be designed to increase community support of the development team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

"The Community Organization for Economic Development Program was created," project director Robert Cassell stated, "to meet the need for providing education in the latest, most effective techniques for economic development groups in communities that are too small to hire professional developers and must depend entirely upon volunteer efforts."

"Economic development is extremely competitive throughout the country," Cassell added. "It involves not only positive and informed response to industrial prospect inquiries, but also preplanning and subsequent follow-through. The COEDP is designed to help the community to identify its specific assets and disadvantages, then to design specific programs to correct the weaknesses and to capitalize upon the advantages."

Major benefit of this program, he stated, will be the upgrading of the local development effort to a more sophisticated and businesslike level of expertise. Definite and positive results should be anticipated in the creation of new and better job opportunities for the population of the Baraboo area, he indicated.

Further details:

R. B. Cassell  
Economic Development Laboratory  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, GA 30332  
Telephone: (404)894-3843

APPENDIX II

COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM

Report on  
Activity of  
Sauk County Development Corporation Team

(Program under sponsorship of the Office of Economic  
Adjustment, Office of the Assistant Secretary of  
Defense, Department of Defense, Washington, D. C.)

by  
Economic Development Laboratory  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, Georgia  
May 1977

## ACCEPTED PROCEDURES FOR HANDLING INDUSTRIAL PROSPECTS

- Step 1.      Develop a working organization.
- Step 2.      Determine if your town is ready for industry. Make a complete inventory including all the facts on: available labor, transportation services, available plant sites and buildings, raw materials in quantity, availability and cost of fuels and power, local tax structure, housing, schools, recreational and cultural advantages and extent of financial assistance.
- Step 3.      Develop a community Economic Brochure.
- Step 4.      Get your community behind the drive for industry.
- Step 5.      Decide whether to provide financial assistance for industry.
- Step 6.      Handle your prospect's inquiry properly. This includes response to requests, of provision of information, recontacts and related matters.
- Step 7.      Handle your prospect's visit properly. This includes preliminary information on requirements, meeting with the community team, conduct of the interview. In particular, be prepared to negotiate with your prospect, but know how far you can go on financing, provision of utility services, and related matters.

## COMMUNITY RESPONSE TO INITIAL INQUIRY

### Nature of Inquiry

The initial letter of inquiry provided the following details:

Metal manufacturing company -- consultant inspecting Wisconsin locations.

Plant site of 25 to 30 acres, ready for construction, with adequate utilities.

Initial employment: 120 people (needed -- machine operators, welders, polishers/buffers; small number of unskilled).

Eventual employment:

Company interested in:

- present union situation
- community attitude
- attitude of existing industry
- rail and truck transportation
- electric power and natural gas

### COMMUNITY RESPONSE

- o Initial community response addressed most of the points raised in the inquiry.
- o Response stated BEDC did not actually have a site of size specified under control.
- o "Fact Finder" supposed to be enclosed was not mailed.  
It was referred to for supporting information on labor.
- o Letter set the proper tone -- gave information, look forward to follow-up or visit.

## COMMUNITY HANDLING OF PROSPECT'S VISIT

### Strong Points

Although the community leadership of Baraboo and Sauk County needs considerable additional experience and practice, many positive aspects were observed:

#### INTRODUCTION

- o The group made the visitors feel welcome. They appeared sincere and interested in the possibility of new industry locating.
- o Did have some specific task assignments.

#### INFORMATION FURNISHED

- o Group interpreted some of the data supplied.
- o Had "Facts Finder" -- some data interpreted.

#### LABOR

- o Specific data on labor availability given in letter, then reinforced in meeting with prospect.
- o Manager of existing industry answered questions on wage rates and training facilities.

#### TRANSPORTATION

- o Did obtain some truck delivery times and some rates.

## Community Handling of Prospect's Visit

### Strong Points (continued)

#### UTILITIES

- o Described plans for utility extensions.
- o Had LP gas price.
- o Offered to call in city engineer on sewer situation.

#### SITE

- o Prospect was driven to industrial sites and shown physical characteristics as well as rail and road access.

#### PROPER QUESTIONS ASKED

- o Company's water requirements.
- o Parking needs.
- o Were any related or complementary operations involved.

#### MISCELLANEOUS

- o The community attitude towards attraction of new industry appeared positive.
- o Housing supply was well covered.
- o Use of economic details on Baraboo in certain aspects was proper.
- o Involvement of local industry representative was excellent.

## Community Handling of Prospect's Visit

### Weak Points

A considerable number of weak points appeared in the Sauk County presentations:

#### INTRODUCTION

- o Evening session with two communities, because it was repetitive, tended to obscure certain major points.
- o The introduction of the community team was not well done, for the prospect was not posted on those he was meeting with.
- o The initial orientation could be improved markedly with use of a map of Baraboo, Sauk County and the region. This gives the prospect a better feel of the location, especially in regard to the highway network, physical location, major towns, etc., thus answering some of his questions.
- o No inquiry was made as to time limitations.
- o No opportunity for prospect to identify or refine his requirements.

#### INFORMATION FURNISHED

- o Maps and facts which adequately cover community information and the industrial sites should have been made available prior to visit, so the prospect could familiarize himself with them.
- o No data offered on other communities in Sauk County.

#### LABOR

- o Labor availability ought to be supplemented by most recent experience of new plants (or substantial expansions).

## Community Handling of Prospect's Visit

### Weak Points (continued)

#### TRANSPORTATION

- o Vague on details describing access to commercial airports.
- o Length of local airport runway was not verified.

#### UTILITIES

- o Failed to find out what sewage effluent might be, or reason for sewer make-up.
- o No reason to refer to Oklahoma/Texas gas in citing price of LP gas.

#### PLANT SITE

- o No site sketches available.
- o Guess made as to land price.
- o Imprecise on zoning situation.

#### COMMUNITY TOUR

- o Tour was not planned or organized.
- o Tour could have been supplemented or expanded by use of maps and/or slide show presentation.
- o Prospect had to ask about residential areas and churches.
- o Did not show recreational facilities which were frequently mentioned.

#### BUILDINGS

- o No precise data on construction costs -- positive data could be furnished by local contractor.
- o Available industrial building not mentioned until second session.

## Community Handling of Prospect's Visit

### Weak Points (continued)

#### MISCELLANEOUS

- o Response on fire protection was quite vague -- gave impression local people didn't know.
- o Better initial meeting place should be used.
- o Did not cover certain amenities: churches, recreation.
- o When other towns are cited, their location or distance should be given.
- o Tour was unplanned and did not appear to be organized.
- o Too much emphasis on tourist attractions.

#### SUMMARY

- o Did not ask about timing of company decision.
- o Failed to determine whether any subjects or questions were not covered.
- o Did any one keep a list of unanswered questions, so that the prospect could be furnished answers later?
- o No one asked what, in effect, it would take to make Baraboo/Sauk County the company's choice.

## COMMENTS FROM THE CONSULTANT

In the meeting with members of the Sauk County Development Corporation, community interest and receptivity to new industry would rank high.

Baraboo could not be considered at this time if the construction schedule outlined in my instructions from the client is to be adhered to; however, if the project is delayed for any reason, Baraboo should be seriously considered. On several counts the area seems well suited for the proposed operation.

### A. Labor

1. Survey data, now some 6 months old, confirm the existence of a labor pool of adequate size. The manager of a local industry employing some 150 people tells me the availability is such that he has never had to advertise for additional help -- word-of-mouth or the posting of a notice board has always brought sufficient applicants.
2. Unfortunately, neither abstenteeism nor turnover rates were available -- they are said to be low.
3. Only about 30% of local industrial workers are presently unionized. A non-union operation would be feasible. The dominant union is the IADTA-AFL/CIO.
4. The community data offered gave only a meaningless and unsubstantiated general range of wage rates. However, through the manager of a local plant, I was able to determine that unskilled labor can be found at the minimum wage and the going rate for semi-skilled machine operators ranges from approximately \$4.00 per hour.
5. There is likely to be difficulty in obtaining skilled welders and polishers/buffers. This is not unexpected, and arrangements

Comments from the Consultant

can be made for an in-plant, state-sponsored, vocational training program to develop the necessary skills.

B. Access to Markets

1. Truck service is good, except to the South. Existing plants regularly receive 5-day service to the West Coast, but service to Texas may require 10 days.
2. Common carrier service is available from at least 3 firms with local or nearby terminals.
3. Approximate rates for high-class freight to either Chicago or Minneapolis were quoted as \$4.00/cwt. in 2,000 lb. lots. Further detail was not available.

C. Existing Industry

1. Local industry seems to be operating effectively as it has a good expansion record.
2. There is in existence a Baraboo Manufacturers Association which holds monthly meetings. There is apparently good co-operation between existing industries.

D. Community and General Factors

1. An adequate supply of housing for executive and supervisory personnel at prices approximately 10% below the levels in the Chicago area appears available.
2. Executive air travel facilities appear adequate. Good commercial connections through the Madison airport, some 30 miles away, to Chicago are available.
3. Tax rates, calculated on 100% of true value with state equalization, seem reasonable, although complete rates were

Comments from the Consultant

not provided. Tax rates in Wisconsin are high, but the level of services provided is good.

4. The water supply is adequate in quantity and quality with a new well just being completed. No rates were provided.
5. Adequate electric power is available. Rates are to be provided.
6. No natural gas is available. There is a supply of LPG available at 33¢ per gallon if you provide a 5,000-gallon storage tank. According to sketchy figures available, this seems equivalent to natural gas at approximately \$3.25/MCF -- extremely costly, but the availability may outweigh the price.

My recommendation is that Baraboo be eliminated from present consideration, but be reconsidered if the project is delayed because of several uncertainties which will take time to resolve.

- A. One site I was shown is owned by Mr. Deppe, a local capitalist. A 20-acre site, privately owned, has moderate but not serious slope problems which might interfere with easy installation of a rail siding. (I was quoted a current price of nearly \$40 per lineal foot for the siding. Our volume would not be sufficient to retrieve much of that by rebate.)

I was unable to get any price quotation on the land. The owner prefers to build to suit and lease, but I have been promised information on possibility of sale and asking price. Neither map nor air photo of the site was provided.

The outstanding handicap of this site is the fact it is served by only a 6" water main which would be sub-standard for a sprinkler system. A future possibility of an 8" loop was discussed.

Comments from the Consultant

- B. The second site shown has just been put under option by the Baraboo Expansion Corp. With an existing tract, this will make a site of some 27 acres. Since both the Corporation and the city were mentioned in connection with ownership, the exact status is unclear. Again no maps or photos were provided.

Present plans are to extend (available) water, sewer, and a rail spur to the boundary of the site. However, the work could not be completed until early fall at best and some of it is dependent on federal grants which may occasion further delay. I was quoted a price of \$7,000 per acre after the extensions of utilities have been made. It was not made clear whether this included the extension of utilities, streets, etc., on site or not. The price is reasonable if completely developed, otherwise it is excessive.

- C. It was mentioned that some sites were available in smaller towns in Sauk County, but none were suggested or shown. Examination of these would be another source of delay.
- D. I was unable to obtain any reasonably firm estimates of local building costs. Examples were cited of small plants being built in outlying towns at \$8.00/sq. ft., but the relevance of these to local costs is unclear.
- E. A major problem concerns the sewage system. At present it performs only primary treatment and is so overburdened that no new subdivisions are permitted. I was assured that your plant could be accommodated on a lateral to the present system (permitted), but the state Department of Natural Resources (EPA equivalent in Wisconsin) might well raise objections. Improvement in sewage treatment is several years away.

## COMMUNITY FOLLOW-UP

If Baraboo and Sauk County are genuinely interested in obtaining the industry which this prospect represents, then it is essential that the consultant making the investigation be furnished all of the information which he requested as soon as possible prior to his visit. By this means, some of his questions will have been answered.

Then, other specific details should be compiled, as developed from the prospect's visit and conference. That information should be sent along accompanied by a letter setting forth the community's interest and an offer of further material and other specifics on the town.

Do not assume that when the prospect leaves that he is satisfied, and has all the facts he may need. Find out if that is the case, by asking.

A follow-up letter with considerable supplementary information was prepared immediately following the prospect's visit. It indicated community interest in the project and the desire to continue the contact.

An immediate follow-up is also highly desirable for another reason, since both state and area development agencies deal with many communities and many prospects. They should be kept current on local progress, particularly in any further contacts with the prospect.

## RECOMMENDATIONS FOR FUTURE ACTION

Baraboo and Sauk County have already demonstrated that they can attract new industry (however, this point was not as positively developed in the session with the prospect as it should have been). The Sauk County contact team could improve its effectiveness by undertaking certain measures as described below.

For the ultimate purpose of accomplishing these recommendations, we have sorted them into "Short-Range Objectives" which can be initiated and completed in a short period of time and which will not place an undue burden upon the Sauk County Development Corporation executive. Another set of "Long-Range Objectives" are listed; these will require more time to undertake as well as a substantial amount of research and editorial work on the part of the executive.

### SHORT RANGE OBJECTIVES

- o Select as a spokesman for the group one of the businessmen citizens, so that the executive is able to collect the data and develop the required documentation.
- o Develop a detailed "Game Plan" for handling industrial inquiries. This plan will cover all items from introduction through the community tour plan.
- o Expand the present team arrangement from four units to include task forces on labor, utilities, transportation, sites, community attitude and financing.
- o Take some of the current data, and expand it into a "Briefing Book" which would contain the latest and most current documentation.
- o Push for completion of the acquisition to make 27 acres actually available from the Baraboo Economic Development Corporation.

#### Recommendations for Future Action

- o Develop adequate plant site sketches on both sites.
- o Prepare an acceptable statement which explains the status of the Badger Ordnance Works and the lessened impact upon current employment.

#### LONG-RANGE OBJECTIVES

- o Prepare a regional orientation map.
- o Prepare a community tour map, and supplement it with pictures.
- o Initiate production of a color slide presentation as a substitute or back-up for the community tour.
- o Push for expansion of the sewer capacity at the Baraboo Corporation site location.
- o Develop the site information sketches and documentation at Prairie du Sac, Sauk City and other active locations.
- o Finally, start a program which can generate your own prospect inquiries.

APPENDIX III

SAUK COUNTY SEMINAR  
Baraboo, Wisconsin  
October 3, 1977

<u>Name</u>	<u>Occupation</u>	<u>Community</u>
Ralph Soldner	Accountant	Plain
Ray Liegel	Trustee	"
John Schluter	Trustee	"
Gene Madalon	Mayor	Baraboo
Chet Corson	Plant Manager	Baraboo
Dick Spragg	Retailer	Baraboo
Leo Eastman	Manufacturer	"
Bill Harder	Alderman	"
David Wiggins	Wis. Dept. Bus. Dev.	Madison
Ray Schoephorster	Co-Chairman	Prairie du sac
Armand W. Bauer	SPID	Sauk City
Jerry Lochner	"	Sauk City
Dan Heffron	SPID	Prairie du Sac
Randy Koenecke	SPID	Sauk City
James A. Vierbichel	Engineer	Reedsburg
Frederic J. Wagner	Attorney	Baraboo
Elizabeth M. Johnson	Alderman	Baraboo
Lee Hoeppe	Auto dealer	Baraboo
Andy McArthur	Baraboo I.D. Corp.	Baraboo
Ted Mandt	" " "	"
Jimmy C. Hall, Sr.	Manufacturer	"
Bud Gussel	Wholesaler	Wisc. Dells
Glen Pulver	University Extension	Madison
Robert Fleming	Executive Director	Sauk County

A community economic development workshop, sponsored by the Sauk County Development Corporation, will be presented Monday night October 3, in Baraboo.

The program will be presented by development specialists from the Economic Development Division of the Georgia Institute of Technology. This group has been working with communities in Sauk County, under contract to the Office of Economic Adjustment, Department of Defense, to assist local authorities in mounting an aggressive industrial promotion program.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia school. The program, designed for community-wide participation, will describe the work which has been undertaken here and point out some opportunities for sound healthy growth. The meeting will be held at the Sauk County Courthouse at 7:30.

Additional details may be obtained from the Sauk County Development Corporation, at 356-3133.

## SEMINAR FORMAT

- I. INTRODUCTION (Cassell)
  - A. Explanation of Seminar
  - B. Slides on Wisconsin
  - C. Our Program in Sauk County -- General Description
  - D. Community Involvement (Handout)
- II. TOOLS FOR THE DEVELOPER (Dodson)
  - A. Community Brochures
  - B. Land Development
  - C. Financing Programs
  - D. Labor Supply Info and Training
- III. AIDC EDUCATIONAL FOUNDATION:  
The Contact Team (Slide presentation)
- IV. RESUME OF OUR PROGRAM IN SAUK COUNTY
  - A. Steps in Prospect Handling (Handout)
  - B. Recommendations (from report)
- V. QUESTIONS & ANSWERS -- COMMENTS
- VI. GENERAL CONCLUSION

## ***Development workshop at Baraboo Oct. 3***

A community economic development workshop sponsored by the Sauk County Development Corporation will be presented Monday night, Oct. 3, in Baraboo.

The program will be presented by development specialists from

the Economic Development Division of the Georgia Institute of Technology. This group has been working with communities in Sauk County, under contract to the Office of Economic Adjustment, Department of Defense, to assist local authorities in mounting an aggressive industrial promotion program.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia school.

The program, designed for community-wide participation, will describe the work which has been undertaken here and point out some opportunities for sound, healthy growth. The meeting will be held at the Sauk County Courthouse at 7:30 p.m.

## ***ion coming***

### ***. 12 issue***

other items that craftsmen make and sell, this guide will be an excellent place to let our readers know what you do and where to find you.

If you are interested in a listing, please call the Home News, 588-2508, and ask for Debbie or Ginger.

Readers are sure to find our Crafts Section interesting. There'll be some how-to's on things you can enjoy making at home and there will be advertisements to let you know where supplies are available.

**THE HOME NEWS—2**  
**September 28, 1977**

APPENDIX IV

# Industrial development--its impact on a community

This is the first in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Is "industrial development" a goal to be sought? Or has industrial growth become out of style?

Consider the person who loses his job because his employer moves his plant elsewhere and other employment is not available. Think about the recent

school graduate who is forced to look outside his community or area for suitable job opportunities.

For these as well as the person who can only find part-time or seasonal work, or is stuck in a position that is beneath his or her capabilities or potential earning power, industrial growth is a must. So it is also for local government officials who need an adequate tax base to provide the services that make a town a desirable place to live.

Most communities would like to attract new industries; in the United States today, some 2,000-2,500 communities are actively engaged in industrial development efforts.

## WHAT IS INDUSTRIAL DEVELOPMENT?

Industrial development encompasses both the attraction of new enterprises and the expansion of those which already exist in the community. The public generally thinks of industrial development as meaning manufacturing, but the term also includes warehous-

ing and distribution centers, retail and wholesale trade, office complexes and service establishments, and mining and the extractive industries—all economic activity that creates jobs.

**For economic growth is not an end in itself. Its fundamental purpose is to raise the standard of living and to increase the well-being of the average community citizen.**

## COMMUNITY VIEWPOINT

Expansion of employment opportunities in various segments of economic life is basic to any community's growth, to the expansion of income, and to the provision of funds for supporting public services. Every community seeks to attract new residents and existing businesses, by offering economic opportunities and good community services. For the young people reaching adulthood, jobs must be made available or they will move to centers where the jobs do exist.

Industrial growth will encourage the young adults to remain, to sink their roots down and to

invest both youth and energy in the hometown. It also fosters community pride which sparks citizens to assume greater civic responsibilities. By generating additional income in the community, it can lead to better housing, more diversity in commerce, and better living conditions.

High levels of living standards are essential for adequate social and economic development. They include living conditions or "amenities," governmental services, health, safety, social order and welfare, and environmental health. Some of these things can be accomplished only by widening the tax base to generate more revenue for the city and the county.

## MULTIPLIER EFFECT

New dollars brought into a community always create a benefit greater than their actual monetary value as they are spent and respent for various goods and services. This is called the "multiplier effect." A new or expanded plant is likely to trigger

additional growth among supplying industries, as well as increased demand for local business and other services. If part of the goods produced or services rendered are purchased by persons outside the community, the multiplier effect is greatly enhanced. Some authorities suggest that the local effect of a new industrial investment is approximately two times the value of the investment. This means that a new plant with a \$500,000 annual payroll may be expected to trigger a total increase in local incomes of \$1 million.

The basic end of industrial development, then, is to improve the welfare of people. It accomplishes this goal in three ways: (1) by increasing the amount and variety of goods and services available to the consumer; (2) by enlarging his income or purchasing power, and (3) by providing taxable resources to enable government to meet the ever-broadening demands for more and better public services.

[Next: How to Go About Getting Industry]

# Industrial development---its impact on a community

THE HOME NEWS—2  
July 6, 1977

This is the second in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Most towns welcome the new jobs and revenue that new and expanded industries bring. But the competition is so fierce today that the community which merely waits for the industrialist to discover its charms generally is doomed to be a wallflower.

For success, the community

must have a problem of industrial development spearheaded by some organization or group of leaders who will be responsible for getting the job done. And the mental attitudes and the physical resources of the community must be mobilized in support of the program.

The work of attracting new payrolls to a community falls to its civic leaders through such organizations as the chamber of commerce or the local development corporation. The makeup of any industrial development organization must be representative of the various segments of the larger community. If possible, it should be coordinated by a professional industrial developer.

There are four important steps in the community economic development process: fact-finding, analysis, decision and action.

## FACT FINDING

An inventory of the community's economic resources is the absolutely necessary preamble to designing an effective community development program. The community economic profile should contain data on

population, labor force, natural resources, economic complex, government services, and community facilities. Without this specific data on the community's assets and liabilities, the industrial development team cannot intelligently plan how to capitalize on the community's strengths or to overcome its weaknesses.

Or it may mistake the true nature of the problem. Unemployment may appear to be a major problem for example. Investigation may reveal that jobs are available, but people with the necessary skills to fill these jobs are not available. Thus, this becomes a problem of training rather than the development of new job opportunities.

## ANALYSIS

Facts are no good unless you analyze them. Armed with the results of the community resources audit, the team can objectively evaluate its attractiveness to industry and determine what needs to be done to improve its chances for economic growth. Sometimes, in-depth analysis may reveal problems heretofore unrecognized. For exam-

ple, in trying to upgrade its industrial site situation, a community may discover that its water distribution system is inadequate or dependent upon a limited water system.

## PLANNING FOR ACTION

Once the facts are in hand, and the alternative courses of action clearly outlined, the industrial development team must decide upon a plan of action. It must determine what sort of development is best for the area, set goals and priorities—and focus its efforts on the "best bets" for attracting industry as well as the most imperative needs for correction of deficiencies.

A community surrounded by extensive timber resources may want to slant its sales pitch toward woodworking industries. Another community may discover that its biggest asset is a long history of amicable labor-management relations.

The team should concentrate on improving problem areas that are most easily correctable, such as the lack of industrial sites, inadequate utilities and services, or low educational standards and

lack of vocational training. Inherent weaknesses, such as the lack of raw materials and poor geographic location, must be accepted and compensated for in other ways.

## IMPLEMENTING THE PLAN

The final task is to implement the action plan. Steps must be taken to improve the community's liveability and its attractiveness to industry, and a sales campaign must be launched to bring the community to the attention of prospective new industries. The team should not neglect the existing industry that already operates in the community—often local industry expansion is the best source for additional jobs and payrolls.

The vital ingredients in a successful industrial promotion effort are a dedicated team that follows the four steps—survey, evaluate, plan, and get out and work—and a community that offers its moral and financial support. The community that organizes for industrial development is the one most likely to achieve it.

[Next: What industry looks for]

# Industrial development---its impact on a community

THE HOME NEWS—3  
July 20, 1977

This is the third in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

When a manufacturer decides he would like to open a plant in another location, what factors are important in determining which community he will select?

## BASIC FACTORS

The basic factors which dictate

location decisions are markets, labor, raw materials and transportation. The relative importance of the first three factors varies, depending upon the orientation of the industry, while transportation must be considered in relation to its effect on other factors. A mobile home manufacturer, for instance, would want to locate in the middle of his market area because of the relative difficulty and high cost of transporting the finished homes.

A steel mill, on the other hand, needs to be near sources of iron ore, coal and other raw materials, and a food processing plant must be near its sources of supply because its raw materials are perishable. Other industries that utilize large amounts of labor in producing their goods or require specialized and highly skilled personnel might consider locating where there is an ample and well-trained supply of labor.

In a recent survey made by McGraw-Hill of the directors/managers of real estate and property of the 750 largest U.S.

corporations, 68% rated improvement of labor cost or productivity as one of their prime objectives for planning a new plant location. On the market side, 65% cited ability to better serve new and/or expanding markets, and 60% rated closer proximity to customers and/or distributors at the top. Improvement in transportation efficiency or economy was named by 56%, and 48% said proximity to resources and/or major suppliers was a major objective.

## SECONDARY FACTORS

Leading the list of secondary location factors is utilities, whose importance is looming ever larger in these days of water shortages and energy constraints. For some industries this has always been a primary factor; glass manufacturers and aluminum producers require large amounts of inexpensive energy and some chemical process industries need large amounts of water for processing and waste disposal, to name a

few. Nowadays, few industries can afford to consider the cost and availability of electric power and fuels as a matter of course. Inadequate water and sewage facilities present definite industrial handicaps to any community.

Other factors to be examined include: local government services, taxes, amenities (education, recreation, housing, cultural activities, etc.), and plant and site considerations. Certainly, a new industrial citizen would want adequate fire and police protection, as well as reasonable taxes. Living conditions also can be critical. The lack of suitable housing, for example, will keep people from moving into a community even if good jobs are available. This problem can become so acute as to prevent the location of new industrial plants in an otherwise suitable area.

Obviously, the community has to offer the industrial prospect a suitable tract of land for his plant, and if access roads and utilities are already on-site, so much the better. Available industrial build-

ings are another plus. Some communities even build "speculative" shell buildings; when a client is found, the building is finished to his specifications. A local building authority or business development corporation that can help with plant financing is another drawing card.

## THE DECISION PROCESS

Once an industrialist has narrowed his choices to several communities that satisfy his basic criteria, these secondary factors will tip the scales in favor of a particular community. In the survey mentioned above, 81% of the corporation plant locators said that they had to choose between two or three close alternatives—only 19% said that one site stood out clearly as the right one. This means that such intangible factors as community appearance and amenities may make the difference between economic growth and stagnation for a community.

[Next: The changing force of industrial development]

# Industrial development---its impact on a community

## EFFECTS OF NATIONAL TRENDS

This is the fourth in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

### THE CHANGING FACE OF INDUSTRIAL DEVELOPMENT

"The times they are a'changing," sings Bob Dylan, the troubadour of today's youth. The hallmark of the present day is rapid change. This is as true in industrial development as in other areas of life.

Today considerable emphasis is being placed upon environmental

protection, and projects are being scrutinized closely to assess the impact they may have on the environment. So the alert community economic development group also must be concerned about the best utilization of the natural environment.

### ENERGY COSTS IMPORTANT

Energy availability and costs constitute another large constraint on industrial development today. We have just emerged from a winter where many plants were forced to shut down temporarily for lack of fuel, and we are faced with another summer of anticipated electric power "brownouts."

The rapid escalation of energy costs has forced many industrial managements to reassess plant physical construction and layout, as well as more efficient uses of machinery and manpower. Soaring gasoline prices also will have an effect on transportation of goods and of people. This may tend to offset somewhat the trend of recent decades for industry to disperse to rural areas. Many

locations will have to be re-examined as to their remoteness from market and access to both raw material and market in cents per ton/mile. And there may be a shrinkage in the distance which workers will be willing or able to travel to their jobs.

### OTHER CONSTRAINTS

These and other constraints have brought federal and state governments more prominently into the economic growth picture. A myriad of regulations already exist governing all forms of pollution, and the OSHA laws evidence governmental concern with the occupational health and safety of the nation's work force. The energy shortage will result in even more legislation. One of the most significant and far-reaching changes likely to come in the near future is stringent federal regulation and control of land use.

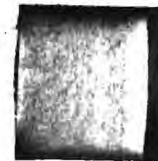
Labor supply is another area of rapid change. The migration to urban areas for employment opportunity and the increased productivity of farmers have put extreme pressure on rural-ori-

ented communities to develop new jobs. Formerly, these areas were able to advertise cheap and willing, although untrained, labor as an industrial location lure. But the regional variations in labor are gradually being equalized, due to widespread unionization (with its standardization of pay and benefits), automation, increased worker mobility and dispersion of skills. More attention is being given to worker training programs, "quick start" programs and continuing assistance to industrial operations from vocational-technical education centers.

Our employment structure has shifted considerably in recent years so that now only 30% of the U.S. labor force produce goods—5% in agriculture and related activities and 25% in manufacturing and processing. Seventy percent of our total employment is in services—commercial, educational, medical, governmental and the like. The focus has already changed from industrial development to the broader term, "economic development."

Finally, we have to contend with the effects of national economic trends. We have sustained the longest and deepest recession since the close of World War II. We have survived galloping inflation, high interest rates, tight money, high unemployment and other problems that have caused many businesses to "under" that would have made in more normal times. These less favorable national trends are likely to continue to some extent in the foreseeable future.

So the industrial development field is quite fluid, constantly changing. It is confronted with changing attitudes about the value of growth as it relates to the environment and our national resources. It is constrained by increasing governmental regulation. It is affected by shifts in labor patterns and other industrial location factors. And it is heavily influenced by general economic trends. All of the factors constitute a challenge to the average community which is striving to create a more pleasant, productive and secure life for its citizens.



## *Industrial development--its impact on a community*

This is the last in a series of articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Most Wisconsin communities would like to attract new industries to their areas. They recognize the inherent advantages of bringing into the community new payrolls, of increasing employment opportunities, and of adding new properties to the local tax

rolls.

The development process assumes that the community is putting its best foot forward and, in effect, is making a sales pitch to those concerns which are considered the most desirable in view of local resources and local needs.

The actual task of attracting new industry to the community remains the responsibility of local community leaders, sometimes with the assistance of professional staff. In the case of Sauk County, it is the Sauk County Development Corporation which bears the responsibility for this function along with its executive director, Robert C. Fleming.

It is basic to the private enterprise system in order to attract the investment of private capital that there must be opportunities for the investor group or company to realize a competitive profit. The potentials which the community possesses for this sort of investment opportunity can best be described by community

leaders.

### **KEY LEADERS IN ECONOMIC DEVELOPMENT**

We usually find key leaders in community economic development activity among those individuals identified with the economic sector. Thus the industrial prospect expects to encounter persons from the financial area, utilities, transportation, retail and manufacturing activities. Also, some governmental officials, both elective and appointive, are essential for the completion of economic development projects. They know what public services can be expanded and those services they can identify which may require additional financial support before they can be utilized.

Certain fundamental conditions characterize the composition of the community industrial development contact team. A genuine commitment to building a better economic base for the community is one key condition. Willingness

to sacrifice a portion of the individual's time in order to meet with industrial prospects is also important. Continuity of effort and familiarity with the subject areas which are considered in depth by the investigator are other significant ingredients.

### **EFFECTIVE TEAMS HAVE ASSIGNMENTS**

The most effective teams, we have found, are those which assign specific subject areas to certain individuals. These team members become proficient in their assigned categories and because of their knowledge of local facts and conditions they can make a positive impression on the investigating prospect.

Generally speaking, the more important subject areas include: industrial sites, construction, industrial project financing, manpower, transportation, utilities, public services, government and taxation, education and training, and general living conditions.

The paid executive should be

proficient enough to collect some data on these subjects, but the presentation of the information should come from the leaders who serve on the contact team. Since it is very difficult to assemble five community leaders on any given day, some alternates or "back up" personnel should be included in the total community effort.

Recently, under a project sponsored by the Office of Economic Adjustment, special training and expertise in handling industrial projects was provided to the Sauk County team. A consultant for a midwest metal working company was brought in for a session with the industrial contact team, and the performance of the local group was observed. How that group performed and specific recommendations which could increase the economic development assets of Spring Green, Plain, Baraboo, Sauk City, Prairie du Sac, and Reedsburg will be discussed at a community-wide seminar which will be held in the basement meeting room at the Sauk County Court House starting at 7:30 p.m. on Oct. 3.

# Industrial Development Needs<sup>①</sup>

## Increased Community Support

*Reedshorn*

### Community Viewpoint

This is the first in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, the articles will increase community understanding of what is involved in industrial development, and, at the same time, increase public support of the local development programs.

### Why Industrial Development?

Is "industrial development" a goal to be sought? Or, has industrial growth become out of style?

Consider the person who loses his job because his employer moves his plant elsewhere and other employment is not available. Think about the recent school graduate who is forced to look outside his community or area for suitable job opportunities.

For these as well as the person who can only find part-time or seasonal work, or is stuck in a position that is beneath his or her capabilities or potential earning power, industrial growth is a must, so is it also for local government officials who need an adequate tax base to provide the services that make a town a desirable place to live.

Most communities would like to attract new industries; in the United States today, some 2,000-2,500 communities are actively engaged in industrial development efforts.

### What Is Industrial Development?

Industrial development encompasses both the attraction of new enterprises and the expansion of those which already exist in the community. The public generally thinks of industrial development as meaning manufacturing, but the term also includes warehousing and distribution centers, retail and wholesale trade, office complexes and service establishments, and mining and the extractive industries—all economic activity that creates jobs.

For economic growth is not an end in itself. Its fundamental purpose is to raise the standard of living and to increase the well-being of the average community citizen.

Expansion of employment opportunities in various segments of economic life is basic to any community's growth, to the expansion of income, and to the provision of funds for supporting public services. Every community seeks to attract new residents and existing businesses, by offering economic opportunities and good community services. For the young people reaching adulthood, jobs must be made available or they will move to centers where the jobs do exist.

Industrial growth will encourage the young adults to remain, to sink their roots down and to invest both youth and energy in the hometown. It also fosters community pride which sparks citizens to assume greater civic responsibilities. By generating additional income in the community, it can lead to better housing, more diversity in commerce, and better living conditions.

High levels of living standards are essential for adequate social and economic development. They include living conditions or "amenities," governmental services, health, safety, social order and welfare, and environmental health. Some of these things can be accomplished only by widening the tax base to generate more revenue for the city and the county.

### Multiplier Effect

New dollars brought into a community always create a benefit greater than their actual monetary value as they are spent and respect for various goods and services. This is called the "multiplier effect." A new or expanded plant is likely to trigger additional growth among supplying industries, as well as increasing a demand for local business and other services. If part of the goods produced or services rendered are purchased by persons outside the community, the multiplier effect is greatly enhanced. Some authorities suggest that the local effect of a new industrial investment is approximately two times the value of the investment. This means that a new plant with a \$500,000 annual payroll may be expected to trigger a total increase in local incomes of \$1 million.

The basic end of industrial development, then, is to improve the welfare of people. It accomplishes this goal in three ways: (1) by increasing the amount and variety of goods and services available to the consumer; (2) by enlarging his income or purchasing power, and (3) by providing taxable resources to enable government to meet the ever-broadening demands for more and better public services.

(NEXT: How to Go About Getting Industry)

# Organization Is Key to Drawing Industry

*Reedberg*

This is the second in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, the articles will increase community understanding of what is involved in industrial development, and, at the same time, increase public support of the local development programs.

## How to Organize for Industrial Development

Most towns welcome the new jobs and revenue that new and expanded industries bring. But the competition is so fierce today that the community which merely waits for the industrialist to discover its charms generally is doomed to be a wallflower.

For success, the community must have a program of industrial development spearheaded by some organization or group of leaders who will be responsible for getting the job done. And the mental attitudes and the physical resources of the community must be mobilized in support of the program.

The work of attracting new payrolls to a community falls to its civic leaders through such organizations as the chamber of commerce or the local development corporation. The makeup of any industrial development organization must be representative of the various segments of the larger community. If possible, it should be coordinated by a professional industrial developer.

There are four important steps in the community economic development process: fact-finding, analysis, decision and action.

## Fact Finding

An inventory of the community's economic resources is the absolutely necessary preamble to designing an effective community development program. The community economic profile should contain data on population, labor force, natural resources, economic complex, government services, and community facilities. Without this specific data on the community's assets and liabilities, the industrial development team cannot intelligently plan how to capitalize on the community's strengths or to overcome its weaknesses.

Or it may mistake the true nature of the problem. Unemployment may appear to be a major problem for example. Investigation may reveal that jobs are available. Thus, this becomes a problem of training rather than the development of new job opportunities.

## Analysis

Facts are no good unless you analyze them. Armed with the results of the community resources audit, the team can objectively evaluate its attractiveness to industry and determine what needs to be done to improve its chances for economic growth. Sometimes, in-depth analysis may reveal problems heretofore unrecognized. For example, in trying to upgrade its industrial site situation, a community may discover that its water distribution system is inadequate or dependent upon a limited water system.

## Planning for Action

Once the facts are in hand, and the alternative courses of action clearly outlined, the industrial development team must decide upon a plan of action. It must determine what sort of development is best for the area, set goals and priorities—and focus its efforts on the "best bets" for attracting industry as well as the most imperative needs for correction of deficiencies.

A community surrounded by extensive timber

resources may want to slant its sales pitch toward woodworking industries. Another community may discover that its biggest asset is a long history of amicable labor-management relations.

The team should concentrate on improving problem areas that are most easily correctable, such as the lack of industrial sites, inadequate utilities and services, or low educational standards and lack of vocational training. Inherent weaknesses, such as the lack of raw materials and poor geographic location, must be accepted and compensated for in other ways.

## Implementing the Plan

The final task is to implement the action plan. Steps must be taken to improve the community's liveability and its attractiveness to industry, and a sales campaign must be launched to bring the community to the attention of prospective new industries. The team should not neglect the existing industry that already operates in the community—often local industry expansion is the best source for additional jobs and payrolls.

The vital ingredients in a successful industrial promotion effort are a dedicated team that follows the four steps—survey, evaluate, plan, and get out and work—and a community that offers its moral and financial support. The community that organizes for industrial development is the one most likely to achieve it.

(Next: What Industry Looks For)

# Industries Look For Specific Traits in a Community

Reidsburg Times-News  
7/7/77

(3)

This is the third in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

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## What Industry Looks For

When a manufacturer decides he would like to open a plant in another location, what factors are important in determining which community he will select?

### Basic Factors

The basic factors which dictate location decisions are markets, labor, raw materials and transportation. The relative importance of the first three factors varies, depending upon the orientation of the industry, while transportation must be considered in relation to its effect on other factors. A mobile home manufacturer, for instance, would want to locate in the middle of his market area because of the relative difficulty and high cost of transporting the finished homes.

A steel mill, on the other hand, needs to be near sources of iron ore, coal and other raw materials, and a food processing plant must be near its sources of supply because its raw materials are perishable. Other industries that utilize large amounts of labor in producing their goods or require specialized and highly skilled personnel might consider locating where there is an ample and well-trained supply of labor.

In a recent survey made by McGraw-Hill of the directors/managers of real estate and property of the 750 largest U.S. corporations, 68% rated improvement of labor cost or productivity as one of their prime objectives for planning a new plant location. On the market side, 65% cited ability to better serve new and/or expanding markets, and 60% rated closer proximity to customers and/or distributors at the top. Improvement in transportation efficiency or economy was named by 56%, and 48% said proximity to resources and/or major suppliers was a major objective.

### Secondary Factors

Leading the list of secondary location factors is utilities, whose importance is looming ever larger in these days of water shortages and energy constraints. For some industries this has always been a primary factor; glass manufacturers and aluminum producers require large amounts of inexpensive energy and some chemical process industries need large amounts of water for processing and waste disposal, to name a few. Nowadays, few industries can afford to consider the cost and availability of electric power and fuels as a matter of course. Inadequate water and sewage facilities present definite industrial handicaps to any community.

Other factors to be examined include: local govern-

ment services, taxes, amenities (education, recreation, housing, cultural activities, etc.), and plant and site considerations. Certainly, a new industrial citizen would want adequate fire and police protection, as well as reasonable taxes. Living conditions also can be critical. The lack of suitable housing, for example, will keep people from moving into a community even if good jobs are available. This problem can become so acute as to prevent the location of new industrial plants in an otherwise suitable area.

Obviously, the community has to offer the industrial prospect a suitable tract of land for his plant, and if access roads and utilities are already onsite, so much the better. Available industrial buildings are another plus. Some communities even build "speculative" shell buildings; when a client is found, the building is finished to his specifications. A local building authority or business development corporation that can help with plant financing is another drawing card.

### The Decision Process

Once an industrialist has narrowed his choices to several communities that satisfy his basic criteria, these secondary factors will tip the scales in favor of a particular community. In the survey mentioned above, 81% of the corporation plant locators said that they had to choose between two or three close alternatives—only 19% said that one site stood out clearly as the right one. This means that such intangible factors as community appearance and amenities may make the difference between economic growth and stagnation for a community.

Next: The Changing Force of Industrial Development)

# Industrial Development Changes with Times

Kendallburg  
7/21/77

This is the fourth in a series of weekly articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Sauk County Development Corp. to stimulate economic growth and to offset the effects of the deactivation of the Badger Army Ammunition Plant near Baraboo. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, the articles will increase community understanding of what is involved in industrial development, and, at the same time, increase public support of the local development programs.

## The Changing Face of Industrial Development

"The times they are a'changing," sings Bob Dylan, the troubadour of today's youth. The hallmark of the present day is rapid change. This is as true in industrial development as in other areas of life.

Today considerable emphasis is being placed upon environmental protection, and projects are being scrutinized closely to assess the impact they may have on the environment. So the alert community economic development group also must be concerned about the best utilization of the natural environment.

## Energy Costs Important

Energy availability and costs constitute another large constraint on industrial development today. We have just emerged from a winter where many plants were forced to shut down temporarily for lack of fuel, and we are faced with another summer of anticipated

electric power "brownouts."

The rapid escalation of energy costs has forced many industrial managements to reassess plant physical construction and layout, as well as more efficient uses of machinery and manpower. Soaring gasoline prices also will have an effect on transportation of goods and of people. This may tend to offset somewhat the trend of recent decades for industry to disperse to rural areas. Many locations will have to be reexamined as to their remoteness from market and access to both raw material and market in cents per ton/mile. And there may be a shrinkage in the distance which workers will be willing or able to travel to their jobs.

## Other Constraints

These and other constraints have brought federal and state governments more prominently into the economic growth picture. A myriad of regulations already exist governing all forms of pollution, and the OSHA laws evidence governmental concern with the occupational health and safety of the nation's work force. The energy shortage will result in even more legislation. One of the most significant and far-reaching changes likely to come in the near future is stringent federal regulation and control of land use.

Labor supply is another area of rapid change. The migration to urban areas for employment opportunity and the increased productivity of farmers have put extreme pressure on rural-oriented communities to develop new jobs. Formerly, these areas were able to advertise cheap and willing, although untrained, labor as an industrial location lure. But the regional variations in labor are gradually being equalized, due to widespread unionization (with its standardization of pay and benefits), automation, increased worker mobility and dispersion of skills. More attention is

being given to worker training programs, "quick start" programs and continuing assistance to industrial operations from vocational-technical education centers.

Our employment structure has shifted considerably in recent years so that now only 30% of the U.S. labor force produce goods—5% in agriculture and related activities and 25% in manufacturing and processing. Seventy percent of our total employment is in services—commercial, educational, medical, governmental and the like. The focus has already changed from industrial development to the broader term, "economic development."

## Effects of National Trends

Finally, we have to contend with the effects of national economic trends. We have sustained the longest and deepest recession since the close of World War II. We have survived galloping inflation, high interest rates, tight money, high unemployment and other problems that have caused many businesses to "go under" that would have made it in more normal times. These less favorable national trends are likely to continue to some extent in the foreseeable future.

So the industrial development field is quite fluid, constantly changing. It is confronted with changing attitudes about the value of growth as it relates to the environment and our natural resources. It is constrained by increasing governmental regulation. It is affected by shifts in labor patterns and other industrial location factors. And it is heavily influenced by general economic trends. All of these factors constitute a challenge to the average community which is striving to create a more pleasant, productive and secure life for its citizens.

Next: The Community Organization for Economic Development Program in Baraboo.

APPENDIX V

# Sauk County Development Corporation

522½ Oak Street Box 33

Phone: (608) 356-3133

BARABOO, WISCONSIN 53913

## MEMBERS OF COUNCIL

### MERLIN ZITZNER, President

Baraboo National Bank  
Baraboo, Wis.

### CHARLES GILL, Vice President

Reedsburg Ind. Dev. Comm.  
Manager Radio WRDB  
Reedsburg, Wis.

### JEROME LOCHNER, Treasurer

Sauk-Prairie Ind. Dev. Comm.  
Ace Hardware  
Sauk City, Wis.

### MAX HERRMANN, Mfr.

Manager - Humane Equip. Co.  
Baraboo, Wis.

### RAYMOND SCHOEPHORSTER

County Board Chairman  
Prairie du Sac, Wis.

### JOHN JOHNSON

Bank of Spring Green  
Spring Green, Wis.

### TED MANDT

Baraboo Ind. Dev. Comm.  
Gift Shop Retailer  
Baraboo, Wis.

### JIMMY C. HALL, Mfr.

Flambeau Products Corp.  
Baraboo, Wis.

### FRITZ WAGNER

Attorney  
Baraboo, Wis.

### WM. CAREY

U. of W. Extension Agent  
Baraboo, Wis.

### ROBERT C. FLEMING

Executive Secretary  
Baraboo, Wis.

October 12, 1977

Mr. Robert B. Cassell  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlantic, GA 30332

Dear Mr. Cassell,

At the conclusion of the last seminar that you conducted in Sauk County I would like to add some personal assessments. Those assessments would deal primarily with the past, the present, and the future of Sauk County in relation to economic development and the program as presented by you.

First of all, the attitude that exists in Sauk County today compared to what it was a brief fifteen months ago when the office of Economic Adjustment first made a field trip to Sauk County, is completely turned around. Part of the attitude that exists now compared to 15 months ago and the change that has taken place, has to be attributed to the program that you conducted in Sauk County. The educational process that was put forth by you and was pointed out to community leaders showed that by having the right attitude and so called "taking the bull by the horns" created a new attitude in Sauk County. That attitude is reflected in the communities that participated in your program.

Point two relates to point one that I just mentioned. We had five communities that were asked to participate in your program. Four of the five did participate in the program and three of the five attended the program very well from the very start. Those communities that did

001 20 1977

participate have shown marked improvement in the accomplishments within their own community and the attitudes that exist in many of the elected officials in those communities. The communities that contributed little to the program or did not attend at all are still in the same doldrums that they were 15 months ago.

Based on this type of history, it is my opinion that your program had very much to do with educating the community leaders on the necessity of creating the right attitude within their communities.

Point three that I would like to point out would be the idea of calling back on Sauk County in say nine months to a year from now. It would be interesting to assess a year from now the completion of an Industrial Park in Baraboo, what has happened in the Sauk-Prairie area, and how is Reedsburg doing; the communities that did participate in your program. It would seem that a return visit a year from now would give one the necessary data to really evaluate the program and give a better conclusion to the effects of the program. This is only a suggestion, but it may be something that you will want to consider with Eldon Erickson or toher people that have been associated with the sponsorship of your being in Sauk County.

In conclusion, the last seminar was attended by 23 community leaders throughout Sauk County. The representation included some people from the Wisconsin Dells area that have never been at any of the other programs. The feedback that I am getting today, a week after your being here, is all positive and all good. The thirst for more knowledge about community development and how communities can help themselves is now very evident in Sauk County. The responsibility for

Mr. Robert B. Cassell      3

October 12, 1977

educating these communities and providing more programs to them on the community development concept and industrial development will be mine. I do assure you that in the future I will be conducting classes and courses in those communities that are willing and wanting to create change and build new attitudes within their communities. The programs that you presented were all excellent background and gave the basic ingredient that is needed for community change and development.

My sincere thank you for a job well done.

Sincerely,



Robert C. Fleming  
Executive Director

RCF/yca

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report On  
SAVANNA/CARROLL COUNTY, ILLINOIS

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report on  
SAVANNA/CARROLL COUNTY, ILLINOIS

For  
OFFICE OF ECONOMIC ADJUSTMENT  
DEPARTMENT OF DEFENSE

Prepared by  
Robert B. Cassell  
Principal Research Scientist

GEORGIA INSTITUTE OF TECHNOLOGY  
ENGINEERING EXPERIMENT STATION  
Technology & Development Laboratory  
Economic Development Division  
Atlanta, Georgia 30332  
February 1978

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Savanna/Carroll County, Illinois

Background

This program was originally conceived as a vehicle to involve local community leaders from Carroll and Jo Daviess Counties, Illinois, in an effort to achieve effective economic development efforts at the local level. These counties and their communities were the initial target locations identified by the Office of Economic Adjustment, Office of the Secretary of Defense, because of the impact of severe personnel reductions resulting from placing of a major defense installation on standby status. The facility involved is the Savanna Army Depot near Savanna which was deactivated between November 1974 and June 1976.<sup>1/</sup>

Conduct of the Economic Development Program was assigned to the Industrial Development Division (now the Economic Development Division) of the Engineering Experiment Station at the Georgia Institute of Technology. This Division was given the responsibility for executing four phases of the program, as described below.

Program Purpose

The main thrust of this particular program was to provide a basis for concerted community action directed towards achieving economic progress. It gave recognition to the fact that recovery from the impact of substantial employment decreases, and the accompanying secondary effect on local business and commerce, cannot be achieved automatically. What is required is that enlightened and

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<sup>1/</sup> Status Report, Economic Adjustment Program, Carroll County-Jo Daviess County, Illinois, (September 1976).

informed community leadership be assisted in undertaking measures which can provide positive directions for generating new employment opportunities.

The negative psychological attitudes which a base closing can have upon local leadership has to be replaced with a positive outlook. Furthermore, in negotiating with potential investors from beyond the community, a posture that can influence the course of events should be adopted, rather than merely reacting to the situation.

Involvement in the process of attracting new and suitable industrial facilities can provide an insight into decision-making processes, as well as stimulating an impartial analysis of community strengths and weaknesses. From this combination of changed attitudes and confidence, a program of work with specific tasks for the leadership group can be recommended for action.

Moreover, this program can serve as a device for giving the local economic development team a more intensive and a broader acquaintance with the scope and depth of local economic data and a ready recognition of appropriate situations in which this information can be readily utilized. In the course of such activity, community needs for expanding and improving infrastructural support would also be identified.

#### Specific Accomplishments

In the time when the program involved Carroll County leadership, certain specific accomplishments were realized:

1. Participation by both the private and the public sector in the various communities was stressed.
2. The proper function of the professional staff, contrasted with the role of the volunteer elements both from business and government, was illustrated.
3. Application of economic data appropriate to the local situation, either already developed or easily accessible, was demonstrated.

4. Emphasis was placed upon the necessity to mount efforts for a period of long duration, with a proper mixture of both patience and persistence.
5. Positive attitudes and mature judgement decisions were shown to be essential for attracting new investment opportunities.

Fundamental to this approach was the assumption that any training or teaching experience with an adult group should immerse the subject members in a real life experience. Out of this extended exposure will come the learning experience which highlights the best fashion in which to conduct negotiations. Also, more attention to actions which are incomplete in results or areas which require further exploration and attention will similarly be illustrated. These results, hopefully, will constitute guidelines for future activity by the leadership group.

Ultimately, this series of interactions serves to broaden the knowledge and experience of the local leadership group, giving it confidence and soundly derived information. In the future, this group can assume the responsibility for expanding the economic base of the community, relying on sources outside the community to support local efforts, and thus overcome the negative effects which the original employment decline may have generated.

#### Phases of Activity

The program for Carroll-Joe Daviess counties was designed to consist of four phases, but subsequently was expanded to five. These phases constituted (one) the initial introduction session or orientation, (two) the stage of prospect investigation, (three) the performance review and work program initiation, (four) an interim review of progress achieved, and (five) a final reassessment along with a community-wide seminar on development techniques.

Considerable preparatory work was required once the program commitments were signed by the sponsor and the contractor. Background on Carroll County, Savanna and other communities, was reviewed, based upon prior OEA studies.

Contacts were made with the Illinois state development department, initial contacts were arranged in the subject communities, and background research undertaken for an appropriate industrial facility search project.

Initially, and during the course of the work in the various communities, the constituency of the contacts teams was analyzed. An ideal situation would be to involve a true cross-section of the various "publics" with the top leadership from each group involved. Short of this ideal, however, most professional developers must work with those participants who are willing to be involved. Thus, part of the task is a continuous process of motivation, indoctrination, and training.

Phase One: This phase was initiated in Carroll County in mid-January 1977. An evening session, arranged through the Carroll County Development Corporation, was held in Savanna with 12 community leaders and a representative of the state development commission. A list of those in attendance is included in Appendix I.

At this session, the regional director of the Office of Economic Adjustment from Kansas City, Missouri (Mr. Eldon Erickson) and the Georgia Tech project director reviewed the background of the project, explained the processes involved, described similar activities undertaken in the same manner elsewhere, and obtained local concurrence and general support.

Phase Two: This phase was initiated in February and concluded in mid-March. Having adapted a genuine manufacturing plant location search made by a metalworking corporation so that it would meet the general circumstances of the mid-western situation, a consultant (Dr. Howard Roepke, location consultant and member of the Department of Geography at the University of Illinois) was invited into the community. He was informed on complete details on the project and was also acquainted with the community information which had been accumulated prior to this visit.

The case which was used was an investigation by a medium-sized metalworking

concern which would employ 120 workers initially and 200 workers after five years. This facility had some need for semi-fabricated materials, would use both electric power and natural gas, and the management expressed more than a mild concern with general community attitudes on new industry as well as the receptiveness of the existing industrial complex.

In the Carroll County situation, representatives of two communities were involved and locations in each were inspected.

Phase Three: This phase of activity was based upon the consultant's conclusions and considerable comments prepared by the Georgia Tech team which served as observers. A detailed report was prepared for the community group, and was reviewed with the participating community leaders in sessions held late in May. The project director from OEA (Mr. Paul Sage) and the Georgia Tech project manager participated in this session. The report to Carroll County is incorporated as Appendix II.

Included in the report is a series of recommendations for local action designed to improve and to strengthen local economic development activities. In addition, a number of important points were stressed verbally in the session held with the Carroll County group.

Phase Four: (not originally planned): As the program unfolded, it seemed desirable that another segment be provided for the successful conduct of the work. This provided the opportunity for the Georgia Tech project director late in September to review with the Carroll County development director the process of identifying obstacles to the local program, to evaluate future program needs and directions, and to plan for the Phase Five activity which would seek to generate and motivate local support for the development program.

From this conference, certain suggestions were made verbally which were deemed inappropriate for written dissemination to the entire leadership contingent. Certain items touched upon personalities and individuals who

constituted part of the "contact" team. Another significant item of discussion concerned the intermediate and long-term financing of the development organization's program.

Phase Five: This aspect required a Georgia Tech team to hold a meeting in Carroll County and Savanna early in November. This meeting was designed to explain publicly activities which had taken place under the program, with added comments and suggestions, to reinforce local efforts to expand the economic base.

This public community-wide seminar on economic development, concluded the program's formal activity. Invited to the sessions were the leadership which had participated in the previous stages as well as other involved persons who had previously participated. Background on the area's economic achievements, on its needs and its potentials were discussed with a specific review of the programmatic elements. The emphasis was upon the report's recommendations, and some of the verbal elaboration on these. Several hand-outs excerpted from the reports were given to the attendees.

In attendance at Savanna were 40 persons from 10 separate communities. A registration list for this session constitutes Appendix III.

#### Other Program Elements

To support certain of the activity phases detailed above, a series of explanatory articles suitable for use by local press and radio were prepared. With special assistance from the executive of the participating development corporation, these articles were published in the local newspapers. Copies are displayed in Appendix IV.

Throughout the program, strong efforts have been made to involve state development agencies and other external professional agencies (such as regional councils, utilities, railroad, etc.) in the process, both to inform them of local accomplishments as well as to involve them more specifically in the local presentations.

Furthermore, continuing contact was maintained with OEA officials both at the regional and Washington levels. On several of the trips to the subject communities in Carroll County, a representative of at least one office was present. In addition, interim written reports on the work in progress have been prepared and transmitted to the authorized project directors.

Several project review sessions also have been held in the OEA offices in Washington, prior to initiation of the field work, at approximately midpoint in the program execution, and upon conclusion of the conduct of the last phase described above. These sessions have been extremely useful to the Georgia Tech project manager in providing a sounding board as to the program's timing, effectiveness, and desirable changes or alterations.

#### Accomplishments

Without doubt, substantial improvement has taken place in the knowledge of local resources and the information developed on the part of the contact teams representing Carroll County and its communities. Further, the use of more sophisticated techniques has been apparent.

An awareness of the need for local action and less dependence upon the initiation of activity by outside sources has been pointed out. At the same time, the appropriate involvement of those same forces has been stressed. But throughout this program emphasis has been placed upon the desirability and the importance of self-reliance in expanding local economic development programs.

While the local group initially was loosely knit and somewhat suspicious of members who were from other communities, by the conclusion of the program, the group was observed to be more cohesive and better informed. Responsibilities for performance of certain tasks and the management of resources data were clearly defined. Many members who were poorly informed, or even uninformed, regarding certain resources at the start, had acquired considerable information. It appeared that the community development group was functioning with more confidence and authority at the conclusion of the program and that many of the

techniques suggested were being applied.

This certainly was the case of the Carroll County Development Corporation (Savanna) which last fall successfully concluded negotiations with a major chemical firm. The continued presence of a development authority able to focus and concentrate renewed community leader confidence and enthusiasm proved to be a strong factor.

For the long range, expectations can be high, but there presently is no reliable method for the measurement of results. It would appear that a system for periodic follow-up after a lapse of about a year might be appropriate, as is suggested in the project summary evaluation provided by the director of the development organization -- reproduced in Appendix V.

Among the specific benefits from the cooperation sought between the various agencies operating on different governmental levels is the closer working relationship between the Carroll County team and state-level development forces. Establishment of better and more centrally located headquarters, one of the informal recommendations, is now being undertaken.

In the application of this program approach to other impact situations, it has been deemed desirable to add some substantive program modifications. One of these is to institute an orientation visit to the community for the purpose of becoming acquainted with certain of the key participants and decision-makers (now included as part of Phase I). This visit can also incorporate a first-hand inspection of the community. It would then be followed by a second trip when a larger spectrum of participants, including the key community leaders as well as those on the fringes, are involved in the orientation aspects. Another interim contact visit has already been incorporated into the program; this is described above as the Phase Four activity.

## APPENDIX I

CARROLL COUNTY DEVELOPMENT CORPORATION

Savanna, Illinois

January 12, 1977

John L. LeCompte	Attorney
Al Cordes	Interstate Power
Jonathan Whitney	C.C.D.C. Director - publisher weekly newspaper
Dave Willbright	Mayor, Hanover
Dan Schaible	Town Board - Hanover
Bill Walters and Mrs. Walters	Grocer, Hanover
Lawrence Bruckner	Attorney
Lloyd Bruckner	Farmer
Lila Atherton	Newspaper editor
R. C. Bush	Executive director
 <u>Others</u>	
Alan W. Fisher	Industrial Representative Illinois Office of Industrial Development
E. Stuart Richter	Community Planner Northwest Illinois Regional Council of Public Officials
Eldon L. Erickson	OEA, Kansas City
Robert B. Cassell	EDL, Atlanta

FOR IMMEDIATE RELEASE

Savanna -- A program to stimulate Carroll County's economic growth and to offset the effects of the personnel reduction at the Savanna Army Depot got underway this week under sponsorship of the Department of Defense's Office of Economic Adjustment (OEA).

Meeting with directors of the Carroll County Development Corporation to initiate the program were Eldon Erickson of Kansas City, regional director of OEA, and Robert B. Cassell of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. The two discussed with community leaders the specialized training program which employs simulation techniques to show industrial development volunteer teams how to carry out more effective industrial promotion efforts.

The new Community Economic Development Program was conceived by and will be conducted by Georgia Tech under contract to the OEA. The OEA was established by the President's Economic Adjustment Committee to assist communities affected by military base closings in marshalling their resources to lessen the economic impact of these defense realignments. Savanna and Baraboo, Wisconsin, have been selected for initial testing of the OEA-Georgia Tech approach.

Attending for the Carroll County Development Corporation were R. C. Bush, executive director; \_\_\_\_\_; \_\_\_\_\_: and \_\_\_\_\_, Also participating was Al Fisher, from the industrial development division of the Illinois Department of Economic and Business Development.

The program will fall into four phases. The first phase is the initial orientation session with the local economic development team to review its efforts, accomplishments and failures and to plan for participation in the training program.

Phase two will consist of a visit by an industrial prospect. The local development team will prepare a presentation on Carroll County's attractions and resources for industry and attempt to persuade the prospect to select the county for the proposed facility. Georgia Tech is preparing a detailed, true-to-life industrial project for the simulation, which also will involve other professional developers on the area, state and national levels.

In the third phase, a follow-up session will bring together the Savanna team and the professional developers who participated in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of work will be presented that will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

Phase four will include a seminar-workshop for both the active participants and other interested citizens. This meeting will be designed to increase community support of the development team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

"The Community Organization for Economic Development Program was created," project director Robert Cassell stated, "to meet the need for providing education in the latest, most effective techniques for economic development groups in communities that are too small to hire professional developers and must depend entirely upon volunteer efforts."

"Economic development is extremely competitive throughout the country," Cassell added. "It involves not only positive and informed response to industrial prospect inquiries, but also preplanning and subsequent follow-through. The COEDP is designed to help the community to identify its specific assets and disadvantages, then to design specific program to correct the weaknesses and to capitalize upon the advantages."

Major benefit of this program, he stated, will be the upgrading of the local development effort to a more sophisticated and businesslike level of expertise. Definite, positive results can be anticipated in the creation of new and better job opportunities for the population of the Savanna area, he indicated.

Further details:

R. B. Cassell  
Economic Development Laboratory  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, GA 30332  
Telephone: (404)894-3843

# County offered program to develop industrial recruiting



Robert Cassell (left), Eldon Erickson, (center) and R.C. Bush (right) present program on new industrial development project to Carroll County area residents.

—Review Photo (Whitney)

A proposal designed to develop the industrial recruiting skills of Carroll County and to measure the effectiveness of these skills in a controlled situation was presented to a group of community leaders Wednesday night in a meeting at the Savanna City Council chambers.

The program, sponsored by the Department of Defense's Office of Economic Adjustment (OEA) is one more effort in attempts to stimulate Carroll County's economic growth and to offset the effects of the personnel reduction of the Savanna Army Depot.

Meeting with directors of the Carroll County Development Corporation, the Savanna Chamber of Commerce Industrial Committee and the Hanover Industrial Development Committee to initiate the program were Eldon Erickson of Kansas City, regional director of the OEA, and Robert B. Cassell of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Georgia.

The two discussed with the community leaders the specialized training program which employs simulation techniques to show industrial development volunteer teams how to carry out more effective industrial promotion efforts.

The new Community Economic Development Program was conceived by and will be conducted by Georgia Tech under contract to the OEA. The OEA was established by the President's Economic Adjustment Committee to assist communities affected by military base closings in marshalling their resources to lessen the economic impact of these defense realignments. Savanna and Baraboo, Wisconsin, have been selected by the OEA for initial testing of the OEA-Georgia Tech approach.

The program, as explained to the group by Cassell, will fall into four phases. The first phase is the initial orientation session with the local economic development team to review its efforts, accomplishments and failures and

to plan for participation in the training program.

Phase two will consist of a visit by an industrial prospect. The local development team will prepare a presentation of Carroll County's attractions and resources for industry and attempt to persuade the prospect to select the county for the proposed facility. Georgia Tech is preparing a detailed, true-to-life industrial project for the simulation, which will also involve other professional developers on the area, state and national levels.

In the third phase, a follow-up session will bring together the Savanna team and the professional developers who participated in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of work will be presented that will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

Phase four will include a seminar-workshop for both the active participants and other interested citizens. This meeting will be designed to increase community support of the development team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

Erickson commented just prior to the introduction of Cassell, "We feel this program will be extremely beneficial, but it is your choice. Our intention is to enter into additional contracts with the Institute so other communities can benefit."

"The Community Organization for Economic Development Program was created," project director Robert Cassell stated, "to meet the need for providing education in the latest, most effective techniques for economic development groups in communities that are too small to hire professional developers and must depend entirely upon volunteer efforts."

"Economic development is extremely competitive throughout the country," Cassell added. "It involves not only positive and

informed response to industrial prospect inquiries, but also preplanning and subsequent follow-through. The COEDP is designed to help the community to identify its specific assets and disadvantages, then to design specific programs to correct the weaknesses and to capitalize upon the advantages."

The major benefit of this program, he stated, will be the upgrading of the local development effort to a more sophisticated and businesslike level of expertise. Definite, positive results can be anticipated in the creation of new and better job opportunities for the population of the Savanna and impacted area, he indicated.

According to Cassell, the "end results will not be immediately apparent. You must discover for yourself what you are doing right and wrong." Cassell said this was better for the community "than our coming in and telling you." He went on to add that in a learning situation such as the program provides, more is learned and more is retained by persons involved in the recruiting process when they actually experience a situation.

The major contribution of the program will be the analysis of how well local persons perform. According to Cassell, most of the industries who seek to locate in an area, but chose not to, never tell the persons recruiting them the real reasons why they do not choose the area. In this program, local recruiters who are trying to induce the prospect to locate in Carroll County will be told in great detail what it is that the prospective industry sees objectionable in the presentation.

Through this analysis procedure local persons will then be able to prepare a better program to present to a "real" prospect when one makes an inquiry into the area. According to Cassell, there are several thousand so-called industrial development groups throughout the cities in the country, but there are perhaps only 500 who actually possess the expertise to be successful in the highly competitive industrial recruitment race.

After an explanation of the program, it was offered to the group present. Cassell said, "We assume you have a problem and that you want to take a positive action to overcome it." He pointed out that this program, which costs the area nothing, is designed so the area people can "learn from experience; take what you learn and develop it and apply the learning to the situation."

Cassell said, "I believe every community has control of its own destiny," and indicated that this program would be one additional way in which this area could control its own destiny.

Persons attending the meeting included: R.C. Bush, president of the Carroll County Development Corporation; Al Cordes, district manager of Interstate Power Co. and a member of the Savanna Chamber of Commerce's Industrial Committee; Jon Whitney, publisher of the Carroll County Review and secretary of the CCDC; John LeComte, representing the Savanna Chamber of Commerce; Lila Atherton, editor of the Savanna Times-Journal; Dave Wilbright, president of the village of Hanover; Don Shibly, member of the Township Board of Hanover; Bill Walters, member of the Hanover Village Board; Mrs. Bill Walters; Lloyd Bruckner, Thomson farmer and CCDC member; Lawrence Bruckner, Dixon attorney and CCDC member; Al Fisher, representing the Illinois Department of Business and Economic Development; and Stu Richter, representing the Northwest Illinois Council of Public Officials.

Those present voiced their approval of the proposal and agreed to proceed in preparations through the CCDC to implement the project. According to Cassell the industrial prospect would make contact in about two months. The area has the interim time to develop their presentation. According to Bush, preparation will begin immediately to marshal the forces available within the impacted area to prepare for the coming industrial prospect and the development of response to future industrial inquiries.

## Savanna Chosen For Federal Program

Only two midwestern communities have been selected for free federal pilot programs to stimulate area economic growth and Savanna is one.

Baraboo, Wis., was also named by the Department of Defense's Office of Economic Adjustment (OEA).

Both communities have suffered heavy job losses due to cutbacks at military installations.

Formal acceptance of the four-phase program was given Wednesday night by the Carroll County Development Corporation in a meeting held at Savanna city hall.

Attended by CCDC directors and delegates of Hanover, Savanna and Thomson, President R. C. Bush presided.

Last April, the OEA announced the selection of the CCDC to lead the area economic recovery effort due to Depot cutbacks and the group has since been awarded a \$25,000 grant to provide fulltime leadership for which Bush received employment approval Oct. 1.

Speakers included Eldon Erickson of Kansas City, regional director of OEA, and Robert B. Cassell of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga.

"If you people don't do it (industrial development) it won't be done," emphasized Cassell as he estimated that there are less than 500 "really performing" effective industrial development groups in the 48 contiguous states. "The success or failure of most such programs depends upon sources of leadership and the time and effort individuals can put into such programs," Cassell continued.

"There is intense competition for industrial prospects ... you must have positive community support all the way along the line," he said.

Erickson, however, had earlier complimented CCDC's efforts regarding area economic recovery.

"Since my first visit here two years ago, you've come a long way ... it's thrilling to see this kind of progress and it shows that the community does have an understanding of what is needed for industrial development," he said.

Particularly cited by Erickson was the location of MacLean-Fogg Lock Nut Company, the expansion of Eaton Dispenser and the Milwaukee railroad's new rail mill plant.

Also in attendance, and supporting the pilot program, were Al Fisher of the industrial development division of the Illinois Department of Economic and Business Development, and Stu Richter of the Northwest Council of Public Officials.

The new Community Economic Development Program was conceived by and will be conducted by Georgia Tech under contract to the OEA which will pay its bill without local assessment of either Savanna or Baraboo. The OEA was established by the President's Economic Adjustment Committee to assist communities affected by military base phasedowns, or closings, in marshalling their resources to lessen the economic impact of these defense realignments.

The program falls into four phases.

**FIRST** ... the initial orientation session with the local economic development team to review its efforts, accomplishments and failures and to plan for participation in the training program. This was held Wednesday night.

**SECOND** ... the program consists of a visit by an industrial prospect. The local development team will prepare a presentation on area attractions and resources for industry and attempt to persuade the prospect to select the area for the proposed facility. Georgia Tech is preparing a detailed, true-to-life industrial project for the simulation which also will involve other profes-

sional developers on the area, state and national levels.

**THIRD** ... a follow-up session will bring together the CCDC team and the professional developers who participate in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of work will be presented that will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

**FOURTH** ... this includes a seminar-workshop for both active participants and other interested citizens. The meeting will be designed to increase community support of the development team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

"The Community Organization for Economic Development Program was created," project director Cassell stated, "to meet the need for providing education in the latest, most effective techniques for economic development groups in communities that are too small to hire professional developers and must depend largely upon volunteer efforts."

"Economic development is extremely competitive throughout the country," Cassell added. "It involves not only positive and informed response to industrial prospect inquiries, but also preplanning and subsequent follow-through. The COEDP is designed to help the community to identify its specific assets and disadvantages, then to design specific programs to correct the weaknesses and to capitalize upon the advantages."

Major benefit of this program, he stated, will be the upgrading of the local development effort to a more sophisticated and businesslike level of expertise. Definite, positive results can be anticipated in the creation of new and better job opportunities for the population of the Savanna area, he indicated.



"You've come a long way ..." Erickson.



Supported federal program for Savanna ... Fisher



"If you people don't do it ... it won't be done ..." Cassell

## APPENDIX II

COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM

Report on  
Activity of  
Carroll County Development Corporation Team

(Program under sponsorship of the Office of Economic  
Adjustment, Office of the Assistant Secretary of  
Defense, Department of Defense, Washington, D. C.)

by  
Economic Development Laboratory  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, Georgia

May 1977

## ACCEPTED PROCEDURES FOR HANDLING INDUSTRIAL PROSPECTS

- Step 1.      Develop a working organization.
- Step 2.      Determine if your town is ready for industry. Make a complete inventory including all the facts on: available labor, transportation services, available plant sites and buildings, raw materials in quantity, availability and cost of fuels and power, local tax structure, housing, schools, recreational and cultural advantages and extent of financial assistance.
- Step 3.      Develop a community Economic Brochure.
- Step 4.      Get your community behind the drive for industry.
- Step 5.      Decide whether to provide financial assistance for industry.
- Step 6.      Handle your prospect's inquiry properly. This includes response to requests, of provision of information, recontacts and related matters.
- Step 7.      Handle your prospect's visit properly. This includes preliminary information on requirements, meeting with the community team, conduct of the interview. In particular, be prepared to negotiate with your prospect, but know how far you can go on financing, provision of utility services, and related matters.

## COMMUNITY RESPONSE TO INITIAL INQUIRY

### Nature of Inquiry

The initial letter of inquiry provided the following details:

Metal manufacturing company -- consultant inspecting Illinois locations.

Plant site of 25 to 30 acres, ready for construction, with adequate utilities.

Initial employment: 120 people ( needed -- machine operators, welders, polishers/buffers; small number of unskilled).

Eventual employment:

Company interested in:

present union situation  
community attitude  
attitude of existing industry  
rail and truck transportation  
electric power and natural gas

### COMMUNITY RESPONSE

- o Community contact called to report recent newspaper features were in mail; no specific data submitted at that time.
- o Asked for further clarification on:
  - size of building
  - market locations
  - raw materials needed
  - floor load factor
  - possibility of noise or air pollution
  - whether defense contract work was involved

Community Response (continued)

- o Also asked for utility data --- water, sewer, power, stated natural gas not available.
- o Subsequent call led to questions on total investment and further clarification on power requirement.
- o Did not inquire about time limitation, items of general interest or where meeting should take place.

## COMMUNITY HANDLING OF PROSPECT'S VISIT

### Strong Points

Although the community leadership of Savanna and Carroll County needs considerable experience and practice, many positive aspects were observed:

#### INTRODUCTION

- o The group made the visitors feel welcome. They appeared sincere and desirous of attracting more industry.
- o Stated the county's emphasis upon industrial growth.

#### INFORMATION FURNISHED

- o Considerable information was made available, and interpretation of certain points supplied.

#### LABOR

- o Seemed familiar with some sources of information.
- o When prospect challenged state availability data, experience of a recently located plant was cited.
- o Vocational training facilities described.
- o Mentioned that union contract -- if of interest to prospect -- was in material turned over.

## Community Handling of Prospect's Visit

### TRANSPORTATION

- o Did not attempt to answer questions on which had no information.
- o Correct to point out that rate information must come from the carriers.

### UTILITIES

- o Group member was prepared with information on electric power.
- o Also offered to prepare sample utility bill.
- o Data supplied on water treatment.
- o Offered to assist in developing waste treatment requirements.

### SITE

- o Printed information available on two prospective sites.
- o Prospect driven to industrial site and oriented with use of map.
- o Group gave cost of land.
- o Percolation tests have been made.

### PROPER QUESTIONS ASKED

- o Type of building required and company cost calculations.
- o Probable investment anticipated.

## Community Handling of Prospect's Visit

### MISCELLANEOUS

- o The community attitude towards new industry appeared positive.
- o Mentioned local contractor capabilities, with one represented in the group.
- o Did cite, indirectly, experience of newest plant in community.
- o Fire protection service in rural areas mentioned.

## Community Handling of Prospect's Visit

### Weak Points

A considerable number of weak points appeared in the Savanna presentation:

#### INTRODUCTION

- o The prospect did not know with whom he was meeting, and no information was provided to correct this defect.
- o No opportunity was given the prospect to state his interest.
- o The initial orientation could be markedly improved with use of a map of Savanna, Carroll County and the region. This gives the prospect a better feel of the location, especially in regard to the highway network, physical location, major towns, etc., thus answering certain of his questions.
- o No inquiry made as to time limitations.

#### INFORMATION FURNISHED

- o Maps and facts which adequately cover community information and industrial sites should have been made available prior to the visit, so the prospect could look them over.
- o Certain specific items were not documented (see below).

#### LABOR

- o Labor availability data when challenged should be countered with offer to interview existing plant managements.
- o Convincing data that this plant could be staffed was not presented (local team members said "It's in the package").

## Community Handling of Prospect's Visit

### Weak Points (continued)

#### TRANSPORTATION

- o Had no information on piggyback facilities.
- o No specific data on truck lines.
- o Discussion of highways without a map is futile.
- o Did not fully cover access to commercial airports, and best service.

#### UTILITIES

- o Small water line to site makes sprinkler possibility slim.
- o Failed to find out what sewage effluent might be, or reason for sewer make-up.

#### PLANT SITE

- o Printed information, particularly map, not distributed ahead of inspection.
- o Site should be rough graded, and better approach selected.
- o No effort to suggest site solution such as MacLean-Fogg resolved.

#### EXISTING INDUSTRY

- o Cited local experience, but made no offer for private personal interview.

## Community Handling of Prospect's Visit

### Weak Points (continued)

#### BUILDINGS

- o More specifics on financing and construction should have been volunteered.
- o Construction costs could be critical to this company, thus positive data is called for.

#### COMMUNITY TOUR

- o Community tour was incomplete. Several important points were omitted or ignored.
- o The community tour could have been organized through the use of maps, or preferably a film slide show.
- o No tour was planned, other than to inspect plant sites and to MacLean-Fogg.
- o Important features, including amenities, were omitted.

#### MISCELLANEOUS

- o Community Economic Profile not prepared and transmitted to prospect before visit.
- o Better initial meeting place should be used.
- o Did not cover certain amenities: housing, churches, recreation.
- o Get more details on where various plant services can be found.
- o When other towns are cited, their location or distance should be given.

Community Handling of Prospect's Visit

Weak Points (continued)

SUMMARY

- o Did not ask about timing of company decision (this was hinted at).
- o No one asked whether any other subjects or questions had not been covered.
- o Did any one keep a list of unanswered questions, so that the prospect could be furnished answers later?
- o No one asked what, in effect, it would take to make Savanna/Carroll County the company's choice.

## COMMENTS FROM THE CONSULTANT

The meeting with members of the Carroll County Development Corporation was most cordial, and the reported high level of community involvement and cooperation probably influences my recommendation.

I recommend that at this time Savanna not be removed from our list of possibly feasible plant locations. This is based on a conviction that an adequate and desirable labor supply is available, a usable site can be found, and the expansion record of existing industry suggests desirable operating conditions.

### A. Labor

1. Wage rate data based on (undated) survey information look well within our range.
2. Existing industry operates under both union and non-union status. The dominant union in the area, representing employees of the largest industry, is an AFL-CIO affiliate. Organizing attempts by more militant unions have recently been unsuccessful.
3. Labor supply figures from the ISES were presented which purported to show a considerable available labor force. These, however, are of doubtful validity.

More promising was a report from the most recent industry to locate here (dated last October) showing 700 applicants for 35 jobs. No recent local labor survey has been conducted, but an offer was made to make one for us if desired.

### B. Site

1. Two "prepared" sites were shown. Neither qualifies for this description at the present time. One, adjacent to

## Comments from the Consultant

Mount Carroll, is attractive in appearance, but totally unsuitable because of inadequate water main capacity which is unlikely to be remedied within our time frame for decision. The other, adjacent to Savanna, could be suitable and potentially could be made ready in time.

2. The Savanna site at present is brushy, packed with shallow pits, has utilities within reach but not yet extended to the property, and is presently nearly inaccessible. It could not presently compete with a prepared site in an equally suitable location. However, if other factors seem favorable enough, we could further explore assurances of immediate extension of utilities, preparation of the land, and access road improvement.

The Savanna site is adjacent to, but outside, the city limits. It seems likely annexation would be optional.

3. The asking price for this site, \$5,000 per acre (approximately 30 acres) might be tolerable if all promises are kept, but vigorous negotiation should reduce the price significantly.
4. Industrial revenue bonds could be used to finance the site and building, and the local city council has had experience with a previous issue.
5. A new industry has recently located in a rural area by providing their own water supply and septic field. However, no firm data were presented on conditions and costs for such an operation.

### C. Other Factors

1. I was assured of the cooperation of existing industry should we become interested in the area. The position of the Savanna

Comments from the Consultant

Army Depot as a competing employer was not clarified, although conflicting reports are circulating on its future level of activity.

2. A number of the basic community factors appear to be at least neutral if not favorable.
3. The local tax rates are within tolerable limits. A city tax rate of approximately \$1.85/\$100 would have to be balanced against a penalty doubling of water and sewer rates. Fire service would be provided, but police protection is less certain. Assessment practices would need to be examined in detail.
4. Adequate electrical service is available to the site; it is possible that some interruptible natural gas service may be available.
5. A rail spur to the Savanna site is easily feasible, and truck service seems reasonably adequate.
6. For our purposes, a location in this area would provide significant locational advantages.

Certain major uncertainties exist. If other excellent locations are found, this one might well be dropped from further consideration. Among the shortcomings in information provided were:

1. An uncertainty about a number of facts and no apparent arrangement for obtaining quick answers.
2. An assurance of community interest, but a small, unrehearsed team present, most of the information coming from the paid director.
3. An assurance of cooperation from existing industry, but no industrialist present and no appointment made to meet one or a

Comments from the Consultant

list of those who could be contacted.

4. The map coverage was totally inadequate.
5. General community living conditions were not described adequately to determine whether executives could be transferred to the area without rebellion.
6. In the limited time available, one could not really see the town and no tour was offered.
7. Major uncertainties remain as to availability and cost of gas supplies, truck rates and service.

I have been promised additional information on specific points -- if forthcoming and satisfactory, further consideration of the Savanna site may be warranted. At the moment I can not rate it high on our list of possibilities.

## COMMUNITY FOLLOW-UP

If the Carroll County Development Corporation team is genuinely interested in obtaining the industry which this prospect represents, then it is essential that the consultant making the investigation be furnished all of the information about the community as soon as possible prior to his visit. This will enable him to be knowledgeable about the situation and to expedite his inspection.

Then, other specific details should be compiled as developed from the prospect's visit and conference. That information should be furnished, accompanied by a letter setting forth the community's interest and an offer of further material and other specifics on the town.

Do not assume that when the prospect leaves that he is satisfied, and has all the facts he may need. Find out if that is the case, by asking.

As far as is known, an effort was made by the Carroll County group to follow-up on this project, but the information reached him after his report to the client was prepared. The prospect could likely assume that this delay reflected little interest in obtaining this plant.

An immediate follow-up is also highly desirable, since both state and area development agencies deal with many communities and many prospects. They should be kept current on local activity, particularly in any further contacts with the prospect.

## RECOMMENDATIONS FOR FUTURE ACTION

Savanna and Carroll County have already demonstrated that they can attract new industry (though this point was not as positively developed in the meeting with the prospect as it should have been). We are convinced that the Savanna contact team could improve its effectiveness by certain steps.

For purposes of accomplishing this program, we are recommending "Short-Range Objectives" which can be initiated and completed within a short period of time and which will not place an undue burden upon Carroll County Development Corporation executive. Another set are listed as "Long-Range Objectives"; these will require more time to complete as well as a considerable amount of research and editorial work on the part of the executive.

### SHORT-RANGE OBJECTIVES

- o Select a spokesman for the group who is a businessman citizen.  
(This is no reflection on the paid professional, but he is regarded as just that by the inquiring prospect).
- o Develop a detailed "Game Plan" for handling industrial prospects.  
This plan will cover all items from introduction to community tour plan.
- o Create specific task forces on major subject areas and assign responsibility for: utilities, labor supply, transportation, sites, community attitude, financing, local amenities.
- o Develop standard statement and explanation on Savanna Army Depot current status and previous employment.
- o Generate a program for regular contacts with and calls on state development department agents.
- o Improve upon the present "Briefing Book" for use of the entire team (no matter who the individuals that are involved) with numerous subject areas brought up-to-date.
- o Prepare adequate plant site sketches.

#### Recommendations for Future Action

- o Initiate preliminary site development: clearing, rough grading, and pick another approach to the site.

#### LONG-RANGE OBJECTIVES

- o Prepare a regional orientation map.
- o Prepare a community tour map and supplement with pictures.
- o Complete development of the 30-acre industrial site.
- o Develop alternate site locations, complete with data on tenant/owner installation of utilities.
- o Expand labor supply data, supplement with information from existing employers.
- o Initiate a color slide presentation as a substitute, or back-up for the community tour.
- o Finally, start your own program of prospect solicitation.

### APPENDIX III

CARROLL COUNTY SEMINAR

Savanna, Illinois

November 3, 1977

Chadwick

Alan Skoog  
Bill Van De Velde

Shannon

Walter Byers

Springfield

Al Fisher

Freeport (Highland College)

Howard D. Sims  
Joel Scheider  
Stephen Lafferty

Thomson

Howard Kennedy  
Tom Adolph  
Marvin Lucas  
W. J. Shine  
Jonathan K. Whitney

Hanover

Paul Crandall  
M. E. Mitchell  
Ron Petesch

Lanark

William H. Young, Jr.  
Paul Merkart  
Ed Mitchell

Milledgeville

Gary T. Guay  
Robert Traum  
Alfred Henrichs

Mount Carroll

Kelly Meyers

Savanna

Donald H. Nekrhorn  
Mrs. Ruby Wright  
Mrs. F. J. Riddle  
Bob Benvenot  
Gay Shaw  
Cindy Scott  
William Floyd  
Joe Fasanelli  
Phil Schanel  
Al Cordes  
Walter I. Shrake  
Harold Buck  
Virginia Croghan  
Peter J. Surrey  
John McGlannell  
Mrs. John McGlannell  
R. C. Bush  
Mrs. R. C. Bush

## SEMINAR FORMAT

- I. INTRODUCTION (Cassell)
  - A. Explanation of Seminar
  - B. Slides on Illinois
  - C. Our Program in Carroll County -- General Description
  - D. Community Involvement (Handout)
- II. TOOLS FOR THE DEVELOPER (Dodson)
  - A. Community Brochures
  - B. Land Development
  - C. Financing Programs
  - D. Labor Supply Info and Training
- III. AIDC EDUCATIONAL FOUNDATION:  
The Contact Team (Slide presentation)
- IV. RESUME OF OUR PROGRAM IN CARROLL COUNTY
  - A. Steps in Prospect Handling (Handout)
  - B. Recommendations (from report)
- V. QUESTIONS & ANSWERS -- COMMENTS
- VI. GENERAL CONCLUSION

NEWS RELEASE

A community economic development workshop, sponsored by the Carroll County Development Corporation, will be presented Thursday night, November 3, in Savanna.

The program is being prepared by development specialists from the Economic Development Division of the Georgia Institute of Technology. This group has been working with communities in Carroll County, under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia engineering school. The program, designed for community-wide participation, will describe the work which has been undertaken here in Carroll County and point out some opportunities for sound healthy growth. The meeting will be held at the Savanna City Hall at 7:30.

Additional details may be obtained from the Carroll County Development Corporation, at 273-2605.

# CCDC holds workshop

A community economic development workshop, sponsored by the Carroll County Development Corporation, will be presented in the Savanna City Hall Thursday night, November 3, beginning at 7:30.

The program is being prepared by development specialists from the Economic Development Division of the Georgia Institute of Technology. This group has been working with communities in Carroll County, under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia engineering school. The program, designed for community-wide participation, will describe the work which has been undertaken here in Carroll County and point out some opportunities for sound healthy growth.

Additional details may be obtained from the Carroll County Development Corporation at 273-2605.

*Carroll County  
Review 10/26/77*

# Residents invited to workshop

Opportunities for sound healthy community growth will be discussed Thursday night, Nov. 3, in Savanna when an economic development workshop will be held at city hall.

Designed for community wide participation, the program is sponsored by the Carroll County Development Corporation and will begin at 7:30 p.m.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia Institute of Technology.

This group has been working with communities in Carroll County and Hanover in JoDavie County under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

"I urge residents to attend this workshop," said R. C. Bush, CCDC director. "It is a rare opportunity for us to learn what we can do to help ourselves." Additional details may be obtained by phoning the CCDC at 273-2605.

*Savanna Times Journal Nov 1/77*

*Carroll County Dispatch  
11/2/77*

# Carroll workshop slated

Opportunities for sound healthy community growth will be discussed Thursday night, Nov. 3, in Savanna when an economic development workshop will be held at city hall.

Designed for community wide participation, the program is sponsored by the Carroll County Development Corporation and will begin at 7:30 p.m.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia Institute of Technology.

This group has been working with communities in Carroll County and Hanover in JoDavie County under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

"I urge residents to attend this workshop," said R. C. Bush, CCDC director. "It is a rare opportunity for us to learn what we can do to help ourselves." Additional details may be obtained by phoning the CCDC at 273-2605.

# Development Workshop Set

A community economic development workshop, sponsored by the Carroll County Development Corporation, will be presented Thursday night, November 3, in Savanna. The program is being prepared by development specialists from the Economic Development Division of the Georgia Institute of Technology.

This group has been working with communities in Carroll County, under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

Heading the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia

engineering school. The program, designed for community-wide participation, will describe the work which has been undertaken here in Carroll County and point out some opportunities for sound healthy growth. The meeting will be held at the Savanna City Hall at 7:30 p.m.

Additional details may be obtained from the Carroll County Development Corporation, at 273-2605.

*S.S. 10/27/77*

# CCDC workshop attracts capacity crowd

Savanna City Hall had a full house Thursday night when the Carroll County Development Corporation hosted an economic development workshop.

Representatives attended from every Carroll County community as well as from Hanover in Jo Daviess County.

Heading the session was Robert B. Cassell, principal industrial scientist. He was assisted by W. George Dodson, senior research scientist. Both

are with the Georgia Institute of Technology.

Cassell told the group that, according to figures released by the United States Chamber of Commerce, 100 new factory workers in a community means:

-an increase of 359 more persons;

-100 more households;

-81 more school children;

-\$710,000 more personal income a year;

-\$229,000 more in bank

deposits;

-87 more passenger cars;

-65 more workers employed in other jobs,

-three more retail establishments; and

-331,000 more retail sales per year.

Another workshop participant was Al Fisher of the Illinois Bureau of Economic Development who has been active in locating new industry in Carroll County.



ROBERT B. CASSELL, principal industrial scientist, Georgia Institute of Technology, left, headed the economic development workshop held at the Savanna city hall Thursday night. Hosted by the Carroll County Development Corporation, others participating included W. George Dodson, senior research scientist, Georgia Institute of Technology, right, and R. C. Bush, director of the CCDC, center.

5-25-77

# Cooperation key to attract industry

By JIM MILLER

Telegraph Herald Staff Writer

Industrial development in northwest Illinois can be accomplished best through cooperative efforts of the Carroll County Development Corporation at Savanna, Ill., and the Dubuque Area Industrial Development Commission (DAIDC), a leading economist said this morning.

Dr. Robert Cassell, who was retained last year by the Department of Defense to help Carroll County attract industry to offset employment reductions at the Savanna Army Depot, spoke in Dubuque this morning prior to an afternoon meeting with community leaders in Savanna.

Cassell said an area-wide response to the challenge of attracting new industry "can mean more jobs to benefit not only Carroll County in northwest Illinois, but the Dubuque area as well."

Cassell, an economist with the Georgia Institute of Technology at Atlanta, was invited to a small breakfast gathering at the Julien Motor Inn with members of the DAIDC and the Dubuque Area Chamber of Commerce

to discuss approaches to drawing industry.

The invitation was extended by Bob Dorothy, executive director of the DAIDC, who is a personal friend of Cassell.

Cassell was hired by the Defense Department's Economic Adjustment Committee last year as a followup to the Army's announcement in November, 1974, that it would reduce civilian and military employment at the Savanna Army Depot from about 1,000 at that time to about 413 employees currently. The depot is Carroll County's largest, single employer.

Cassell said his approach to attracting new industry in Carroll County currently amounts to a training program with members of the Carroll County Development Commission.

Commission members are asked during the training program to respond to a potential, yet fictitious, industrial prospect, and explain to the prospect what the county has to offer in the way of industrial sites, skilled labor, tax incentives and other aspects that would entice the prospect to locate an industry in the county, Cassell said.

A follow-up meeting with members of the Carroll County group is planned for October, he said.

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JUN 27 1977

## APPENDIX IV

# Why we need industrial development

## "Why Industrial Development?"

Editor's Note: This is the first in a series of articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Georgia. This results from a cooperative effort with the Carroll County Development Corporation to stimulate economic growth and to offset the effects of the personnel reduction at the Savanna Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development

volunteers to improve their industrial promotion programs. The articles are designed to increase community understanding of what is involved in industrial development, and at the same time, increase public support for the local development programs.)

## Why Industrial Development?

Is "industrial development" a goal to be sought? Or, has industrial growth become out of style?

Consider the person who loses his job because his employer moves his plant elsewhere and other employment is not available. Think about the recent school

graduate who is forced to look outside his community or area for suitable job opportunities.

For these as well as the person who can only find part-time or seasonal work, or is stuck in a position that is beneath his or her capabilities or potential earning power, industrial growth is a must. So it is also for local government officials who need an adequate tax base to provide the services that make a town a desirable place to live.

Most communities would like to attract new industries; in the United States today, some 2,000-2,500 communities are actively engaged in industrial development efforts.

## What Is Industrial Development?

Industrial development encompasses both the attraction of new enterprises and the expansion of those which already exist in the community. The public generally thinks of industrial development as meaning manufacturing, but the term also includes warehousing and distribution centers, retail and wholesale trade, office complexes and service establishments, and mining and the extractive industries - all economic activity that creates jobs.

For economic growth is not an end in itself. Its fundamental purpose is to raise the standard of living and to increase the well-being of the average community citizen.

## Community Viewpoint

Expansion of employment opportunities in various segments of economic life is basic to any community's growth, to the expansion of income, and to the provision of funds for supporting public services. Every community seeks to attract new residents and existing businesses, by offering economic opportunities and good community services. For the young people reaching adulthood, jobs must be made available or they will move to centers where the jobs do exist.

Industrial growth will encourage the young adults to remain, to sink their roots down and to invest both youth and

energy in the hometown. It also fosters community pride which sparks citizens to assume greater civic responsibilities. By generating additional income in the community, it can lead to better housing, more diversity in commerce, and better living conditions.

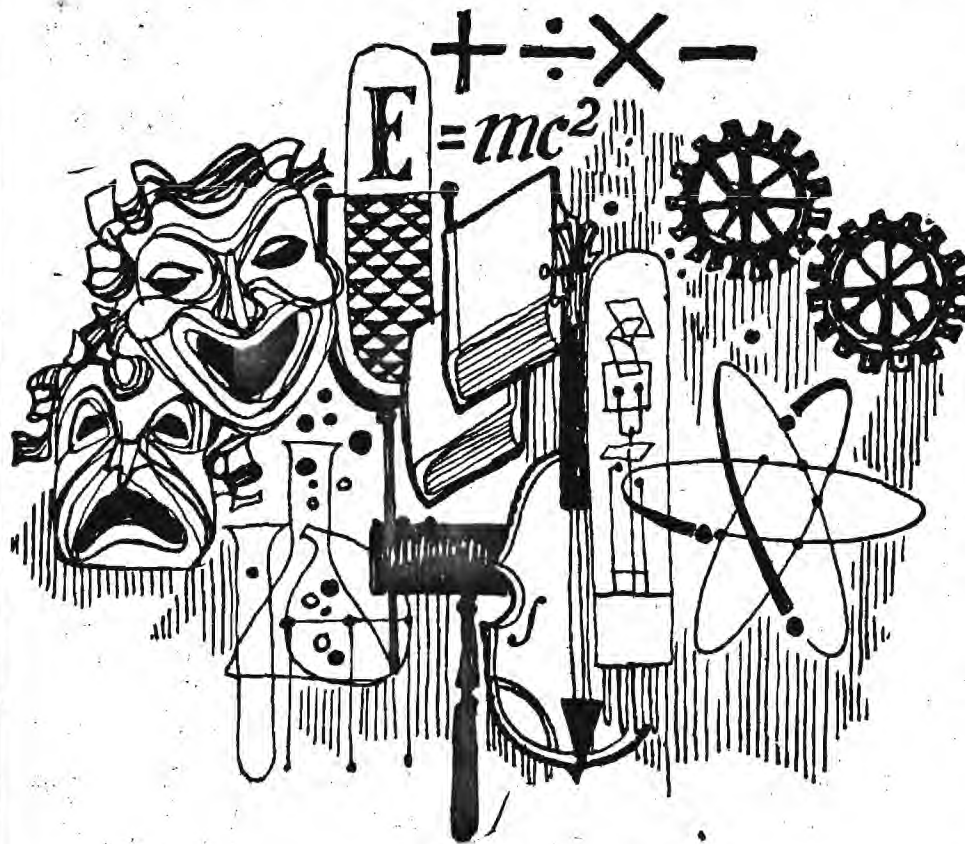
High levels of living standards are essential for adequate social and economic development. They include living conditions or "amenities," governmental services, health, safety, social order and welfare, and environmental health. Some of these things can be accomplished only by widening the tax base to generate more revenue for the city and the county.

## Multiplier Effect

New dollars brought into a community always create a benefit greater than their actual monetary value as they are spent and respent for various goods and services. This is called the "multiplier effect." A new or expanded plant is likely to trigger additional growth among supplying industries, as well as increased demand for local business and other services. If part of the goods produced or services rendered are purchased by persons outside the community, the multiplier effect is greatly enhanced. Some authorities suggest that the local effect of a new industrial investment is approximately two times the value of the investment. This means that a new plant with a \$500,000 annual payroll may be expected to trigger a total increase in local incomes of \$1 million.

The basic end of industrial development, then, is to improve the welfare of people. It accomplishes this goal in three ways: (1) by increasing the amount and variety of goods and services available to the consumer; (2) by enlarging his income or purchasing power, and (3) by providing taxable resources to enable government to meet the ever-broadening demands for more and better public services.

(NEXT: How to Go About Getting Industry)



The Carroll County Review, Thomson  
June 23/

# Organize for Industrial Development

**EDITOR'S NOTE:** This is the second in a series of articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Georgia. This results from a cooperative effort with the Carroll County Development Corporation to stimulate economic growth and to offset the effects of the personnel reduction at the Savanna Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

## HOW TO ORGANIZE FOR INDUSTRIAL DEVELOPMENT

Most towns welcome the new jobs and revenue that new and expanded industries bring. But the competition is so fierce today that the community which merely waits for the industrialist to discover its charms generally is doomed to be a wallflower.

For success, the community must have a program of industrial development spearheaded by some organization or group of leaders who will be responsible for getting the job done. And the mental attitudes and the physical resources of the community must be mobilized in support of the program.

The work of attracting new payrolls to a community falls to its civic leaders through such organizations as the chamber of commerce or the local development corporation. The makeup of any industrial development organization must be representative of the various segments of the larger community. If possible, it should be coordinated by a professional industrial developer.

There are four important steps in the community economic development process: fact-finding, analysis, decision and action.

### FACTFINDING

An inventory of the community's economic resources is the absolutely necessary preamble to designing an effective community development program. The community economic profile should contain data on population, labor force, natural resources, economic complex, government services, and community facilities. Without this specific data on the community's assets and liabilities, the industrial development team cannot intelligently plan how to capitalize on the community's strengths or to overcome its weaknesses.

Or it may mistake the true nature of the problem. Unemployment may appear to be a major problem for example. Investigation may reveal that

jobs are available, but people with the necessary skills to fill these jobs are not available. Thus, this becomes a problem of training rather than the development of new job opportunities.

### ANALYSIS

Facts are no good unless you analyze them. Armed with the results of the community resources audit, the team can objectively evaluate its attractiveness to industry and determine what needs to be done to improve its chances for economic growth. Sometimes, in-depth analysis may reveal problems heretofore unrecognized. For example, in trying to upgrade its industrial site situation, a community may discover that its water distribution system is inadequate or dependent upon a limited water system.

### PLANNING FOR ACTION

Once the facts are in hand, and the alternative courses of action clearly outlined, the industrial development team must decide upon a plan of action. It must determine what sort of development is best for the area, set goals and priorities—and focus its efforts on the "best bets" for attracting industry as well as the most imperative needs for correction of deficiencies.

A community surrounded by extensive timber resources may want to slant its sales pitch toward wood-

working industries. Another community may discover that its biggest asset is a long history of amicable labor-management relations.

The team should concentrate on improving problem areas that are most easily correctable, such as the lack of industrial sites, inadequate utilities and services, or low educational standards and lack of vocational training. Inherent weaknesses, such as the lack of raw materials and poor geographic location, must be accepted and compensated for in other ways.

### IMPLEMENTING THE PLAN

The final task is to implement the action plan. Steps must be taken to improve the community's liveability and its attractiveness to industry, and a sales campaign must be launched to bring the community to the attention of prospective new industries. The team should not neglect the existing expansion is the best source for additional jobs and payrolls.

The vital ingredients in a successful industrial promotion effort are a dedicated team that follows the four steps—survey, evaluate, plan and get out and work—and a community that offers its moral and financial support. The community that organizes for industrial development is the one most likely to achieve it.

(Next: What Industry Looks For)

# Why we need industrial development

**Editor's note:** This is the third in a series of articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Carroll County Development Corp. to stimulate economic growth and to offset the effects of the personnel reduction at the Savanna Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

## WHAT INDUSTRY LOOKS FOR

When a manufacturer decides he would like to open a plant in another location, what factors are important in determining which community he will select?

### BASIC FACTORS

The basic factors which dictate location decisions are markets, labor, raw materials and transportation. The relative importance of the first three factors varies, depending upon the orientation of the industry, while transportation must be considered in relation to its effect on other factors. A mobile home manufacturer, for instance, would want to locate in the middle of his market area because of the relative difficulty and high cost of transporting the finished homes.

A steel mill, on the other hand, needs to be near sources of iron ore, coal and other raw materials, and a food processing plant must

be near its sources of supply because its raw materials are perishable. Other industries that utilize large amounts of labor in producing their goods or require specialized and highly skilled personnel might consider locating where there is an ample and well-trained supply of labor.

In a recent survey made by McGraw-Hill of the directors-managers of real estate and property of the 750 largest U.S. corporations, 68 percent rated improvement of labor cost or productivity as one of their prime objectives for planning a new plant location. On the market side, 65 percent cited ability to better serve new and or expanding markets, and 60 percent rated closer proximity to customers and or distributors at the top. Improvement in transportation efficiency or economy was named by 56 percent, and 48 percent said proximity to resources and or major suppliers was a major objective.

### SECONDARY FACTORS

Leading the list of secondary location factors is utilities, whose importance is looming ever larger in these days of water shortages and energy constraints. For some industries this has always been a primary factor; glass manufacturers and aluminum producers require large amounts of inexpensive energy and some chemical process industries need large amounts of water for processing and waste disposal, to name a few. Nowadays, few industries can afford to consider the cost and availability of electric power and fuels as a matter of course. Inadequate water and sewage facilities present definite industrial handicaps to any

community.

Other factors to be examined include: local government services, taxes, amenities (education, recreation, housing, cultural activities, etc.), and plant and site considerations. Certainly, a new industrial citizen would want adequate fire and police protection, as well as reasonable taxes. Living conditions also can be critical. The lack of suitable housing, for example, will keep people from moving into a community even if good jobs are available. This problem can become so acute as to prevent the location of new industrial plants in an otherwise suitable area.

Obviously, the community has to offer the industrial prospect a suitable tract of land for his plant, and if access roads and utilities are already onsite, so much the better. Available industrial buildings are another plus. Some communities even build "speculative" shell buildings; when a client

is found, the building is finished to his specifications. A local building authority or business development corporation that can help with plant financing is another drawing card.

### THE DECISION PROCESS

Once an industrialist has narrowed his choices to several communities that satisfy his basic criteria, these secondary factors will tip the scales in favor of a particular community. In the survey mentioned above, 81 percent of the corporation plant locators said that they had to choose between two or three close alternatives—only 19 percent said that one site stood out clearly as the right one. This means that such intangible factors as community appearance and amenities may make the difference between economic growth and stagnation for a community.

(NEXT: The Changing Force of Industrial Development)

The  
Carroll County

# Review

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Jonathan K. Whitney, Publisher

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# The changing face of industrial development

**Editor's Note:** This is the fourth in a series of articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Carroll County Development Corp. to stimulate economic growth and to offset the effects of the personnel reduction at the Savanna Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, the articles will increase community understanding of what is involved in industrial development, and at the same time, increase public support of the local development programs.

## THE CHANGING FACE OF INDUSTRIAL DEVELOPMENT

"The times they are a'changing," sings Bob Dylan, the troubadour of today's youth. The hallmark of the present day is rapid change. This is as true in industrial development as in other areas of life.

Today considerable emphasis is being placed upon environmental protection, and projects are being scrutinized closely to assess the impact they may have on the environment. So the alert community economic development group also must be

concerned about the best utilization of the natural environment.

## ENERGY COSTS IMPORTANT

Energy availability and costs constitute another large constraint on industrial development today. We have just emerged from a winter where many plants were forced to shut down temporarily for lack of fuel, and we are faced with another summer of anticipated electric power "brownouts."

The rapid escalation of energy costs has forced many industrial managements to reassess plant physical construction and layout, as well as more efficient uses of machinery and manpower. Soaring gasoline prices also will have an effect on transportation of goods and of people. This may tend to offset somewhat the trend of recent decades for industry to disperse to rural areas. Many locations will have to be reexamined as to their remoteness from market and access to both raw material and market in cents per ton-mile. And there may be a shrinkage in the distance which workers will be willing or able to travel to their jobs.

## OTHER CONSTRAINTS

These and other constraints have brought federal and state governments more prominently into the economic growth picture. A myriad of regulations already exist governing all forms of pollution, and the OSHA laws evidence governmental concern with the occupational health and

safety of the nation's work force. The energy shortage will result in even more legislation. One of the most significant and far-reaching changes likely to come in the near future is stringent federal regulation and control of land use.

Labor supply is another area of rapid change. The migration to urban areas for employment opportunity and the increased productivity of farmers have put extreme pressure on rural-oriented communities to develop new jobs. Formerly, these areas were able to advertise cheap and willing, although untrained, labor as an industrial location lure. But the regional variations in labor are gradually being equalized, due to widespread unionization (with its standardization of pay and benefits), automation, increased worker mobility and dispersion of skills. More attention is being given to worker training programs "quick start" programs and continuing assistance to industrial operations from vocational-technical education centers.

Our employment structure has shifted considerably in recent years so that now only 30 percent of the U. S. labor force produce goods—5 percent in agriculture and related activities and 25 percent in manufacturing and processing. Seventy percent of our total employment is in services—commercial, educational, medical, governmental and the like. The focus has

already changed from industrial development to the broader term, "economic development."

## EFFECTS OF NATIONAL TRENDS

Finally, we have to contend with the effects of national economic trends. We have sustained the longest and deepest recession since the close of World War II. We have survived galloping inflation, high interest rates, tight money, high unemployment and other problems that have caused many businesses to "go under" that would have made it in more normal times. These less favorable national trends are likely to continue to some extent in the foreseeable future.

So the industrial development field is quite fluid, constantly changing. It is confronted with changing attitudes about the value of growth as it relates to the environment and our natural resources. It is constrained by increasing governmental regulation. It is affected by shifts in labor patterns and other industrial location factors. And it is heavily influenced by general economic trends. All of these factors constitute a challenge to the average community which is striving to create a more pleasant, productive and secure life for its citizens.

Next: The Community Organization for Economic Development Program in Savanna.

# Need key local leaders to attract industry

**EDITOR'S NOTE:** This is the last in a series of articles on aspects of industrial development written by staff members of the Technology and Development Laboratory at the Georgia Institute of Technology in Atlanta, Georgia. The series grew out of a cooperative effort conducted with the Carroll County Development Corp. to stimulate economic growth and to offset the effects of the placing of the Savanna Army Depot on standby basis. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, these articles have enlarged community understanding of what is involved in industrial development, and, at the same time, increased public support of the local development programs.

Most Illinois communities would like to attract new industries to their areas. They recognize the inherent advantages of bringing into the community new payrolls, of increasing employment opportunities, and of adding new properties to the local tax rolls.

The development process assumes that

the community is putting its best foot forward, and, in effect, is making a sales pitch to those concerns which are considered the most desirable in view of local resources and local needs.

The actual task of attracting new industry to the community remains the responsibility of local community leaders, sometimes with the assistance of professional staff.

In the case of Carroll County, it is the Carroll County Development Corporation which bears the responsibility for this function along with its executive director R.C. Bush.

It is basic to the private enterprise system in order to attract the investment of private capital that there must be opportunities for the investor group or company to realize a competitive profit. The potentials which the community possesses for this sort of investment opportunity can best be described by community leaders.

We usually find key leaders in community economic development activity among those individuals identified with the economic sector. Thus the industrial prospect expects to encounter persons from the financial area, utilities, transportation, retail and manufacturing activities.

Also, some governmental officials, both elective and appointive, are essential for the

completion of economic development projects.

They know what public services can be expanded and those services they can identify which may require additional financial support before they can be utilized.

Certain fundamental conditions characterize the composition of the community industrial development contact team. A genuine commitment to building a better economic base for the community is one key condition.

Willingness to sacrifice a portion of the individual's time in order to meet with industrial prospects is also important. Continuity of effort and familiarity with the subject areas which are considered in depth by the investigator are other significant ingredients.

The most effective teams we have found, are those which assign specific subject areas to certain individuals. These team members become proficient in their assigned categories and because of their knowledge of local facts and conditions they can make a positive impression on the investigating prospect.

Generally speaking, the more important subject areas include: industrial sites, construction, industrial project financing, manpower, transportation, utilities, public

services, government and tax education and training, and general conditions.

The paid executive should be proficient enough to collect some data on these subjects, but the presentation of the information should come from the leaders who serve on the contact team.

Since it is very difficult to assemble community leaders on any given day, alternates or "back up" personnel should be included in the total community effort.

Recently, under a project sponsored by the Office of Economic Adjustment, special training and expertise in handling industrial projects was provided to the Carroll County team.

A consultant for a midwest metal working company was brought in for a session with the industrial contact team, and the performance of the local group was observed.

How that group performed and specific recommendations which could increase economic development assets of Savanna, Mt. Carroll and Hanover will be discussed at the community-wide seminar which will be presented next month at 7:30 p.m., Thursday, Nov. 3 at Savanna City Hall, under the sponsorship of the Carroll County Development Corporation.

# Industrial Development...

## A Changing Face

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Today considerable emphasis is being placed upon environmental protection, and projects are being scrutinized closely to assess the impact they may have on the environment. So the alert community economic development group also must be concerned about the best utilization of the natural environment.

### ENERGY COSTS IMPORTANT

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These and other constraints have brought federal and state governments more prominently into the economic growth picture. A myriad of regulations already exist governing all forms of pollution, and the OSHA laws evidence governmental concern with the occupational health and safety of the nation's work force. The energy shortage will result in even more legislation. One of the most significant and far-reaching changes likely to come in the near

new jobs. Formerly, these areas were able to advertise cheap and willing, although untrained, labor as an industrial location lure. But the regional variations in labor are gradually being equalized, due to widespread unionization (with its standardization of pay and benefits), automation, increased worker mobility and dispersion of skills. More attention is being given to worker training programs, "quick start" programs and continuing assistance to industrial operations from vocational-technical education centers.

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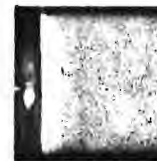
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# EDITORIALS



## Why Industrial Development

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Industrial growth will encourage the young adults to remain, to sink their roots down and to invest both youth and energy in the hometown. It also fosters community pride which sparks citizens to assume greater civic responsibilities. By generating additional income in the community, it can lead to better housing, more diversity in commerce, and better living conditions.

High levels of living standards are essential for adequate social and economic development. They include living conditions or "amenities," governmental services, health, safety, social order and welfare, and environmental health. Some of these things can be accomplished only by widening the tax base to generate more revenue for the city and the county.

### MULTIPLIER EFFECT

New dollars brought into a community always create a benefit greater than their actual monetary value as they are spent and respent for various goods and services. This is called the "multiplier effect." A new or expanded plant is likely to trigger additional growth among supplying industries, as well as increased demand for local business and other services. If part of the goods produced or services rendered are purchased by persons outside the community, the multiplier effect is greatly enhanced. Some authorities suggest that the local effect of a new industrial investment is approximately two times the value of the investment. This means that a new plant with a \$500,000 annual payroll may be expected to trigger a total increase in local incomes of \$1 million.

The basic end of industrial development, then, is to improve the welfare of people. It accomplishes this goal in three ways: (1) by increasing the amount and variety of goods and services available to the consumer; (2) by enlarging his income or purchasing power, and (3) by providing taxable resources to enable government to meet the ever-broadening demands for more and better public services.

(NEXT: How to Go About Getting Industry)

*Savanna Times Journal*

9/6/77

# How To Organize For Industrial Development

**EDITOR'S NOTE:** This article on industrial development is written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Carroll County Development Corporation to stimulate economic growth and to offset the effects of the personnel reduction at the Savannah Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Most towns welcome the new jobs and revenue that new and expanded industries bring. But the competition is so fierce today that the community which merely waits for the industrialist to discover its charms generally is doomed to be a wallflower.

For success, the community must have a program of industrial development spearheaded by some organization or group of leaders who will be responsible for getting the job done. And the mental attitudes and the physical resources of the community must be mobilized in support of the program.

The work of attracting new payrolls to a community falls to its civic leaders through such organizations as the chamber of commerce or the local development corporation. The makeup of any industrial development organization must be representative of the various segments of the larger community. If possible, it should be coordinated by a professional industrial developer.

There are four important steps in the community economic development process: fact-finding, analysis, decision and action.

## FACT FINDING

An inventory of the community's economic resources is the absolutely necessary preamble to designing an effective community development program. The community economic profile should contain data on population, labor force, natural resources, economic complex, government services, and community facilities. Without this specific data on the community's assets and liabilities, the industrial development team cannot intelligently plan how to capitalize on the community's strengths or to overcome its weaknesses.

Or it may mistake the true nature of the problem. Unemployment may appear to be a major problem for example. Investigation may reveal that jobs are available, but people with the necessary skills to fill these jobs are not available. Thus, this becomes a problem of

training rather than the development of new job opportunities.

## ANALYSIS

Facts are no good unless you analyze them. Armed with the results of the community resources audit, the team can objectively evaluate its attractiveness to industry and determine what needs to be done to improve its chances for economic growth. Sometimes, in-depth analysis may reveal problems heretofore unrecognized. For example, in trying to upgrade its industrial site situation, a community may discover that its water distribution system is inadequate or dependent upon a limited water system.

## PLANNING FOR ACTION

Once the facts are in hand, and the alternative courses of action clearly outlined, the industrial development team must decide upon a plan of action. It must determine what sort of development is best for the area, set goals and priorities—and focus its efforts on the "best bets" for attracting industry as well as the most imperative needs for correction of deficiencies.

A community surrounded by extensive timber resources may want to slant its sales pitch toward woodworking industries. Another community may discover that its biggest asset is a long history of amicable labor-management relations.

The team should concentrate on improving problem areas that are most easily correctable, such as the lack of industrial sites, inadequate utilities and services, or low-educational standards and lack of vocational training. Inherent weaknesses, such as the lack of raw materials and poor geographic location, must be accepted and compensated for in other ways.

## IMPLEMENTING THE PLAN

The final task is to implement the action plan. Steps must be taken to improve the community's liveability and its attractiveness to industry, and a sales campaign must be launched to bring the community to the attention of prospective new industries. The team should not neglect the existing industry that already operates in the community—often local industry expansion is the best source for additional jobs and payrolls.

The vital ingredients in a successful industrial promotion effort are a dedicated team that follows the four steps—survey, evaluate, plan, and get out and work—and a community that offers its moral and financial support. The community that organizes for industrial development is the one most likely to achieve it.

(NEXT: What Industry Looks For)

*Savanna Times Journal 9/20/77*

# What Industry Looks For

**NOTE:** This is another in a series of articles on aspects of industrial development written by staff members of the Economic Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. This results from a cooperative effort with the Carroll County Development Corporation to stimulate economic growth and to offset the effects of the personnel reduction at the Savannah Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, the articles will increase community understanding of what is involved in industrial development, and at the same time, increase public support of the local development programs.

When a manufacturer decides he would like to open a plant in another location, what factors are important in determining which community he will select?

## BASIC FACTORS

The basic factors which dictate location decisions are markets, labor, raw materials and transportation. The relative importance of the first three factors varies, depending upon the orientation of the industry, while transportation must be considered in relation to its effect on other factors. A mobile home manufacturer, for instance, would want to locate in the middle of his market area because of the relative difficulty and high cost of transporting the finished homes.

A steel mill, on the other hand, needs to be near sources of iron ore, coal and other raw materials, and a food processing plant must be near its sources of supply because its raw materials are perishable. Other industries that utilize large amounts of labor in producing their goods or require specialized and highly skilled personnel might consider locating where there is an ample and well-trained supply of labor.

In a recent survey made by McGraw-Hill of the directors/managers of real estate and property of the 750 largest U.S. corporations, 68% rated improvement of labor cost or productivity as one of their prime objectives for planning a new plant location. On the market side, 65% cited ability to better serve new and/or expanding markets, and 60% rated closer proximity to customers and/or distributors at the top. Improvement in transportation efficiency or economy was named by 56%, and 48% said proximity to resources and/or major suppliers was a major objective.

## SECONDARY FACTORS

Leading the list of secondary location factors is utilities, whose importance is looming ever larger in these days of water shortages and energy constraints. For some industries this has always been a

primary factor; glass manufacturers and aluminum producers require large amounts of inexpensive energy and some chemical process industries need large amounts of water for processing and waste disposal, to name a few. Nowadays, few industries can afford to consider the cost and availability of electric power and fuels as a matter of course. Inadequate water and sewage facilities present definite industrial handicaps to any community.

Other factors to be examined include: local government services, taxes, amenities (education, recreation, housing, cultural activities, etc.), and plant and site considerations. Certainly, a new industrial citizen would want adequate fire and police protection, as well as reasonable taxes. Living conditions also can be critical. The lack of suitable housing, for example, will keep people from moving into a community even if good jobs are available. This problem can become so acute as to prevent the location of new industrial plants in an otherwise suitable area.

Obviously, the community has to offer the industrial prospect a suitable tract of land for his plant, and if access roads and utilities are already onsite, so much the better. Available industrial buildings are another plus. Some communities even build "speculative" shell buildings; when a client is found, the building is finished to his specifications. A local building authority or business development corporation that can help with plant financing is another drawing card.

## THE DECISION PROCESS

Once an industrialist has narrowed his choices to several communities that satisfy his basic criteria, these secondary factors will tip the scales in favor of a particular community. In the survey mentioned above, 81% of the corporation plant locators said that they had to choose between two or three close alternatives—only 19% said that one site stood out clearly as the right one. This means that such intangible factors as community appearance and amenities may make the difference between economic growth and stagnation for a community.

**editorial**

## Your Legislators Are

### FEDERAL...

U.S. Senator Charles H. Percy, 1860 Federal Bldg., Chicago, Ill. 60604 (Ph. 312-353-4952).

U.S. Senator Adlai E. Stevenson III, 2100 Federal Bldg., Chicago, Ill. 60604 (Ph. 312-353-5420).

Congressman Tom Railsback, 228 Federal Bldg., Rock Island, Ill. 61201 (Ph. 309-794-1681).

### STATE

Illinois Senator John B. Roe, P.O. Box 68, Rochelle, Ill. 61068 (Ph. toll free 1-800-892-6987).

Representative Richard T. Mulcahey, Box 107, Durand, Ill. 61064 (Ph. 815-248-4111).

Representative Harold J. Adams, Big Mound Rd., Davis Junction, Ill. 61020 (Ph. 815-393-4350).

Representative Harlan Rigney, Box 691, Freeport, Ill. 61032 (Ph. 815-232-9995).

*Savanna*  
**Times Journal**

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Lila Atherton, Editor

Lyle Exstrom, Advertising and Sports

Sheila Wildman, Office Manager

10/18/77

# Economic Development... A Do It Yourself Job

**Note to the Editor:** This is the last in a series of articles on aspects of industrial development written by staff members of the Technology and Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. The series grew out of a cooperative effort conducted with the Carroll County Development Corp. to stimulate economic growth and to offset the effects of staff reduction at the Savanna Army Depot. Under sponsorship of the Department of Defense's Office of Economic Adjustment, Georgia Tech professionals have been working with local industrial development volunteers to improve their industrial promotion programs.

Hopefully, these articles have enlarged community understanding of what is involved in industrial development, and, at the same time, increased public support of the local development programs.

Most Illinois communities would like to attract new industries to their areas. They recognize the inherent advantages of bringing into the community new payrolls, of increasing employment opportunities, and of adding new properties to the local tax rolls.

The development process assumes that the community is putting its best foot forward and, in effect, is making a sales pitch to those concerns which are considered the most desirable in view of local resources and local needs.

The actual task of attracting new industry to the community remains the responsibility of local community leaders, sometimes with the assistance of professional staff. In the case of Carroll County, it is the Carroll County Development Corporation which bears the responsibility for this function along with its executive director R C Bush.

It is basic to the private enterprise system in order to attract the investment of private capital that there must be opportunities for the investor group or company to realize a competitive profit. The potentials which the community possesses for this sort of investment opportunity can best be described by community leaders.

## KEY LEADERS IN ECONOMIC DEVELOPMENT

We usually find key leaders in community economic development activity among those individuals identified with the economic sector. Thus the industrial prospect expects to encounter persons from the financial area, utilities, transportation, retail and manufacturing activities. Also, some governmental officials, both elective and appointive, are essential for the completion of economic develop-

ment projects. They know what public services can be expanded and those services they can identify which may require additional financial support before they can be utilized.

Certain fundamental conditions characterize the composition of the community industrial development contact team. A genuine commitment to building a better economic base for the community is one key condition. Willingness to sacrifice a portion of the individual's time in order to meet with industrial prospects is also important. Continuity of effort and familiarity with the subject areas which are considered in depth by the investigator are other significant ingredients.

## EFFECTIVE TEAMS HAVE ASSIGNMENTS

The most effective teams we have found, are those which assign specific subject areas to certain individuals. These team members become proficient in their assigned categories and because of their

On Thursday evening, Nov. 3, a community-wide seminar will reveal specific recommendations which could increase the economic development assets of Savanna, Mt. Carroll and Hanover. Sponsored by the Carroll County Development Corporation, additional details will be released later.

knowledge of local facts and conditions they can make a positive impression on the investigating prospect.

Generally speaking, the more important subject areas include: industrial sites, construction, industrial project financing, manpower, transportation, utilities, public services, government and taxation, education and training, and general living conditions.

The paid executive should be proficient enough to collect some data on these subjects, but the presentation of the information should come from the leaders who serve on the contact team. Since it is very difficult to assemble five community leaders on any given day, some alternates or "back up" personnel should be included in the total community effort.

Recently, under a project sponsored by the Office of Economic Adjustment, special training and expertise in handling industrial pro-

jects was provided to the Carroll County team. A consultant for a midwest metal working company was brought in for a session with the industrial contact team, and the performance of the local group was observed. How that group performed and specific recommendations which could increase the economic development assets of Savanna, Mt. Carroll and Hanover will be discussed at the community-wide seminar which will be presented next month on Thursday, Nov. 3 under sponsorship of the Carroll County Development Corporation.

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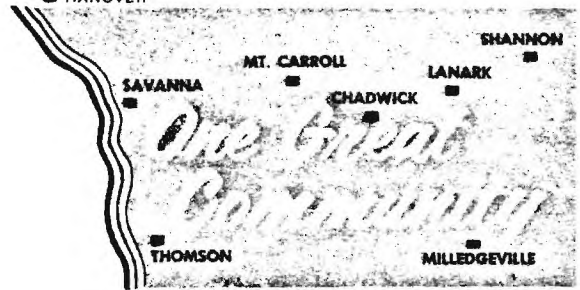
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*Savanna*  
**Times Journal**

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APPENDIX V

CARROLL COUNTY  
DEVELOPMENT CORPORATION



CARROLL COUNTY ILLINOIS  
P. O. Box 283  
SAVANNA, ILLINOIS 61074  
December 1, 1977

Mr. Robert B. Cassell  
Principal Research Scientist  
Economic Development Division  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, Georgia 30332

Dear Mr. Cassell:

I would like to express our appreciation for the splendid program carried out in Savanna this year.

In working through the Simulation Project our contact team gained great insight into development techniques needed to handle an industrial prospect. Not only were the skills of our team greatly increased, but it served to unite the various communities in our common goal of broadening the economic base of Carroll County.

Greater public support of our efforts has been realized through the informative Workshop Session recently completed. Our capability to expand our local development plans has been greatly enhanced due to focus of attention to the Simulation Project and the information that was made available to them.

It is my sincere hope that you will follow-up this program by re-visiting our community to audit our progress and accomplishments and to further consult our contact team in areas that present further potential for developmental activities.

Sincerely,

R C Bush, President  
Carroll County  
Development Corp.

DEC 5 1977

# HERALD Opinion

Page 4 - Clinton, Iowa, Herald

Friday, September 30, 1977

## Hard work pays off

The announcement this week of plans to build an \$80 million industry which eventually will employ 175 persons is welcome economic news.

And the thought this could be the beginning of an industrial complex on the once marginally productive sand prairies of Carroll County in the Savanna-Thomson area holds an exciting promise.

The new plant—a joint venture of F. Hoffmann-LaRoche and Co. of Switzerland and the Finnish Sugar Co. of Finland to produce xylitol, a low calorie natural sweetener—is expected to be completed within two years.

Much credit for landing the new industry must go to the Carroll County Development Corporation and the Industrial Committee of the Savanna Chamber of Commerce and other individuals and groups in the area.

While the most immediate impact of construction and operation of the new plant will be felt in Savanna and Thomson, a wide area of eastern Iowa and western Illinois will benefit as payrolls

turn over in retail stores and services.

It also will provide a ready market for what has been a largely waste product of corn production—corn cobs. This will be a new source of income for farmers in a large area of the Upper Mississippi Valley.

It was an especially sweet (no pun necessarily intended) announcement for an area which was described by the federal government a few years ago as “economically depressed.” This designation came with the Pentagon’s major cutback in production at the Savanna Army Depot in 1974.

It is evident that while the area may have suffered a blow to its economy, it wasn’t a knockout punch to the determination of the people.

We are sure it took a lot of planning and long hours of hard community effort with no rewards in sight. But it appears to be paying off, not only for Carroll County but for the entire area.

We applaud their determination and their success.

# Multimillion dollar factory to be built in Carroll County

By JOHN SANDOR

SAVANNA — They're humming a happy, familiar phrase in Carroll County nowadays.

Roughly, the line goes, "How sweet it is, how sweet it is."

It's a joyous accolade to an announcement last week that the county has been chosen for construction of a \$70 to \$80 million industrial plant which will employ about 175 people.

Expectations are the plant will be in operation in the spring of 1980.

The hummed phrase? It's a spin-off from the product the plant will produce—xylitol—a natural sweetener made from corn cobs.

The products best known user is the Wrigley Co., makers of chewing gum.

Actually, the refinery will be the first of its kind in the country.

The construction site will be a 150-acre tract three miles north of Thomson

*'We would like to provide future jobs and better jobs for those who have chosen to stay in the county . . .'*

R.C. Bush

and about six miles south of Savanna.

The main plant will front on Three Mile Road immediately west of recently-improved Illinois 84 and near a Milwaukee Road rail line.

The plant will be built by Xyrofin Ltd., described as an undertaking by F. Hoffmann LaRoche & Co. Ltd., Basle, Switzerland, and Finnish Sugar Co., Helsinki, Finland.

The natural sweetener now is produced in a Kotka, Finland, plant that utilizes birch bark rather than corn cobs to obtain xylose sugar.

Plans for the plant were made public by the Carroll County Development Corp. (CCDC) and Savanna Chamber of Commerce industrial committee which were instrumental in helping attract the industry.

For Carroll County, which for years has struggled with problems of unemployment and underemployment, the new industry will be a well economic boost.

Only last year, the county faced the prospect of losing its major employer, the Savanna Army Depot.

A concerted campaign spearheaded by the Savanna Chamber of Commerce, city officials, CCDC and private citizens dissuaded the Army from closing the facility.

However, as Savanna Mayor Donald Nehrkorn pointed out, only 400 civilian jobs remain at the depot, about half the number before personnel cutbacks were instituted, and an Army company of about 200 men were transferred.

"We lost those buying dollars, and that hurt our economy badly," Nehrkorn said.

The depot's shaky status, said R.C. Bush, CCDC president, was the springboard for an "accelerated program of industrial development" for the county which began in the spring of 1976.

The Xyrofin Ltd. plant is a welcome reward of those efforts

"I'm just overly optimistic as far as the economic benefits for this entire area are concerned because of the increase in jobs and the increase in the tax base for the political subdivision in which it (the plant) will be located," Bush said.

He estimated the plant, to be situated in York Township, will add \$20 to \$25 million in assessed valuation.

Payroll at the plant, he estimated, will be in excess of \$2 million per year.

Bush said about 75 per cent of the plant's employees will be classed, as chemical operators, "which is considered a skilled level and pays a respectable wage . . ."

The plant is expected to produce 10 tons of xylitol per year.

Three states in the Midwest were initially considered for the new plant.

In Northern Illinois, the choice was cut to 40 locations.

Bush said Xyrofin Ltd. considered natural resources, potential work force and transportation in narrowing its number of possible sites. A good, natural water supply was a vital point.

Beyond that, Bush said other factors came into play.

"I think they (Xyrofin officials) were impressed with the community's attitude and that of the chamber industrial committee," he said.

He said the community spirit exhibited in a "Speak for Savanna" campaign conducted by the Savanna Ministerial Association and a doctors' committee seeking to improve medical services here were influential favorable factors.

The CCDC's philosophy is that a given community's gain can be of benefit to the entire county.

"We try to assist and coordinate the efforts of all communities," Bush said.

"We work with the industrial committees in (all) communities."

"Our philosophy has always been that if we could locate industries in the area, all the communities can benefit."

He added, "We have had some successes in past years, but none as spectacular as this (the Xyrofin plant)."

Perhaps most significant, the new industry hopefully will stem a disquieting trend for Carroll County.

For some 10 to 15 years, by Nehrkorn's calculation, the county has been losing scores of its young people who must relocate to find employment after high school graduation.

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report on  
CLARK COUNTY-FLOYD COUNTY  
INDIANA

For  
OFFICE OF ECONOMIC ADJUSTMENT  
DEPARTMENT OF DEFENSE

Prepared by  
Robert B. Cassell  
Principal Research Scientist

GEORGIA INSTITUTE OF TECHNOLOGY

ENGINEERING EXPERIMENT STATION  
Technology & Development Laboratory  
Economic Development Division  
Atlanta, Georgia 30332

November 1978

COMMUNITY ORGANIZATION FOR  
ECONOMIC DEVELOPMENT PROGRAM (COEDP)

Final Report On

CLARK COUNTY-FLOYD COUNTY  
INDIANA

# COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM (COEDP)

CLARK COUNTY-FLOYD COUNTY, INDIANA

## Background

This program was designed as a procedure for involving local community leaders from Clark and Floyd counties, Indiana, in a system for achieving effective economic development efforts at the local level. These counties and their incorporated communities were the target locations selected by the Office of Economic Adjustment, Office of the Secretary of Defense, because of the severe impact of personnel reductions resulting from placing of a major defense installation on standby status. The facility involved is the Indiana Army Ammunition Plant at Charlestown which had substantial employment reduction<sup>1/</sup> between 1974 and 1976.

Conduct of the Economic Development Program was assigned to the Industrial Development Division (now the Economic Development Division) of the Engineering Experiment Station at the Georgia Institute of Technology. This Division was given the responsibility for executing five phases of the program, which are described below. The program of work was based upon past success demonstrated by similar efforts in Illinois and Wisconsin to involve the local community leadership.

## Program Purpose

The main thrust of this particular program was to provide a basis for concerted community action directed towards achieving economic progress. It gave recognition to the fact that recovery from the impact of substantial employment decreases, and the accompanying secondary effect on local business and commerce, cannot be achieved automatically. What is required is that

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<sup>1/</sup> Economic Adjustment Program (Reconnaissance Report) for Clark and Floyd counties, Indiana (October 1976).

enlightened and informed community leadership be assisted in undertaking a number of measures which can provide positive directions for generating new employment opportunities.

The negative psychological attitudes which a base closing can have upon local leadership must be replaced with a positive outlook. Furthermore, in negotiating with potential investors who operate outside of the designated communities, a posture that can influence the course of events should be adopted, rather than merely reacting to the inquiries which will be made regarding local resources.

Since contemporary economic development is a very competitive process, the major successful results will be accomplished by those groups which can work together and which proceed in a businesslike fashion. It was the project intent to enable the contact group to become more effective so that it could speak for the entire community and work effectively to generate new employment opportunities.

Involvement in the process of attracting new and suitable industrial facilities can provide an insight into the decision-making processes, as well as stimulate the conduct of an impartial analysis of community strengths and weaknesses. From this combination of changed attitudes and confidence, a program of work with specific tasks for the leadership group can be recommended for action.

Moreover, this program can serve as a device for giving the local economic development team a more intensive and a broader acquaintance with the scope and the depth of local economic data and a ready recognition of appropriate situations where this information can be readily utilized. In the course of such activity, community needs for expanding and improving infrastructural support would also be identified.

#### Reasons for the Approach

There is sound rationale for the approach of treating each county group as an entity. Although a Bi-county Economic Development Council was recommended

in the reconnaissance economic adjustment program report, this proved to be a rather unwieldy situation. Actually, the citizens of Clark County are not conversant with circumstances in Floyd County, and vice versa. Therefore, neither is well acquainted with details pertinent to the other's situation, nor inclined to make commitments in behalf of the other.

There are numerous opportunities for mutual cooperation and joint effort, such as the airport, levee protection, and the like; in terms of identification of suitable land areas for future industrial growth and strengthening the utility services for such developments, however, these are subject areas better handled by those most closely identified with the need.

Also, the Bi-county Council does not have a full-time economic development professional with direct responsibility to manage the organization's affairs, so the group has taken on the aura of just another meeting body. The technical assistance which had been envisioned originally as being furnished from the two metropolitan area planning organizations has failed to materialize. Both KIPDA and River Hills commissions are more concerned with the preservation of traditional relationships.

#### Specific Accomplishments

Over the period when the program served the leadership in Clark and Floyd counties, some specific accomplishments were realized:

1. Participation by both the private and the public sector was stressed in both locations.
2. The proper function of the professional staff, in contrast with the role of the volunteer elements both from business and government, was examined and placed in proper focus.
3. The application of economic data appropriate to the local situation, either already developed or easily accessible, was demonstrated.
4. Emphasis was placed upon the necessity to mount efforts over a

long duration period, requiring the proper mixture of both patience and persistence.

5. Positive attitudes and mature judgmental decisions were shown to be essential for attracting new investment opportunities.

Many so-called contact teams (such as industrial commissions or chamber of commerce committees), without specific training, simply do not have the expertise to handle projects which can eventuate as new investment opportunities for the area. In many small towns where the professional talents are not available, these communities must rely upon volunteer participation. The better trained the volunteers, the greater will be the opportunity for positive and productive results.

Fundamental to this approach was the assumption that any training or teaching experience with an adult group should immerse the subject members in a real-life experience. Out of this extended exposure can come the learning experience which highlights the best techniques to be used to carry out negotiations with investors. Also, more attention to actions which are incomplete in results or areas which require further exploration and attention will similarly be illustrated. These results, hopefully, will constitute guidelines for solid future activity by the leadership groups.

Ultimately, this series of interactions serves to broaden the knowledge and experience of the local leadership group, giving it confidence and soundly derived information. In the future, these groups can assume the responsibility for expanding the economic base of the community, relying on sources outside the community to support local efforts, and thus overcome the negative effects which the original employment decline may have generated.

#### Phases of Activity

The program for Clark and Floyd counties, originally conceived to be carried out in four phases, was expanded to five on the basis of experience drawn from the Illinois and Wisconsin programs. These phases constituted:

(one) the initial introduction session or orientation; (two) the staging of the prospect investigation; (three) the performance review and work program initiation; (four) an interim review of progress achieved; and (five) a final reassessment together with a community-wide seminar on development techniques.

Considerable preparatory work was required once the program elements were agreed upon. Background on both Clark and Floyd counties was reviewed, in the main drawn from prior OEA studies. Contacts were made with the Indiana state development department, initial contacts were arranged in the subject communities, and background research undertaken to construct an appropriate industrial facility search project.

During the course of the work in the two counties, the constituency of the contact teams was analyzed. The ideal situation is to involve a true cross-section of the various "publics" with the top leadership from each group involved. Short of this ideal, however, most professional developers must work with those volunteer participants who demonstrate a willingness to be involved. Thus, one segment of the task is a continuous procedure of motivation, indoctrination, and training. The iterative process, in this fashion, reinforces the principles identified early in the program initiation.

Orientation Visit: In the execution of this program, it was deemed advisable to make some modifications, based upon previous experience. One of these was to precede Phase One with an orientation visit to each community in order for the Georgia Tech project director to become acquainted with certain key participants and decision-makers. This visit also served to provide a first-hand inspection of each community.

Thus, initial contacts were made with important community leaders in a mid-August visit, arranged by the Midwestern regional director (Mr. Eldon Erickson) of the Office of Economic Adjustment. These sessions served to "break the ice" with local contacts, to identify those individuals who were to serve as focal points on the local scene, and to informally acquaint these

representatives with the nature of the program and its probable duration. Further, a review of the accomplishments achieved locally, as well as the general feeling about obstacles to development formed part of the orientation. A statement prepared for these discussions is reproduced in Appendix I, along with a suggested press release.

Separate meetings were held with the mayor of Charlestown who also served as co-chairman of the Bi-county Economic Development Commission, with the mayor of Jeffersonville, and the executive vice president of the Clark County Chamber of Commerce who was designated as the local contact. On the following day, a similar session was held with four New Albany-Floyd County key participants, including the mayor, the chairman of the Bi-county Commission, and the executive director of the New Albany Economic Development Commission who was designated as the local contact in this instance. These sessions served to facilitate the conduct of Phase One in a more effective fashion.

Phase One: This phase was initiated in October, when a joint evening session, arranged through the KIPDA regional planning commission, was held at Indiana University Southeast in New Albany, with 26 leaders in attendance. A list of those is included in Appendix II.

Regrettably, although repeated efforts were made to persuade the director of the state development to participate, or at least to be represented, that cooperation did not result. Requests were made by Mr. Erickson, as well as the local participants in Jeffersonville and New Albany, following up on the Georgia Tech project director's contact and explanation of the program, but all of these were to no avail. More successful response was obtained in a similar approach to the Louisville (Ky.) Chamber of Commerce.

At this October session, Mr. Erickson and the Georgia Tech project director reviewed the background of the project, explained the processes involved, described similar activities undertaken elsewhere, and obtained local concurrence and general support.

The joint session with delegations from both Clark and Floyd Counties was considered most desirable in order that bi-county cooperation be obtained, particularly in view of the fact that Phase Two and subsequent events would have to be conducted separately in each county. However, at the conclusion of the program, once again the positive factors of cooperation and mutual support were stressed.

Phase Two: This phase was initiated in November and concluded early in December. Having adapted a genuine manufacturing plant location search made by a metalworking corporation in order that it would meet the general circumstances of a midwestern situation, a consultant (Dr. Howard Roepke, location consultant and member of the Department of Geography at the University of Illinois) was invited into each community. He was apprised with complete details on the project and was given all community information which had been accumulated prior to this visit.

The case which was used constituted an investigation by a medium-sized metalworking concern which would employ 100 to 120 workers initially and 200 workers after five years. This facility had some need for semi-fabricated materials, would use both electric power and natural gas. The company management had expressed more than a mild concern with general community attitudes on new industry as well as the receptiveness of the existing industrial complex.

Complete community inspections were conducted in Jeffersonville, Charlestown, Clarksville, and in New Albany.

Phase Three: This phase of activity was based upon the consultant's conclusions and accompanying remarks and comments prepared by a team from Georgia Tech's Economic Development Division who served as impartial observers. A detailed report was prepared for each community group, and was reviewed with the participating community leaders in sessions held early in April. The reports to the Clark and Floyd county development teams are incorporated in Appendix III.

Included in each report is a series of recommendations for local action, designed to improve and to strengthen economic development activities. A number of questions were raised and comments made about the consultant's visit and observations of local circumstances. In addition, a number of important points were stressed verbally in each session with local representatives.

Phase Four: Based upon previous experience, another segment was included for the successful conduct of the work. This phase provided the opportunity for the Georgia Tech project director late in June to review with each development director the reaction to the identification of obstacles to the local program, to evaluate progress in future program priorities and determination of program direction, and to plan for the Phase Five activity which would generate and motivate local support for the development effort.

From these conferences, certain suggestions were made verbally which were deemed inappropriate for written dissemination to the entire leadership contingent. Items touched upon included a discussion of how to replace certain individuals and methods of recruiting persons who would be more active on the development team. Another item of discussion concerned the intermediate and long-term financing of each development organization program.

Phase Five: This segment required that a Georgia Tech team hold public meetings in Clark and Floyd counties in late September. These meetings were designed to explain publicly those activities which had taken place under the program, and through such explanations, comments, and suggestions to reinforce local efforts to expand the economic base, which was identified as the major thrust.

The public community-wide seminars on economic development concluded the program's formal activity. Invited to the sessions were the leadership which had participated in the previous stages of program activity, as well as other involved persons. Background on each county's economic achievements, on the area needs and potentials were discussed, along with a specific review of

the programmatic elements. The emphasis was upon the report's recommendations; some of these were elaborated upon. Also, an audio-video program prepared by the AIDC Educational Foundation was screened.

Attending at New Albany were 14 persons. The Jeffersonville session was attended by 12 persons. Registration lists are reproduced in Appendix IV, along with the seminar format.

#### Other Program Elements

In support of certain of the activity phases detailed above, a series of explanatory articles suitable for use by the local press and radio were prepared. With assistance from the Clark County Chamber of Commerce executive, these articles were published in the local newspapers. Copies are displayed in Appendix V.

Throughout the program, strong efforts have been made to involve state development agencies and other external professional agencies (such as regional councils, utilities, railroad, etc.) in the process, both to inform them of local accomplishments as well as to involve them more specifically in the local presentations. As indicated above, these efforts were less successful than in other locations.

Furthermore, continuing contact was maintained with OEA officials both at the regional and Washington levels. On the initial trip to the subject counties, the regional representative was present. In addition, interim written reports on the work in progress have been prepared and transmitted to the authorized OEA project directors.

Several project review sessions have been held in the OEA offices in Washington, prior to the initiation of the field work, and upon conclusion of the conduct of the last phase described above. These sessions have been useful to the Georgia Tech project manager in providing a sounding board as to the program's timing and effectiveness.

## Accomplishments

Without doubt, substantial improvement has taken place in the knowledge of local resources and the information developed on the part of the respective contact teams representing Clark and Floyd counties. The use of more sophisticated techniques in dealing with potential investors has been apparent.

An awareness of the need for local action and less dependence upon the initiation of activity by outside sources has been stressed. At the same time, the appropriate involvement of those same forces has been underscored. But throughout this program emphasis has been placed upon the desirability and the importance of self-reliance in expanding local economic development programs.

While in one case the local group initially was loosely knit by the conclusion of the program, it was observed to be more cohesive and better informed. Responsibilities for performance of certain tasks and the management of resources data were more clearly defined in both instances. Many members who were poorly informed, or even uninformed, regarding certain resources at the start, had acquired considerable information, or in a couple of instances dropped out.

It appeared that each community development group was functioning with more confidence and authority at the conclusion of the program and that many of the techniques suggested were being applied.

For the long range, expectations can be high, but there presently is no reliable method for the measurement of results. A system for periodic follow-up after a lapse of about a year might be appropriate; this has been suggested in other cases. Self-evaluation summaries by the local professional developers are reproduced in Appendix V.

Finally, it appears that maximum results from local efforts will be forthcoming when stronger and more intense support is obtained at the local level, as well as from the major metropolitan development thrust in the area, even though it be in an adjacent state. The Louisville area does indeed have a definite stake in the healthy growth of the southern Indiana region. This is the one aspect where more time and technical attention should have been applied.

## APPENDIX I

## LEADERSHIP TRAINING PROGRAM FOR OFFICE OF ECONOMIC ADJUSTMENT

### Background

As a result of the closing of the Indiana Army Ammunition Plant near Charlestown, communities in Clark and Floyd counties have been selected by the Office of Economic Adjustment for assistance in programs to expand employment. This project is based upon work performed for similar communities in Illinois and Wisconsin as a vehicle to involve the local community leaders in an effective development effort.

Since contemporary economic development is a very competitive process, the major successful results are accomplished by those groups which can work together and which proceed in a businesslike fashion. It was hoped we could make the contact group more effective so that it could speak for the entire community and work effectively to generate new employment opportunities.

Many so-called contact teams, such as industrial commissions or chamber of commerce committees, simply do not have, without specific training, the expertise to handle projects which can eventuate as new investment opportunities for the area. In many small towns where the professional talents are not available, these communities must rely upon volunteer participation. The better trained the volunteers, the greater will be the opportunity for positive and productive results. This applies as well to situations where a professional developer guides the local program.

### Procedures

The training program is designed to enable the local community development team to examine the scope and depth of local economic information, to learn how this information should be applied, and to review the entire spectrum of local infrastructure. Since Clark and Floyd counties are confronted with potential growth and development, the area presents positive qualities for undertaking this training program.

The program falls into four phases. The first phase is the initial orientation session with the local economic development teams to review their efforts,

accomplishments and failures and to plan for participation in the training program.

Phase two will consist of a visit by an industrial prospect. The local development team will prepare a presentation on the county's attractions and resources for industry and attempt to persuade the prospect to select the county for the proposed facility. A detailed, true-to-life industrial project will be used for the simulation, and other professional developers on the area, state and national levels will be involved.

In the third phase, a follow-up session will bring together the local team and the professional developers who participated in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of work will be presented. It will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

Phase four will include a seminar/workshop for both the active participants and other interested citizens. This meeting will be designed to increase community support of the development's team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

#### Improvement in Community Techniques

Substantial improvement in resource knowledge and employment of more sophisticated techniques by the local development team usually results over the period during which this training program is implemented.

Appropriate news releases and related media informational releases will be prepared as the program unfolds.

By conclusion of the program, the group should be much closer, more cohesive and certainly better informed. Responsibility for designated areas of resource information and for performance of certain tasks is more precise. We usually find that the group is functioning in a vastly improved and effective manner.

These are most of the immediate, short-range objectives to be accomplished. Certain other areas will require additional attention and improvement as part of the long-range program. They will be identified to the local team, for continued review and scrutiny. Examples might be the identification of suitable alternative industrial sites and the provision of adequate utilities to those locations; a firmer posture with respect to financing and projects; a refinement of work force and available labor information; the development of in-house capabilities to prepare a comprehensive slide presentation; or a continuing system of public information and programs to maintain widespread community support.

## APPENDIX II

CLARK-FLOYD COUNTY ATTENDEES  
Meeting at Indiana University Southeast  
New Albany, Indiana  
October 12, 1977

<u>Name</u>	<u>Occupation</u>	<u>Representing</u>	<u>Community</u>
John M. Crismore	Banker	Charlestown EDC	Charlestown
B. J. Adkins	S & L	Industrial Foundation	New Albany
James Croft	Banker	" "	" "
Bob Hoban	Banker	Economic Development Comm.	" "
Ed Martin	Exec. V. P.	N.A. Area Chamber	" "
Ken Brewer	Director	N.A. Econ. Dev. Comsn.	" "
Carolyn Martin	Asst. Dir.-Sec.	" " " "	" "
Wm. J. Kaiser	S & L	Industrial Foundation	" "
Bob Real	Mayor	City of New Albany	" "
Stephen Frederick	Econ. Dev. Coord.	River Hills Reg. Plann Cnsm	
Bob Tague	Real Estate	Jeff Industrial Park	Jeff
Gary Tyler	Chamber of Commerce	Clark County	Clark County
James A. Munich	Civil Engineer	Clark County	Clarksville
William L. Smith	Clark Co. REMC		Sellersburg
John H. Pentenburg		American Bank	New Albany
R. H. Brown	Mutual Trust	N. A. Indust. Fdn.	New Albany
Robt. H. Applegate	Architect	Econ. Dev. Consm.	" "
Vincent H. Freiburger	County Commissioner	Floyd County	" "
Patrick Houghlin	Ex. Dir. Floyd Co. Plann. Comm.	Floyd County	
Paul Mueller	Planner	River Hills Reg. Plan. Com. Region	
Frank Lind	Exec. Dir.	River Hills " " " "	
Ferry L. Stephenson	Exec. Dir.	Clark County CAA	Clark
Bob Holmes	Supt. of Schools	Floyd Co.	New Albany
Idon L. Erickson	OEA	Regional Director	Kansas City
George Ellenkamp	Dir. of Whsing	Clark Cty. Chamber	Jeffersonville
ue Brown	Secretary	Mayor Clay Hall	Charlestown

FOR IMMEDIATE RELEASE

New Albany -- A program to stimulate Floyd County's economic growth and to offset the effects of the deactivation of the Indiana Army Ammunition Plant at Charlestown got underway this week under sponsorship of the Department of Defense's Office of Economic Adjustment (OEA).

Meeting with the directors of the New Albany Economic Development Commission and the New Albany Industrial Foundation, as well as city and Floyd County officials, to initiate the program were Eldon Erickson of Kansas City, regional director for OEA, and Robert B. Cassell of the Technology and Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. Erickson and Cassell discussed with community leaders the specialized training program which employs simulation techniques to show industrial development volunteer teams how to carry out more effective industrial promotion efforts.

The new Community Economic Development Program was conceived by and will be conducted by Georgia Tech under contract to the OEA. The OEA was established by the President's Economic Adjustment Committee to assist communities affected by military base closings in marshalling their resources to lessen the economic impact of these defense realignments. Floyd and Clark counties have been selected for initial testing of the OEA-Georgia Tech approach.

Attending for New Albany groups were \_\_\_\_\_ Executive Director; \_\_\_\_\_: \_\_\_\_\_; and \_\_\_\_\_. [Also participating was \_\_\_\_\_ of the Indiana Department of Commerce.]

The program will fall into four phases. The first phase is the initial orientation session with the local economic development team to review its efforts, accomplishments and failures and to plan for participation in the training program.

Phase two will consist of a visit by an industrial prospect. The local development team will prepare a presentation on Floyd County's attractions and resources for industry and attempt to persuade the prospect to select the county for the proposed facility. Georgia Tech is preparing a detailed, true-to-life industrial project for the simulation, which also will involve

other professional developers on the area, state and national levels.

In the third phase, a follow-up session will bring together the New Albany-Floyd team and the professional developers who participated in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of work will be presented that will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

Phase four will include a seminar/workshop for both the active participants and other interested citizens. This meeting will be designed to increase community support of the development team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

"The Community Organization for Economic Development Program was created," project director Robert Cassell stated, "to meet the need for providing education in the latest, most effective techniques for economic development groups in communities that may have a professional developer, but must depend largely upon volunteer efforts."

"Economic development is extremely competitive throughout the country," Cassell added. "It involves not only positive and informed response to industrial prospect inquiries, but also preplanning and subsequent follow-through. The COEDP is designed to help the community to identify its specific assets and disadvantages, then to design specific programs to correct the weaknesses and to capitalize upon the advantages."

Major benefit of this program, he stated, will be the upgrading of the local development effort to a more sophisticated and businesslike level of expertise. Definite and positive results should be anticipated in the creation of new and better job opportunities for the population of the New Albany-Floyd area, he indicated.

Further details:

R. B. Cassell  
Technology and Development Laboratory  
Engineering Experiment Station, Georgia Institute of Technology  
Atlanta, Georgia 30332. Telephone: (404)894-3843

FOR IMMEDIATE RELEASE

Jeffersonville -- A program to stimulate Clark County's economic growth and to offset the effects of the deactivation of the Indiana Army Ammunition Plant at Charlestown got underway this week under sponsorship of the Department of Defense's Office of Economic Adjustment (OEA).

Meeting with the directors of the Clark County Chamber of Commerce, as well as officials of Jeffersonville, Charlestown and Clarksville, to initiate the program were Eldon Erickson of Kansas City, regional director of OEA, and Robert B. Cassell of the Technology and Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. Erickson and Cassell discussed with community leaders the specialized training program which employs simulation techniques to show industrial development volunteer teams how to carry out more effective industrial promotion efforts.

The new Community Economic Development Program was conceived by and will be conducted by Georgia Tech under contract to the OEA. The OEA was established by the President's Economic Adjustment Committee to assist communities affected by military base closings in marshalling their resources to lessen the economic impact of these defense realignments. Clark and Floyd counties have been selected for initial testing of the OEA-Georgia Tech approach.

Attendance for the Clark County groups were \_\_\_\_\_, Executive Vice President; \_\_\_\_\_; \_\_\_\_\_; and \_\_\_\_\_. [Also participating was \_\_\_\_\_ of the Indiana Department of Commerce.]

The program will fall into four phases. The first phase is the initial orientation session with the local economic development team to review its efforts, accomplishments and failures and to plan for participation in the training program.

Phase two will consist of a visit by an industrial prospect. The local development team will prepare a presentation on Clark County's attractions and resources for industry and attempt to persuade the prospect to select the county for the proposed facility. Georgia Tech is preparing a detailed, true-to-life industrial project for the simulation, which also will involve

other professional developers on the area, state and national levels.

In the third phase, a follow-up session will bring together the Clark County team and the professional developers who participated in the simulation to review and evaluate the local team's performance. A pragmatic, down-to-earth program of work will be presented that will identify specific tasks at the local level which can increase economic activity and result in improved performance by the community team.

Phase four will include a seminar/workshop for both the active participants and other interested citizens. This meeting will be designed to increase community support of the development team's volunteer efforts, as well as to reinforce the program needs previously identified in the training sessions.

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Major benefit of this program, he stated, will be the upgrading of the local development effort to a more sophisticated and businesslike level of expertise. Definite and positive results should be anticipated in the creation of new and better job opportunities for the population of the Jeffersonville-Charlestown-Clarksville area, he indicated.

Further details:

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Technology and Development Laboratory  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, Georgia 30332  
Telephone: (404) 894-3843

# COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM

Report on  
Activity of  
Floyd County Development Team

(Program under sponsorship of the Office of Economic Adjustment,  
Office of the Assistant Secretary of Defense,  
Department of Defense, Washington, D.C.)

by  
Economic Development Division  
Technology and Development Laboratory  
Engineering Experiment Station  
GEORGIA INSTITUTE OF TECHNOLOGY  
Atlanta, Georgia  
March 1978

## ACCEPTED PROCEDURES FOR HANDLING INDUSTRIAL PROSPECTS

- Step 1.      Develop a working organization.
- Step 2.      Determine if your town is ready for industry. Make a complete inventory including all the facts on: available labor, transportation services, available plant sites and buildings, raw materials in quantity, availability and cost of fuels and power, local tax structure, housing, schools, recreational and cultural advantages and extent of financial assistance.
- Step 3.      Develop a community Economic Brochure.
- Step 4.      Get your community behind the drive for industry.
- Step 5.      Decide whether to provide financial assistance for industry.
- Step 6.      Handle your prospect's inquiry properly. This includes response to requests, of provision of information, recontacts and related matters.
- Step 7.      Handle your prospect's visit properly. This includes preliminary information on requirements, meeting with the community team, conduct of the interview. In particular, be prepared to negotiate with your prospect, but know how far you can go on financing, provision of utility services, and related matters.

## COMMUNITY RESPONSE TO INITIAL INQUIRY

### Nature of Inquiry

The initial letter of inquiry provided the following details:

Metal manufacturing company -- consultant inspecting Indiana locations.

Plant site of 25 to 30 acres, ready for construction, with adequate utilities.

Initial employment: 150 people (needed -- machine operators, welders, polishers/buffers; small number of unskilled.)

Eventual employment: --

Company interested in:

present union situation

community attitude

attitude of existing industry

rail and truck transportation

electric power and natural gas

### COMMUNITY RESPONSE

- o Community contact responded to each point, enclosing general information on New Albany and Floyd County.
- o Stated 32 acres available with utilities in the New Albany-Floyd County Industrial Park.
- o Gave existing industrial employment and union situation.
- o Cited present good relationship between city government, local industry and community citizens.
- o Mentioned rail and truck transportation.
- o Stated utility lines are available in the industrial park; however, no natural gas connections are being made -- suggested alternate fuel.
- o Also mentioned ability to finance through industrial revenue bond issue.

## COMMUNITY HANDLING OF PROSPECT'S VISIT

### Strong Points

The community leadership of New Albany and Floyd County demonstrated considerable skill in handling this project, and many positive aspects were observed:

#### INTRODUCTION

- o The group made the visitors feel welcome. They appeared sincere and interested in the possibility of locating a new industry.
- o Did have some specific task assignments.
- o An agenda, list of attendees and identification of materials were furnished.

#### INFORMATION FURNISHED

- o Considerable data was furnished, but not all were referenced or interpreted.
- o Slide show was an excellent introduction.

#### LABOR

- o Adequate information supplied on existing employment.
- o Some wage rate data supplied (off the cuff).
- o Sufficient information furnished on training facilities and union situation.

## Community Handling of Prospect's Visit

### Strong Points (continued)

#### TRANSPORTATION

- o Covered both rail and truck service.

#### UTILITIES

- o Described present utility situation.
- o Restated lack of natural gas.

#### SITE

- o Map used to orient prospect with site location.
- o Prospect was driven to industrial park and shown the physical characteristics as well as rail and road access.
- o Touched upon construction costs and ability to finance.

#### COMMUNITY ASSETS

- o Educational facilities were stressed as demonstration of local interest and effort.
- o Community slides covered aspects of housing, churches, recreation, and health facilities.

#### FIRE PROTECTION

- o Community's insurance rating was given.

#### MISCELLANEOUS

- o Mayor's comments were appropriate to set the tone of the investigation.
- o The community attitude towards attraction of new industry appeared positive and alert.
- o Stressed locational advantages and avoided trap of "negative" marketing.
- o Use of economic details on New Albany in certain aspects was proper.

Community Handling of Prospect's Visit

Strong Points (continued)

MISCELLANEOUS

- o Meeting place was good choice.
- o Prompt follow-up on unanswered questions was excellent.

## Community Handling of Prospect's Visit

### Weak Points

Several weak points surfaced in the Floyd County presentation:

#### INTRODUCTION

- o The introduction of the community team could have been strengthened with identification of individuals as to area of expertise.
- o No inquiry was made as to time limitations (until "tour time").
- o No opportunity for prospect to identify or refine his requirements.
- o Specifics in slide show need to be updated.
- o Regional map probably should be revised.

#### INFORMATION FURNISHED

- o Fact sheets should have been employed in the same fashion as the maps, so the prospect could familiarize himself with them.

#### LABOR

- o Labor availability data ought to be supplemented with most recent experience of new plants (or substantial expansions).

#### TRANSPORTATION

- o Did not come forward immediately with the fact that New Albany is in Louisville commercial zone.
- o Develop information on truck terminals and piggyback facilities for future use.

#### UTILITIES

- o Failed to find out what sewage effluent might be, or reason for sewer make-up.

## Community Handling of Prospect's Visit

### Weak Points (continued)

#### CONSTRUCTION

- o Discussion of Industrial Bond Financing interjected too early before prospect's needs or receptiveness identified.
- o Need to strengthen information on construction resources in the area.

#### COMMUNITY TOUR

- o Tour could have been supplemented by use of maps and specific reference to slide show presentation.
- o Could have used tour as means for interviewing local industry.

#### MISCELLANEOUS

- o When other towns are cited, their location or distance should be given.
- o Attitude of existing industry was finessed by citing companies, instead of arranging for interview.

#### SUMMARY

- o Did not ask about timing of company decision.
- o Failed to determine whether any subjects or questions were not covered.
- o No one asked what, in effect, it would take to make New Albany/Floyd County the company's choice.

## COMMENTS FROM THE CONSULTANT

The presentation by members of the New Albany Economic Development Commission was well organized and reflected a high degree of both preparation and community involvement.

I recommend that New Albany be retained on our final list of feasible locations. There are a few remaining uncertainties, but specific data presented indicate the likelihood we could operate profitably here. In addition, it is quite clear that the community attitude, which concerns you greatly, would be extremely favorable to our location here.

### A. Site

1. Unfortunately, only one satisfactory site for our plant appears to be available, but that one is very well suited to our requirements.
2. The site is in the New Albany Industrial Park. It comprises some 20 acres and the asking price is \$13,500/acre. No aerial photo or detailed plot was provided.
3. The site is fully served by a 10" water line (60 lbs. pressure) and sewage lines of adequate capacity. I was unable to get any details on the problem of our acid discharge, but pre-treatment would probably be necessary. In touring the industrial park I noted the presence of at least one metal plating firm and another metal processing operation, so apparently the problem would not be serious.
4. A government grant has been obtained which is being used to put in a rail spur directly to the site proposed for our plant. Reciprocal switching arrangements are in effect between the L&N, which serves the site and the other railroads in the area.

5. Approximate construction costs for Armco-type buildings in the area were provided. Although the data were a year old and costs would be significantly higher at this time, costs seem reasonable in comparison with other locations.
6. The other site shown was better described as a disaster area.

B. Community Factors

1. Based both on personal observation and an orientation using slides, New Albany offers a pleasant environment for our management personnel. (There was little curiosity displayed concerning the number of people we would be moving in). However, some technical experts we needed to talk with (especially fuel and power) were not present.
2. The Development Commission in New Albany is a part of city government, and the mayor's statements and general attitude made it clear that full cooperation from the city will be forthcoming.
3. The largest firm in the area is the Pillsbury Co. with some 600 employees. Most of the other industries, however, are approximately the size of our operation.
4. No appointments had been made to interview managers of existing industry, but the invitation to do so was offered repeatedly. You might want to contact the firm which had recently moved from Detroit for a particularly relevant experience, if you decide to investigate New Albany further.

C. Labor

1. Data were less detailed than would have been desirable, but more than at many places.

Comments from the Consultant (continued)

C. Labor (continued)

2. From the October, 1977 data on wage rates, the general level seems competitive with other areas. Listing by type of industry, rather than by occupation, makes any precise calculation difficult.
3. November, 1977 labor force data indicate the availability of an adequate supply. Skill levels available are harder to determine, but classroom training programs in specific skills are available at modest cost. The availability of OJT programs was not clear.
4. It would probably be possible, at least initially, to operate a non-union shop. About two-thirds of the firms, employing about one-fourth of the workers, operate at present without a union.
5. Both workmen's compensation and unemployment compensation programs are based on experience factors; an example of calculations for the workmen's compensation is included in the attached materials. No comparisons with states other than Kentucky were provided.

D. Utilities and Services

1. The area is served by Indiana Gas Co. No gas is presently available for new hook-ups, although they are extending mains to areas like the industrial park in the hope that availability will improve in the future.
2. We would probably be forced to use propane for process and fuel oil for heating. Fuel oil is available at reasonable rates (#2 at 39.1¢ gal. delivered), but the price I was quoted for propane (43.9¢/gal.) is out of line. It is 10¢/gal.

Comments from the Consultant (continued)

D. Utilities and Services (continued)

more than the quotation only 10 miles away. This would need further investigation. Attached is information on electric space heating costs (prohibitive).

3. Adequate electric service is available with sufficient reserve capacity and more under construction. I am attaching the rate schedules. Although the Development Commission did not call it to my attention, Public Service of Indiana has applied for a 20% rate increase and has not yet allocated that increase to the various classes of users. I believe we should anticipate a substantial rate increase.
4. At least three steel warehouses are available which stock the materials we would need for emergency supply should our own shipments be interrupted.

E. Financial

1. Real estate tax rates are high, but two factors seem to mitigate this somewhat. While rates are stated to be based on one-third of true market value, I am assured that the valuation on industrial property more nearly approximates 20%. Also, 20% of the real estate taxes on industry are returned from a set-aside of part of the sales tax -- how this might affect us is unclear and needs to be verified.
2. It is not clear whether the sales tax is applied to industrial machinery or not. The only stated exemption is food.
3. Revenue bond financing is available both for 100% of land and building costs and for pollution control equipment. Both the city council (which must approve an issue by resolution)

Comments from the Consultant (continued)

E. Financial (continued)

and local financial institutions are experienced in issuing these bonds. They generally attract an interest rate about 2% below the level of taxable bonds; a recent issue relevant to our needs went at 7-1/2%.

F. Transportation

1. This would seem to be one of the principal advantages of the area. Major N-S and E-W interstate highways intersect here; there are circumferential routes around Louisville, access to the Louisville airport is easy and quick (20 min.), and both the B&O and L&N serve the area.

Some uncertainties remain which would need to be cleared up in the final consideration of this location:

1. Amount and structure of electric rate increase.
2. Freight rates to principal markets.
3. The price of propane.
4. Specific wage rates and skills available.
5. A single site available is not a desirable situation.

## COMMUNITY FOLLOW-UP

If New Albany and Floyd County are genuinely interested in obtaining the industry which this prospect represents, it is essential that the consultant making the investigation be furnished all of the information which he requested as soon as possible prior to his visit. By this means, some of his questions will have been answered.

Then, other specific details should be compiled, as developed from the prospect's visit and conference. That information should be sent along, accompanied by a letter setting forth the community's interest and an offer of further material and other specifics on the town.

Do not assume that when the prospect leaves that he is satisfied, and has all the facts he may need. Find out if that is the case, by asking.

A follow-up letter with supplementary information was prepared immediately following the prospect's visit. In addition to furnishing specific data, it indicated community interest in the project and the desire to continue the contact.

An immediate follow-up is also highly desirable for another reason, since both state and area development agencies deal with many communities and many prospects. They should be kept current on local progress, particularly in any further contacts with the prospect.

## RECOMMENDATIONS FOR FUTURE ACTION

New Albany and Floyd County have already demonstrated that they can attract new industry. We do feel that the New Albany contact team could improve its effectiveness in certain areas by undertaking certain measures described below.

For the purpose of accomplishing this program, we are recommending "Short-Range Objectives" which can be initiated and completed within a short period of time and which will not place an undue burden upon the New Albany Economic Development Commission executive. Another set are listed as "Long-Range Objectives", but these will require more time to complete as well as a considerable amount of research and editorial work on the part of the development executive or dedicated volunteers.

### SHORT-RANGE OBJECTIVES

- o Select a spokesman for the group who is a businessman citizen.  
(This is no reflection on the paid professional, but he is regarded as just that by the inquiring prospect).
- o Refine the present "Game Plan" for handling industrial prospects. This would incorporate details on the introduction, community tour plan, industrial executive interview, etc.
- o Create specific task forces knowledgeable in major subject areas and assign definite responsibility for: utilities, labor supply, transportation, sites, community attitude, financing, local amenities.
- o Develop a standard statement and explanation on the Indiana Army Ammunition Plant (Charlestown) current status and previous employment.
- o Expand the program for regular contacts with and calls on state development department agents.

Recommendations for Future Action (continued)

SHORT-RANGE OBJECTIVES (continued)

- o Organize the current data for a "Briefing Book" to be used by the contact team (no matter who the individuals that are involved), containing most of the subject data already available.
- o Prepare a reasonable and accurate statement on the influence of the Louisville metropolitan area.

LONG-RANGE OBJECTIVES

- o Revise the regional orientation map.
- o Begin the search for new industrial area, probably minimum of 100 acres.
- o Prepare a community tour map, and supplement with pictures.
- o Expand the labor supply data, supplement with information from existing employers.
- o Update and rework the color slide presentation.
- o Start your own program of prospect solicitation.

APPENDIX III

COMMUNITY ORGANIZATION FOR ECONOMIC DEVELOPMENT PROGRAM

Report on  
Activity of

Clark County Development Team

(Program under sponsorship of the Office of Economic Adjustment,  
Office of the Assistant Secretary of Defense,  
Department of Defense, Washington, D. C.)

by

Economic Development Division  
Technology and Development Laboratory  
Engineering Experiment Station  
GEORGIA INSTITUTE OF TECHNOLOGY

Atlanta, Georgia

March 1978

## ACCEPTED PROCEDURES FOR HANDLING INDUSTRIAL PROSPECTS

- Step 1.      Develop a working organization.
- Step 2.      Determine if your town is ready for industry. Make a complete inventory including all the facts on: available labor, transportation services, available plant sites and buildings, raw materials in quantity, availability and cost of fuels and power, local tax structure, housing, schools, recreational and cultural advantages and extent of financial assistance.
- Step 3.      Develop a community Economic Brochure.
- Step 4.      Get your community behind the drive for industry.
- Step 5.      Decide whether to provide financial assistance for industry.
- Step 6.      Handle your prospect's inquiry properly. This includes response to requests, of provision of information, recontacts and related matters.
- Step 7.      Handle your prospect's visit properly. This includes preliminary information on requirements, meeting with the community team, conduct of the interview. In particular, be prepared to negotiate with your prospect, but know how far you can go on financing, provision of utility services, and related matters.

## COMMUNITY RESPONSE TO INITIAL INQUIRY

### Nature of Inquiry

The initial letter of inquiry provided the following details:

Metal manufacturing company --- consultant inspecting Indiana locations.

Plant site of 25 to 30 acres, ready for construction, with adequate utilities.

Initial employment: 150 people (needed -- machine operators, welders, polishers/buffers; small number of unskilled).

Eventual employment: --

Company interested in:

present union situation

community attitude

attitude of existing industry

rail and truck transportation

electric power and natural gas

### COMMUNITY RESPONSE

- o Community contact responded within ten days, enclosing profile information on Jeffersonville, Clarksville, Sellersburg and Charlestown.
- o Two sites were mentioned, but no data submitted.
- o Copy of Industrial Directory listing unions was also submitted.

## COMMUNITY HANDLING OF PROSPECT'S VISIT

### Strong Points

Although the community leadership of Jeffersonville and Clark County needs considerable experience and practice, certain positive aspects were observed:

#### INTRODUCTION

- o Expression of interest in new industry was made.
- o Stated local government had commitment to industrial growth.

#### INFORMATION FURNISHED

- o Some information, such as the Community Profile, was sent ahead of the interview meeting. Some maps were also on display.

#### LABOR

- o Gave estimate of existing employment, including that in the industrial sector.
- o Good, but general, presentation on vocational training facilities.

#### TRANSPORTATION

- o Made important point that this area was in the commercial zone of Louisville.
- o Let the transportation man answer questions in this segment.

## Community Handling of Prospect's Visit (continued)

### UTILITIES

- o Specific answers furnished on electric power and natural gas aspects, including some cost figures.
- o Stated pre-treatment of waste would be required.

### SITE

- o Referred to map for location.
- o Some printed information available.
- o Price of land in one location was cited.

### PROPER QUESTIONS ASKED

- o Probable plant employment, but had to be nudged on this.

### MISCELLANEOUS

- o The diversity of interests representing the community was impressive.
- o Did cite, indirectly, the experience of a recent new plant in community.
- o Did stress accessibility to Louisville, but ability to maintain own identity.
- o Good meeting place, with complete privacy, was selected.
- o Kept attitude about competitive locations on a positive note, and did not engage in "negative" selling.

## Community Handling of Prospect's Visit (continued)

### Weak Points

A considerable number of weak points appeared in the Clark County presentation:

#### INTRODUCTION

- o The prospect did not know with whom he was meeting, and except for informal verbal identification, nothing was done to remedy this situation.
- o Little opportunity was given the prospect to state his interest.
- o The initial orientation could be markedly improved with use of a map of Jeffersonville, Clark County and the region. This gives the prospect a better feel of the location, especially in regard to the highway network, physical location, major towns, etc., thus answering certain of his questions.
- o No inquiry made as to prospect's time limitations -- no agenda or proposed order of business was furnished.

#### INFORMATION FURNISHED

- o Community Profile had been mailed; one was not available at the meeting.
- o Maps and other facts which covered certain community information and industrial sites should have been made available.
- o A number of specific items were not documented.

#### LABOR

- o Labor availability data was not current, nor detailed.
- o Convincing data that this plant could be staffed was not presented.
- o Considerable disagreement was voiced on wage rates.

## Community Handling of Prospect's Visit (continued)

### Weak Points (continued)

#### LABOR (continued)

- o No information on fringe benefits was available, except from one company's experience.
- o Confusion as to the union situation was evidenced -- initial statement had to be corrected.
- o No one suggested contact with or interview with existing industry.

#### TRANSPORTATION

- o Discussion of highway network without a map is frustrating.

#### UTILITIES

- o Did not explore company's water needs.
- o Failed to find out what sewage effluent might be, or the reason for sewer make-up.

#### PLANT SITE

- o Printed information, particularly a map, not available for the prospect's continued use.
- o No mention of costs of rail extension or of physical characteristics of the properties.
- o Sizes of water and sewer lines were omitted.

#### EXISTING INDUSTRY

- o Cited recent plant addition, but made no offer for private personal interview at any existing industry.
- o Never responded to prospect's inquiry as to attitude of other industry toward additional firms.

COMMUNITY HANDLING OF PROSPECT'S VISIT (continued)

Weak Points (continued)

BUILDINGS

- o While it was indicated revenue bond financing could be handled, local group failed to make this a positive selling factor.
- o Construction costs could be critical to this company, thus specific data is called for.

COMMUNITY TOUR

- o No tour was really offered other than to inspect plant sites in Jeffersonville.
- o The community tour in Jeffersonville was abbreviated, and many important living advantages were omitted. By contrast, that for Charlestown was thorough.

MISCELLANEOUS

- o Did not describe in any detail certain amenities: housing, churches, recreation; access to Louisville cultural features.
- o Obtain more details on where various plant services can be found.
- o Did not determine probable water/air pollution and what company would be prepared to do.

Community Handling of Prospect's Visit (continued)

Weak Points (continued)

SUMMARY

- o Did not respond to prospect as if group was aware of the firm's specified needs. Impression was that these were ignored by community representatives.
- o Did not ask about timing of company decision.
- o No one asked whether any other subjects or questions had not been covered.
- o Did any one keep a list of unanswered questions, so that the prospect could be furnished required answers later?
- o No one asked what, in effect, it would take to make Jeffersonville-Charlestown-Clarksville or Clark County the company's choice.

## COMMENTS FROM THE CONSULTANT

The meeting with members of the Economic Development Committee of the Clark County Chamber of Commerce was most cordial, and community involvement was reflected in the attendance of a large and varied group of local representatives.

However, I recommend that Clark County not be included on our final list of desirable branch plant locations. This is based on three principal considerations: (1) a number of our requirements can be met at acceptable cost levels, but no data were provided to document outstanding advantages in any; (2) no usable labor data were provided; and (3) most importantly, I did not get the sense of deep community interest in our project which I know you rate so highly.

### A. Community Factors

1. Members of the too-large group present spoke generally of the advantages of the area. It was obvious that they either had not been briefed on our requirements or had not focused their presentations in the light of them.
2. The area has been dominated by the Indiana Army Ammunition Plant, which even on an essentially standby basis employs 950 people, and there are at least six other operations which employ more than 250 each. It was not clear that an operation of our initial size had yet attracted the Committee's best efforts.
3. I repeatedly expressed our concern about the attitudes of the larger employers toward additional industry and our curiosity about the experiences of recent arrivals. Yet no interviews had been arranged and no effort was made to fit into the schedule.

Comments from the Consultant (continued)

A. Community Factors (continued)

4. No clear distinction was made between the experience of plants which already had local connections and moved in from elsewhere in the Louisville area and those new to the whole region as we would be.

B. Labor

1. Data were almost totally lacking. The nearest approach was a 1975 wage survey!
2. In our initial contact letter we specified a need for welders, and I was assured that they would be available -- at from \$6.00 to \$8.50 per hour!
3. Fringe benefits are reported to average 35% of payroll -- a tolerable level.
4. The most impressive part of the labor picture was the availability of training programs, both OJT and classroom, for specific skills at modest cost.
5. Both workmen's compensation and unemployment compensation programs are based on experience factors, and they were frequently cited as being much lower than in Kentucky. The rates seem attractive, but since we were not looking seriously at Kentucky locations a comparison with Illinois, Ohio, or Michigan would have been more revealing.
6. Although at least 21 unions are represented in the county, it would probably be possible to operate a non-union shop as a number of companies are doing.
7. I am assured that the UMW referred to on the attached information sheet is not the United Mine Workers.

C. Utilities and Services

1. The area is served by Indiana Gas Co. No gas is available for heating, but up to 420,000 BTU/hr. are available for commercial use. It was not made clear whether industrial process use qualified.
2. We would probably be forced to use propane for process and fuel oil for general heating. I was provided precise and up-to-date figures on the cost of these fuels. Propane is presently available at 33.9¢/gal. (\$4.92 per million BTU) and #2 fuel oil at 39.7¢/gal. (\$4.06 per million BTU). Both are readily available in adequate supply, and these costs -- though high -- are not out of line with other areas we have examined.
3. Adequate electric service is available with sufficient reserve capacity and more under construction. I am attaching the rate schedules, and the Power Consultant from Public Service of Indiana will calculate a typical electric bill for us. (I would already have had this if our engineers had not made a mistake in listing our requirements.) A major uncertainty concerning costs results from the fact that Public Service of Indiana has applied for a 20% rate increase and has not yet specified how that would be apportioned between the various types of users if it were granted.
4. Water and sewage capacity are adequate with sufficient reserve capacity. Our acid-bearing sewage would require pre-treatment, but a local engineer offered the opinion that this would be relatively inexpensive.

D. Financial

1. Real estate tax rates are high, but two factors seem to mitigate this somewhat. While rates are stated to be based on one-third of true market value, I was assured that the valuation on industrial property more nearly approximates 20%. Also, 20% of the real estate taxes on industry are returned from a set-aside of part of the sales tax -- how this might affect us is unclear and needs to be verified.
2. It is not clear whether the sales tax is applied to industrial machinery or not. The only stated exemption is food.
3. Revenue bond financing is available both for 100% of land and building costs and for pollution control equipment. Both the city council (which must approve an issue by resolution) and local financial institutions are experienced in issuing these bonds. They generally attract an interest rate about 2% below the level of taxable bonds; a recent issue relevant to our needs went at 7%.

E. Transportation

1. This would seem to be one of the principal advantages of the area. Major N-S and E-W interstate highways intersect here; there are circumferential routes around Louisville, access to the Louisville airport is easy and quick (20 min.) and both B&O and Conrail serve the area.
2. With recent extensions, this area is within the Commercial Trucking Zone, and service from some 80 truck lines is available. One-line haul is available to principal market cities.
3. No transportation rate information was offered.

F. Sites

1. One excellent site was shown at Charlestown, but it has the drawback of being 10 miles further from Louisville than the Jeffersonville area. The Charlestown site suggested is 20 acres, but additional land is available. The asking price is \$10,000 per acre fully developed with water, sewers and streets. Installation of these services has already started and should be easily completed by spring of 1978 as scheduled. The site is served by the B&O, and a team siding will be installed. Extension of a spur to the proposed site would be easy. I am attaching a plot of the industrial park. No aerial photo was offered. The site and its advantages were well presented; I think our plant could operate here if the area were chosen.
2. A second site was shown in the Jeffersonville Research and Industrial Park. Only three small parcels of 10, 6, and 4 acres are available, asking price \$17,500/acre. No rail service to the sites is available, although there is a spur into one edge of the park which might extend on a shared basis. This seems to be a well-developed park, but the available land does not meet our needs. Plot attached -- land availability shown is not up-to-date.
3. The third site which was waved at in passing is laughingly called the Clarksville Industrial Park. It is described as being served by Conrail, although the line is on the opposite side of Interstate 65. Utilities are "in the area," and no concrete development plans were suggested. Totally unsuited to our needs.

## COMMUNITY FOLLOW-UP

If the Clark County Development Corporation team is genuinely interested in obtaining the industry which this prospect represents, then it is essential that the consultant who is making the investigation be furnished all of the information about the community as soon as possible prior to his visit. This will enable him to be knowledgeable about the situation and to expedite his inspection.

Then, other specific details should be compiled as developed from the prospect's visit and conference. That information should be furnished, accompanied by a letter setting forth the community's interest and an offer of further material and other specifics on the town.

Do not assume that when the prospect leaves that he is satisfied, and has all the facts he may need. Find out if that is the case, by asking.

As far as is known, little effort was made by the Clark County group to follow-up on this project. Some data was refined on the power situation, but the information reached him after his report to the client was prepared. The prospect could likely assume that this delay reflected little interest in obtaining this plant.

An immediate follow-up is also highly desirable for another reason, since both state and area development agencies deal with many communities and with many prospects. They should be kept current on local activity, particularly in any further contacts with the prospect.

## RECOMMENDATIONS FOR FUTURE ACTION

Jeffersonville and Clark County have already demonstrated that they can attract new industry (however, this point was not as positively developed in the session with the prospect as it should have been). The Clark County contact team could improve its effectiveness by undertaking certain measures described below.

For the purpose of accomplishing these recommendations, we have sorted them into "Short-Range Objectives" which can be initiated and completed within a short period of time and which will not place an undue burden upon the Clark County Chamber of Commerce executive. Another set of "Long-Range Objectives" are listed, but these will require more time to undertake as well as a substantial amount of research and editorial work on the part of the chamber executive or dedicated volunteers.

### SHORT-RANGE OBJECTIVES

- o Maintain as a spokesman for the group one of the businessmen citizens, so that the executive is able to collect the data and develop the required documentation.
- o Develop a detailed "Game Plan" for handling industrial inquiries. This plan will cover all items from introduction, and presentation of information, through the community tour plan.
- o Create specific task forces which will be knowledgeable on labor supply, utilities, transportation, sites, community attitude, financing, local amenities. Give each definite responsibilities.
- o Start immediate preparation of a "Briefing Book" which would contain the latest and most current documentation.
- o Develop a standard statement and explanation on the Indiana Army Ammunition Plant, its current status and previous employment.

#### Recommendations for Future Action (continued)

- o Prepare a reasonable and accurate statement on the influence of the Louisville metropolitan area.
- o Develop adequate plant site sketches on each available site.

#### LONG-RANGE OBJECTIVES

- o Begin now site identification search with the intent to develop at least 100 acres.
- o Prepare a regional orientation map.
- o Prepare a community tour map, and supplement it with pictures.
- o Initiate production of a color slide presentation as a substitute or back-up for the community tour.
- o Collect and refine current labor supply data, and supplement these with information from existing employers.
- o Finally, once these other steps are completed or well advanced, start a program which can generate your own prospect inquiries.

## APPENDIX IV

NEW ALBANY/FLOYD COUNTY SEMINAR

September 20, 1978

Mayor Robert L. Real	City of New Albany
Vincent Freiburger	Floyd County Commissioner
Kenneth W. Brewer	Director, Economic Development Comm.
Delores Little	Asst. Director-Secretary, Economic Development Comm.
Edward B. Martin	Exec. Vice Pres., N. A. Chamber of Commerce
Patrick Houghlin	Exec. Dir., Floyd County Planning Comm.
Robert L. Applegate	Pres., New Albany Economic Development Comm.
Robert Brown	Pres., New Albany Industrial Fdn., Inc.
William Kaiser	Pres., First Federal Savings & Loan Assn.
Robert J. Nicholson	Pres., N. A. Area Chamber of Commerce
Frank Linn	Dir., River Hills Planning Commission, New Albany
Steve Fredericks	Chief Planner, River Hills Planning Comm., New Albany
Clinton Burgess	Farmer
Scott Burton	Floyd & Clark County Convention Bureau

JEFFERSONVILLE/CLARK COUNTY SEMINAR

September 21, 1978

<u>Name</u>	<u>Representing</u>
Gary F. Tyler	Clark County Chamber of Commerce
Pat Hoehn	" " " " "
Margie O'Shea	Clark County Planning Board
Trava Kasan	KIPDA
Jerry L. Stephenson	Clark County CAA
George N. Braun	Jeffersonville Council
Richard L. Vissing	Mayor, Jeffersonville
Arlis R. Kay	Public Service Indiana
Bruce E. Wyant	Public Service Indiana
George Ellenkamp	Clark County Chamber of Commerce
William Shrewsbury	Jeffersonville City Council
James A. Munich	Clarksville Economic Development Commission

NEWS RELEASE

A community economic development workshop, sponsored by the New Albany Economic Development Commission, will be presented Wednesday night, September 20.

The program has been prepared by development specialists from the Economic Development Division of the Georgia Institute of Technology. This group has been working with communities in Floyd County, under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

Moderating this session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia engineering school. The program, designed for community-wide participation, will describe the work which has been undertaken here in Floyd County and point out some opportunities for sound healthy growth. The meeting will be held at the Floyd County-New Albany Building at 7:30.

Additional details may be obtained from the New Albany Economic Commission at 944-0578.

NEWS RELEASE

A community economic development workshop, sponsored by the Clark County Chamber of Commerce, will be presented Thursday night, September 21 in Jeffersonville.

The program is being prepared by development specialists from the Economic Development Division of the Georgia Institute of Technology. This group has been working with communities in Clark County, under contract to the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

Moderating the session will be Robert B. Cassell, principal industrial scientist, assisted by W. George Dodson, senior research scientist, both with the Georgia engineering school. The program, designed for community-wide participation, will describe the work which has been undertaken here in Clark County and point out some opportunities for sound healthy growth. The meeting will be held at the Jeffersonville City Hall at 7:30.

Additional details may be obtained from the Clark County Chamber of Commerce at 282-1319.

## SEMINAR FORMAT

- I. INTRODUCTION (Cassell)
  - A. Explanation of Seminar
  - B. Slides on Indiana
  - C. Our Program in Floyd County -- General Description
  - D. Community Involvement (Handout)
- II. TOOLS FOR THE DEVELOPER (Dodson)
  - A. Community Brochures
  - B. Land Development
  - C. Financing Programs
  - D. Labor Supply Info and Training
- III. AIDC EDUCATIONAL FOUNDATION PRESENTATION

The Community Contact Team
- IV. RESUME OF OUR PROGRAM IN FLOYD COUNTY
  - A. Steps in Prospect Handling (Handout)
  - B. Recommendations (from report)
- V. QUESTIONS & ANSWERS -- COMMENTS
- VI. GENERAL CONCLUSION

## SEMINAR FORMAT

- I. INTRODUCTION (Cassell)
  - A. Explanation of Seminar
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  - C. Our Program in Clark County -- General Description
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  - C. Financing Programs
  - D. Labor Supply Info and Training
- III. AIDC EDUCATIONAL FOUNDATION PRESENTATION

The Community Contact Team
- IV. RESUME OF OUR PROGRAM IN CLARK COUNTY
  - A. Steps in Prospect Handling (Handout)
  - B. Recommendations (from report)
- V. QUESTIONS AND ANSWERS -- COMMENTS
- VI. GENERAL CONCLUSION

## DETAILS TO BE OBTAINED ON PROSPECT REQUIREMENTS

1. Nature of business
2. General location desired: size of city, inside or out of city limits
3. Plant will be: branch, main, assembly, distribution, etc.
4. Employment requirements: total, number male, skills
5. Space requirements: construction, special installations
6. Preference for: lease, build, buy existing building
7. Site: acreage, special requirements
8. Transportation facilities: rail, motor, air, water
9. Utilities: power, fuel, gas, water, sewer
10. Major raw materials
11. Markets: local, regional, specialized
12. Principal factors in making location decision
13. Who should be contacted with additional information
14. Other: financial responsibility; other contacts made
15. If possible, get firm's name, or relationship with other companies, such as subsidiary, joint venture, etc.

## APPENDIX V



## New Albany Economic Development Commission

315 CITY COUNTY BUILDING • NEW ALBANY, INDIANA 47150

TELEPHONE (812) 944-0578

September 20, 1978

### M E M O R A N D U M

TO: Robert B. Cassell, GIT, Atlanta, Georgia

FROM: Kenneth W. Brewer, Director, New Albany E.D.C.

SUBJECT: Economic Development Training Program

Today's 7:30 p.m. meeting is weak in attendance from both Floyd County GIT Training Group and the public. I regret this; however some had made previous commitments. All were properly and timely notified by memorandum and/or the news media.

It appears that local business people of the training group prefers to attend daytime meetings away from their business, rather than attend evening meetings away from their personal and home activities.

I furnished our three local newspaper reporters with your news release. They were the Courier-Journal and Louisville Times of Louisville and the New Albany Tribune. Only the New Albany Tribune responded by publishing a small item in their paper as shown below. The Louisville Newspapers did not publish anything about our meeting.

I want to add, however, that our attendance problem today does not adversely detract from the New Albany GIT Training Group's interest and future performance. We here in New Albany will use your economic development teaching techniques to enhance the future good economy of our fine community. We appreciate you and your associates efforts in assisting us in accomplishing our economic development goals.

*The Tribune, New Albany, Indiana Mon., Sept. 18, 1978*

## **Economic Leaders Sponsor Workshop**

A group of Floyd County leaders will sponsor a community economic development workshop at 7:30 p.m. Wednesday at the City-County Building.

Robert B. Cassell, principal industrial scientist, and W. George Dodson, senior research scientist, both of the Georgia Institute of Technology, will moderate the program. They will describe the work undertaken in Floyd County under

a program contracted by the Office of Economic Adjustment, Department of Defense, in order to assist local authorities in mounting an aggressive industrial promotion program.

Floyd and Clark counties, due to the cutbacks at the Indiana Army Ammunition Plant, one of the area's chief employers, were included in the program aimed at upgrading the community's economic stance.

# THE EVENING NEWS

JEFFERSONVILLE, INDIANA

THURSDAY, SEPTEMBER 14, 1978

THE ASSOCIATED PRESS WIRE SERVICE

## Industrial Development Called 'Must'

(Editor's Note: This is the first in a series of articles on aspects of industrial development written by staff members of the Economic Development Division at the Georgia Institute of Technology in Atlanta. This article results from cooperative efforts with the Clark County Chamber of Commerce to stimulate economic growth and to offset the effects of layoffs at the Indiana Army Ammunition Plant at Charles-

town).

Is "industrial development" still a goal to be sought? Or, has industrial growth become out of style?

Consider the person who loses his job because his employer moves his plant elsewhere and other employment is not available. Think about the recent school graduate who is forced to look outside his community or his area for suitable job opportunities.

For these as well as the person who can only find part-time or seasonal work, or is stuck in a position that is beneath his or her capabilities or potential earning power, industrial growth is a must. So it is also for local government officials who now more than ever need an adequate tax base to provide the services that make a town a desirable place to live.

Most communities would like to attract new industries; in the United States today, some 2,000-2,500 communities are actively engaged in industrial de-

Economic growth is not an end in itself. Its fundamental purpose is to raise the standard of living and to increase the well-being of the average community citizen.

Expansion of employment opportunities in various segments of economic life is basic to any community's growth, to the expansion of income, and to the provision of funds for supporting public services. Every community seeks to attract new residents and existing businesses, by offering economic opportunities and good community services. For the young people reaching adulthood, jobs must be made available or they will move to centers where the jobs do exist.

The basic end of industrial development, then, is to improve the welfare of people. It accomplishes this goal in three ways: (1) by increasing the amount and variety of goods and services available to the consumer; (2) by enlarging his income or purchasing power, and (3) by providing taxable resources to enable government to meet the ever-broadening demands for more and better public services.

(Next: How to Go About Getting Industry).

CLARK COUNTY CHAMBER OF COMMERCE  
WARDER PARK - P. O. BOX 684  
JEFFERSONVILLE, INDIANA 47130

# THE EVENING NEWS

JEFFERSONVILLE, INDIANA

FRIDAY, SEPTEMBER 15, 1978

THE ASSOCIATED PRESS WIRE SERVICE

## Setting New Industry Is Major Task

(Editor's Note: This is the cond in a series of articles on pects of industrial develop- ent and results from coop- ative efforts with the Clark ounty Chamber of Com- merce).

Most towns welcome the new bs and revenue that new and panded industries bring. But e competition is so fierce to- ay that the community which erely waits for the industri- list to discover its charms enerally is doomed to be a allflower.

For success, the community ust have a program of indus- rial development spearheaded y some organization or group f leaders who will be respons- ble for getting the job done. nd the mental attitudes and ne physical resources of the omunity must be mobilized a support of the program.

The task of attracting new ayrolls to a community is as- igned usually to its civic lead- rs through such organizations s the chamber of commerce r the local development cor- poration. The makeup of any ndividual development orga- nization must be representa- ive of the various segments of he larger community. If possi- ble, it should be coordinated by a professional industrial devel- oper.

There are four important steps in the community economic development process: fact-finding, analysis, decision and action.

An inventory of the community's economic resources is the absolutely necessary preamble to designing an effective community development program. The community economic profile should contain data on population, labor force, natural resources, economic complex, government services, and community facilities. Lacking this specific data on the community's assets and liabilities, the industrial development team cannot intelligently plan how to capitalize on the community's strengths or to overcome its weaknesses.

Or it may mistake the true nature of the problem. Unemployment may appear to be a major problem for example. Investigation may reveal that jobs are available, but people with the necessary skills to fill these jobs are not available. Thus, this becomes a problem of training rather than the development of new job opportunities.

Facts are useless unless you analyze them. Armed with the results of the community resources audit, the development team can objectively evaluate its attractiveness to industry and determine what needs to be done to improve its chances for economic growth. Sometimes, in-depth analysis may reveal problems heretofore unrecognized.

Once the facts are in-hand, and the alternative courses of action clearly outlined, the industrial development team must decide upon a plan of action. It must determine what sort of development is best for the area, set goals and priorities — and focus its efforts on the "best bets" for attracting industry as well as the most imperative needs for correction of deficiencies.

A community surrounded by extensive timber resources may want to slant its sales pitch toward woodworking industries. Another community may discover that its biggest asset is a long history of amicable labor-management relations.

The final task is to implement the action plan. Steps must be taken to improve the community's livability and its attractiveness to industry, and a sales campaign must be launched to bring the community to the attention of prospective new industries. The team should not neglect the existing industry that already operates in the community — often local industry expansion is the best source for additional jobs and payrolls.

(Next: What Industry Looks for)

CLARK COUNTY CHAMBER OF COMMERCE  
WARDER PARK-P. O. BOX 684  
JEFFERSONVILLE, INDIANA 47130

# THE EVENING NEWS

JEFFERSONVILLE, INDIANA

SATURDAY, SEPTEMBER 16, 1978

THE ASSOCIATED PRESS WIRE SERVICE

## Key Factors In Locating Plants

CLARK COUNTY CHAMBER OF COMMERCE  
WARDER PARK - P. O. BOX 684  
JEFFERSONVILLE, INDIANA 47130

(Editor's Note: This is the third in a series of articles on industrial development made available through the cooperation of the Clark County Chamber of Commerce).

When a manufacturer decides his company needs to open a plant in another location, what factors are important in determining which community will be selected?

The basic factors which control location decisions are markets, labor, raw materials and transportation. The relative importance of the first three factors will vary, depending upon the orientation of the industry, while transportation must be considered in relation to its effect on the other three. A mobile home manufacturer, for instance, would want to locate in the middle of his market area because of relative difficulty and high cost of transporting the finished homes to the ultimate purchaser.

A steel mill, on the other hand, needs to be near major sources of iron ore, coal and other raw materials, and a food processing plant must be near its sources of supply be-

cause its raw materials are perishable.

Leading the list of secondary location factors is utilities, whose importance is looming ever larger in these days of energy constraints and water shortages. For some industries availability of utilities has always been a primary factor; glass manufacturers and aluminum producers require large amounts of energy, and some chemical process industries need large amounts of water for processing and waste disposal. Nowadays, few industries can afford to expand without considering both the cost and availability of electric power and fuels. Inadequate water and sewage facilities present definite industrial handicaps to any community.

Other factors which ought to be examined include: local government services, taxes, amenities (education, recreation, housing, cultural activities, etc.), and plant and site considerations. Certainly, a new industrial citizen would want adequate fire and police protection, as well as reasonable taxes. Living conditions also can be critical.

Once an industrialist has narrowed his choices to those few communities that satisfy his basic criteria, these secondary factors will tip the scales in favor of a particular community.

(Next: The Changing Force of Industrial Development).

# THE EVENING NEWS

JEFFERSONVILLE, INDIANA

TUESDAY, SEPTEMBER 19, 1978

THE ASSOCIATED PRESS WIRE SERVICE

## Industrial Development Is Changing

(Editor's Note: This is another in a series of articles on aspects of industrial development provided through the cooperation of the Clark County Chamber of Commerce).

"The times they are a 'changing,'" sings Bob Dylan, the troubadour of today's youth. The hallmark of the present day is rapid change. And this is certainly as true in industrial development as in other areas of life.

Today, considerable emphasis is being placed upon environmental protection, and projects are being scrutinized closely to assess the impact they may have on the environment. So the alert community economic development groups also must be concerned about the best utilization of the natural environment.

Energy availability and costs constitute another large constraint on industrial development today. We have emerged from a winter where in some sections plants were forced to shut down temporarily for lack of fuel.

The rapid escalation of energy costs has forced many industrial managements to reassess plant physical construction and layout, as well as to seek more efficient uses of machinery and manpower. Rising gasoline prices also will have an effect on transportation of goods and of people. This may tend to offset somewhat the trend of recent decades for industry to disperse to rural areas.

These and other constraints have brought federal and state governments more prominently into the economic growth picture. A myriad of regulations already exist governing all forms of pollution, and the OSHA laws evidence governmental concern with the occupational health and safety of the nation's work force. The energy shortage will result in even more legislation.

Labor supply illustrates another area of rapid change. The migration to urban areas for employment opportunities and the increased productivity of farmers have put extreme pressure on rural-oriented communities to develop new jobs. Formerly, these areas were able to advertise cheap and willing (although untrained) labor as an industrial location lure. But the regional variations in labor are gradually being equalized, due to widespread unionization (with its standardization of pay and benefits), automation, increased worker mobility and dispersion of skills. More attention is being given to worker training programs, "quick start" programs, and continuing assistance to industrial operations from vocational-technical education centers.

Finally, we have to contend with the effects of national economic trends. We have only recently emerged from the longest and deepest recession since the close of World War II. We have survived galloping inflation, high interest rates, tight money, high unemployment and other problems that have caused many businesses to "go under" that would have made it in more normal times. These less favorable national trends are likely to continue to some extent in the foreseeable future.

(Next: The Community Organization for Economic Development Program in Clark County).

CLARK COUNTY CHAMBER OF COMMERCE  
WARDER PARK • P. O. BOX 684  
JEFFERSONVILLE, INDIANA 47130

# THE EVENING NEWS

JEFFERSONVILLE, INDIANA

WEDNESDAY, SEPTEMBER 20, 1978

THE ASSOCIATED PRESS WIRE SERVICE

## Attracting Industry Is C. Of C. Responsibility

(Editor's Note: This is the last in a series of articles on aspects of industrial development written by staff members of the Technology and Development Laboratory at the Georgia Institute of Technology in Atlanta, Ga. The series grew out of a cooperative effort conducted with the Clark County Chamber of Commerce to stimulate economic growth and to offset the effects of deactivation of the Indiana Army Ammunition Plant at Charlestown).

Most Indiana communities would like to attract new industries to their areas. They recognize the inherent advantages of bringing into the community new payrolls, of increasing employment opportunities, and of adding new properties to the local tax rolls.

The economic development process assumes that the community is putting its best foot forward and, in effect, making a sales pitch to those concerns which are considered the most desirable in view of local resources and local needs.

The actual task of attracting new industry to the community remains the responsibility of local community leaders, frequently with the assistance of professional staff. In the case of Clark County, it is the Clark County Chamber of Commerce which bears the responsibility for this function, along with its executive vice-president Gary F. Tyler.

We usually find key leaders in community economic development activity among those individuals identified with the economic sector. Thus the industrial prospect expects to encounter persons from the financial arena, utilities, transportation, retail and manufacturing activities. Also, some governmental officials, both elective and appointive, are essential for the completion of economic development projects. They know what public services can be expanded and those services they can identify which may require additional financial support before they can be utilized.

Certain fundamental conditions characterize the composition of the community industrial development contact

team. A genuine commitment to building a better economic base for the community is one key condition. Willingness to sacrifice a portion of the individual's time in order to meet with industrial prospects is also important. Continuity of effort and familiarity with the subject areas which are considered in depth by the facility investigator are other significant ingredients.

The most effective teams are those which assign specific subject areas to certain individuals. These team members become proficient in their assigned categories and because of their knowledge of local facts and conditions they can make a positive impression on the investigating prospect.

Generally speaking, the more important subject areas include: industrial sites, construction, industrial project financing, manpower, transportation, utilities, public services, government and taxation, education and training, and general living conditions.

The paid executive should be proficient enough to collect pertinent data on these subjects, but the presentation of the information should come from the leaders who serve on the contact team. Since it is very difficult to assemble five community leaders on any given day, some alternatives or "back-up" personnel should be included in the total community effort.

Recently, under a project sponsored by the Office of Economic Adjustment, special training and expertise in handling industrial projects were provided to the Clark County team. A consultant for a Midwest metal working company was brought in for a session with the industrial contact team and the performance of the local group was observed.

How that group performed and specific recommendations which could increase the economic development assets of Jeffersonville, Charlestown, Clarksville, and Sellersburg will be discussed at the community-wide seminar which will be presented on Thursday, Sept. 21, under sponsorship of the Clark County Chamber of Commerce.

CLARK COUNTY CHAMBER OF COMMERCE  
WARDER PARK - P. O. BOX 684  
JEFFERSONVILLE, INDIANA 47130

CLARK COUNTY CHAMBER OF COMMERCE  
WARDER PARK - P. O. BOX 684  
JEFFERSONVILLE, INDIANA 47130

EN 9/29/78

## Economic Workshop Set Here

A community economic workshop, sponsored by the Clark County Chamber of Commerce, will be presented Thursday evening at the City-County Building in Jeffersonville.

The session is slated for 7:30 p.m. on the fourth floor of the governmental center.

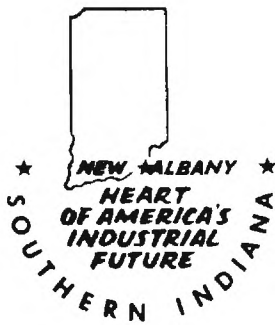
The program is being prepared by development specialists from the Economic Development Division of the Georgia Institute of Technology, according to chamber of commerce executive vice-president Gary Tyler.

The group has been working with communities in Clark County, under contract to the Office of Economic Adjustment of the Defense Department, in order to assist local authorities in mounting an aggressive industrial promotion program, Tyler said.

Moderating the session will be Robert B. Cassell, principal industrial scientist, assisted by senior research scientist W. George Dodson, both with the Georgia engineering school.

"The program, designed for community-wide participation, will outline the work which has been undertaken in Clark County and point out some opportunities for sound health growth," Tyler stated.

APPENDIX VI



## New Albany Economic Development Commission

315 CITY COUNTY BUILDING • NEW ALBANY, INDIANA 47150  
TELEPHONE (812) 944-0578

September 28, 1978

Mr. Robert B. Cassell  
Economic Development Division  
Georgia Institute of Technology  
Atlanta, Georgia 30332


Dear Bob:

On behalf of the Floyd County Development Team and the New Albany-Floyd County Community, I want to thank you and your associates for your efforts in our local program of Community Organization For Economic Development.

We feel your leadership in conducting our four phase training program was excellent and will greatly enhance this community's economic goals. We will follow your recommendations for future action toward both long range and short range objectives.

Your comments about our team efforts being well organized and reflecting a high degree of preparation and community involvement are appreciated. I believe I can speak for the entire development team in saying that your training program is most worthwhile. We would recommend it for other communities who may feel they have the need for a good economic development program.

Sincerely,

  
Kenneth W. Brewer, Director  
New Albany Economic Development  
Commission

cc: Mayor Robert L. Real  
Floyd County Development Team Members

KWB:d1

OCT -4 1978

# CLARK COUNTY

## CHAMBER OF COMMERCE

WARDER PARK - P.O. Box 684 - JEFFERSONVILLE, INDIANA 47130 - PHONE 812/282-1319

September 25, 1978

Mr. Robert B. Cassell  
Economic Development Division  
Engineering Experiment Station  
Georgia Institute of Technology  
Atlanta, Georgia 30332

Dear Bob:

On behalf of our chamber's economic development committee, the board of directors and officers, I want to thank you and your colleagues for giving assistance by sharing with us information to improve our overall performance in attracting industry for Clark County. It has been a pleasure working with you this past year and I hope we may continue our communication at least.

As was reported by Pat Hoehn, our economic development chairman, we are implementing several of the proposals recommended in your report to further improve our promotional efforts, especially in the community tour program and industrial land expansion. The addition of the part-time assistant furnished through River Hills and Clark County Regional Planning Commission will help us in developing more detailed information for potential prospects as recommended by you.

In reference to the workshop, conducted by George Dodson and yourself on September 21, 1978, I believe the program reinforced our chamber's efforts in advising expansion of industrial sites for the Jeffersonville area particularly. I know Mayor Vissing took stock in your observations concerning this subject.

My only regret is that more of the community leadership was not on hand for the workshop. I believe a breakfast or luncheon meeting would

SFP 27 1978

# E C O N O M I C   D E V E L O P M E N T

## INFORMATION PACKET

### Contents:

- Georgia Institute of Technology (GIT) - Training Group for Floyd County and Development Teams
- Procedures for Economic Development Financing
- Community Sewage Rates
- Property Tax Assessment - New Albany and Floyd County
- Workmen's Compensation Rate Comparison
- Labor Market Information - Current area employment statistics and wage comparison
- Construction Costs
- Per Capita Personal Income
- Indiana Cities Water Corporation - Schedule of Rates and Charges
- Public Service Company - Industrial Rate Schedule
- Listing of Industrial Firms
- Industrial & Commercial Tour Map
- Status of Army Ammunitions Plant
- Impact of Louisville on New Albany - Floyd County Area
- New Albany Map
- Locate Your Business in New Albany, Indiana
- Financing for New and Expanding Business and Industry
- Indiana - Basic Facts
- New Albany and Floyd County Brochure
- New Albany - A Community Resume
- New Albany Wastewater Treatment Plant
- Indiana - The Center of Things (Community Advertisement)

### Distributed separately:

New Albany Community Profile (yellow book)

GEORGIA INSTITUTE OF TECHNOLOGY (GIT) TRAINING GROUP FOR FLOYD COUNTY, INDIANA

Mayor Robert L. Real	City of New Albany
Vincent Freiburger	Floyd County Commissioner
Robert Holmes	Superintendent, N.A.-F.C. School Corporation
Kenneth W. Brewer	Director, Economic Development Commission
Delores Little	Asst. Director-Secretary, Economic Development Comm.
Edward B. Martin	Exec. Vice Pres., N.A. Chamber of Commerce
Patrick Houghlin	Exec. Director, Floyd County Planning Commission
Robert L. Applegate	President, New Albany Economic Development Comm.
Robert D. Hoban	Exec. Vice Pres., Union Bank & Trust of New Albany
James Croft	Vice Chairman, Union Bank & Trust of New Albany
Robert Brown	President, New Albany Industrial Foundation, Inc.
John Pentenburg	Head Cashier, Floyd County Bank
B. J. Adkins	President, Union Federal Savings & Loan Association
William Kaiser	President, First Federal Savings & Loan Association
Robert J. Nicholson	President, N.A. Area Chamber of Commerce
Edward Stevens	Director, New Albany Plan Commission

## INDUSTRIAL & COMMERCIAL DEVELOPMENT COMMUNITY TEAMS

Listed below are specific team assignments for various categories and those who will be knowledgeable and available for contact and orientation to any prospective clients who are interested in locating their business in New Albany and Floyd County, Indiana. The name assignments have been selected from the attached Georgia Institute of Technology (GIT) Training Group for Floyd County. Each member of the training group has been issued an Economic Development Information Packet and in addition to being well oriented for his specific assignment should also be generally informed in respect to the entire community.

### Community Spokesmen

Robert Nicholson  
Robert L. Real  
Robert Applegate  
Vincent Freiburger

### Community Attitude

Robert L. Real  
Robert Holmes  
Robert Hoban  
William Kaiser

### Industrial/Commercial Development

Robert Applegate  
Robert Brown  
Robert Nicholson  
Kenneth Brewer  
Patrick Houghlin

### Financing Business

Robert Brown  
James Croft  
B. J. Adkins  
John Pentenburg  
William Kaiser

### Tourism/Convention Bureau

Robert Nicholson  
Robert L. Real  
Edward Martin

### Transportation

Robert Hoban  
William Kaiser  
Patrick Houghlin  
Edward Stevens

### Utilities

James Croft  
B. J. Adkins  
Edward Stevens

### Labor

Vincent Freiburger  
John Pentenburg  
Kenneth Brewer

### Education

Robert Holmes  
Vincent Freiburger  
Edward Martin

### Government

Robert L. Real  
Kenneth Brewer  
Patrick Houghlin

Note: The Community Development Teams can obtain information recorded in the New Albany Economic Development Commission, City Plan Commission, Area Chamber of Commerce and the Floyd County Plan Commission.

## ECONOMIC DEVELOPMENT PROMOTION AND ADVERTISING

The New Albany Economic Development Commission is constantly making every possible effort to locate new business in New Albany and Floyd County as well as encouraging existing business expansion within the community.

One of the most successful methods of enhancing the local economy has been through the issue of industrial revenue bonds by the City to qualified companies to provide funds for construction or purchase of property, plant buildings and equipment. Bonds also can be issued for existing business expansion as long as the project enhances the local economy by increasing employment and the local tax base, etc.

During the past two years the New Albany Economic Development Commission has rented a display booth and information at the annual two day Industrial Show in Louisville's Kentucky Exposition Center. Each year a new business has been added to New Albany's Industrial Park as a result of this effort. The two businesses added are Murphy Manufacturing Company and Sleep Products, Incorporated.

Also during the past two years the Commission has advertised in four (4) national industrial magazines. They are: the Area Development Sites and Facility Planning; Plants, Sites and Parks; The American Industrial Properties Report and The Kentucky Business Ledger. A typical ad for New Albany is shown on page M of the enclosed Indiana Supplement from the ATPR Magazine.

Many direct letters promoting New Albany's advantages as a business location are mailed to prospects throughout each year. The New Albany Economic Development Commission also keeps close liaison with the Indiana Department of Commerce in efforts to obtain new business prospects.

PROCEDURES FOR ECONOMIC DEVELOPMENT FINANCING  
by the  
New Albany Economic Development Commission  
315 City-County Building  
New Albany, Indiana 47150

- A. When New Albany is being considered as a possible location by a business desiring to expand, relocate and/or establish a new business, the first step is to contact the Director of the Economic Development Commission.

One of the first questions asked by a potential client is what types of financing are available. In addition to conventional bank loans, there are several methods of federal or state financing which are as follows:

1. Federal

The Indiana Department of Commerce either has information available or can direct a prospect to a number of federal agencies having a variety of financial programs which may be tailored to meet the needs of a business or industry. Most notably, these agencies include the following:

- a. Small Business Administration
- b. Farmers Home Administration
- c. Economic Development Administration
- d. Office of Minority Business Enterprise

2. State

- a. Industrial Development Fund (Direct Loans to Municipalities)
- b. Indiana Economic Development (Mortgage, Equipment and Small Business Loan Guaranties)
- c. Industrial Revenue Bond (IRB)

An IRB is a combination of both corporate bonds and municipal revenue bonds which avails the company to the advantages of both. The IRB gives the company the advantage of long-term financing (up to 30 years) with corporate bonds and their wide acceptability, while providing the lower cost tax-free interest rate enjoyed by local units of government. The interest rates generally have been from one and one-half to three per cent lower than conventional financing rates. The bonds provide the required funds to be applied towards the construction and/or purchase of property, plant and equipment, including costs incidental to the bond issue itself. Either a lease with option or a direct purchase can be arranged. All leases are on a net-net basis which means the burden of property taxes, insurance, maintenance, repairs and all other costs are the responsibility of the company. This also may mean the company can take any investment tax credit available.

The use of industrial revenue bonds has been highly successful in the expansion of established industry in various locations in the city and particularly in the development of New Albany's Industrial Park. The advantages of an IRB are:

- a. 100% Financing Available
- b. Lower Interest Costs
- c. Company Control of Design and Construction
- d. Tax Free Interest (to bond holders)
- e. Flexible Repayment Schedule
- f. Flexible Lease and Purchase Agreement

The disadvantages are:

- a. Bond issues under \$250,000 may not be economically feasible because of added bond counsel and underwriter costs. (Interested parties are then advised to contact a local bank which works closely with the Small Business Administration.)
  - b. Bond issues in excess of \$1,000,000 are governed by the \$5,000,000 limitation which includes capital expenditures three years prior to the issue, plus the amount of the bond issue, plus capital expenditures three years after the bond issue.
  - c. Bond issues are repaid by the company with no financial obligation to the municipality, and therefore the marketability of the bonds is determined by the financial strength of the company.
- B. After determining that a prospective business or industry is interested in an IRB and wants to work with the Economic Development Commission office, the Director asks that they submit a Letter of Intent which outlines the prospect's requirements and enclose their financial statement which is used confidentially in the process of screening a company by the five-member Economic Development Commission.
- C. A special meeting is called by the Director which is for the purpose of the Commission members' evaluation of the company's ability to establish a new business or expand on the basis of their financial statement and past or future performance ability. When a prospect is interested in an IRB, he may already have a buyer for the bonds, but if not, the Commission will assist in locating such. The buyer of the bonds can be any individuals or organization having faith in the success of the business. The bonds are issued in the name of the city; however, in the event of a default the responsibility is with those who purchased the bonds.
- D. If the Commission agrees that this would be a worthwhile project, an Inducement Resolution is presented and voted upon. When the Inducement Resolution is passed, it is presented to the Common Council of the City of New Albany which, in turn, passes a resolution accepting the project as a worthwhile one for the city. (When the EDC Inducement Resolution is presented to the Common Council, each member of the council is also given a copy of the applicant's Letter of Intent which gives them the basic information about the company in order for an analysis and decision to be made.)
- E. ~~When the time span of a month to a month and a half,~~ the bond counsel works with the EDC in the preparation of an EDC report which includes:
- 1. A description of the proposed project covering the name, location, size and use to be made of facilities.

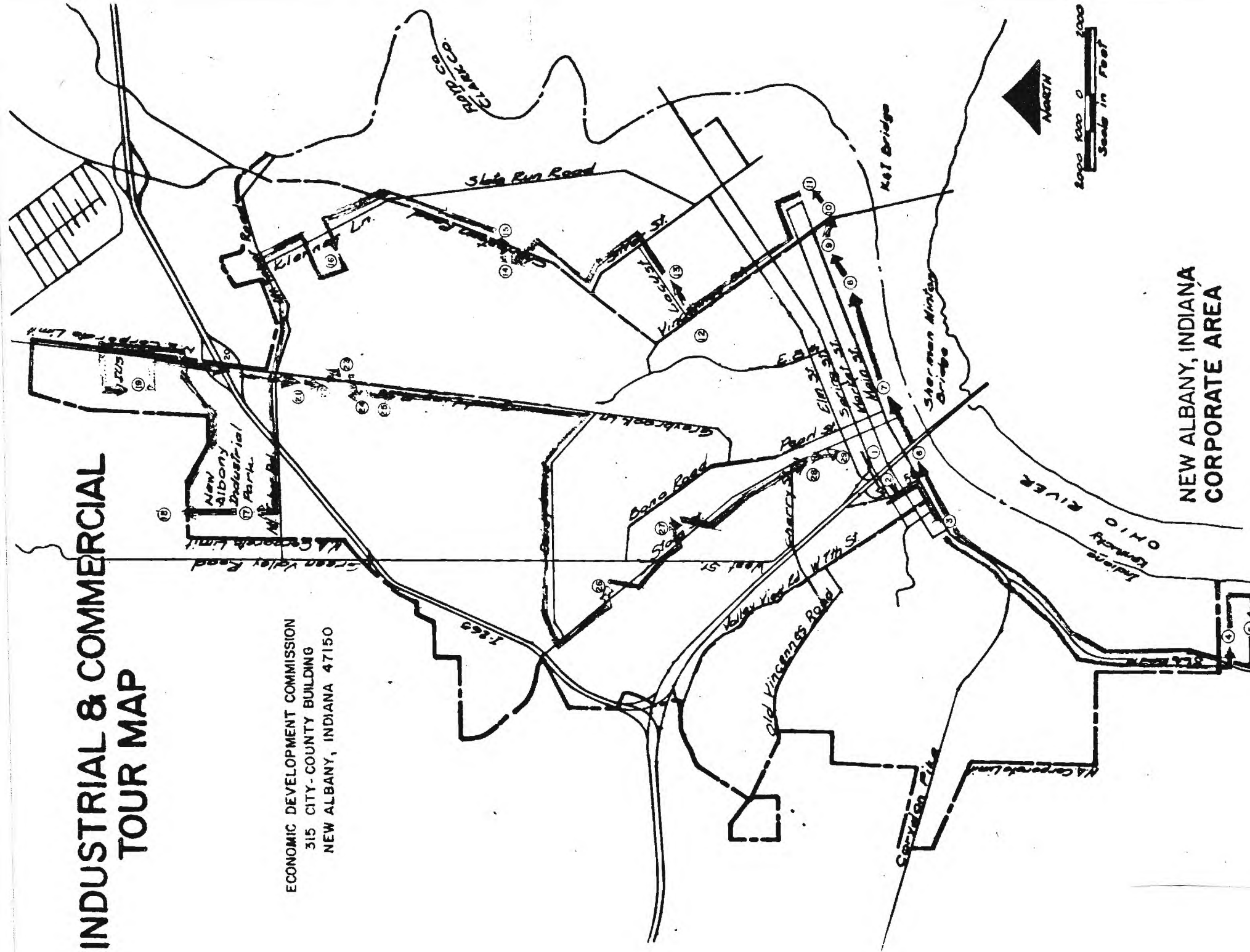
2. Total projects including a breakdown to indicate land costs, construction costs, fixtures, equipment and other costs.
3. Number of new jobs to be created by the project.
4. Total annual payroll created by the project.
5. A statement on public service (schools, police, fire, sanitary and trash, water, streets and roads) required by the project and how these additional services will be paid for.

The report should be submitted to the city plan commission and to the superintendent of the school corporation if the estimated new jobs exceed 100. These two agencies are to give their written comments and the Commission will follow up on obtaining these. After the report is completed, a meeting is called for the EDC and the report is approved through the passing of a resolution approving such.

- F. During the period of time that the report is being prepared and approved, the bond counsel is working on the financing and the form of the lease or financing agreement and trust indenture. When these are finalized, notice must then be given of a hearing by the Commission on the proposed financing of the facilities. The notice must be published in at least one newspaper and posted in three local public places at least five days before the hearing.
- G. The public hearing must then be held. After the hearing and if the Commission decides to proceed, it should adopt a resolution finding that the financing complies with the purposes and provisions of Indiana law.
- H. The resolution should then be transmitted by the Secretary of the Commission to the Common Council.
- I. The Common Council must then adopt a written ordinance approving that the financing will be of benefit to the health and welfare of the city, and authorizing the proposed project, financing and bond issue.
- J. After this approval, the financing can be closed at a time suitable to all parties involved at the selected trustee bank.
- K. Bond Counsel and Fees
  1. Bond counsel and underwriter costs are the responsibility of the applicant for the preparation of a bond issue. Experience has been that the attorney firm selected by the applicant may charge approximately one to two per cent of the total amount of the IRB issue and/or with a \$3,000 probable minimum fee.
  2. Any attorney fees for the bond issue required by the city attorney are paid by the city from the EDC fee as outlined in the applicant's Letter of Intent. New Albany pays its city attorney 25% of the EDC fee for his work in preparation of each city IRB issue. Therefore, the City requires only one fee of an IRB applicant, and that is the EDC fee. The fee is set as .001% or \$500.00, whichever is greater, of the total amount of the IRB. This fee is paid by the applicant to the New Albany EDC on the closing date of the IRB issue.
  3. When the EDC fee is paid, the check is turned over to the city controller for bank deposit. This money is budgeted annually for the EDC to use, as required, for specific and/or special promotional activities which will assist in bringing about better economy for the city of New Albany.

# INDUSTRIAL & COMMERCIAL TOUR MAP

ECONOMIC DEVELOPMENT COMMISSION  
315 CITY-COUNTY BUILDING  
NEW ALBANY, INDIANA 47150



## NEW ALBANY, INDIANA CORPORATE AREA

### TOUR INDEX

1. Start - City-County Building
2. Holiday Inn & Area Chamber of Commerce
3. Wastewater Treatment Plant
4. Galligar Electric Plant
5. Heavy industry tract, 600 acres, Ohio Rr. frontage
6. Sherman Minton Bridge
7. Downtown shopping area
8. Mansion Row
9. Fines Shirt Factory
10. K & I Railroad Bridge
11. Small light industrial dist.
12. N. A. Senior High School
13. N. A. Junior High School
14. Hart Manufacturing Company
15. Shopping Center
16. Typical sub-division
17. N.A.-F.C. Industrial Park (123 acres)
18. Expansion area for Industrial Park (70 acres)
19. Indiana University Southeast
20. I-265 connects I-64 and I-65 (7 miles)
21. Pillsbury Company
22. Community Park
23. Grace Chemical Company
24. National Guard Armory
25. Tommy Lancaster's Restaurant
26. New Albany Plaza Shopping Ctr.
27. Floyd County Memorial Hospital
28. Riverview Towers
29. Downtown Shopping Area, Federal Bldg, return to City-County Building

### Status of Indiana Army Ammunitions Plant

The Indiana Army Ammunitions Plant, located at Charlestown, has been not only a boost to the local economy, but also of great detriment. The benefits of the plant have come when demand for military ordnance was at it's high. For example, in 1969 there were nearly 20,000 workers employed at the plant, making it one of the two or three largest employers in the entire Louisville Metropolitan area. During this period, employment in the area was at an all time high and all sectors of the economy were enjoying prosperity. However, the plant remains a detriment because of the enormous layoffs that occurs when the need for military ordnance subsides. The most recent layoffs at the plant took place between 1974 and 1976 when 3,793 employees were laid off, leaving employment at the plant at approximately 700. Such reductions have had effects on other sectors of the economy, such as retail trade and services.

At this time employment at the plant has stablized to approximately 800 employees. While in terms of numbers, the plant is a major employer, its impact on New Albany and Floyd County has been minimized because of a growing industrial base in the County. However, the possibility of another rapid growth period at the plant remains as a possibility.

## The Impact of Louisville on the New Albany-Floyd County Area

Floyd County, together with Clark County in Indiana and Jefferson, Oldham and Bullitt Counties in Kentucky make up the Louisville Standard Metropolitan Statistical Area (SMSA). Floyd County is located directly across the Ohio River from the City of Louisville with easy access via Interstate 64. This proximity to Louisville has had a dramatic impact on industrial, commercial and residential growth in the Floyd County-New Albany area.

One of the most obvious indications of the dependance of the economy of the area on Louisville in commuting patterns. In 1970, 6,967 residents of the New Albany-Floyd County area (over 35% of the total employed that year) commuted to Louisville and Jefferson County, Kentucky for employment. At the same time 2,308 jobs in New Albany and Floyd County were held by Louisville-Jefferson County residents.

Louisville's economy has had a diversifying effect on that of the New Albany-Floyd County area. Louisville serves as a large, immediate market for the area's products as well as a center for their distribution to more distant marketplaces. The areas has also benefited from New Albany's location within the Louisville Commercial Zone for motor freight rates and from its easy access to the air, water and rail transportation facilities in Louisville. Retail trade in the areas has been influenced by its proximity to Louisville's large population. Home furnishings, apparel and service station sales have been particularly high.

As the City of Louisville has grown, the value of land for industrial, commercial and residential development in the New Albany-Floyd County area has increased. This is especially true in recent years, as land in Louisville has become progressively more scarce.

Louisville makes a number of public services, such as sophisticated health care, available to residents in the New Albany-Floyd County area, and offers a variety of cultural activities.