

# *Building Partnerships to Promote Regional Development*

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Delta Regional Authority:  
Strategic Planning and Local Development Districts



T.I.P. STRATEGIES

27 August 2007  
Austin, TX

# Agenda

- Who is TIP?
- Who is the Delta Regional Authority?
- Trends
- What a strategic plan can accomplish:  
Local development districts and  
regional planning
- Discussion



# TIP Strategies, Inc.

- **TIP** is an economic development consulting firm based in Austin, Texas, USA. Our services include:
  - Strategic Planning
  - Target Sector Analysis
  - Marketing
  - Economic Impact Analysis
  - Site Selection



# Representative Clients

## Texas

- City of Dallas
- City of Houston
- San Antonio EDF
- State of Texas
- City of Beaumont
- City of Rowlett
- City of Denton
- City of Benbrook
- City of Longview

## Private sector

- MTBC
- The Athens Group
- TXU
- AEP
- Entergy
- New Braunfels Utilities

## National

- Ithaca, NY
- Watsonville, CA
- New Orleans, LA
- Portland, OR
- Chicago-Milwaukee Corridor
- Richmond, VA
- Carolinas Gateway Partnership, NC
- Greene County, TN
- SW Mississippi
- Fort Smith, AR

## International

- Northern Ireland, UK
- The Netherlands
- Carinthia, Austria



# The DRA

- A federal agency
- Eight state gubernatorial board
- LDD “delivery system”



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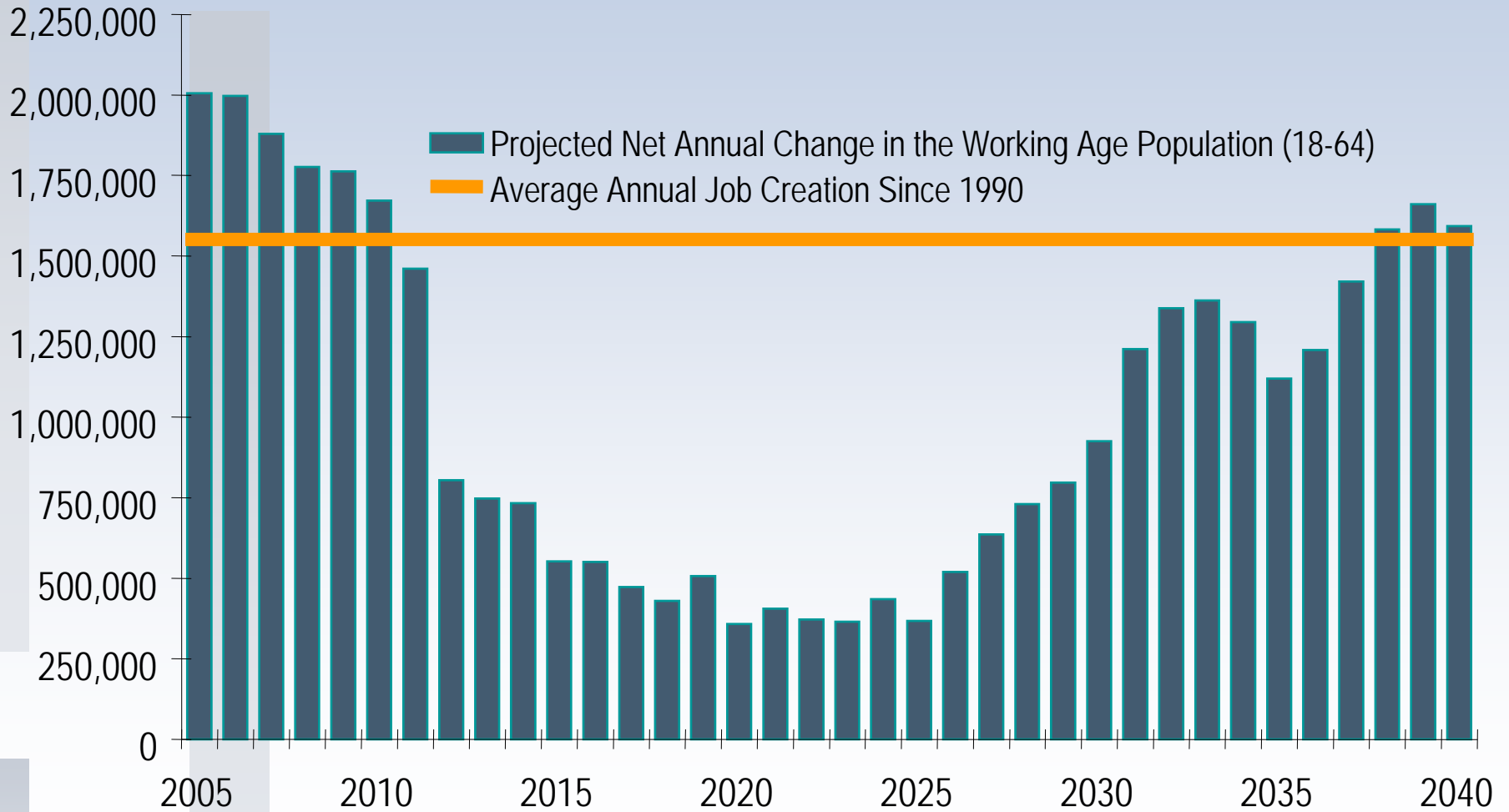
# Rethinking the Delta: A New Economic Model

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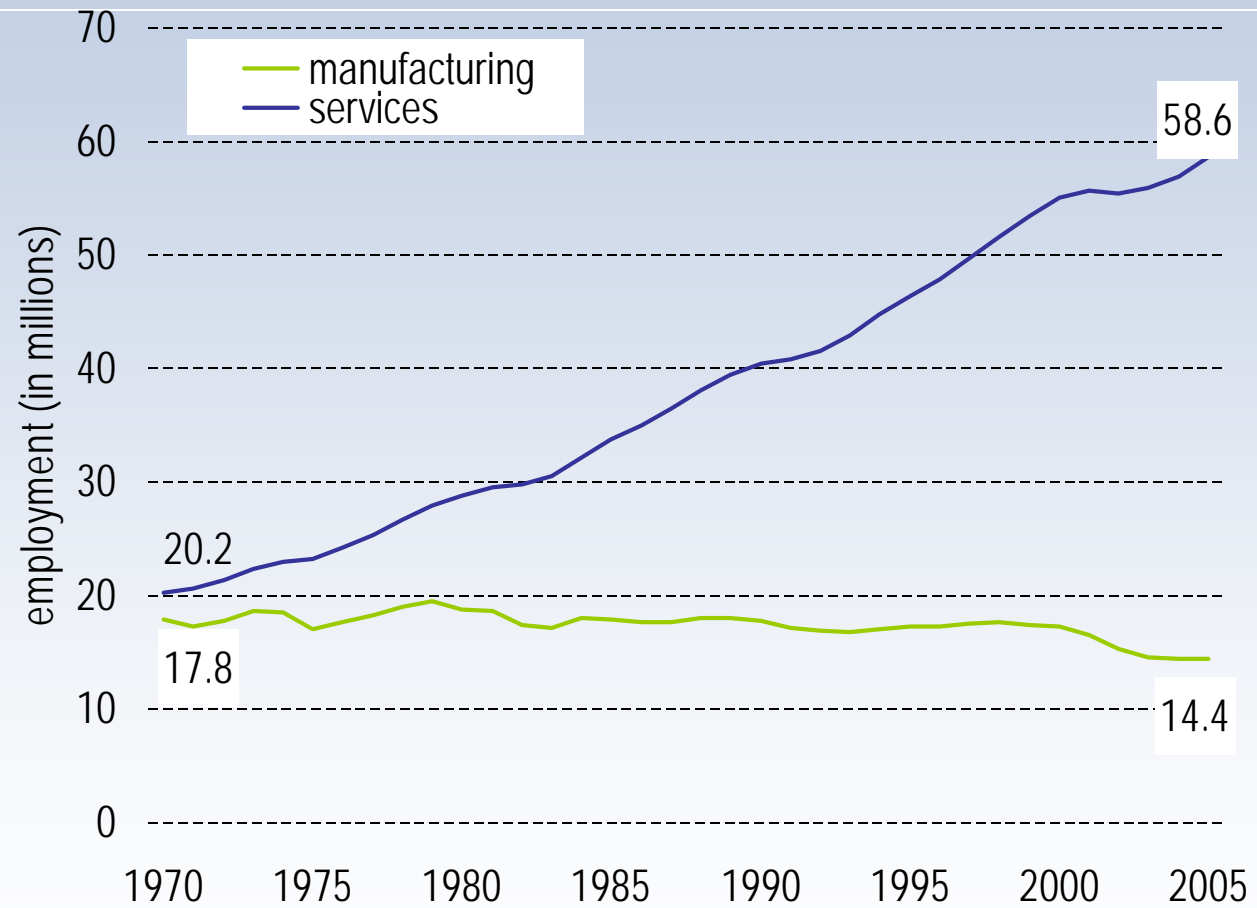
# us | a labor crisis approaches



TIP STRATEGIES

SOURCES: TIP Strategies; U.S. Census Bureau; U.S. Bureau of Economic Analysis

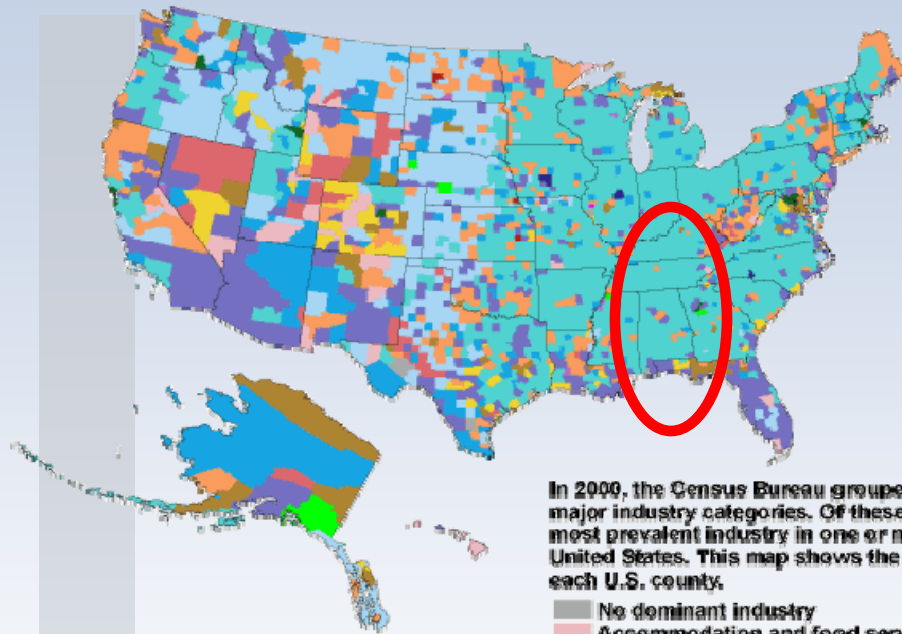
# US | manufacturing vs. services



# THE DELTA | evolution of ED goals



# Dominant Industry



Except for the metro areas, there is a general dependence on manufacturing in much of the Delta region

In 2000, the Census Bureau grouped all the jobs into twenty major industry categories. Of these twenty, fifteen were the most prevalent industry in one or more counties in the United States. This map shows the dominant industry for each U.S. county.

- No dominant industry
- Accommodation and food services
- Agriculture, forestry, fishing, and hunting
- Arts, entertainment and recreation
- Construction
- Educational services
- Finance and insurance
- Healthcare and social assistance
- Manufacturing
- Mining
- Wholesale trade
- Professional, scientific, and technical services
- Public administration
- Retail trade
- Transportation and warehousing
- Utilities

Source: Social Science Data Analysis Network; University of Michigan



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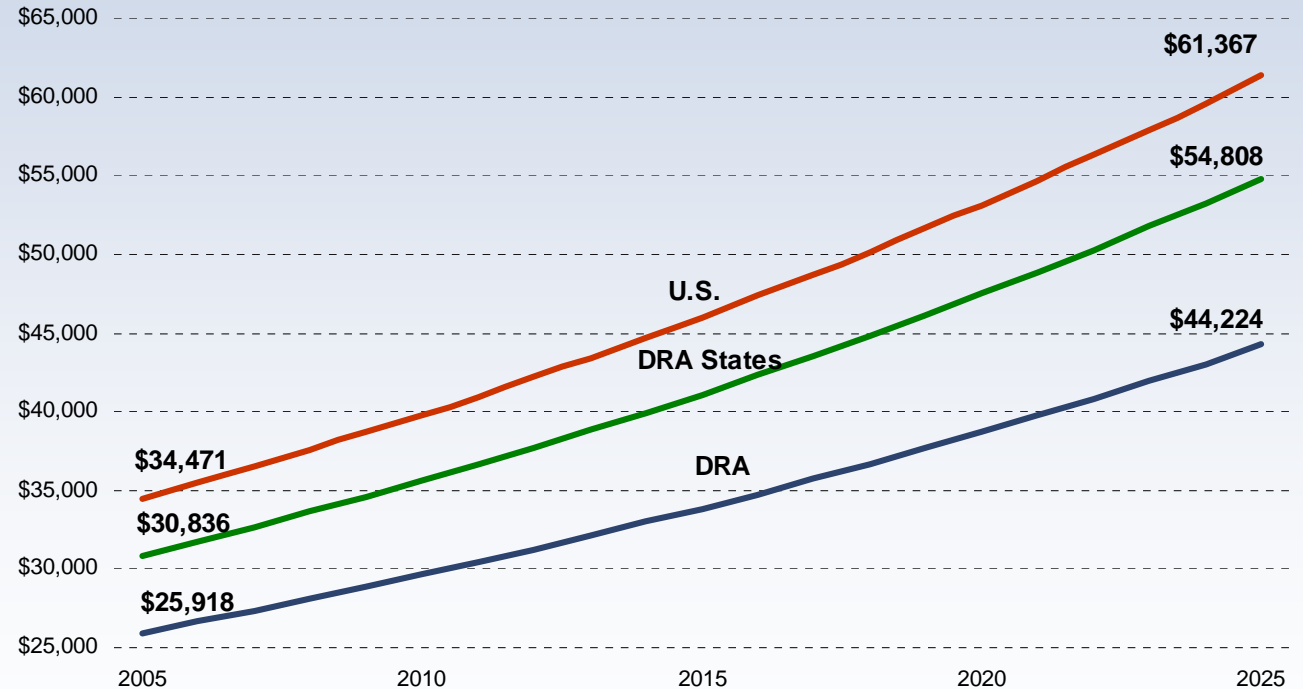
# Worsening Income Disparity

2000-2005 compound annual growth rates of nominal per capita income:

- DRA counties: 2.71%
- DRA states: 2.92%
- U.S.: 2.93%

## PROJECTED PER CAPITA INCOME

*Based on the 5-year 2000-2005 CAGRs in current dollars.*



SOURCES: U.S. Bureau of Economic Analysis

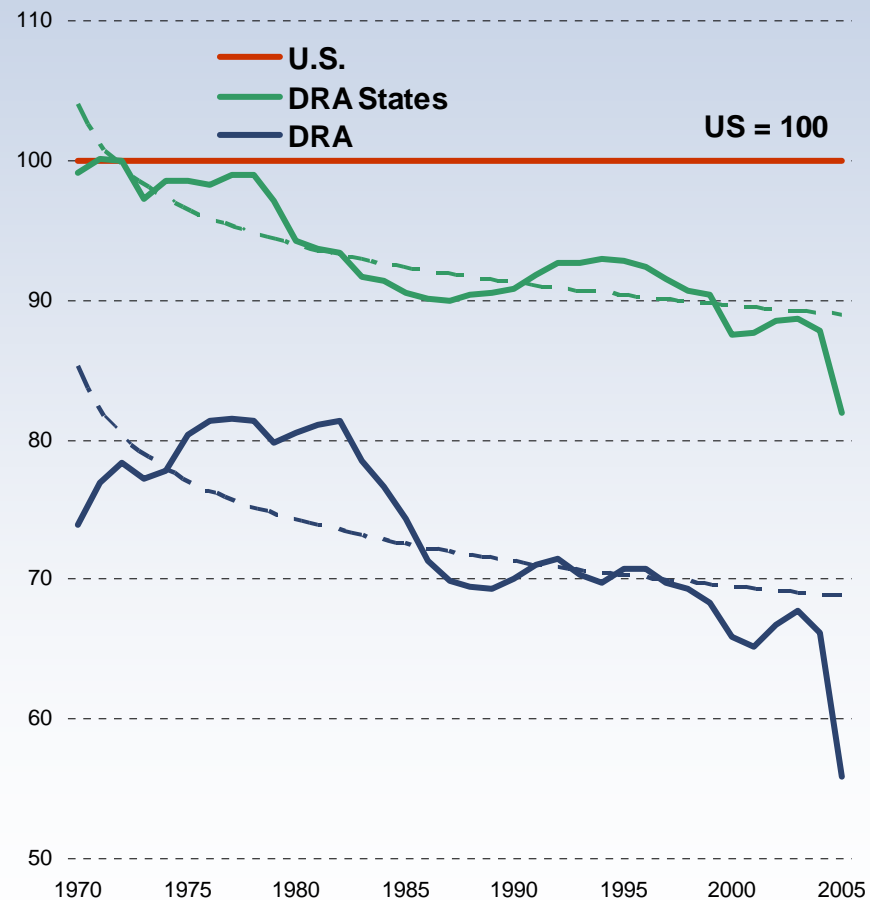


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# Lower Earnings vs. Transfers

- A ratio of total wage and salary disbursements (earnings) to total government transfer payments is calculated for each geography.
- The annual ratio for the U.S. is set to 100 and represents the baseline ratio.
- The lower an index falls below 100, the more the region relies on transfer payments relative to the rest of the country.

SOURCE-OF-INCOME INDEX



SOURCE: U.S. Bureau of Economic Analysis

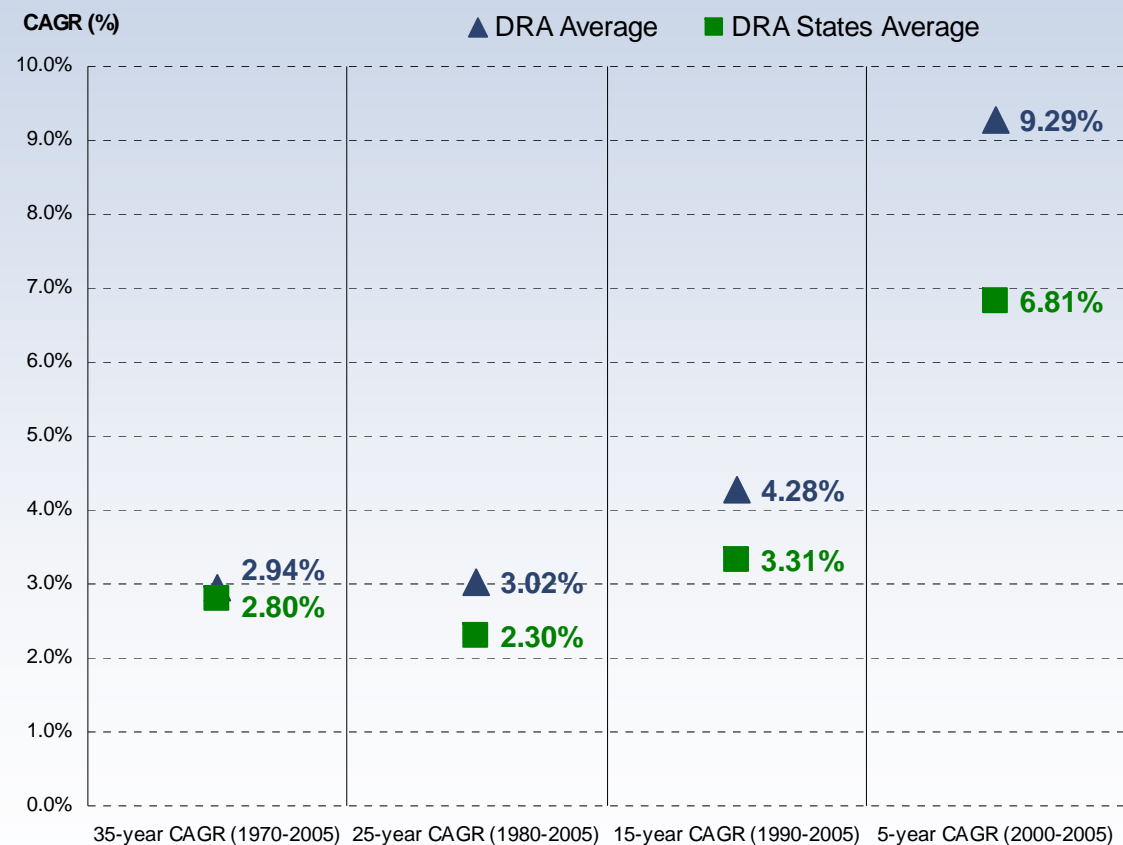
NOTE: Dashed lines are logarithmic 35-year trendlines for each geography.



# Surge in Public Assistance

- The inflation-adjusted compound annual growth rate of public assistance (income maintenance) payments in the region rose sharply between 2000 and 2005.
- Includes the aftermath of Hurricane Katrina.

## PER CAPITA PUBLIC ASST PMTS (Hist. Pct. chg)



SOURCES: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



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# Transition from traditional approach

- The DRA can not realistically influence socio-economic targets
- The DRA's mission cannot be limited to reducing unemployment and poverty in failing communities
- The DRA must concentrate on assets needed to sustain long-term growth.



# A New Way of Thinking

*Not all communities are in a position to benefit from this approach, but all communities benefit from rethinking their priorities.*



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# THE PLAN

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# Growth Betas

- The highly correlated variables are referred to as *growth betas*
- Eight of the 10 are contained in the table\*
- The *yield* reflects the effect on job growth of a 1 percent increase in each growth beta.

Variables (Betas)	Yield
Change in life expectancy over 15 years	4.6%
Domestic migration	3.8%
Percent of workers in technical & professional occupations	2.6%
Foreign-born population	1.9%
Percent of workers that are self-employed	0.3%
Percent of jobs in companies started in last 5 years	0.3%
Public school enrollment change	0.2%
Percent of population over 65	-2.4%

\*Patents per capita and total employment are not included. They are not measured in percentages so it is not possible to construct a beta that reflects a percentage gain to percentage input.



# Vision Statement

***The Delta will achieve a  
pattern of sustained  
growth.***



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# Mission Statement

***The DRA will serve as a regional focal point for resources, planning, and ideas.***

***The DRA will be a catalyst for investment in the communities and in the people of the Delta.***



# Strategic Goals

**GOAL ONE: Advance the productivity and economic competitiveness of the Delta workforce.**

**GOAL TWO: Strengthen the Delta's physical and digital connections to the global economy.**

**GOAL THREE: Create critical mass within Delta communities.**



# Goal Three: Critical Mass Communities

Objectives:

1. Quality of place
2. Innovation and diversification
3. Growth-oriented entrepreneurship
4. Local leadership
5. Basic infrastructure



# What are Critical Mass Communities?

- Those communities with the necessary elements (in sufficient quantity) to create and sustain a vital economy.
- Identifying these elements for the Delta region is at the heart of this plan.



# Examples of CMCs in the DRA

- Non-Urban
  - Hammond, LA
  - Jonesboro, AR
  - Searcy, AR
  - Jackson, TN
  - Farmington, MO
  - Oxford, MS
  - Cape Girardeau, MO
  - Mountain Home, AR
  - Rolla, MO
  - New Iberia, LA
  - Thibodeaux, LA
  - Batesville, AR
  - Carbondale, IL
  - Marion, IL
  - Monroeville, AL
  - Monticello, AR
- Urban
  - Memphis, TN
  - Little Rock, AR
  - Baton Rouge, LA
  - Jackson, MS
  - New Orleans\*
- Metro-Influenced
  - Southaven, MS
  - Brandon, MS
  - Gonzalez, LA
  - Ridgeland, MS
  - Cabot, AR
  - Covington, TN
  - Hopkinsville, KY
  - Tunica, MS
  - Metairie, LA
  - Henderson, KY

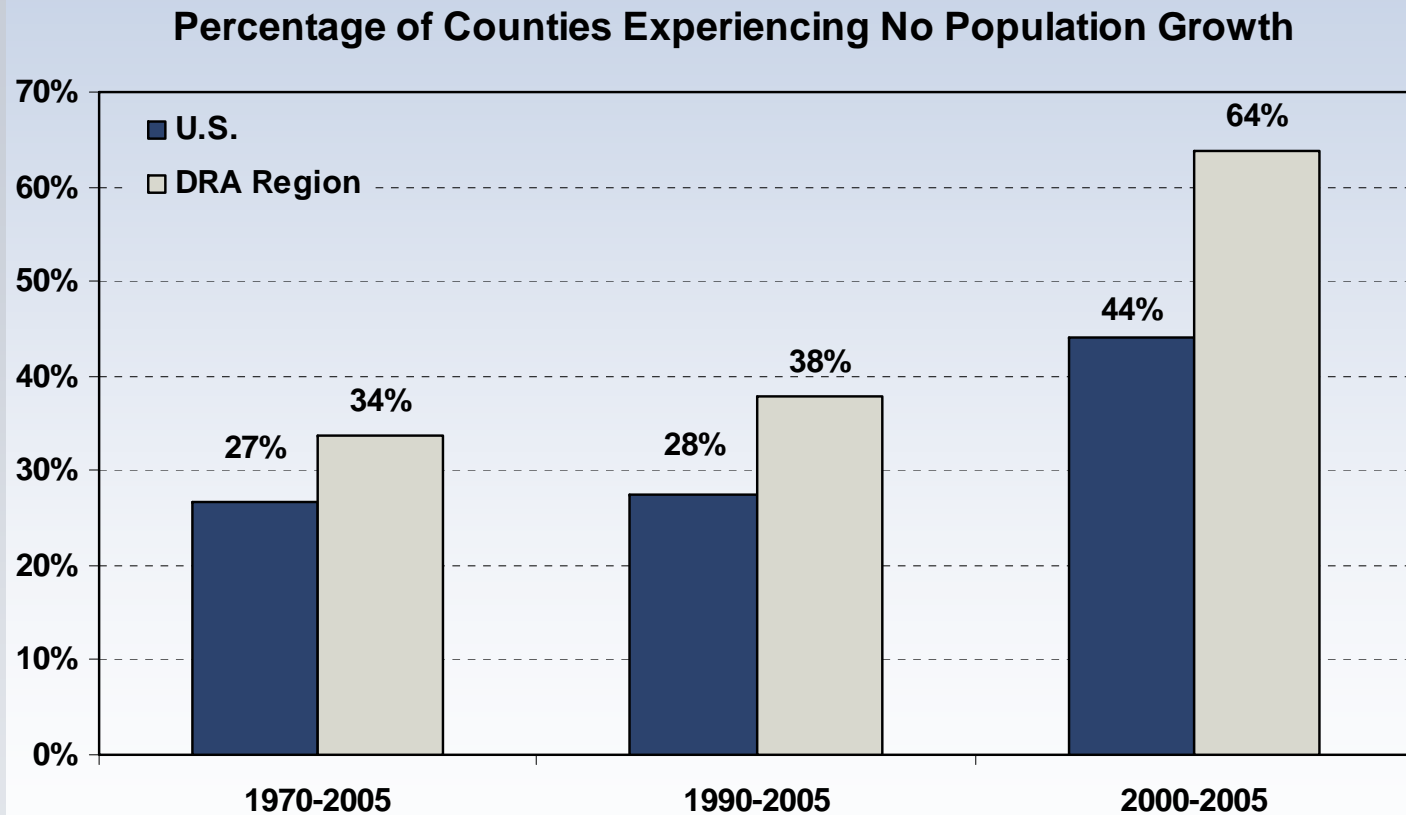


# Quality of Place

- *Quality of life* emphasizes the values of the existing population.
- *Quality of place* accentuates the attributes that attract new talent.



# Why Place is Important

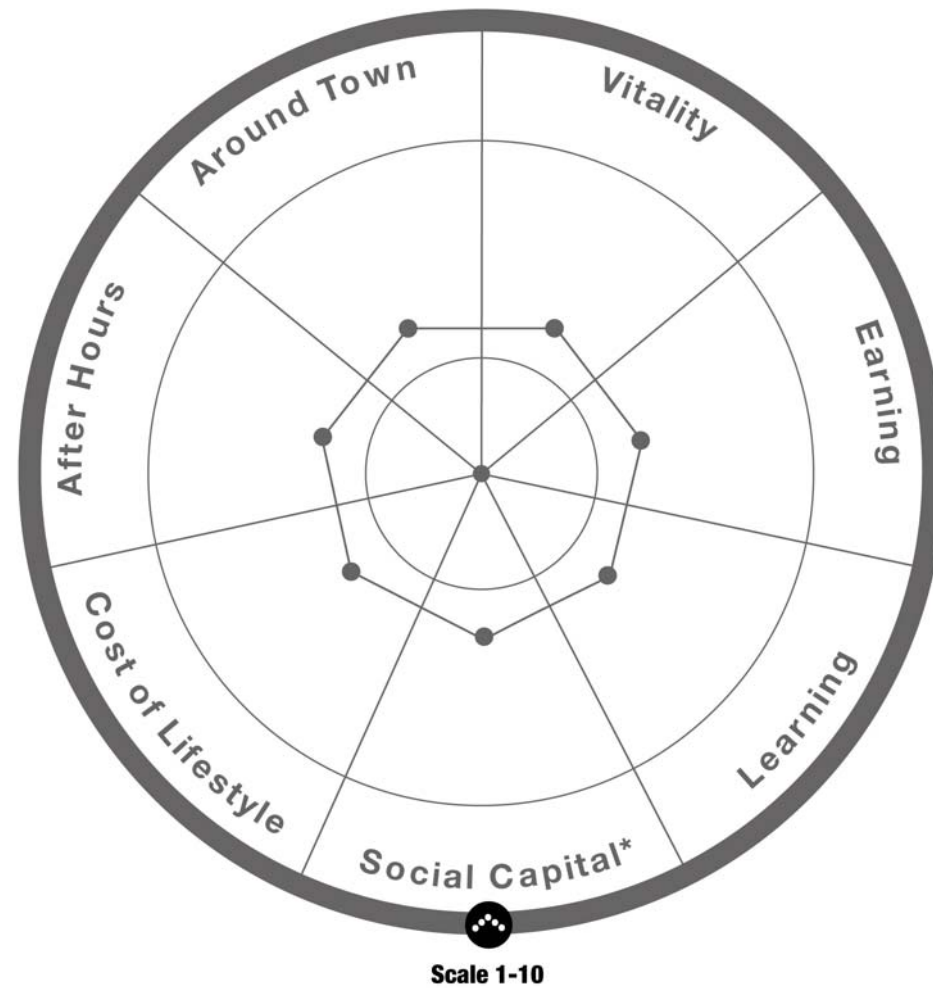


# Focus on Talent

- **Next Generation Consulting** uses a proprietary indexing system to help companies and communities attract, engage and retain young professionals.



# NGC Handprint



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# Local and Regional Partners

- Will submit competitive proposals that detail the challenge they face, their response, how much they are requesting, and how funds will be spent.
- Grant recipients will be required to meet DRA's pre-specified performance outcome measures.
- The performance measures will emphasize programmatic outcomes.



# Local Development Districts

*What is the role of the LDDs in the new plan?*

- Delivery system or grant recipients?
- Broader public and private involvement
- Embracing critical mass concept



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# PUBLIC INPUT FORUMS

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# Existing Mechanisms

- Most LDDs hold annual public forums
- They explain federal grant opportunities and application processes (e.g., DRA federal grant program)
- Benefit is mainly in grant technical assistance for local non-profits



# Proposed Delta Regional Forums

- New emphasis on greater private sector engagement
  1. To increase awareness of business community's issues
  2. To improve the environment for greater private sector investment



# Engaging the Private Sector

- Include an expert presentation on regional business and economic conditions/trends
- Interest the business community with useful information
- Utilize a state, university, or private economist to present data and trends
- Consider partnering with chambers and economic development organizations



# Potential Topics

- Housing sales and pricing data
- Commercial property data
- Employment and job growth forecasts
- Population trends and demographics
- Market conditions
- Bank deposits and capital flows



# Other Recommendations

- Heighten visibility of events
- Invite state officials to attend
- Have a regional focus
- Use of Web resources as tools (e.g., pre- and post-forum questionnaires, online deliberation, virtual forums, message boards, blogs, online polls)



# Included Samples

- Agenda
- Discussion Guide
- Moderator's Guide
- Pre- and Post-Forum Surveys
- Other Helpful Resources



Thank you

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