

**New Orleans Public/Private
Economic Development Partnership**

Organizational and Operational Plan

May, 2008

International Economic Development Council

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I. Introduction

Business groups, economic development organizations, regional agencies, and key City of New Orleans departments have united to create an entity to strategically support business and guide economic growth in Orleans Parish. There is consensus that a public/private economic development organization (EDO) is an ideal framework to lead New Orleans economic development initiatives. The International Economic Development Council (IEDC) was invited to: a) confirm assumptions about creating an EDO, b) identify activities and means for sustainability, c) recommend a process to set up an EDO, and d) outline City and Regional economic development strategies within a newly proposed EDO structure.

Objectives and Scope of Services

The objective of the IEDC New Orleans Economic Development Organizational and Operational Plan (EDO Plan) is to outline the mission, vision, creation, and structure of a public private partnership should the community decide to move ahead with an EDO.

The EDO Plan included herein was developed through a critical evaluation process. This included: a) drawing on IEDC staff information-gathering site visits, b) developing a background report, c) a full site visit by the IEDC expert panel and staff, d) comments from a widely-circulated survey, e) follow-up and community response site visits, and f) this final report of recommendations.

For this work, IEDC addressed the following overarching questions:

- 1) Is there a need for a new EDO in the City?
- 2) If an EDO is needed, what will be the mission and activities?
- 3) How can a new governance structure for economic development strengthen the work of groups involved in rebuilding New Orleans?
- 4) How can an inclusive organization be built that also offers efficiency and operational flexibility?
- 5) What is the most effective way to engage culturally specific business organizations or representatives to build trust and participation?
- 6) What are the essential initial steps for engendering success? What are the subsequent steps?
- 7) How will the organization be sustained financially and how will it be staffed?

Much of the background work for this project was initiated in June 2007 when the City of New Orleans asked IEDC to assess the City Economic Development Division. In July 2007 two team members visited New Orleans to gather information. In August 2007 IEDC organized a 3-day, four expert/three staff team site visit to obtain information about the Economic Development Division, partner organizations, and the current state of economic development in the City and region. A draft report was prepared and submitted to the City.

In January 2008 IEDC began to restructure the approach to evaluate creating a Public Private Partnership (PPP). IEDC put together an expert team representing a diversity of EDOs based on structure, funding and geographic service area. The March 16-18, 2008 site visit of the full IEDC expert panel was organized around a series of interviews to obtain information and input about current economic development activities and service gaps, the vision of partner organizations for creating a new EDO, funding commitments, structure and leadership, and general current state of economic development in the City and region.

The IEDC team attended over 15 meetings and interviews. Representatives from the following sectors and organizations attended: Neighborhood Development and Advocacy Groups; City Council Members and staff; Federal Agencies; Business Support Organizations; Chambers of Commerce; City Agency Directors and Staff; Local and Regional Economic Development Organizations; Universities; Loan and Small Business Finance Groups; Business Associations; and Planning and Redevelopment Agencies.

The full IEDC site visit panel included:

- Ronnie L. Bryant, CEcD FM HLM, President & CEO, Charlotte Regional Partnership
- Dennis G. Coleman, CEcD FM, President & CEO, Saint Louis County Economic Council
- Hank Cunningham, CEcD, Director, Community & Economic Development, Assistant Executive Director, San Diego Redevelopment Agency (retired)
- Michael A. Houlemard, Jr, Executive Officer, Fort Ord Reuse Authority
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- Mr. Stephen J. Moore, President & CEO, Washington, DC Economic Partnership
- Jeff Finkle, CEcD, President & CEO, International Economic Development Council.

The panelists served as volunteers under the IEDC Economic Recovery Volunteer Program. IEDC staff accompanying the panel included Rebecca Moudry, Senior Associate.

At the close of the visit, the IEDC team presented preliminary findings and recommendations. Jeff Finkle returned to New Orleans April 16-17, 2008 to garner more feedback on initial recommendations, and to learn about updates. IEDC also developed a brief survey instrument and distributed it to many of the groups that did not have a chance to meet with the IEDC team during the site visit. A total of 36 surveys were returned, and the survey findings are displayed in Appendix I. This report builds on the findings and initial recommendations to propose actions to improve the effectiveness of the economic development efforts.

This report is divided into three main sections. After this introduction, the first section reviews the IEDC team's observations and findings from primary and secondary research. The second section outlines our recommendations for economic development public-private partnership activities, leadership, structures and funding. The final section features three case studies highlighting examples of how comparable EDOs or comparable aspects are structured. The case study organizations include the St. Louis County Economic Council, the Washington DC Economic Partnership, and the Redevelopment Authority of Allegheny County.

II. Key Issues and Observations

The IEDC visit to New Orleans came at an important time. It is widely acknowledged that the New Orleans economic development delivery system must be upgraded for the City and region to be competitive. Economic development services have historically been weak in the City, and post-Katrina low staffing levels have exacerbated this issue. Now is not the time to make minor adjustments to the existing economic development system, but to completely rebuild. Economic development partners are ready for change, and New Orleans is at a unique point in time to leverage momentum to make positive, large-scale transformations.

With a strong recovery plan in place, the City of New Orleans is poised to continue to attract recovery funds for rebuilding. The \$1.1 billion recovery plan will draw \$117 million in federal money. City recovery and economic development partners recognize that changes and needs in the City require well-conceived strategies to maintain existing momentum and address emerging challenges. This section summarizes the observations that IEDC collected during its interviews with New Orleans economic development stakeholders.

The City Delivery System

- There is a long history of the Economic Development Division without a strong and important function in New Orleans, and the overall economic development delivery system is under-performing to nonexistent.
- City economic development activities do not follow routine methods, or only broken methods exist.
- The City is considered by most to be more politicized & bureaucratic rather than business-like (operates on political cycle).
- The City personnel assigned to economic development are new, often unprepared and spread thin.
- The permitting process is onerous and an obstacle to development.
- There is a perception of a debilitating lack of transparency.
- Little trust & communication exists among city employees and with the outside world.
- There is not a shared definition of economic development.
- The City economic development scope is not integrated with regional economic development.
- There is no publicized track record of economic development accomplishments, and no system to track and show results (No performance measurements).

The Private Sector

- The Business community is not adequately engaged.
- Those leaders who are engaged are not unified.
- There is no consensus on funding for a new organization.

Economic Development Partners

- Groups and economic development functions are overlapping or fragmented
 - Little communication and coordination
 - No defined roles and turf wars.
- Major partners are not adequately engaged.

- Little interaction between the Port and City or regional economic development partners.
- Negative media relations/no media strategy/public information inconsistent.
- Apparent disconnect between Greater New Orleans, Inc (GNO, Inc) and the City.
- Lack of economic development lead (one face and one message for new or expanding businesses).
- There are distinct silos in the City & throughout region.

Economic Development Policy

- Key legislation is required:
 - Tax Increment Financing (TIF) policy
 - Eminent Domain
 - Tax Adjudication

Economic Development Tools

- Weak land acquisition and asset assembly.
- No one-stop for learning about/acquiring incentives.
- Banks are risk-averse.
- Little knowledge about development programs and resources – no dissemination of information.
- Limited to no site selection tools or assistance.
- No industrial/commercial site database.
- No citywide TIF policy
- Economic Development tools are not coordinated across local government

Overarching Issues

- New Orleans is currently in a unique position with unique opportunities:
 - Significant funding entering City
 - Extraordinary circumstance, calling for extraordinary measures
 - Still dealing with recent crisis, Katrina 2005
 - Preparation for the next hurricane(fix the levies, 100 year flood protection)
- Equity, Race and Quality of Life are fundamental
- Crime & Safety must continue to be addressed

III. Recommendations for a Public-Private Economic Development Partnership Structure

New Orleans is ready for a new structure for economic development delivery. It is an optimal time to rebuild the system from the ground up, and there is wide support for change among a diversity of partners. There are several factors that must be addressed to set up a successful organization. IEDC recognizes the following points as integral to *why* a new organization is necessary as well as *what* the organization must encompass to be successful. Key aspects of a new organization include the following:

- Leadership, in the form of a public-private board, must include representation from diverse private and non-profit interests.
- The organization must be housed and staffed external to the City.
- Staff must be qualified and maintain a high level of expertise.
- The organization structure and mission must address underlying issues of race & inequality

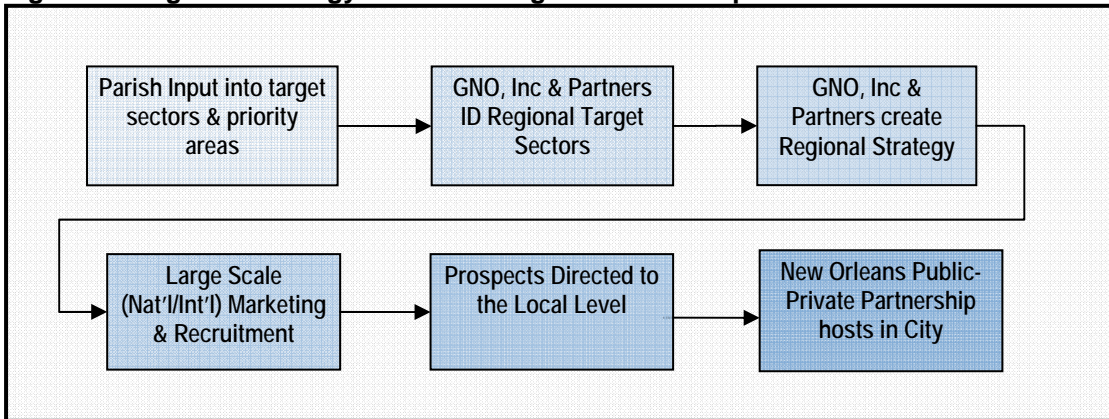
Connecting a City Organization and Regional Efforts

It is necessary to acknowledge the context within which New Orleans is located to transform the proposal of a new organization into a long-term reality. New Orleans is indeed the core city within a larger region. Over the last several years, the parishes surrounding Orleans Parish have seen an increase in economic development activities and jobs. The IEDC team recognizes the regional development model as the means to create sustainable and competitive places through aggregating resources. In order for regional development to reach its full potential, the core city must be the jewel in the crown. In this case, New Orleans must adjust and restructure to competently coordinate with the larger region and function as the central city in regional efforts and to land new deals. The IEDC team highlights the following regional points in preparation to create a high-capacity city partnership.

- Develop a relationship with the regional marketing organization. This includes coming current on all dues and making a commitment to remain current and support efforts of GNO, Inc. The relationship must be two-way, where the regional marketing organization also works with and serves the interests of New Orleans.
- Clarify the roles of each organization, being sure to not duplicate, but leverage the partnership for a larger, aligned marketing reach.
- The regional marketing organization is crucial to strengthening collaboration and bringing benefits to all partners. They do not provide city-specific services, but must have relationships to coordinate and effectively serve. If New Orleans notices a special circumstance for the regional marketing organization to take on a larger role there should be an opportunity to fund additional efforts.

The following chart highlights how parish-specific priorities should be woven into a regional strategy and target sectors that direct large-scale marketing efforts. Those efforts will bring prospects to the local level where, in the case of New Orleans, the PPP will host potential investors. The PPP will work with GNO, Inc in the hand-off of information and parish-specific opportunities.

Figure 1: Regional Strategy and Marketing for Local Prospects



Necessary Municipal Economic Development Functions

A public-private economic development partnership can be a very effective structure to undertake economic development functions, but there are some crucial aspects that must remain in the public sphere. The IEDC team recognizes these functions to include the following:

Economic Development Functions that Remain with the City

- Safety and permits
- Grants & federal funding
- Approving incentives
- Contract administration
- Regulation
- Neighborhood services
- Housing
- Historic Preservation
- Workforce Development
- Base Realignment and Closure (BRAC)
- International Relations

The international relations functions that should remain within the City include delegation hosting and any activities related to protocol and relationship building. City-specific international business development and attraction activities that are not covered by GNO, Inc will be transferred to the new partnership. The sister city program may be transferred to the new organization as well. The St. Louis County Economic Development Council demonstrates an example developing international relations into productive activities. See the case study in Section IV.

A. Leadership Structure

Ensuring private, non-profit and public representation diversity on the New Orleans Economic Development PPP is a key for buy-in and sustained success.

An effective board will balance the organization (its mission, goals, plans, and resources) and its external environment. Bringing the right leaders into the effort is also crucial to success. The practical means by which a board can accomplish this includes:

- Financial oversight

- Strategic planning
- Raising funds
- Developing policy
- Engaging the private sector
- Community relations
- Monitoring and evaluation
- Hiring/firing Executive Director
- Development of the board of directors
- Providing counsel¹

Further, the right board will help bring to the organization knowledge and expertise about economic development and the corporate world, leadership and management techniques, access to financial capital through local, regional, national and international networks, as well as status and political legitimacy.

The IEDC team met face-to-face with stakeholders to vet opinions on this subject, gathered input during interviews and surveys, and have been in constant communication with public and private community leaders. The following portrays a best-effort in combining input and interests to develop consensus.

Board Structure Overview

Total Number Board Members	25 Seats
Terms	<ul style="list-style-type: none"> • Staggered, Fixed-Term (3 years)
Mayoral and City Council Appointments*	Six (6) Seats <ul style="list-style-type: none"> • Mayor: 4 • President of City Council: 1 • Economic Development Chair of Council: 1
Private Sector nominations	Ten (10) Seats <ul style="list-style-type: none"> ▪ Business Council: 2 ▪ Horizon Initiative: 2 ▪ Board of Trade: 2 ▪ New Orleans Chamber of Commerce: 1 ▪ Hispanic Chamber: 1 ▪ Asian Chamber: 1 ▪ Black Chamber: 1
Regional Cluster Groups	Four (4) Seats <ul style="list-style-type: none"> • Maritime • Aerospace • Energy • Culture/Tourism
Non- Gov. Organizations	Five (5) Seats

The total number of board seats is set at 25. This is a manageable size while gaining the potential for diversity and a broad cross section of interests. The IEDC team does not advise exceeding the number of seats above 25. Because the city is expecting private sector matching funding for the new

¹ Hummel, Joan M. *Starting and Running a Nonprofit Organization, Second Edition*, (Minneapolis, University of Minnesota Press, 1996)

organization, it is essential to have enough participants on the board willing and able to raise the private sector match. In addition, a board of a smaller size would have a difficult time representing the broader business interests of the community.

The Mayor, City Council President & Economic Development Chair of the Council can name themselves or a business person from the University nomination process (discussed below). If the Council President is also Chair of the Economic Development Committee, the Council Vice President will make one of the appointments.

The proposed board structure was developed with economic development stakeholders in New Orleans. It offers representation from the public, private, nonprofit and academic sectors. In the future, if aspects within one of those areas changes, then the board at that time will respond and make any adjustments necessary.

In all cases it is expected that the representatives to the board will identify the mission of the public private partnership and the economic development needs of the City and its residents as their primary motive for serving on the board. The representatives have a legal and fiduciary responsibility to the Board and must strictly set aside other relationships or potential conflicts of interest when serving on the PPP board.

Initial Board Selection and Nominations Process

The initial board nomination process selection seeks to use an equitable and unbiased method to set up the ongoing structure. The process relies on University Presidents to lead the nominations process. The Universities include the following:

1. Loyola University New Orleans
2. Xavier University of Louisiana
3. University of New Orleans
4. Dillard University
5. Southern University at New Orleans
6. Tulane University
7. Our Lady of Holy Cross College

The following describes the process to set up the New Orleans Economic Development PPP Board.

Mayor and City Council Seats

1. The President of each of the seven New Orleans Universities nominates five people, and submits names to the Mayor and City Council.
 - University nominations should comprise business leaders and economic development professionals
 - University Presidents can self nominate
2. Mayor and city council select their appointments from University President names.
 - Council President and Economic Development Chair can self-appoint

Private Sector Seats

1. Each entity noted in the overview section, above, submits their own appointments (Business Council, Horizon Initiative, Board of Trade, New Orleans Chamber of Commerce, Hispanic Chamber, Asian Chamber, Black Chamber)

NGO Seats

1. The President of each of the seven New Orleans Universities nominates five people
 - Nominations should comprise NGO organizations that have a direct relationship with economic development.

- University Presidents can self nominate
2. Mayor and Council President must agree upon and select the original 5 NGO seats from among the names submitted by University Presidents

Regional Cluster Groups

1. One board member for each of the major regional clusters:
 - Culture & Tourism
 - Maritime
 - Aerospace
 - Energy
2. The President of each of the designated business groups (The Business Council, Horizon Initiative, Board of Trade, New Orleans Chamber of Commerce, Hispanic Chamber, Asian Chamber, and Black Chamber) nominates three people from each of the sectors. This creates a pool of 21 potential appointees for each of the four seats.
3. The Mayor and Council President mutually agree upon and select the original 4 members of the board representing the four clusters.

Staggered Term Selection

Board seats will be for a set period of three (3) years and seats will be staggered. Staggering will be determined at the first board meeting. The names of all board members will be put into a hat. Eight names will be pulled and those board members will serve one year terms, eight names will be pulled and they will serve two year terms and nine names will be pulled and they will serve three year terms.

Ongoing Board Nominations Process

The University President nominations process for the seats selected by the Mayor and City Council and for the NGO representative seats will continue once the board is set up and becomes available on a yearly basis. Each year 8 or 9 new seats will open. Details include the following.

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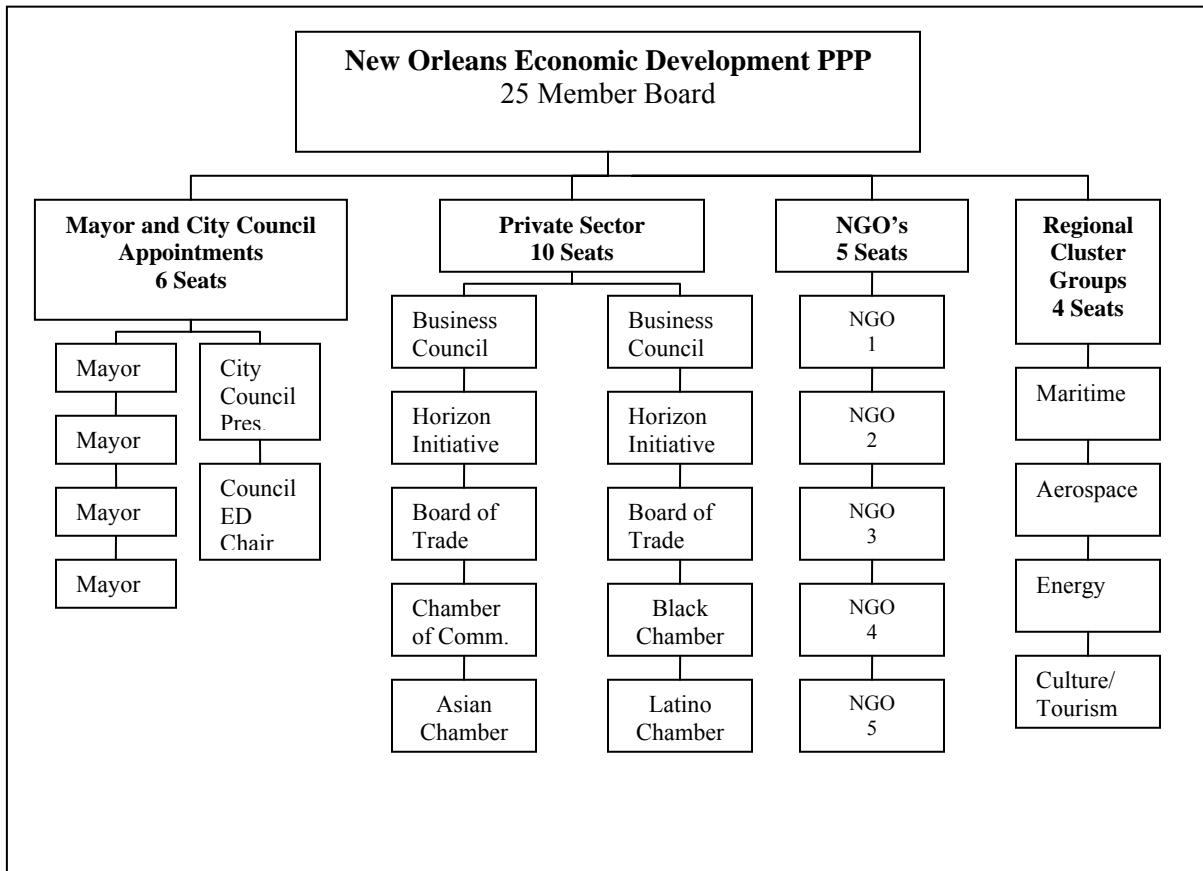
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 - Culture & Tourism

- Maritime
 - Aerospace
 - Energy
2. The President of each of the designated business groups (The Business Council, Horizon Initiative, Board of Trade, New Orleans Chamber of Commerce, Hispanic Chamber, Asian Chamber, and Black Chamber) nominates three people for each of the sectors with an available seat.
 3. The Mayor and Council President mutually agree upon and select the person to fill the available cluster group seat or seats.

Figure 2: New Orleans Public-Private Partnership Board Chart



B. Organization Functions and Objectives

The goal in developing a new public private partnership is to create a business friendly organization with open communication and access to information. A partnership will also collect all economic development functions under one umbrella to increase efficiencies in terms of both time and money.

An earlier portion of this section noted aspects of economic development that definitively must remain within the City. As a review, the IEDC team determines these to be related to overseeing safety and permitting, administering grants & federal funding, approving incentives, contract

administration, regulation policy and enforcement, neighborhood services, housing, historic preservation, workforce development, base realignment and closure (BRAC), and international relations.

One of the greatest virtues of the PPP will be its status as external to the City. This is important for logistical reasons, as well as to obtain some physical separation from what many perceive as city bureaucracy. In cases throughout the United States, having a separate office where current or potential businesses can go for assistance or questions offers a sense of control and comfort that can't be achieved in city-run office.

The major functions of the PPP will include the following elements:

- Economic Development Strategic Planning
- City Branding
- Negotiating, marketing, servicing incentives
- Business retention & expansion
- City business placement/attraction (in coordination with GNO, Inc & City)
- Developing and Managing Finance Tools
- Film and Video
- Real Estate Development
- Brownfields Redevelopment

The economic development activities mentioned above that are currently housed in city agencies will be transferred to the PPP. This will likely include transferring activities from divisions within the Office of Recovery and Development Administration, including target areas implementation projects within the Neighborhood Stabilization division and activities from the economic development division. With the transfer of activities and responsibilities, staff currently specializing in those areas may also be considered for new or similar positions in the public-private partnership.

The Board of Directors will be charged with reviewing, revising, approving and rejecting organization functions, policy, and budget recommendations.

Economic Development Strategic Planning

The new PPP will be tasked with creating the economic development strategic plan for New Orleans. The plan should be for the mid-term (3-5 years), and coupled with an annual operations plan for the organization.

According to IEDC's Accredited Economic Development Organization (AEDO) program, an EDO strategic plan includes the following:

- Mission Statement
- Achievable goals and objectives
- A realistic appraisal of available resources, constraints, and opportunities
- Project action plans to reach goals, including the identification of responsibility, timelines, and project or program prioritization.

The strategic plan should be developed through a planning process that includes the building of consensus, measuring impact and performance, economic analysis and assessment, and an evaluation of strengths, opportunities, weaknesses, and threats.

A major objective of creating a strategic plan, and the process through which one is created, leads to the identification of target industry sectors. Identifying target sectors begins with intense qualitative and quantitative analysis. The findings from that analysis will drive strategies and be the basis for all other activities. The strategic plan and target sectors must be linked and integrated to the greatest

extent possible with regional target sectors. The PPP should review previous cluster analysis and may accept those target clusters as part of their strategic plan.

The New Orleans Economic Development strategic plan must be created in connection with other City and regional planning efforts. New Orleans-specific aspects can be built upon in this plan, always while addressing how those aspects link into larger efforts. Specific plans to take into consideration include the Unified New Orleans Plan (UNOP) overseen by the Office of Recovery Management and Development Administration, the Comprehensive Economic Development Strategy (CEDS) being developed by the Regional Planning Commission, and the Ten Parish Regional Economic Development Roadmap prepared by GNO, Inc.

City Branding

Currently, New Orleans does not have a strong face towards the region and the nation. Much of the branding that is done is focused on the tourism industry, but that alone does not represent the dynamic economy, currently and into the future. The PPP can work to integrate economic branding messages with the larger regional efforts as well as with other sectors, such as tourism and convention.

Negotiating, Marketing, and Servicing Incentives

The City will be responsible for determining incentive policy, and the PPP will be responsible for utilizing these tools for business development. The Business Development Division of the St. Louis County Economic Council (SLCEC), the case described in this report, is the unit that provides existing, new and potential businesses with all the information they need, as well as assisting with compliance.

In the development and redevelopment of land the PPP will also utilize other finance tools.

Business Retention & Expansion

Local businesses are major contributors to the local economy and tax base. Cumulatively, they employ the greatest number of workers, and generate most new jobs and capital investments in an area. Business retention and expansion efforts to support existing businesses are, therefore, the foundation of effective economic development. Businesses are more likely to overcome obstacles and remain in New Orleans provided that issues are identified and addressed. The Business Retention and Expansion (BRE) program in New Orleans will need to be built from the ground up. The case study in Section IV featuring the Washington, DC Economic Partnership includes mention of specific tasks for business retention and development.

The basis of an effective BRE strategy is a business intelligence system that serves as an 'early warning' to address problems and obstacles. This intelligence system involves establishing business surveys, newsletters, visits, correspondence and networking among companies. However, business retention is more than a data gathering exercise. It is about building long-term relationships and serving as an advocate for the business community. An effective BRE program uses resources to focus on firms within target industries and those at-risk of closing or relocating.

Essentially, the BRE unit should act like a one-stop shop for businesses. Companies in the City should come to recognize the PPP, and the BRE specialists, as the source for business assistance and information. As such, the PPP should prioritize efficiency and service. This will require working closely with City departments to streamline services.

The objective of business and commercial outreach is to help businesses expand, increase productivity and reach new markets. One component of this is access to international markets and supply chains. The BRE program team must include sector experts in target industries with the

know-how to assist businesses. New Orleans's strategic location at an international port emphasizes this point, and the Port should be a major partner in business growth efforts.

City business placement/attraction (in coordination with GNO, Inc & City)

Simultaneous to focusing on existing businesses is taking steps to increase opportunities for new business growth and economic development projects. New Orleans has many development projects underway, and through the targeted recovery zones, significant projects will likely emerge. The PPP should be the lead entity to assist businesses in setting up shop in the City.

The role of a city PPP in business attraction and placement is to manage prospects, close deals as well as provide information. Figure 1 depicts the interactive regional/local process for creating a regional strategy and engaging in marketing to bring prospects into New Orleans. At the point that GNO, Inc brings a prospect to the City, that prospect will be handed-off to and managed by the PPP. The partnership will be responsible for providing the services and support to close a deal. Primary business development unit functions could include:

- Oversee site inventory
- Assist companies considering relocation to New Orleans
- Assistance through permitting process
- Manage business incentives
- Liaison with regional organizations and political leaders
- Communicate business development announcements
- Focus on industry and/or geographic targets
- Develop and provide information

The PPP must be prepared to provide accurate, up-to-date and credible information to potential prospects interested in investing, locating, or expanding in New Orleans. Coordination with GNO, Inc and streamlined interaction with the City is fundamental.

GNO, Inc has a regional focus and a larger reach than any individual city. It is logical for the PPP to rely on GNO to be the face of the region. As GNO attracts opportunities to the area, New Orleans must be prepared to land appropriate deals. The PPP will be the chief liaison for New Orleans in recruitment issues, playing a key role in identifying and promoting the community's assets. They will work directly with City executive leadership to ensure relationships are established and the prospective business' questions are answered. For this process to run smoothly the City must maintain financial support of GNO, Inc. These funds should not be diverted from the new PPP, but come from other financial resource in the City.

The case study in Section IV featuring the Washington, DC Economic Partnership reviews how this organization prepares for retail attraction.

Developing and Managing Finance Tools

The new organization will be responsible for raising funds from the private sector as well as other contributors. New funds will largely contribute to creating new projects or special initiatives. The organization must monitor both public and private funding sources and be accountable for requirements and goals.

There are many options for non-profit organizations to win federal or state funds, either directly or through the City. The new PPP could be a vehicle to attract and implement Community Development Block Grant (CDBG) monies or Economic Development Administration (EDA) funds. They could also incorporate SBA 504 lending into business support tools.

Finally, many public-private partnerships in the United States collect fees garnered from services. For example, St. Louis County Economic Development Council revenue sources include incubator rent, land issuance fees, loan fees/interest income/success fees, and incentive fees. As the PPP in New Orleans grows the Board should continue to look toward fee-generating opportunities to increase the sustainability of the organization and decrease reliance on the City.

Film and Video

Film and Video activities related to business and supplier development and investor attraction will move to the new PPP. The Arts & Entertainment office seeks to link New Orleans resources with those of the greater entertainment industry. There are many business development options as resources are built to provide producers with full options. The Film & Video office currently seeks to make connection between suppliers and producers, a specific economic development function. Permitting issues are also crucial and ensuring that producers are in contact with the correct city agencies to receive permits, and even running permits when necessary.

Real Estate Development

The PPP will be the facilitator, and at times the initiator of real estate development. This means the organization may initiate feasibility studies, assemble land, package incentives, initiate the public participation process, prepare land for pre-development, provide facilitate regulatory approvals, provide or organize partial financing, encourage the private sector to identify and initiate projects, reduce the risks associated with initiating development and focus redevelopment according to priorities, issue RFPs, and sell or lease land.

A public-private organization will have more autonomy and flexibility than a City agency, but will still require government approval on major projects. Currently, the New Orleans Redevelopment Authority (NORA) is the only existing agency with the legislative authority and capacity to implement comprehensive neighborhood revitalization plans. The agency has the power to expropriate (take by eminent domain) property. NORA oversees a blighted property acquisition program, Real Estate Acquisition and Land-banking Mechanism (REALM).

It is necessary to incorporate the momentum that NORA has been building as a redevelopment entity with the creation of a new PPP. It *is not* an option to maintain two separate organizations that are engaging in similar work. This would only enhance inefficiencies and a reputation that New Orleans does not have its act together.

Two options for coordinating the activities of NORA with the PPP are below. Both options include the benefit of melding like redevelopment and development functions together under the same roof, bringing real estate development closer to business retention and expansion, and avoid hiring multiple high-level executives. Essentially these options seek to slightly change the structure of the redevelopment authority, not necessarily the objectives, functions or staff. Staff may continue in their positions or similar positions while transferring under the new PPP.

Option 1: Maintain a Redevelopment Board, staffed by the PPP

In this option the Redevelopment Authority maintains an independent board of directors, but does not have dedicated staff or a CEO. The PPP would staff redevelopment activities under the real estate division. Staff would make recommendations to the board, prepare board agendas and staff meetings. The Redevelopment Authority of Allegheny County is structured in this way. See more information about how the entity was set up and functions with staff from the Allegheny County

Department of Economic Development. The case study on the St. Louis County Economic Council explains how that public-private partnership staffs the county redevelopment authority.

Option 2: Create a redevelopment committee from the existing PPP Board

A special redevelopment committee would review and make recommendations to the PPP Board on redevelopment matters. The benefits of this option include using the expertise that would currently exist on the PPP Board. It would also keep projects and priorities very much coordinated and communicated. A potential obstacle is the difficulty in dismantling the current redevelopment board and transferring powers to a public-private partnership. This may likely require authorization from the State of Louisiana.

Brownfields Redevelopment

C. Staffing

Successful EDOs are distinguished by their abilities to be innovative and implement change. This success will be affected by the ability of the organization's leader to positively influence staff, organizational structure, and operational systems. An EDO's environment is made up of the values, beliefs, and norms of the organization's leadership.

Major staffing requirements for the new public-private partnership include a professional and experienced staff, and a staffing structure external to the City. The PPP must be able to hire professional and experienced staff at all levels of operations. Attracting staff with the required skills will require offering an attractive salary that, though perhaps still somewhat below private-sector amounts, would be combined with a public-interest mission and projects. Low city salaries have in the past hindered New Orleans from hiring effective and qualified economic development staff. That mistake should be avoided.

Chief Executive Officer (CEO) Leadership Qualities

A national search is essential to locate an experienced CEO to lead the partnership. It is recommended that the CEO be placed under a minimum 3-year contract. It is important that the CEO position is one of longevity.

The CEO is responsible for creating an organizational structure that works smoothly and effectively. Successful CEOs need to facilitate and design efficient systems for their boards, strategic plans, and personnel. Because of the unique demands of this position, some degree of risk taking is tolerable. CEOs should create structures that protect organizations from bad investments and processes that could undermine the organization. CEOs provide leadership, champion economic development in the community, and inspire their staff. A requisite skill in this position is

Successful PPP CEOs must have:

- A proven track record of proactively seeking development opportunities and successfully managing their implementation;
- An understanding of economic development principles and practices
- Experience with the economics of development projects, including the use of tax incentives;
- Experience in redevelopment and offering economic development opportunities to diverse groups including women, minorities, and small business with a focus on community revitalization.
- Communication skills, diplomacy, and the ability to negotiate political nuances and strike balances between the public and private sector.

D. Funding

There has been significant amount of support among the economic development community for a new public private partnership in New Orleans. A few private sector groups, the Horizon Initiative in particular, have stepped forward to offer investments, making a strong show for sustainability. The first year of any new organization is crucial, as it sets the path for economic development in the years to decades to come. Best practices point to the need for a new public-private partnership to receive a majority of public funding for the first few years. This will allow the organization to focus on program development and implementation, establish roles and legitimacy, and begin to show results. IEDC recommends that for the first two-to-three years the New Orleans PPP be wholly funded by public funds via the Economic Development Fund. From year three through five private sector funding should be phased in, with the sixth year goal to reach 50/50 funding on behalf of the public and private sectors.

Given the physical size of New Orleans, and the development opportunities and challenges, the PPP will require an estimated minimum \$3 million annual operating budget when fully functioning. For the first year the organization will be focused on ramping up operations and putting together structure and team. This year the organization is expected to require a \$2 million budget.

After the first year the private sector should begin to get involved in financially supporting the organization. At that point it will become clear what the organization's mission and structure is, and the private sector will feel much more comfortable investing. The Horizon Initiative has already declared their readiness to invest. The third year of investment should be about a 60-40 split, with the City still the major investor to ensure stability. During the fourth and fifth year the private sector should be much more involved, and a fifty-fifty split is ideal.

Funding Breakdown

Year 1-2:	City funds 100%
Year 3-4:	City funds 60%, Private Sector funds 40%
Year 4-5, onward:	50-50 split between the City and the Private Sector

E. Incorporation and Bylaws

The organization will need to be incorporated and gain a 501(C)(3) status. It is imperative that the new organization control its own incorporation status. It is not recommended that incorporation status is shared with an existing organization.

The bylaws define how the organization will be managed and operated. The Board of Directors will be responsible for overseeing the bylaws of the new organization. The bylaws should:

- Define the basic organizational structure;
- Determine which staff and board members have authority and decision-making responsibilities and how those responsibilities are carried out;
- Define the requirements and responsibilities of membership;
- Create a framework for the organization and aid in resolving internal disputes; and
- Describe the rules for calling board meetings and specify board member election procedures.²

² Adapted from the Washington, DC Business Resource Center website www.brc.dc.gov

F. Connectivity & Coordination with the City

The City and the PPP will work hand in hand to ensure economic development services are rendered efficiently and effectively. Some necessary functions will remain with the City, including safety and permits, overseeing grants & federal funding, approving incentives, contract administration, regulation, neighborhood services, housing, BRAC, international relations and workforce development.

The Public-Private partnership will be a more flexible organization, but will work with City plans and priorities, as well as be accountable for development goals. The following connective elements will ensure the partnership and the City are resourceful and collaborative:

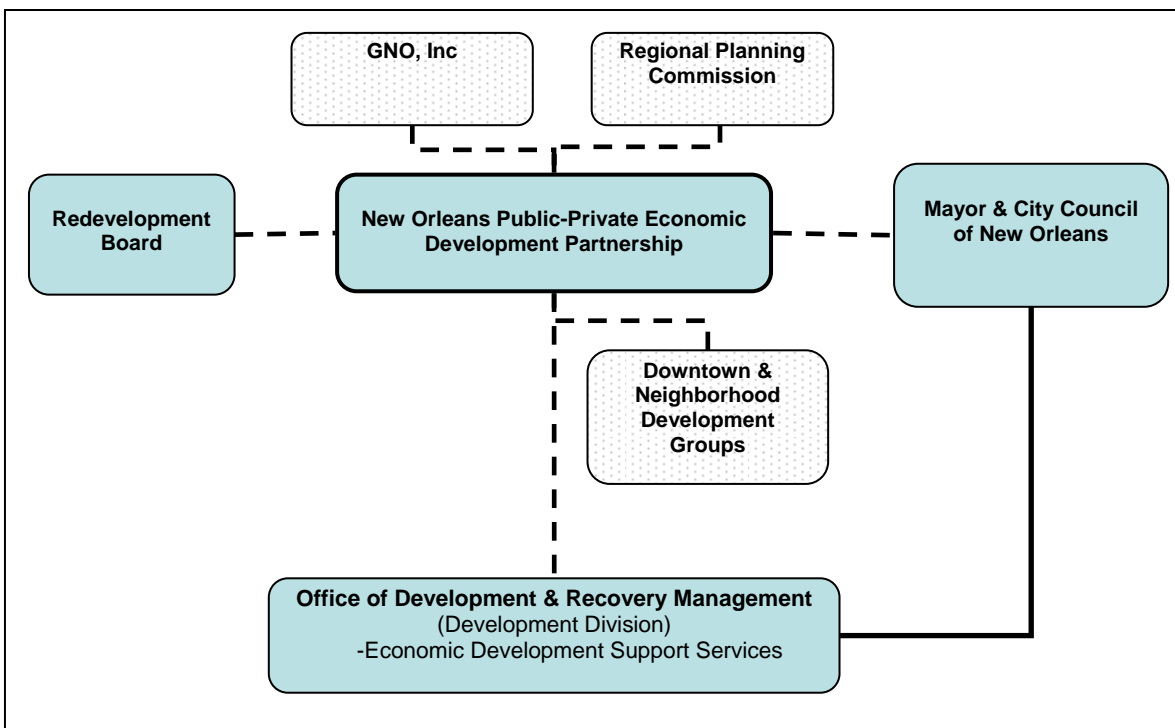
- *Funding and Strategy:* The PPP will be responsible for creating strategic plans that align with City and regional development goals. Public-sector representation on the board will help guide strategy and create appropriate performance measurements. The PPP will receive city funds and will be accountable for meeting goals and communicating performance to city officials and stakeholders.
- *Planning and Development Priorities:* The City, Orleans Parish and New Orleans Region work under (re)development plans, including the Unified New Orleans Plan (UNOP), the Comprehensive Economic Development Strategy, and the Ten Parish Regional Economic Development Roadmap. The PPP will look to these plans for guidance regarding programs, policies, opportunities, target sectors as well as development priorities. The PPP will work with implementing agencies, including the Office of Recovery Management and Development Administration, to best carve out roles and implement plans.
- *Policy and Communications:* The PPP will be, in many ways, the feet on the street for economic development in New Orleans. They will be working directly with current and prospective businesses, entrepreneurs, and development advocates. The information the PPP gains from stakeholders will be fed back into the economic development system to refine and create programs and policies that will make New Orleans more competitive and business-friendly. The knowledge the PPP collects will not be limited to information about traditional and direct economic development. They will likely learn about problems related to infrastructure, regulatory issues, police and fire, taxation and the general competitive conditions of the city compared to bench-mark communities. The leadership of the PPP should report this to the city on a regular basis and disseminate to partners.
- *Implementation:* In many cities throughout the United States, Economic Development Public-Private Partnerships serve as an implementation vehicle for municipal and parish/county government strategies. A partnership in New Orleans will be able to work in a more flexible way with other partners and bring in new talent and resources to leverage the implementation of City economic development objectives.

City Economic Development Division

The PPP must work efficiently with the City Economic Development Division, and the PPP will take the lead in setting up coordination processes. This should focus around ensuring businesses have a productive relationship with the City, including receiving permits in a timely manner. The specific route to coordination will be developed by the CEO and department heads of the PPP, and could include synchronized BRE strategies with specific roles for each entity, as well as established and ongoing cross-team meetings.

The following chart outlines how the new PPP will fit into the existing structure of New Orleans city Economic Development. The PPP, together with the City and City-affiliated entities noted (Mayor & City Council, Office of Recovery and Development Administration), the regional organizations noted (GNO Inc, and Regional Planning Commission) as well as the downtown and neighborhood development groups, make up the primary economic development delivery system for New Orleans. Here the redevelopment authority is included in its recommended structure as a separate board staffed by the PPP (or a committee of the PPP board). The PPP sits at the middle of the economic development system as the primary organizer of strategies and conduit of information and resources.

Figure 3: Proposed City Economic Development Delivery System



IV. Comparable Case Studies

A. St. Louis County Economic Council

St. Louis, MO

Brief History

A group of agencies were consolidated to form the St. Louis County Economic Council (SLCEC) in 1984 as a public-private partnership mandated to drive growth and prosperity within St. Louis County. The purpose of merging the agencies was to streamline the economic development delivery system, reduce duplications and maximize staff. The SLCEC's mission is to facilitate the development of long-term, diversified business and employment opportunities that will lead to increased wealth and well being for the citizens, businesses, and institutions of St. Louis County. Today the SLCEC is the umbrella organization serving seven distinct boards related to economic development in the County.

Area of Focus

The SLCEC serves the County of St. Louis, which had an estimated population of 1,000,510 in 2006. The Council's programs and services focus on job creation, business growth, industry diversification, and strategic redevelopment³.

- *Job Creation:* Job creation includes the creation, retention, expansion and attraction of high-quality, diverse employment opportunities.
- *Business Growth:* SLCEC has several programs to focus on nurturing start-up businesses and stimulating existing companies.
- *Industry Diversification:* A principal objective of SLCEC is to diversity the economy, with a focus on key target sectors. They work in multi-national, manufacturing, retail, aerospace and automobiles, life sciences and telecommunications, skilled trades to professional services. Since the 1990s, SLCEC has led the effort to address the impact of defense downsizing through strategic industry diversification. In fact, the County's AAA bond rating is primarily due to the fact that the area is not completely reliant on one sector, but has grown comprehensive wealth in a variety of areas.
- *Strategic Redevelopment:* Rebuilding and reinvigorating communities is at the heart of the redevelopment efforts. The organization facilitates the redevelopment process parcel by parcel, block by block, and neighborhood by neighborhood. Currently SLCEC is focusing on suburban rings that suffer from disinvestment. Revitalization activities include redevelopment of brownfields, land assembly, and more.

The SLCEC has a 43-person staff. Major organization divisions are the Real Estate & Community Development Division, Business Development Division, the Business Finance Division, the Center for Business Growth, and the St. Louis Enterprise Centers.

The Real Estate & Community Development Division focuses on project management and technical support services for real estate development & community revitalization. Services are offered to both public and private stakeholders. Special attention is given to sites that are abandoned, underutilized or contaminated. The division works very closely with public and private partners to collaborate on effectively using property.

³ SLCEC: Making a Difference, St. Louis County Economic Council, March 2008

The Business Development Division is the group to oversee business attraction, retention and expansion in St. Louis County. The mission of SLCEC's Business Development Division is to promote and maintain a healthy business environment in St. Louis County. SLCEC's Business Development staff assist businesses by providing site selection assistance and site selection database, financial incentives and tax abatements for businesses, assisting with compliance matters such as licensing, permits and code, enforcement issues, liaison with government and workforce information and assistance.

The Business Finance Division offers financial products and services for growing small businesses, and is the St. Louis County 504 loan lender.

Center for Business Growth provides assistance and support to a broad group of small to mid-size businesses in the St. Louis region through advisory and mentoring programs, education, networking, and more. The Center for Business Growth strives to establish collaborative strategic alliances with the private, public, and educational sectors to support small to mid-size business growth resulting in job creation and revenue increases for the St. Louis region.

St. Louis Enterprise Centers offer supportive environments for business. SLCEC currently operates four state-of-the-art facilities serving nearly 100 client companies.

The World Trade Center St. Louis offers market research, education and training, seminars and networking events, with the goal of guiding and preparing businesses for international success. SLCEC purchased the World Trade Center franchise in the early 1990s.

Organizational Structure

The SLCEC board of directors is the umbrella board for all economic development activity in St. Louis County. Its 15-member board is comprised of seven members appointed directly by the St. Louis County Executive, six members indirectly appointed by the St. Louis County Executive and two members appointed by Business Finance Corporation.

There are 7 boards under the SLCEC board. This means that the boards stand alone, but the SLCEC staffs the activities of the board. This structure was developed as a conscious effort to house all economic development-related activities in one place. SLCEC President & CEO, Denny Coleman, notes that it is crucial to unite activities to ensure that decisions and activities are coordinated, and that there is one face to economic development.

The Boards that are staffed by the SLCEC include:

- The Land Clearance for Redevelopment Authority of the County of St. Louis (LCRA)
- The Industrial Development Authority of the County of St. Louis
- St. Louis County Port Authority
- The Wellston Redevelopment Corporation
- Business Finance Corporation of St. Louis
- St. Louis Enterprise Centers Board of Directors
- World Trade Center Saint Louis

The Land Clearance for Redevelopment Authority of the County of St. Louis (LCRA)

The Land Clearance for Redevelopment Authority of the County of St. Louis (LCRA) was established pursuant to state statute for the purpose of eliminating or preventing blight in St. Louis County. LCRA is vested with broad authority to undertake activities intended to correct blighted conditions, including, among others, the ability to prepare and implement redevelopment plans and projects; to contract for services in furtherance of such projects; and to acquire property and prepare it for redevelopment. LCRA, which consists of a five-member board appointed by the St. Louis County Executive and confirmed by the County Council, may administer economic and community

redevelopment projects throughout the County and in municipalities that have authorized it to operate within their jurisdiction.

The Industrial Development Authority of the County of St. Louis

The Industrial Development Authority of St. Louis County administers the industrial development bond program (IDB) in St. Louis County. Bonds issued through the program enjoy a tax-exempt status, providing low interest rate-financing for qualifying businesses. Federal law limits the availability of bonds to manufacturers and 501(C)(3) corporations. In addition, low-interest taxable bond programs have recently been introduced. The board of directors consists of nine members appointed by the St. Louis County Executive.

St. Louis County Port Authority

The St. Louis County Port Authority was established by Missouri state statute for four purposes: promote the general welfare; encourage private capital investment by fostering the creation of industrial facilities and industrial parks within the port district; endeavor to increase the volume of commerce; promote the establishment of a foreign trade zone within the port district. The St. Louis County Port Authority is a seven-member board of commissioners appointed by the St. Louis County Executive and confirmed by a majority of the St. Louis County Council.

The Wellston Redevelopment Corporation

The Wellston Redevelopment Corporation (WRC) is a redevelopment entity created to administer economic and community redevelopment in Wellston, Missouri. The WRC's role is to review and approve redevelopment proposals to ensure that such activities are in accordance with a comprehensive redevelopment plan adopted by the city. The WRC represents a unique collaboration between St. Louis County, the City of Wellston and members of the Wellston business community. The board is comprised of two representatives from the Land Clearance for Redevelopment Authority of the County of St. Louis, two representatives from the Land Clearance for Redevelopment Authority of the City of Wellston and a representative from one of Wellston's major employers.

Business Finance Corporation of St. Louis

The Business Finance Corporation (BFC) administers the SBA 504 Loan Program and other small loan programs. The corporation consists of 25 members, including nine board members who are elected from the membership.

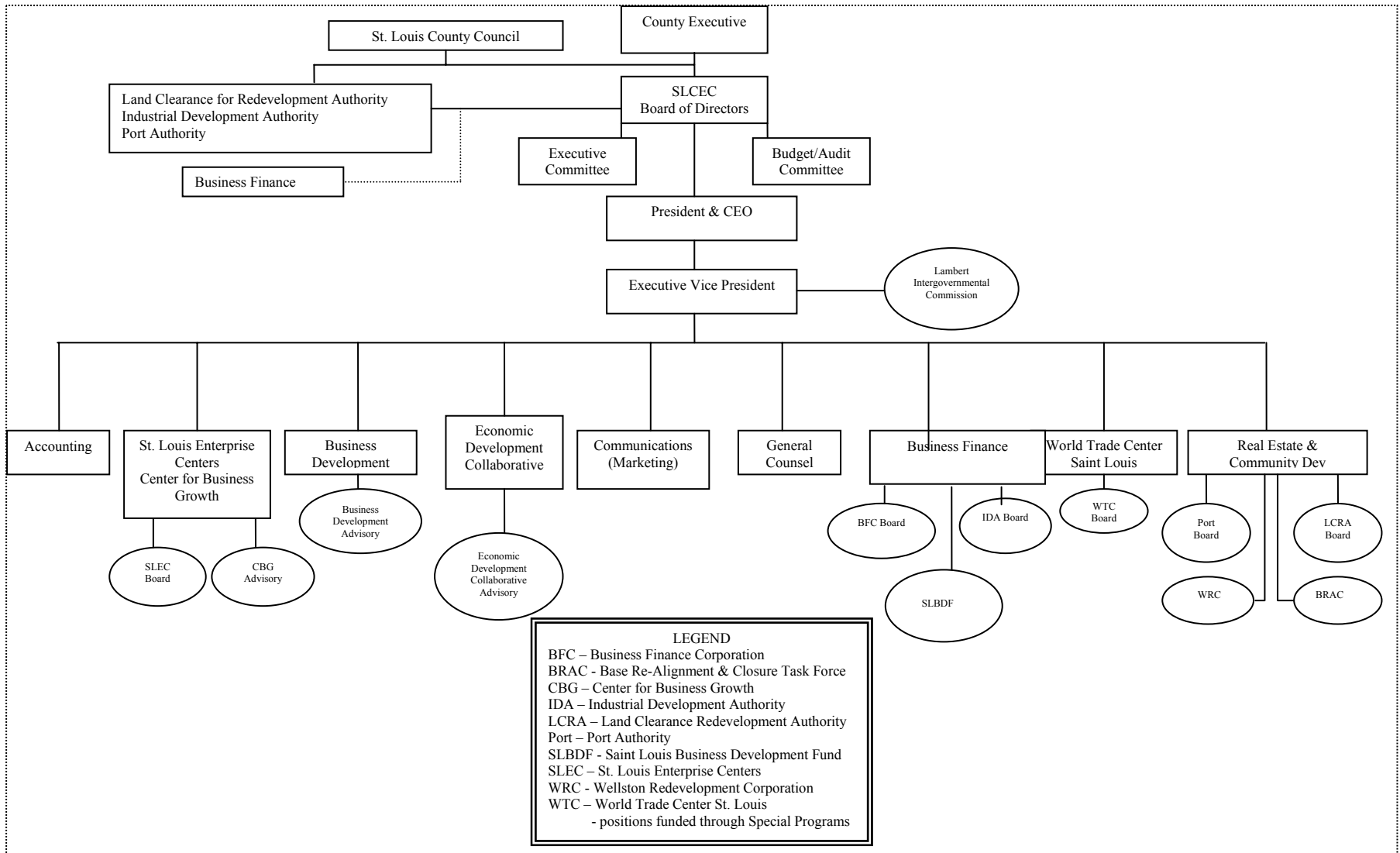
St. Louis Enterprise Centers Board of Directors

St. Louis Enterprise Centers is a not-for-profit corporation comprised of 20 board members and organized to provide the St. Louis region with a program of resources and services that contribute to the success rate of business start-ups. The resources and services include financial assistance, space rental, shared client services and on-site management consulting. The board of directors is responsible for oversight management of the property and affairs of the corporation, participation in Enterprise Center applicant selection, and mentoring Enterprise Center client companies. The Enterprise Centers are professionally managed by St. Louis County Economic Council.

World Trade Center Saint Louis

The World Trade Center Saint Louis board of directors provides strategic direction and serves as a catalyst for new ideas in identifying growth opportunities for international business in St. Louis. The Board is comprised of nearly 40 international business leaders with significant track records of accomplishment in international trade and development. Representatives of public sector entities directly impacting international trade also participate on the board.

Figure 4: St. Louis County Economic Development Council Chart



Resources

*Budget & Staff*⁴

The total budget for the SLCEC's operating departments is \$5 million. In addition to 1 member board of directors, the SLCEC has a 43 member staff in six divisions. The budget figure does not include supplemental programs such as the 'brownfield development'. There is an emphasis on transparency for the organizational expenditures and investments.

*Funding*⁵

The major sources of funding for the SLCEC are: St. Louis County general revenue and donations, fees for services rendered. The County provides 1/3 of income taxes to the state and 1/2 the economy for the region. Revenue sources include incubator rent, land issuance fees, loan fees/interest income/success fees, development fees, memberships, corporate event sponsorships, incentive fees, and negotiated casino rental fees. For the corporate event sponsorships alone, \$200,000 is generated annually.

Powers

The SLCEC has the power of influence and administrative execution through the seven constituent Boards. Given the Economic Council's role as an 'umbrella board', the organization has the capacity to facilitate collaborative efforts that cross the jurisdictions of 91 municipalities, while ensuring interactions beyond borders.

SLCEC is recognized as the primary entity for overseeing and implementing economic development in St. Louis. Through serving as the umbrella organization for all activities, they are able to coordinate efforts. The organization recognizes the following as major factors in the success of an economic development public-private partnership:

- *Strong relationship with public leaders and integrally involved with the political process:* The President & CEO of SLCEC meets weekly with the St. Louis County Executive, and is a member of the cabinet that meets monthly with executive staff.
- *Continuity in Leadership:* Many of the management staff at SLCEC has been with the organization for 15 years or more.
- *Involving and Linking Key Stakeholders:* Many SLCEC examples point to projects that were successful because of collaboration. For example, the Wellston Redevelopment Corporation was formed to ensure the local community was engaged in and leading the redevelopment of the area. The Intergovernmental Commission was formed to manage the collaboration of six distinct governmental units coming together, and resulted in effectively managing a 550 acre business park.

⁴ Coleman, D.G. (2008). "New Orleans Public/Private EcDev Partnership." IEDC Site Visit.

⁵ Coleman, D.G. (2008). Interview.

B. Washington, DC Economic Partnership⁶

Washington, D.C.

The Washington, DC Economic Partnership (formerly the Washington, DC Marketing Center) is a public/private partnership facilitating economic development in the District of Columbia. WDCEP is a non-profit organization that partners with a variety of community stakeholders to contribute to business retention and attraction activities and promote business opportunities throughout the district. It is the primary point of contact for development and business opportunity interests in Washington, DC.

Areas of Focus

The Washington, DC Economic Partnership focuses on several key areas of economic development within the district. Business Development, Retail Opportunities, and current Development Activities are the primary targets of WDCEP services.

Business Development tools provided by WDCEP include incorporation with the Business Premiere network, various business financing options, location assistance, information assistance and outreach. WDCEP business development initiatives include:

- Small and minority business development in the District's neighborhoods
- Small business assistance and business start-up help
- Tenant retention in the office market including creation of a rapid response task force to respond to office relocation threats
- Office attraction and relocation assistance to the District
- Outreach visits with District companies and businesses – DC Business Connections
- Marketing of business incentives and resources to brokers, developers and prospects
- Inventory of leases, buildings, opportunity sites, etc.
- Partnerships with brokers and developers
- Policy analysis and recommendations on business impediments, incentives, taxes, regulatory processes, etc.
- Promoting the District's unique business advantages through publications, trade shows, the print media and educational seminars

Retail Opportunity tools provided by WDCEP include Retail Space search, DC Main Streets Initiative assistance, Demographic background data, and various other retail development and incentive assistance programs.

- Retail attraction efforts that encourage retailers to locate in the District, especially the neighborhood commercial corridors
- Marketing retail opportunities to retailers and commercial developers
- Coordinating the District's retail initiative and opportunities at ICSC conventions in New York, Washington, and Las Vegas
- Maintaining an inventory of retail opportunity spaces and sites
- Partnerships with retail brokers and developers
- Research into the retail potential of the District
- Developing marketing materials to support retail attraction
- Marketing DC Government and NCRC controlled sites for retail development
- Providing support to the 12 DC Main Streets programs
- Creating a District wide retail attraction strategy and framework for action

⁶ Washington, DC Economic Partnership. www.wdcep.com.

- Coordinating visits to and site tours of the District and its retail opportunities by retailers, commercial developers and brokers
- Coordinating quarterly visits to the District by retail clusters

Research & Information. WDCEP strives to serve as a "one stop shop" and first point of contact for information and data related to the District's economy and development opportunities. This is done through the following tasks.

- Research into the District's core economies and market segments
- Tracking District development and employment trends
- Creation and maintenance of District development projects database
- Database of DC development opportunities – leases, buildings, opportunity sites and vision plans
- Renovation and maintenance of the Washington, DC Economic Partnership's website
- Production of maps and supporting demographic documentation
- Tracking of District building permit data
- Publication of development trends and permit data
- Coordination of a DC research consortium that involves other District organizations in research initiatives
- Additional neighborhood research using the Social Compact methodology

Marketing & Communications goals are to reposition the District's image through marketing and PR campaigns that reach local, regional, national and international markets. This includes the creation of a year-round marketing campaign and consistent system of outreach materials that "sell" the District as a world-class business environment.

Current Development Activity is tracked and monitored by the WDCEP to offer insight to the strength and diversity of the DC economy as well as its overall health. Current activity is categorized into Office, Retail, Residential, Hospitality, and Education.

The WDCEP's retail attraction energy involves all retail attraction, retention and expansion. A semi-annual Retail Summit is held in Washington, DC to discuss current topics and issues related to retail attraction. Site location assistance is provided to retail endeavors seeking it, as well as a "Doing Business" guide and neighborhood profiles.

Database Management for WDCEP involves Geographic Information Systems analysis and visualization of spatial data. CoStar Commercial Real Estate Information provides WDCEP with real time real estate market data. Aerial photography and virtual mapping of the entire city help WDCEP assess the current location orientation of any property. These database management programs assist with site selection.

A fundamental operational goal for the Washington, DC Economic Partnership is to be an information clearinghouse and a first point of contact for a variety of information on the District's business opportunities. The organization publishes the following materials:

- The DC Development Report
- Doing Business in DC (illustrates the process and steps necessary to start a business in DC)
- Neighborhood Profiles
- Retail Opportunities (including sites, projects, or lease space)
- State of Associations & Non-profits

Structure/Organization⁷

The WDCEP organization is a 501(C) 3 non-profit lead by a CEO, and a COO with a 21 member board comprised of public officials, higher education institution members, and private industry representatives. The deputy mayor of Washington, DC and a prominent business leader serve as co-chairs. The WDCEP has a staff of 10 people overseeing daily operations with a 2008 FY budget of \$3.2 million.

⁷ Moore. S. (2008). "New Orleans Public/Private EcDev Partnership." IEDC Site Visit.

C. Redevelopment Authority of Allegheny County

Pennsylvania

The Redevelopment Authority of Allegheny County (RAAC), Pennsylvania was established by the PA Urban Redevelopment Law in 1945, and chartered under the Commonwealth of PA, in 1950. The Allegheny County Board of Commissioners established the Authority to assist in the generation, stimulation and management of economic and community growth. The Authority is responsible for acquiring and preparing real estate for economic development activities, managing finances from various public sources, and facilitating the reuse of vacant, tax-delinquent, or blighted property.⁸

The RAAC was a stand-alone organization that reported directly to the Allegheny County Commissioners until 1995. At that point the Authority was restructured to remove the director and staff, thus becoming a ‘paper’ agency. Today, the RAAC is an independent authority overseen by a volunteer Board of Directors. It is managed by county staff under an agreement with the Allegheny County Department of Economic Development (ACED).

The new structure allows for the efficient operation of redevelopment projects by executing many functions and processes outside of county government. Beyond efficiency, the ACED notes other benefits to include:⁹

- One stop shop for clientele
- Staff driven projects
- Ability to control the process
- Grants and bond issues generate fee income
- Contractual process is smoother than that of a typical government

Areas of Focus

RAAC is busiest authority in Alleghany County. The Authority often concentrates on large-scale redevelopment projects, particularly brownfields. The Authority is active in acquisition and remediation of brownfields, and works with developers to sell or develop sites. This is actually done through the County Business Development Department. They often identify brownfield sites, research federal or state grant opportunities to remediate the site and, if possible, build infrastructure for future or partner development.

The RAAC Core Activities include¹⁰:

- Economic Development Fund (EDF). RAAC is responsible for administering the County’s \$50 million low-interest revolving loan fund that was established in 1995 to create and preserve jobs in the region. Since its inception, EDF has created or retained an estimated 6,360 jobs by investing \$43.8 million in local companies.
- Redevelopment and Development Projects. RAAC coordinates comprehensive plans with local municipalities and conducts economic feasibility studies to leverage County resources for redevelopment projects to benefit the local tax base. In addition, the Development Division is engaged in property acquisition, site development and redevelopment, and infrastructure improvement. In these efforts, the Division partners with municipalities, developers, public agencies, nonprofit development organizations, brokers, agents, architects, engineers,

⁸ Alleghany County Economic Development.

http://www.county.allegheny.pa.us/ecodev/authorities/redevelopment_overview.aspx

⁹ “Allegheny County Economic Development and its Authorities”, presented by ACED, 2006.

¹⁰ Allegheny County, http://www.county.allegheny.pa.us/ecodev/authorities/redevelopment_overview.aspx

contractors and lending institutions to ensure that the necessary resources are available to support each project.

- Tax Increment Financing (TIF). RAAC manages TIF plans to finance public infrastructure improvements that allow redevelopment activities to take place. A portion of the new assessed value of the property creates new tax revenues that are used to pay off debt issued to finance the improvements. All TIF districts are collaborative efforts involving municipalities and school districts as well as the County.
- Housing Redevelopment. RAAC aids ACED housing initiatives with financing, business development, master planning and reclamation activities. Programs assisted include the Allegheny Home Improvement Loan Program (AHILP), the Allegheny Vacant Property Recovery Program and large-scale housing redevelopments.

The RAAC is looking to get more involved with neighborhood revitalization. In Allegheny County there are 130 incorporated municipalities, which mean working with distinct neighborhoods requires a high-level of involvement and coordination.

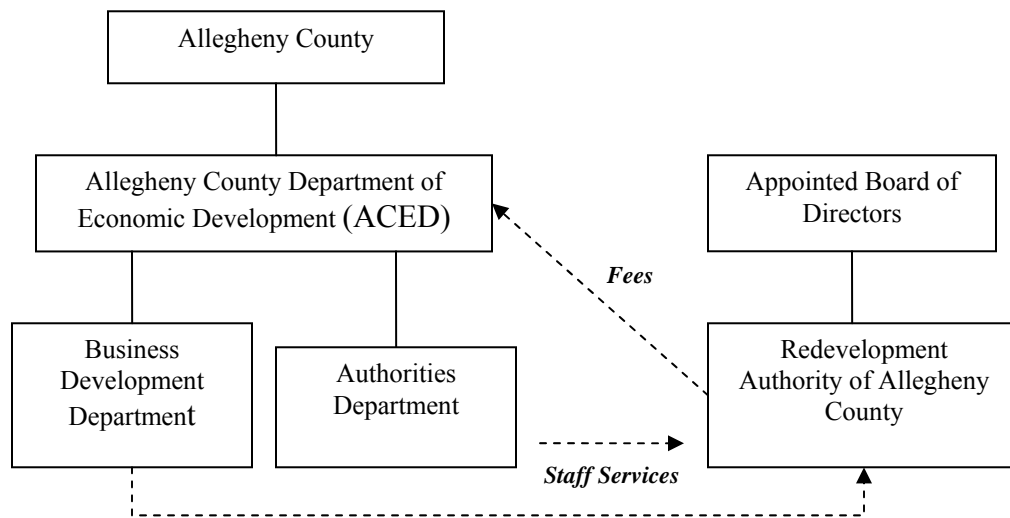
Structure

The Redevelopment Authority is managed under an agreement with the Allegheny County Department of Economic Development (ACED). The ACED has a total of six authorities, all of which are directed by the ACED Executive Director.

RAAC staff is provided by Allegheny County via the ACED. Day-to-day operations are managed by the County Authorities Department employees including a manager, two project managers, and one administrative assistant. Other county employees are assigned to projects as needed. Business Development Department employees usually work on specific redevelopment projects. For example, the Development Group within the Business Development Department is primarily responsible for working with brownfield sites and other redevelopment projects.

The five-member Redevelopment Board of Directors is appointed by the Chief Executive.¹¹ Board members cannot be dismissed until their term ends. The members are appointed for a five-year staggered term.

Redevelopment Authority of Allegheny County Structure



¹¹ In 2000 Allegheny County became a Home Rule County

The Board of Directors is a staff-driven board. The Authorities Department staff prepare the agenda items and bring projects to the board for their approval. The board relies on staff to provide them with all necessary information. According to the Board of Director's Chairman, the staff does an excellent job of presenting quality proposals forth. The board reviews them quite thoroughly to ensure projects are worthy of having government participation, as well as ensuring that they benefit a major portion of the county.

The board is able to act efficiently, largely due to the fact that staff presents only thoroughly developed proposals that meet the board's standards.

The Board of Directors meets once a month in public meetings. The Board does not work directly with the County Chief Executive or County Commissioners. The staff ensures county government officials are informed. Transparency and constant communication means there are few problems or uncertainties raised by County leadership. As a courtesy, the Business Development of ACED group provides the chief executive a monthly listing of projects.

The Chief Executive of Allegheny County determines the Mission towards which all Departments and Authorities achieve. The primary objectives include developing areas surrounding the airport and redeveloping brownfield sites. Allegheny County is currently developing a consolidated plan to further guide all redevelopment projects in the county.

Powers

The Redevelopment Authority has many of the powers of the County government. This includes issuance of limited obligation bonds and eminent domain.

RAAC issues limited obligations bonds. The County is never liable for bond payment or providing revenue, and the city is protected from legal prosecution. The bond financing is carefully structured to ensure that, in the case of a default, the security laid down in the form of real-estate is sufficient to cover the default. Bonds almost always carry insurance. Investors often require or feel more comfortable with insurance attached to a bond.

The Authority does not have to approach any form of government for authorization to issue bonds. However, tax exempt bonds need the highest elected official's approval for the issuance of bonds, or the County Executive.

The State Urban Redevelopment Law of 1945 provides Authorities with powers of eminent domain. As such, RAAC is able to employ eminent domain to tackle large-scale redevelopment projects.

Finances

The RAAC signs an annual agreement with the Allegheny County Department of Economic Development (ACED) to determine services and fees. The Agreement determines that AEDC agrees to provide direct services to RAAC, including staff personnel, office space and utilities, and other administrative or secretarial services. The RAAC agrees to pay the ACED a set amount each year to defray administrative costs. In 2006 the amount was \$200,000. Besides the set fees, the County has a fee structure in place for bonds issued by RAAC. Such fees go directly into the general fund to pay for overhead and indirect costs.

The RAAC is a conduit for many state and federal grants. The AEDC charges a fee to administer those grants if appropriate. It is much easier for the Authority to be the applicant and recipient for a grant because of the somewhat onerous legislative process a County government must go through

for approval. The RAAC board approves grants that come in and the County can thus administer the grant much more efficiently.

The total annual operating budget of RAAC is about \$1.4 million. The organization's revenue is generated from annual administrative fees, annual Tax Increment Financing fees, the Economic Development Fund, interest income, Redevelopment Assistance Capital Program grant revenue, and other income.

V. Appendix

A. New Orleans Economic Development Partner Survey

Summary of Responses

Total number of Survey's received: 36

1. **What does your organization believe are the three major issues or challenges to rebuild or redevelop New Orleans?**
 1. *Crime*
 2. *Business Retention and Attraction/ Economic Development / Workforce Development*
 3. *Education*
 4. *Infrastructure*
 5. *Leadership/ Government / Bureaucracy,*
 6. *Corruption*

2. **What city, federal, state programs do you find most effective for business development or City development?**

GoZone (Gulf Opportunity)
Community Development Block Grants – HUD
Restoration Tax Abatement
Empowerment Zone Incentives
New Market Tax Credit
EDA, CDFI Fund, DBE, SBA MicroLoan
Main Street Program
Historical Tax Credits
Louisiana Forward: Louisiana Economic Development

3. **What do you consider the major problems in the city's current delivery of economic development services?** *Services may include small or minority business assistance, workforce development, permitting, incentives, retaining or attracting businesses, or others.*

No clear vision
Lack of coordination/communication for the delivery of resources
Red tape, slow permitting process
Leadership, Follow-through
Job training, WF development
Absent small/minority business initiatives, BRE
Infrastructure

4. **What are programs do you believe are needed to spur economic development in New Orleans?**

Public/private ED partnership
Start-up tax incentives
Streamline permitting
Low-interest, forgivable loans
Capacity building, Green tech building
Manufacturing support
Community policing

5. **How do you think you could best partner with a public/private EDO to meet your mission and/or contribute to economic development in the City?**
Formal partnerships, collaborations through short/long term goals
Horizon Initiative
Training, support, contacts through the port for international trade

6. **Are there particular policies that currently hurt businesses or workers that must be modified?**
Lack of emphasis on WF training
Tax policies that don't encourage long-term investment
Permitting process, zoning regulations
Bureaucracy (!)
Crime, corruption
Inconsistent code enforcement
No comprehensive ED plan, perception of NO as graft
Ineptitude

7. **Do you have any suggestions on the creation of a public/private economic development organization in New Orleans?**
Opinion on structure, functions, partnerships, etc..
Economic stakeholder roundtable for suggestions, should include all sectors (public, private, non-profit)
Structured similar to Horizon
More emphasis on private effort, less on bureaucracy
EDOs need to work in conjunction with one another, separate from changes in government administration
Best-practices training
Accountability to public
Predictable funding, defined roles, one overarching entity
Meet regularly with Ed Blakely
Include business and university representatives.

8. **Additional Comments:**
Processes should be more accessible
Horizon model should be used
Organization, coordination, transparency, cooperation all necessary
Access commonalities and unique strengths of EDO's
Umbrella strategy/brand that is accommodating to sub-strategies
Privatization of EDO away from politics
Action
Immediate implementation of study findings

List of Acronyms

AEDO	Accredited Economic Development Organization
CDBG	Community Development Block Grant
CEDS	Comprehensive Economic Development Strategy
EDA	Economic Development Administration
EDO	Economic Development Organization
GNO Inc	Greater New Orleans, Inc.
IEDC	International Economic Development Council
NORA	New Orleans Redevelopment Authority
ORDA	Office of Recovery and Development Administration
PPP	Public Private Partnership
REALM	Real Estate Acquisition and Land-banking Mechanism
SLCEC	St. Louis County Economic Council
TIF	Tax Increment Financing
UNOP	Unified New Orleans Plan
WDCEP	Washington, DC Economic Partnership