

To: Members of the Bloomington Common Council

From: Isak Asare, Councilmember At-Large

Date: Aug 15th, 2024

Subject: RE: Letter in Support for Economic Development District (EDD) Designation and Key Considerations

MAIN POINT: A current proposal to start work towards establishing an Economic Development District between Owen, Brown, and Monroe Counties is going to be submitted to the EDA in the next few months. Though not necessary for the initiative to continue, It is recommended that Council members sign the attached letter to support this initiative, which aims to enhance regional economic growth and collaboration. The current memo provides background information for the letter.

Purpose of the Memo

I am writing to explain the accompanying letter addressed to the Economic Development Administration (EDA) in the U.S. Department of Commerce. The letter expresses the Bloomington City Council's support for the initiative, in collaboration with Owen and Brown counties, to start the process of trying to secure a designation for a new Economic Development District (EDD) for our region.

What is an EDD?

Economic Development Districts (EDDs) are specific regions designated by the U.S. Department of Commerce's Economic Development Administration (EDA). These districts are often created to support and promote economic growth, particularly in areas that are economically distressed. The primary goal of EDDs is to help regions create jobs, attract private investment, and promote sustainable economic development through a coordinated regional strategy.

EDDs typically consist of multiple counties or municipalities that work together to create and implement a Comprehensive Economic Development Strategy (CEDS). This strategy encompasses plans for infrastructure improvement, workforce development, business retention and expansion, community development etc. The EDA provides funding and technical assistance to support these efforts, making EDDs useful in coordinating regional economic development initiatives and ensuring effective use of federal resources.

What is a CEDS?

A Comprehensive Economic Development Strategy (CEDS) is a strategic planning document and process that is established to help guide the economic growth of a region. It is designed to promote sustainable economic development and improve quality of life by aligning local goals with actionable strategies.

The CEDS process is crucial not only for securing EDD designation but also for ensuring that regional economic development efforts are strategic, inclusive, and sustainable.

The CEDS process is flexible and iterative, allowing for adjustments based on ongoing feedback and changing regional needs. This flexibility could help address long-term concerns as the strategy evolves.

Current Application Stage and Next Steps

The proposed EDD for Owen, Monroe, and Brown counties is currently in the preliminary stages of the application process. A crucial part of this process is the development of a Comprehensive Economic Development Strategy (CEDS). Our region is in the process of applying for funding through the EDA's Short Term Planning Program to support the creation of a CEDS. This strategy will serve as the foundational document that guides the economic development efforts of the EDD.

Following the completion of the CEDS, the region, should we choose to continue, will then proceed with application to the EDA for EDD designation.

Importantly, though we are joining in support of the current stage of application, this is not us agreeing to move forward with an EDD. Though there are significant potential benefits if done correctly, at this stage we are simply endorsing the idea of moving forward with an application for partial funding to support the creation of a CEDS plan. The CEDS plan will help us navigate, explore, and plan for some of the potential challenges associated with an EDD designation.

Potential Concerns with Pursuing the EDD Designation

While the EDD designation offers significant benefits, there are potential concerns that need to be considered:

- **Administrative Burden:** The effort required to develop and maintain an EDD, including compliance and reporting requirements.
- **Resource Constraints:** The need for adequate resources, including staff, expertise, and funding, to manage the EDD effectively.
- **Local Autonomy:** The potential impact on local decision-making authority when aligning with regional strategies.
- **Political Differences:** Variances in political priorities among counties that could hinder effective collaboration.
- **Diverse Economic Conditions:** Varied economic needs and conditions across counties that might complicate the development of a cohesive regional strategy.
- **Existing Development Programs:** The potential for conflicts or synergies between the EDD and existing economic development initiatives.
- **Perceived Limited Benefits:** Concerns that the benefits of EDD designation may not justify the effort and resources required.
- **Long-term Commitment:** Uncertainty about the long-term viability or benefits of committing to an EDD.

How the CEDS Process Addresses These Concerns

The CEDS process is designed to help mitigate many of these concerns:

- **Administrative Burden:** By clearly defining roles, responsibilities, and processes, the CEDS can streamline administrative tasks and reduce the overall burden.
- **Resource Constraints:** The CEDS process identifies resource gaps and explores potential funding opportunities, partnerships, and support mechanisms to address them.
- **Local Autonomy:** The CEDS respects and integrates local priorities into the regional strategy, allowing for a balance between regional collaboration and local control.
- **Political Differences:** Through stakeholder engagement and consensus-building, the CEDS process aligns diverse political priorities around common goals.
- **Diverse Economic Conditions:** The CEDS process is data-driven, ensuring that the strategy addresses the unique economic conditions and needs of each county.
- **Existing Development Programs:** The CEDS process allows for a comprehensive review and integration of existing initiatives, fostering synergies and avoiding conflicts.
- **Perceived Limited Benefits:** The CEDS helps clarify the value proposition of EDD designation by documenting expected benefits and ensuring the strategy maximizes returns on investment.
- **Long-term Commitment:** The CEDS includes long-term planning and vision-setting, with built-in reassessment points and exit strategies if needed.

As mentioned earlier, the CEDS process is flexible and iterative. Furthermore, the CEDS process requires ample stakeholder engagement. It is the belief of this councilmember that doing the CEDS process alone will be a fruitful endeavor for our region.

Support from Other Elected Officials and Bodies

The initiative is being championed by Owen County chamber and the relevant EDCs. The executives, town, and county councils and commissioners in Brown and Owen County have already submitted letters of support . In Monroe County, our colleagues at The County Council have approved their letter, and the Mayor and County Commissioners, and Town Council of Ellettsville have indicated their support as well. The BEDC and IU have also written letters of support for the effort.

Important Note:

According to the EDA, “The Federal share of a Planning award generally may not exceed 50 percent of the total cost of the project.” It is estimated that a full CEDS will cost around \$80-\$100,000. Should we be selected for this fund we will need between the 3 counties to fund 40-50k. The expectation is that this will be shared evenly between the three counties. So Monroe county should expect to pay \$15-\$20k for the completion of the CEDS.

Conclusion

I would like to recommend that my colleagues join me in supporting this application for EDA’s Short Term Planning Program funding to support the creation of a CEDS, recognizing the potential benefits for our region. However, it is essential to address the concerns associated with this process thoughtfully. The CEDS process will be a critical tool in ensuring that our approach to regional economic development is both strategic and sustainable.