



Economic Development For Small Cities

A City Practice Brief

Winter 2009

Smaller cities face special challenges in competing for businesses to stimulate the local economy. Fortunately, creative leaders have developed ways of promoting their communities' strengths. Careful economic development planning efforts, sometimes using downtown business associations as valuable allies in the city's efforts, have been successful in developing and retaining businesses in these smaller cities.

Cities have invented creative financing options, such as forgiveness loans or micro-enterprise loans, to provide incentives for businesses to locate in or remain in their communities. They have used state of the art technology to level the playing field with larger, wealthier communities. Professionally designed websites promote the cities far and wide and cast a wide net to draw in the most desirable industries.

The following programs are a selection of economic development efforts from a variety of small cities (population under 30,000) that can be adapted to fit the needs of your own community. For more examples, visit the City Practice database, at www.nlc.org → About Cities → City Practice Resources.

Downtown Business Association as City Economic Development Office

City: **Marion, North Carolina**

Population: 4,943

For more information, contact: Freddie Killough, Executive Director
(828) 652-2215 / freddiek@verizon.net

Marion's Downtown Business Association is also the designated economic development agency of the city. This includes all commercial, retail, service, tourism, and governmental facility related development, but not industrial development. The agreement is for a three year term and will pay the DBA \$26,000 per year. Other duties of the DBA under the agreement are to maintain files on available properties in the city, assist prospective new businesses by providing relevant information, maintain current information of available financial assistance for small businesses, actively recruit new businesses, and pursue grant writing opportunities. The program leads to more inclusion and better communication citywide. Find it on the Web at: <http://www.downtown.marion.org>.

Forgiveness Loan Program

City: **Moraine, Ohio**

Population: 6,897

For more information, contact: Mike Davis, Economic Development Director
(937) 535-1034 / email

Moraine's Forgiveness Loan Program is an incentive program that uses the security and guarantee of employment payroll, job growth, and retention as the basis for offering financial incentives to help with expansion, purchase, renovation, and/or relocation of a business. The program uses a job creation/retention formula that secures a substantial taxable payroll for a specified number of years in return for a forgivable incentive for the business that retires incrementally by percentage during the life of the agreement. The program has had a positive impact in Moraine and has established itself as the premier economic incentive driver in the Miami Valley region.

Andrews Business and Technology Center

City: **Andrews, Texas**

Population: 9,652

For more information, contact: (432) 335-6400

The Andrews Business and Technology Center provides higher education, vocational training and workforce development. It is a partnership among Andrews County, the Andrews Independent School District, the City of Andrews, Odessa College, and University of Texas at Permian Basin. The goals are to improve the skills of the local workforce, increase retention of young adults, provide an affordable and accessible higher education alternative, and attract business investment. Odessa College manages the instruction, curriculum, and administration. The center also provides continuing education for the area's largest employers.

Blue Ash Advance

City: **Blue Ash, Ohio**

Population: 11,537

For more information, contact: Judy Harris Clark, Economic Development Director
(513) 745-8524 / jlark@blueash.com

The Blue Ash municipal website is dedicated to promoting the city's outstanding attributes as a valuable resource to prospective businesses looking for a high quality, progressive, and business-friendly city in the Cincinnati region. The site is a one-stop resource geared toward professionals who desire information in the following categories: Business Climate, Site Selection, City Resources, Development Information, and Lifestyle and Culture. The site's contemporary and professional design, successfully overcome the challenge of organizing large quantities of pertinent information in an easy-to-navigate and visually attractive format. Find it on the Web at: <http://www.blueashadvance.com>.

Arlington Economic Development Plan

City: **Arlington, Washington**

Population: 11,713

For more information, contact: Brad Collins, Community Development Director
(360) 403-3445 / bcollins@ci.arlington.wa.us

The Arlington Economic Development Plan was drafted to maintain Arlington's small city identity while providing room for economic expansion in thriving commercial districts, safe neighborhoods, an expanding airport, great services, recreational opportunities, and a more beautiful environment. The city, at the northern edge of the Seattle Metropolitan Area, has a strong economic base for manufacturing jobs. In the 2000 Census, the ratio between jobs and households was 2.2, roughly one job per adult. The Plan is designed to maintain that balance. Find it on the Web at: <http://http://www.ci.arlington.wa.us>.

3-D Downtown Project

City: **McMinnville, Tennessee**

Population: 13,311

For more information, contact: Chris Wilson
(931) 506-5335 / mainstmcminn@blomand.net

The City of McMinnville, through the efforts of Main Street McMinnville, became the first city in Tennessee to have its entire downtown modeled in 3-D. Using a Main Street Innovation grant from the Tennessee Department of Economic and Community Development, Main Street McMinnville recruited volunteer modelers from the local community to participate in the 3-D Downtown Project. The 3D models of downtown McMinnville, created using Google Sketch-Up (free), are available for anyone anywhere to view in Google Earth. The project is assisting local economic development activities in retail, residential, industrial, and visitor development, not only in downtown, but other areas of the city and county. The project serves as a model for other downtowns and municipalities. Find it on the Web at: <http://www.mainstreetmcminnville.org>.

The Dana Project

City: **Maumee, Ohio**

Population: 15,237

For more information, contact: John Jezak, City Administrator
(419) 897-7103 / jezak-john@maumee.org

In order to attract a Fortune 500 company, Maumee worked with a neighboring city and township to create tax sharing districts and resolve jurisdictional disputes. As a result, the company has developed a technology center in the city, where it already had several investments. The tract of land on which the technology center sits was purchased from another city, then annexed by Maumee. This area was designated as a tax sharing district: Maumee shares property tax revenues and a portion of income tax revenues with Monclova Township, where the tract of land is located. In the first two years the technology center was open, it generated \$962,000 in income tax revenue and created 450 new jobs. Additionally, the company invested \$70 million in construction and personal property at the technology center before it opened.

Catawba Meadows Sports Complex

City: **Morgantown, North Carolina**

Population: 17,310

For more information, contact: Lee E. Anderson, Director of Development
& Design Services
(828) 438-5270 / landerson@ci.morganton.nc.us

Morgantown operates the Catawba Meadows Sports Complex, a multi-use sports complex along 2.5 miles of riverfront property. This 13-field softball and baseball complex is part of a riverfront greenway, which includes a regional bikeway and pedestrian trails. A local sports promoter originally proposed the complex as a way to bolster the local economy through tourism from sporting events. Developed with funding from both the city and the sports promoter, the complex hosts local, regional, and national sports tournaments. The first weekend tournament held at the complex generated a 27% increase in sales for local businesses, including hotels, restaurants, and retail stores.

Development of the Natchitoches Events Center

City: **Natchitoches, Louisiana**

Population: 17,865

For more information, contact: Courtney Hornsby, Director
(318) 238-7500 / chornsby@ci.natchitoches.la.us

Natchitoches realized that, despite having a thriving tourist industry, the area was lacking a multi-purpose events and convention center. Therefore, the city opened a state of the art events center which includes three meeting rooms, a large exhibit hall area, an executive board room, and a full-size catering kitchen. Funding for the facility was allocated through state capital outlay funds and totaled \$8 million. The event center is operated and staffed by the City of Natchitoches with six full-time employees, a handful of part-time workers, and student interns. In its first two years the center has hosted more than 300 events. Not only has the facility increased the number of conferences and meetings held in the Natchitoches community, but it has served as an economic catalyst for local businesses such as restaurants, hotels, motels, and retail outlets. The Events Center has been recognized for its quality construction and positive contribution to Natchitoches.

Refugee Women's Network Micro-Enterprise Program

City: **Decatur, Georgia**

Population: 18,247

For more information, contact: BryAnn Chen, Executive Director
(404) 299-0180

The Refugee Women's Network (RWN) in Decatur, Georgia launched a micro-enterprise program based on requests from refugee and immigrant women who wanted help in starting their own businesses. RWN

offers a business training course on starting an entrepreneurship and conducts community outreach to attract participants. They also offer financial and technical assistance, as well as moral support for the participants. In 2005, RWN started a micro-loan program for program graduates. To assist with the application process, which includes submission of a business plan, the organization refers participants with limited English skills to other agencies for intensive English instruction. RWN also entered into a partnership with a local bank in Decatur for recipients interested in securing a larger loan. There is no requirement for legal status, although certain grants do require the status of refugees to be approved.

This Brief was developed by Cheryl Glaubinger, Library Assistant, National League of Cities.

City Practice Briefs contain examples from NLC's City Practice database, available at www.nlc.org. Series Editors: Bruce Calvin and Larry Foxman. For more information contact the NLC Municipal Reference Service at (202) 626-3130 or email mrs@nlc.org.