

The Role of the Local CAO in Contemporary Economic Development Practice

Virginia Local Government Management Association - Winter Conference
Harrisonburg, VA

John Accordino, PhD, FAICP
Virginia Commonwealth University
February 15, 2023

1

Yes, the Times are Changing

- Local economic development today –
- complex
- multi-faceted & multi-sectoral
- interconnected – regionally & globally.
- A challenge & an opportunity

2

It was simpler before.

- Industrial Attraction (smokestack chasing, buffalo hunting) – 1930s (& before)
- CAO's role – hire a good buffalo hunter, or



3

It was simpler before.

- Rationale – build the economic base (exports out of the region) and non-basic functions and employment will develop.
- Government's role mostly
 - Sites
 - Roads, rail spurs
 - Access to materials / inputs
 - Workforce w/ required skills, aptitudes, etc.

4

It was simpler before.

- Other functions facilitated recruitment:
 - Land-use – designate enough land.
 - Streamline approvals
 - Build infrastructure – roads, utilities.
 - Separate uses – industrial, commercial, residential, recreation & connect via roads. (Euclidean)
 - Education & training – fit worker to job.

5

It was simpler before.



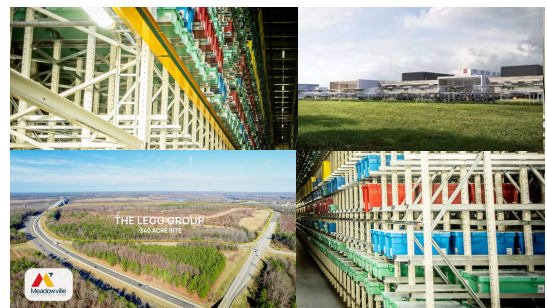
6

Industrial Recruitment Today

- Still necessary if technologies require it.
 - EV battery manufacturing still needs megasite for production process plus suppliers.
 - Producers like Lego still need sites for production platforms, suppliers, distribution centers, etc.
- Government's role still - provide sites, roads, rail spurs, access to inputs, workforce, efficient business services

7

Industrial Recruitment Today



8

Today's big recruitment projects

- Bigger than any single local government or Lone Ranger.
- State government & multiple agencies –VEDP, VCCS, DEQ, VDOT, etc.
- Regional economic development partnerships (GRP)
- Multiple local government departments
- Port of Richmond, CSX, etc.
- Local CAO – Hire people who keep it together

9

But much has changed in 100 years

- New awareness – shortcomings of the simple model
 - Branch plants are footloose
 - Environmental degradation
 - New jobs don't lift all boats &
 - Fast roads don't connect everyone
 - May exacerbate racial segregation & social injustice
 - Development must be intentionally equitable.

10

Fiscal time bombs



Sitting in Traffic:

Not fun,
Not healthy,
Not cheap,
Not efficient,
Not sustainable

Charles L. Marohn, Jr.
*Strong Towns: A Bottom-Up
Revolution to Rebuild American
Prosperity.* Wiley, 2020

11

But much has changed in 100 years

- Technologies have evolved
 - Automation = smaller workforces
 - Cleaner manufacturing
 - Lighter materials = lower transportation costs, etc.
 - Labor now drives business location
 - Personal computers w/ global links & Remote Work

12

But much has changed in 100 years

- We understand local economy better now:
 - "It's the region, _____!" (& globally connected)
 - Business/industrial clusters
 - Business retention & expansion
 - New business formation
 - Skilled workers most valuable "factor." Build human capital.

13

We now know that

- Successful economy requires intentional community.
- People value place – many value walkability
- Manufacturing sites, yes, but also:
- Housing, community spaces, schools & quality of life needed for economy to thrive.

14

Create Connected Places

- Mix Uses, mix incomes
 - New Communities – New Urbanism (Reston, VA)
 - Existing Communities – Revitalization
 - Complete Business Parks – mix uses, connect places.
 - Grow sustainably – connect to places.
 - *Randall Arendt: Rural by Design, APA Planners Press, 2015.*

15

Create "Region of Short Distances"

- Regional Plans that Connect & Support Places
 - Develop economic roles for each place.
 - Link places physically & functionally to create strong region.
 - Infrastructure, e.g., high-speed Broadband in all places.
 - A healthy region is a region of healthy (connected) places.

16

Upshot

- Local economy is complex system w/ interconnected parts that comprise entire regions, not single jurisdictions.
- Changes in technology brought challenges, but also economic opportunities.

17

Upshot

- But we still have divisions:
 - (1) Within local governments
 - (2) Between local governments
 - They limit economic development & make it hard to create economic value & raise quality of life.
- CAO's Job is to overcome them.

18

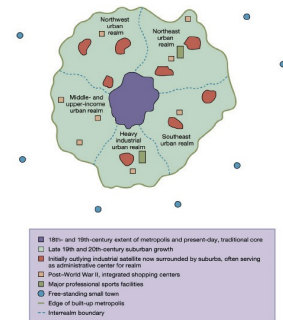
1. Internal Divisions

- Siloes within local governments or divisions between county & town governments.
 - Between parts or functions of county or town government, e.g., between economic developers and planners.
 - Between county government and town government.
- Example:

19

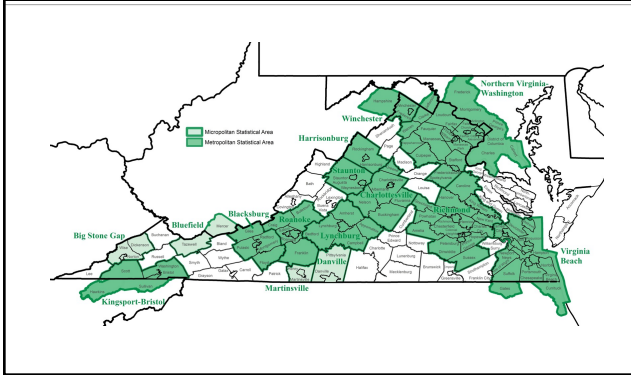
National Study: Economic Prospects for Historic Towns in Metro Periphery

- Rural-Urban Metro Periphery
 - Walkable urban fabric
 - Historic character
 - Great infrastructure
 - Retail & tourism have been mainstays.
- But bricks & mortar retail declining or flat.



20

Metro & Micro & Peripheries in VA, 2013



21

Economic Prospects for Historic Towns in Metro Periphery

- Economic Opportunities?
 - Telework (IF there is Broadband)
 - Knowledge worker housing, amenities, etc.
 - Artisans, makers, small manufacturers
 - Traditional anchors (government, universities, etc.)
 - Other new functions, close to metro core.

22

Can New Functions Work in Older Towns?



23

Does County have Regional Vision that sees Roles for these Places & Expansion thru Compact Development?



24

Or Does It Undermine Older Places & Farms thru Infrastructure that Promotes Edgeless Cities?



25

Surveys of 133 Historic Towns Indicated Mixed Picture

- 30% of counties encouraged growth in established centers, including historic towns.
- But
- 70% of counties encouraged growth in greenfields or everywhere, undermining old centers & leading to growth of edgeless cities.
- Public policies did not (2020) encourage tele-commuting.

26

Hence, Maintaining Economic Vitality is Difficult

- Difficult for 50% of Historic Towns, because, they said:
 - Local government & chambers of commerce:
 - Don't see historic fabric as economically valuable.
 - Don't see towns as having potential in modern economy.
 - County builds infrastructure in greenfields & other centers, which pulls economic activity away from towns.

27

Diagnosis – Local Divisions

These historic towns (50% of sample), local governments & chambers of commerce not on same page.

No collaboration, no joint vision between town & county administrations to determine roles for historic, walkable towns in contemporary economy.

What other opportunities are these counties missing?

28

2. Regional Divisions

- Local fiscal structures rely too heavily on own-source real estate taxes & sales taxes
- This encourages inter-local competition, not cooperation to build vibrant regional economy.

29

But We Have Ways Around This

- Interlocal Revenue-Sharing Agreements
 - Ex.: Alleghany County & City of Covington, VA
 - Ex.: Roanoke City, Roanoke County, & Salem City, VA

▪ Dr. Stephanie Davis' VCU PhD dissertation & article (w/ Meghan Gough): "Deepening Interlocal Partnerships: The Case of Revenue-sharing Infrastructure Agreements," in Accoradio, John (ed.): *State and Local Government Review* Special Issue: Urban-Rural Divide, Vol. 51 (4), December 2019

30

Other Solutions

- Regional Economic Development Partnerships
 - Ex.: Northern Shenandoah Valley Partnership
 - Food & Beverage Cluster Enhancement Strategy

31

Other Solutions

- Planning District Commissions
 - Ex.: Plan RVA
 - Fall Line Trail



32

Other Solutions

- GO Virginia Regional Economic Growth & Diversification Plans and Projects



33

Roles of the Chief Administrative Officer

- The role of the CAO is to create a holistic & robust economic vision that understands the roles & contributions of all parts of the locality.
- Align all parts of local government – economic development, planning & community development, public safety, public works, etc., to support the vision.
- Require & reward inter-departmental collaboration that advances the vision.

34

Roles of the Chief Administrative Officer

- Work with counterparts to create a regional vision that benefits the locality & region as a whole.
 - That may require adjustments to the local vision also.
- Require and reward collaboration across local government boundaries to advance regional vision.

35

Success Stories (1)

- Where have you seen or succeeded at overcoming divisions within local government to achieve the community's economic vision?
- What are the key factors responsible for success?
- What are the main hurdles or challenges to success?
 - How can we overcome those challenges?

36

Success Stories (2)

- What are the strongest regional economic development visions you have seen?
- What makes them strong?
- What are challenges to creating & implementing robust regional development visions that work for everyone?
 - How can we overcome those challenges?

37

Success Stories (3)

- What regional collaboration approaches (bi-lateral agreements, GOVA, regional economic partnerships, PDCs, other) do you value for achieving economic development success?
- What successes have you seen through these approaches?
- What challenges do these approaches face?
 - How can we overcome those challenges?

38

Questions & Observations?

John Accordino, PhD, FAICP
jaccordi@vcu.edu

Thank you!

39