

Economic Development 101

BUILDING STRONGER COMMUNITIES

Lucas Witt, Founding Partner
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MWMCONSULTING

consulting@mwm-llc.com

135 W. Short Street | Lexington, KY 40507

WWW.MWM-LLC.COM

AGENDA

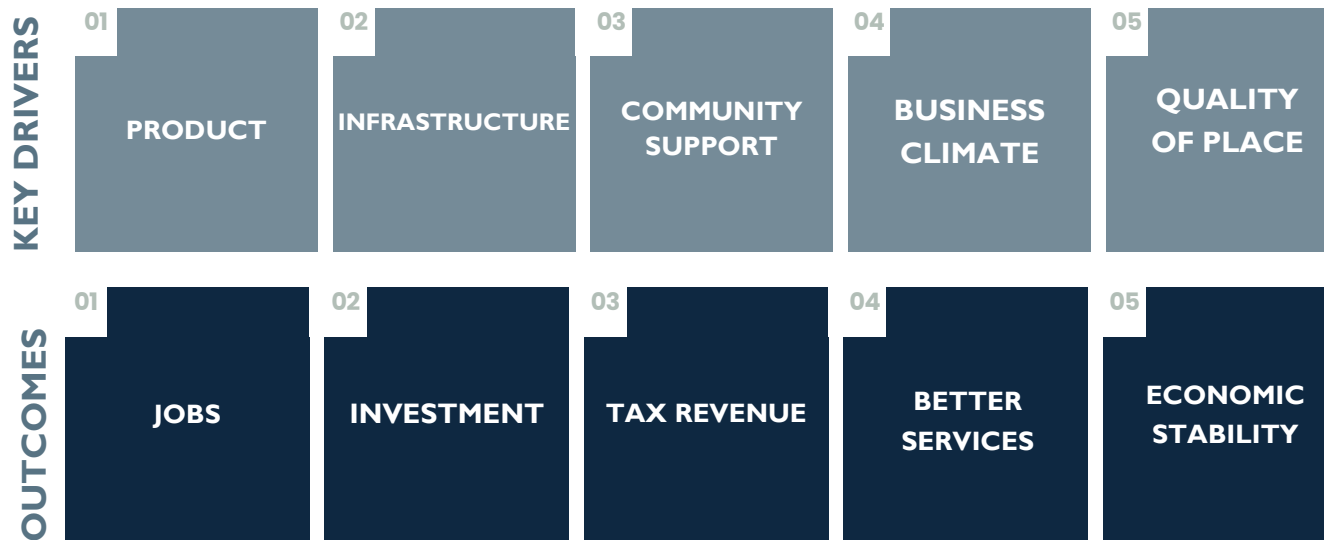
- What is economic development?
- Economic development building blocks
- Staying competitive with limited resources
- Case study – project example
- Playing the long game



WHAT IS ECONOMIC DEVELOPMENT?

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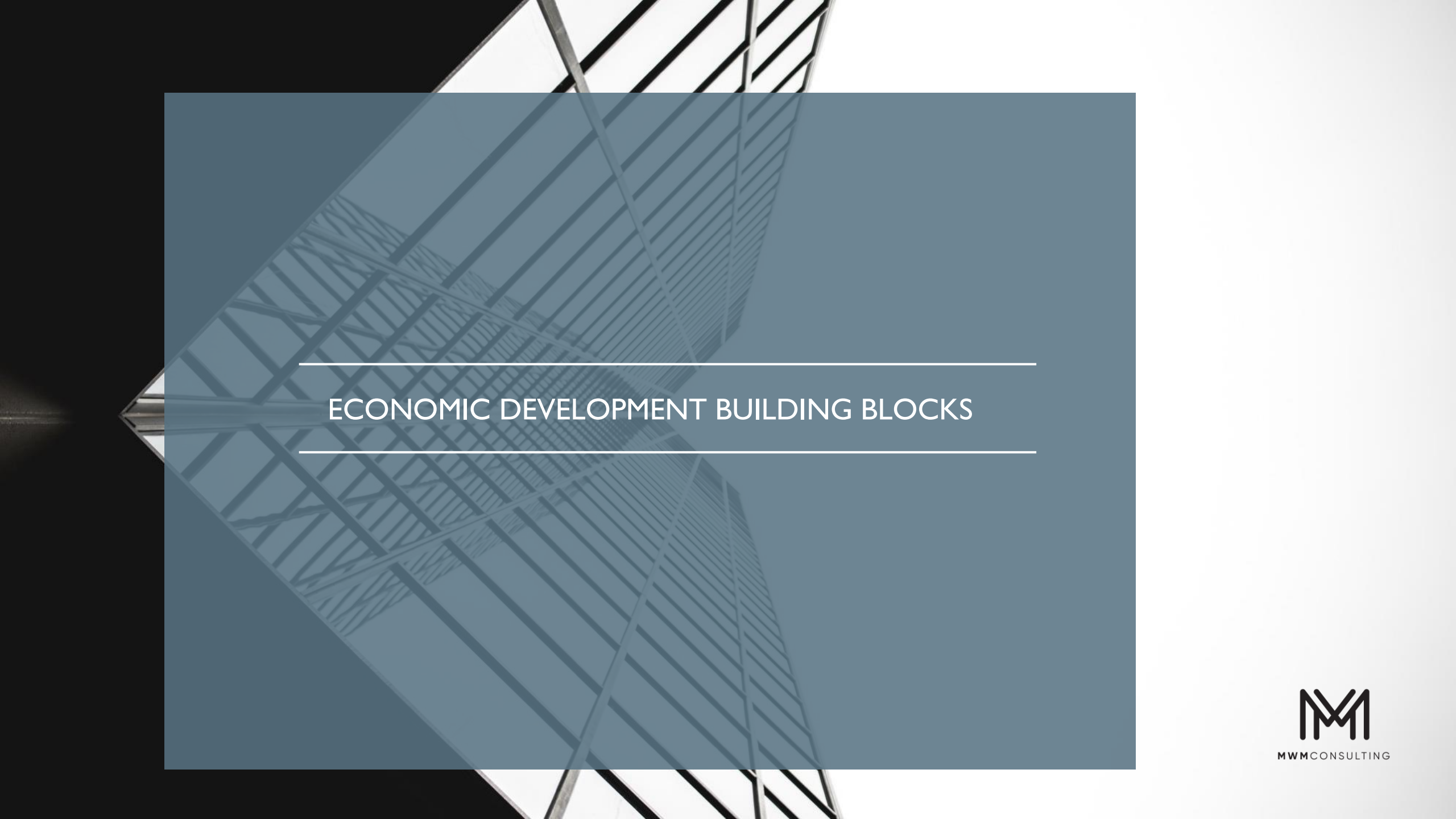
- **Economic development** is creating conditions for sustainable job growth, investment, and improved quality of life. It involves analyzing local assets, workforce skills, infrastructure, and market opportunity
- Chat GPT says ***“At its core, economic development is the process by which economic well-being and quality of life of a nation, region, or community are improved.”***
- The meaning of economic development changes based on perspective
- Most can agree economic development comes from good intentions



WHY DO WE PRIORITIZE ECONOMIC DEVELOPMENT?

- Avoiding stagnation
- What got you here will not get you there
- “If you’re not growing, you’re dying” Is not the approach
- Increased tax base allows for better services
- To improve infrastructure, housing, and amenities (i.e., quality of life)
- Leadership starts at the top





ECONOMIC DEVELOPMENT BUILDING BLOCKS

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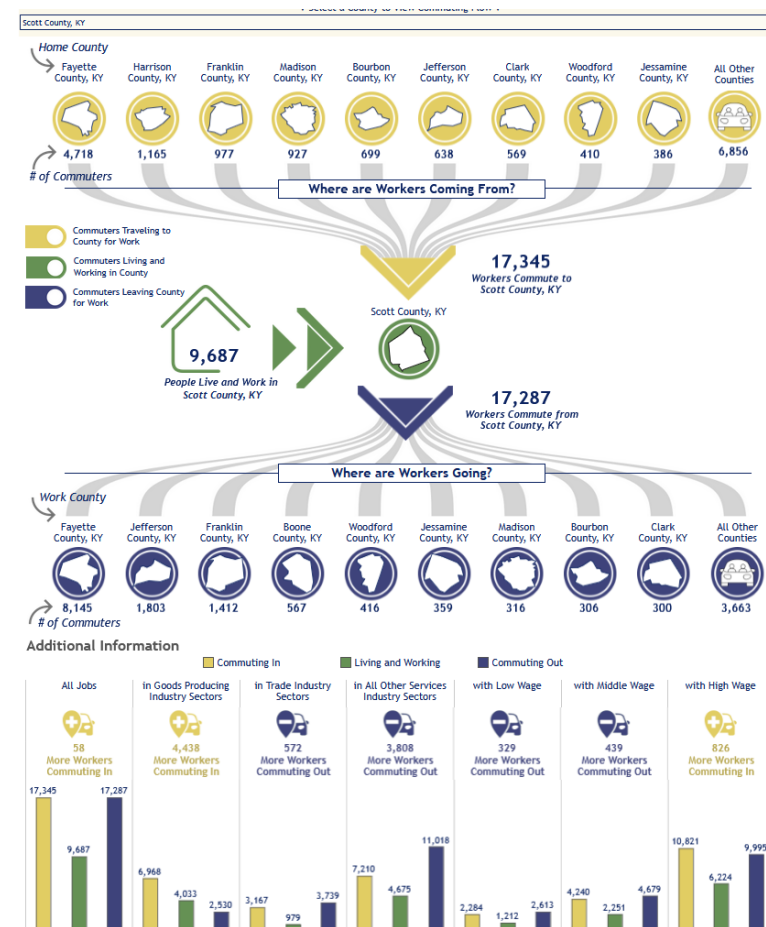
- Economic development is about building a strong foundation for growth
- The Basics:
 - Understand your county's strengths and challenges
 - Focus on key areas you can influence:
 - Use local and state data to guide decisions
 - Know your workforce and training pipeline
 - Ensure market-ready sites
 - Support existing industry
 - Maximize resources through collaboration
 - Develop a realistic plan that is aligned with your county's capacity, priorities, and strengths



KNOW YOUR COMMUNITY

What does the data say?

- Start with a clear picture of your local economy – what's working, what's changing, and what's at risk
- Review your current economic base:
 - Major employers and industry clusters
 - Workforce participation, skills, and commuting
 - Demographics
 - Revenue base – property tax, tourism, occupational tax
 - Available sites and infrastructure readiness
 - Community assets
- Understanding your base helps you make informed, realistic decisions about economic development priorities



KNOW YOUR COMMUNITY

Why data and fact-based decisions matter

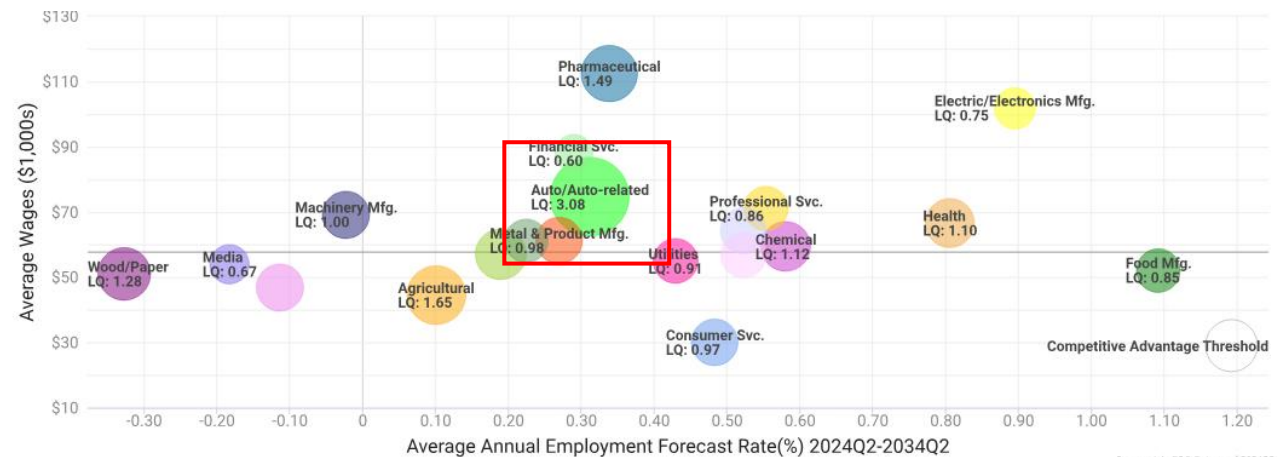
- You can't sell what you don't understand
- Data reveals where your county is competitive, where barriers exist, and what's worth investing in
- Good data unlocks funding

Fact-based decisions help:

- Prioritize limited resources effectively
- Align goals across city, county and regional partners
- Track progress and measure return on investment

Data collected should be specific to

- Local factors
- Regional data
- State-level data



KNOW YOUR COMMUNITY

Identify your competitive advantage

- Competitive advantage = the assets & conditions that give you an edge
- Focus where you can realistically win – don't chase every industry
- Identify conditions that give you an edge in attracting and growing business
- Potential strengths:
 - Workforce
 - Existing industry base (industry clusters)
 - Location and transportation access
 - Infrastructure and sites
 - Natural and physical assets
 - Tourism and culture assets
 - Institutions and partnerships
 - Fiscal and business climate

AREAS OF LOCAL INFLUENCE

- Competitive tax structure or local incentives
- Business-friendly permitting or development process
- Local leadership that supports development
- Availability of local or regional development funds

- Rebates for new jobs
- Industrial Revenue Bonds
- Infrastructure cost-sharing
- Site development assistance
- State leveraged incentives
- In-kind support

- Revolving Loan Funds (RLF)
- Local Tax Increment Financing (TIF)
- Industrial Revenue Bonds (IRB)
- Incentive agreements
- Infrastructure assistance

- Pre-zoned sites
- Clear and transparent development guidelines
- Digital permitting and application portals
- Fast-track review
- Expanded jurisdiction

- Clear economic vision
- Proactive, not reactive
- Collaborative mindset
- Predictable governance

WORKFORCE

Build And Strengthen Your Workforce Training Pipeline

- Ongoing development of local skills to meet employer demands
- Align education, training, recruitment and retention

Why It Matters

- Workforce is a driver of investment
- Skilled workers lead to better wages and local opportunity
- Helps retain residents and slow out-migration

Local Leadership's Role

- Collaborate with schools, and facilitate employer-education dialogue
- Advocate for workforce funding
- Leverage regional partnerships to expand training and recruitment capacity

Examples:

- Madison County, KY - Ignite Academy North & Ignite Academy South
- Bay County, FL – Hire-Train-Recruit Initiative
- Cobb County, GA – Cobb Workforce Partnership



SITES AND INFRASTRUCTURE

Provide a Ready Product

- What market-ready asset do you offer?
- Ready sites with zoning, utilities and transportation attract investment faster
- Cost – Quality – Speed

Key Site Features

- Zoning
- Site control
- Utilities to the site with capacity
- Easy access to highways, interstate, airport, rail
- Due diligence shows favorable development conditions

County Actions

- Maintain and promote shovel-ready sites
- Seek state and/or federal funding
- Plan infrastructure aligned with economic goals

Example:

- Henderson County's KPDI Application & Pratt Paper's \$400 million project



Pratt Paper's \$400 million plant
321 employees by 2026 at an average wage of \$30 per hour (\$39 per hour with benefits)

BUSINESS RETENTION

Support Existing Industry

- Engage major employers to understand their needs
- Keeping existing business healthy preserves jobs and tax revenue
- Retention costs less than attraction
- 70%-80% of announcements come from existing industry expansions

Key Retention Activities

- Regular employer check-ins
- Link businesses to training resources
- Help access incentives/grants

County Actions

- Partner with chambers, IDAs, and regional groups
- Use data to track and respond to trends
- Act as liaison to state and local resources

Examples

- Kentucky Cabinet for Economic Development KBI Program – Summit Polymers
- Kentucky Department of Transportation's KIASI Funding for rail projects – Novelis





STAYING COMPETITIVE WITH LIMITED RESOURCES

STAYING COMPETITIVE WITH LIMITED RESOURCES

- You don't need a big budget to make progress
- Leverage what you can control
 - Data and local insights
 - Workforce partnership
 - Sites and infrastructure readiness
 - Supporting existing industry
- Partner regionally to share costs and resources
- Tap into state and federal funding programs
- Explore creative financing mechanisms
- Collaboration in rural America
- Be creative and resourceful!



COLLABORATE TO MULTIPLY IMPACT

- Companies don't see county lines
- Collaboration expands expertise and funding
- Resource-limited communities gain capacity
- Boosts competitiveness

Potential Partners to Engage

- Local economic development organization (EDA, IDA)
- Neighboring counties and cities
- Area Development District (ADDs)
- State agencies
- Utility providers
- Education partners

Ways to Collaborate

- Apply jointly for infrastructure grants
- Develop shared workforce/training programs
- Pool marketing efforts regionally



LEXINGTON





CASE STUDY

CASE STUDY: NOVELIS – Todd County

Project Summary

- Total Project Cost - \$300 million
- Objective - Boost local economic activity and create jobs

Additional Local Incentives Required

- Amount Needed - \$6 million for land acquisition and infrastructure improvements

Collaborative Local Government Support

- To attract the project, local governments partnered to provide strategic incentives, including:
 - **Direct Investment via Grant Agreement** – funding land acquisition and infrastructure
 - **Company Commitment** – creation of jobs and capital investment
 - **Multiple Tax-Exempt Financings** – lowering overall project costs
 - **Interlocal Agreement** – capturing future occupational and property taxes to support the investment



PLAYING THE LONG GAME

PLAYING THE LONG GAME

- Economic development is a long game
- Elected officials set the tone and start the process
 - Real progress happens over years, not months
 - Your role is to be the initiator and coordinator
 - Align partners, shape priorities, and create momentum that others will carry forward
- Focus areas:
 - Sites & infrastructure
 - Workforce & talent pipeline
 - Industry retention & growth
 - Partnerships & collaboration
- Track outcomes – jobs, wages, tax revenue, business growth
- Regularly refine strategy based on results

01

**UNDERSTAND
YOUR COUNTY**

(Data, Competitive
Advantage, Areas to
Influence)

02

**COLLABORATE
WITH PARTNERS
TO FILL GAPS
AND EXTEND
REACH**

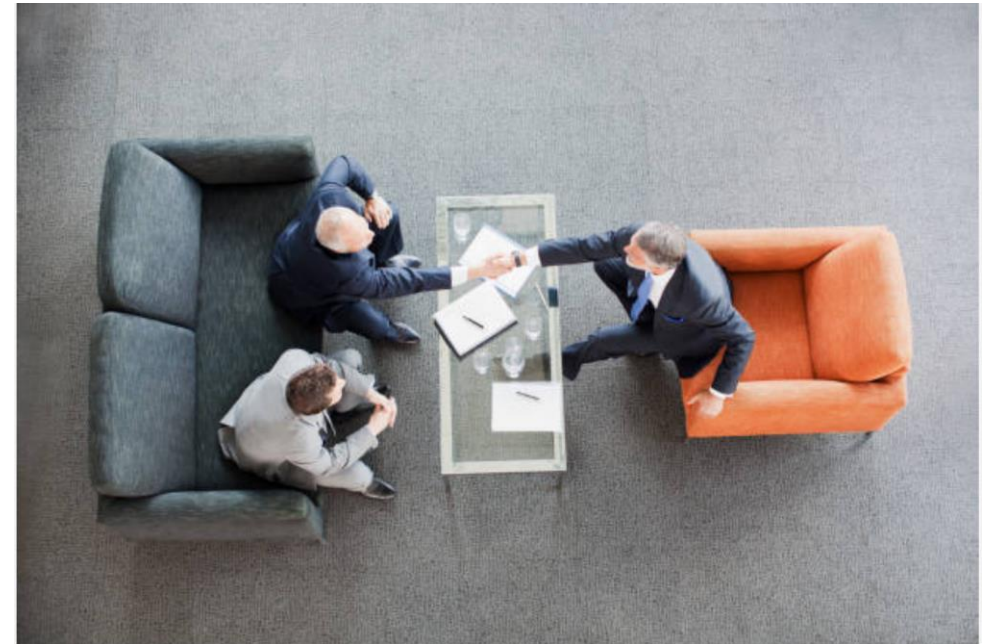
03

**BUILD A
PRACTICAL PLAN TO
GUIDE
EFFORTS AND
MEASURE RESULTS**

BUILD A PLAN FOR SUCCESS

DEVELOP A REALISTIC, PRACTICAL PLAN

- Create clear, measurable actions – not just ideas
- Base your plan on local data and realistic goals
- Focus effort where you have influence to deliver results
- Leverage partnership and resources to multiple your impact
- Engage stakeholders and communicate transparently
- Track progress and adjust strategies
- Update your plan regularly



QUESTIONS?



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