

Benchmarking Questionnaire for Economic Development Organizations

Nelson County Economic Development Agency – October 29, 2015

NCEDA participants: John Downs, Chamber rep, Lincoln National Bank; Nicky Rapier, BIDC, Salt River RECC; John Ballard, developer, NCEDA Chair; Dean Watts, Judge-Executive; John Royalty, builder/historic restoration/policeman, Bardstown Mayor; Frank Wilson, banker/Centre grad, BIDC, former MS Chair; David Floyd, Member at Large, State Rep; Dick Heaton, Conway-Heaton Chrysler-Dodge, former Mayor, BIDC City rep; Dawn Przystal, Vice President, Bardstown-Nelson County Tourism; Bill Conway, Conway-Heaton Chrysler-Dodge, BIDC Chair; Kim Huston, NCEDA/BIDC President/CEO.

EDP participants: Richard Trollinger, EDP Chairman; Harold McKinney, Judge-Executive; Mike Perros, Danville Mayor; Ron Scott, Danville City Manager; Tom Poland, HOD President; John Albright, BCIF Chairman; Bethany Rogers, HOD Exec Dir; Paula Fowler, Chamber Exec Dir; Vicki Goode, MSP Exec Dir; Jennifer Kirchner, CVB Exec Dir; Jody Lassiter, EDP/BCIF President/CEO.

I. What is the purpose of your organization?

Watts: Group of interested citizens/leaders focused on a concept of ED under one organization to share resources, supplies, space, and ideas. Number one goal was to be efficient. Pool resources together among various organizations with differing budgets and leadership stability.

Rapier: Different office locations initially. Court administration moved to new judicial center; all entities moved into historic County Courthouse with help of Renaissance KY grant to convert to Visitor Center. Solidified the organization.

Trollinger follow-up—How do you define ED?

Watts: Jobs and efficiencies.

Huston: Previously only BIDC to address job creation. Shift from industrial focus to broader economic development concept. Not just industrial recruitment when manufacturing was in decline.

Wilson: Had prepared industrial sites/parks. Similarly turned attention to downtown preparation and investment to capitalize on bourbon tourism, including \$3.2 mil streetscape project, water pressure (\$700,000 from City).

2. What are your long-term goals?

Huston: NCEDA is the idea organization where all partners come together to determine what to do together.

Perros—Is this a top-down approach?

Huston: Each org conducts their own planning.

Przystal: Each org has own board of directors, priorities, plans, etc.

Rapier: NCEDA has no “power” or authority to “tell” an org to do; ask.

Przystal: NCEDA has the pulse of the community; no idea that has been generated from NCEDA has been refused because of the support.

Downs: Not top-down power; working together.

Watts: Tourism Commission (TC) was most resistant to NCEDA due to the amount of money that org controlled. Changed tourism board leadership through attrition/reappointment.

Huston: Professional jealousies at times due to money or influence. Volunteer board members/officers don’t have time to manage staff, day-to-day issues. NCEDA President/CEO plays that role to relieve pressure on board members.

Przystal: \$850,000 CVB budget; 3% transient room tax, 1% restaurant tax (@\$500,000). No dedicated line item to business or industrial recruitment marketing.

3. What is your organizational structure? Is your EDO a public authority, a private nonprofit corporation (Chamber, Foundation, or Development Corporation), a public-private partnership, or other form?

(See org chart from packet.)

4. How is your EDO funded? What is the percentage of public versus private funding?

Huston: Funding arrangement from City, County totals about \$110,000 per year. Administrative fee from each EDO participant into NCEDA, @\$12,000 per year from Chamber, BIDC, Main Street, Tourism. Total budget is \$166,000. Overlap with BIDC budget. NCEDA oversees all administrative costs for EDO participants. BIDC budget is \$79,000.

Rapier: TC ceded Arts & Crafts Fair to MS as a major revenue generator; determined that TC should not be in the events business. MS needed to be a F-T position because downtown is such a critical attraction for visitors. Increased contribution to MS. About \$120,000 budget for MS now. \$5000 from County to MS. Other events: concert, Farmers Market.

Watts/Rapier: Purchase/support of Wickland by County with assistance from TC; \$600,000; historic home of 3 governors, 67 acres, purchased from private owner. No commercial development as condition; former owner provided perpetual trust fund upon death.

DISCUSSION OF RESTAURANT TAX BEGAN. Perros—Does the restaurant tax drive your success?

Przystal: Funds generated not responsible for NCEDA success, but critical to the tourism effort.

OTHER TAXES DISCUSSED: City—0.5% with no cap; County—% with \$75 cap, generates \$1.1 mil. Other sources of revenue inc. landfill, electric utility.

5. What is your total operating budget?

(See above.)

6. What percentage of your budget is dedicated to business marketing and recruitment?

Huston: Built into NCEDA and BIDC budget. Industry specific is BIDC; more general is NCEDA. Get subsidy support from Salt River RECC and banks.

Perros—How many local/regional banks?

Huston: 2 banks support BIDC with contributions, receive board seat.

Watts/Huston: NCEDA is SPGE. Characterized or perceived by local citizens mostly as a quasi-city-county organization.

7. How many professional people are on your staff and what are their roles?

(See org chart.) Huston: NCEDA has President/CEO and Executive Assistant.

8. Do you share staff with any other organizations?

Huston: Receptionist role serves all offices in Visitor Center. NCEDA Exec Ass't functions as finance/accounting for Main Street (MS).

9. How is your board of directors or governing body selected?

Huston: Named or appointed from each participating organization.

10. What other organizations in your community deal with economic development? (Chamber of Commerce, City and/or County Governments, Industrial Development?)

(See org chart.)

11. What other regional organizations deal with economic development?

Huston: I-65 Alliance (KentuckyUnited); TC, Chamber, MS also engaged in regional cooperation groups.

12. What is your relationship with these other local or regional organizations?

Huston: Informal collaboration; cost-share for KentuckyUnited.

13. How do you interact with or support each other?

Perros—asked about Huston’s roles within NCEDA.

Huston: Functions in an advisory to participating boards as NCEDA executive. Functions as executive of BIDC and industrial recruiter. Boards have direct hire/fire authority, but a shared role with NCEDA. She participates as NCEDA executive in the hiring and termination process. She is conducting search and interview process for new Chamber director on behalf of Chamber board. She consistently used the term “administrator” to describe her role. See org chart—NCEDA President/CEO is intermediary executive between each participating NCEDA partner board and its executive director; title of TC executive is Vice President within NCEDA structure.

14. What are your organizational structure’s strengths and weaknesses?

Watts: Personalities among staff—self-starters, motivated but how they handle it with each other becomes issue.

Huston/Przystal: Disputes naturally occur. Consider it like a marriage, family.
NR: Struggle to engage the “brought ins” into the organization leadership. Most current leadership (and those around the table for NCEDA) are natives and actually closely related by blood or marriage.

McKinney noted the difference that only 3 of the EDP team grew up in Boyle County.

Royalty: Mayor says he doesn’t want to or get involved in NCEDA staff issues.

Huston/Przystal: City/County does not micromanage NCEDA. Huston and NCEDA does not micromanage the participating orgs.

Albright—who pays for infrastructure at site for a project?

Huston/Rapier: County owns new Parkway industrial park, paid for through loan from Salt River RECC. BIDC owns older Wilson industrial park. City/County/Salt River RECC participate in infrastructure as incentive to a project based upon need.

Perros—asked KH to lay out how they conduct the site visit process.

Huston: Described how she facilitates whatever team that is requested by or responsive to the particular project’s request or needs. Depends upon the request or needs of the particular project.

Rogers—what about other commercial or small business projects?

Huston: Functions as the site selector and business recruiter for all projects. Working with TC to develop new hotel project.

15. What organizational or programmatic changes has your EDO made to adapt to changing economic conditions?

Huston: Community offers no formal incentive program at present. Developing a local incentive program that does not require varying response per project approval.

Watts: Emphasis on workforce development.

Huston: Tight labor market in Bardstown area; impacted by Louisville market (middle managers from B'town company hired by Ford). Quality of life issue—German pet food project was rejected because of potential odor impact.

Lassiter—noted that BCIF passed on this project (Project Horizon) because of the odor concerns.

16. What is your EDO's communications plan for both internal (ie. regular staff meetings, board member information-sharing, policies) and external stakeholders (ie. annual reports, media releases)?

Huston/Przystal: Weekly executive staff meetings every Monday—share information and coordination.

Albright—what expectation of information does City or County have from NCEDA or BIDC?

Huston: Appointed City and County representatives on the NCEDA and BIDC boards are expected to act as the liaisons from NCEDA and BIDC to Council and Fiscal Court. They keep their legislative bodies informed of NCEDA and BIDC activities. They also respect sensitivity of confidential information regarding projects.

17. How does your EDO or community integrate support for and marketing of quality of life issues and initiatives?

(not asked due to time constraint)

18. Does your EDO or community have an active strategic economic development plan? If so, would you share a copy with us?

(See one-page sheet outlining their strategic plan in packet.)

19. What are your EDO's performance metrics? How were these metrics selected? How are they monitored and communicated to your stakeholders?

Huston: Annual progress report. Annual employment numbers, unemployment rate. TC restaurant and room tax receipts. Monitor data of building permits from P&Z Comm'n. Communicated to local governments, external audience via e-mail list.

20. Do you have any suggestions or recommendations for us?

(not asked due to time constraint)