



LEAGUE OF WOMEN VOTERS®
OF LAWRENCE/DOUGLAS COUNTY

LWV-LDC ECONOMIC DEVELOPMENT STUDY INTERIM REPORT

Presented by
David Burress
Economic Development Study Chair

Presented to
LWV-LDC Annual Meeting
April 11, 2015
Lawrence KS

Copyright notice

© 2015. This publication is covered by the Creative Commons “Attribution-NoDerivs-NonCommercial” license (see <http://creativecommons.org>). It may be reproduced in its entirety as long as LWV-LDC is credited, a link to the League’s web page is provided, and no charge is imposed. This publication may not be reproduced in part or in altered form, or if a fee is charged, without the permission of LWV-LDC. Please let LWV-LDC know if you reprint.

This publication expresses the author’s views, not necessarily those of LWV-LDC.

TOPICS

- Study purpose
- Past activities
- Selected Findings
 - Economic development vs. community development
 - The “growth party” model
- Future activities

Problem statement

- There is currently no specific policy guidance on economic development at LWV local, state or national level.
- Economic development issues constantly arise in land use planning and local tax policy.
- Economic development rhetoric often justifies policies the LWV otherwise would oppose.

Study Purposes

- Understand the economic development (ED) process
- Identify LWV interests in and goals for ED
- Define good policies for managing ED
- Educate LWV members and the general public
- Draft a LWV position statement on ED
- Reach LWV-LDC consensus on an ED position

Activities and outputs so far

- 2014-2016 study approved at 2014 annual meeting
- Open listserve: lwvldc-ecodevo [at] lists.riseup.net
 - About 30 subscribers
- Monthly meetings
 - About 5 regular participants
- Draft report [1] criticizing Lawrence Chamber of Commerce ED leadership, now on LWV-LDC website
- Board-approved expansion of formal scope of study to include community development (CD)
- Draft position statement, currently undergoing revision

Why include community development in study?

- Few people get the ED/CD distinction, yet
 - The purposes are very different
 - Different strategies and evaluation are needed.
- ED rhetoric is widely used to justify poorly-designed CD activities.
- We can't expect to understand or advocate for good LWV positions on either topic without addressing both.

What is economic development?

- ED consists in public subsidies or special privileges to private interests for the purpose of expanding the local economy without degrading the local quality of life.
- Successful ED always consists in bringing in **new money** from outside the community.
- Successful ED creates a **net profit for government.**

What is community development?

- CD consists in public subsidies or direct public investment directed to private interests or specific neighborhoods for the purpose of improving the local quality of life.
- CD can include neighborhood revitalization, historic preservation, downtown commercial enhancement, ecological protection.
- CD subsidies are a **net loss for government** but **improve the community as a whole**.

Mixing ED and CD is bad policy

- CD claims are used to falsely justify
 - not making a profit on ED
 - not charging developers full social costs of development.
- ED claims are used to falsely justify CD that
 - doesn't improve quality of life
 - doesn't target most important needs
 - isn't based on a social benefit-cost analysis.

ED and CD are leading issues in nearly every U.S. community [2]

- Implicitly, most cities have two-party politics:
 - the real estate/growth party
 - the neighborhood/ taxpayer party.
- The growth party seeks:
 - real estate growth, not economic growth or CD
 - few land use controls
 - new public infrastructure for private development.
- The growth party has the upper hand in most communities.

The real estate/growth coalition typically includes:

- Developers
- Builders
- Construction contractors
- Building trades and construction unions
- Bankers
- Architects and urban planners
- Interior decorators
- Building and furniture suppliers
- Real estate attorneys
- Real estate brokers
- Insurance agents
- Local newspapers
- Utility companies
- The Chamber of Commerce.

Typical growth party tactics

- Civic structure that supports elite power
 - weak mayor, strong city manager, at-large commission, off-year elections, nonpartisan elections, Chamber runs ED
- Real estate growth justified as ED
- Downtown development CD justified as ED
- Preference for large CD projects, often with dubious social benefits
- Retail development justified as ED
- ED justified as “jobs”

Real estate growth is neither ED nor CD

- Real estate growth policy typically supports:
 - sprawl
 - unneeded retail development
 - unneeded new apartments
 - unneeded new housing
 - central city decay
 - bad infrastructure priorities (sports palace over police station)
 - city investments in private parking garages
 - crony capitalism
 - no long-term planning (Lawrence lacks 20 year capital plan)

Possible policy solutions [3]

- Rigorously separate ED from CD
 - ED must make a profit for the city
 - CD must improve quality of life
- Adopt a strict dollar budget and long term plan for CD
- Professional ED and CD managers in city hall, not Chamber of Commerce
- Insulate professionals from politics
 - long term contracts
 - forbid secret meetings
- Consider modifying electoral systems

Study project—next steps

- Finalize draft position statement
- Brown bag education meeting(s)
- Unit meeting(s) to reach consensus
- Adopt (or reject) at April 2016 annual meeting
- Publicize to other Leagues

END

Comments or questions? Contact:

David Burress

LWV-LDC Economic Development Study Chair

912 Holiday Drive

Lawrence KS 66049-3005

749-1218

Email: d-burress [at] ku.edu

Open listserve: lwvldc-ecodevo [at] lists.riseup.net

LWV-LDC website: <http://www.lawrenceleague.com/>

REFERENCES

- [1] Economic Development Study Group, League of Women Voters, Lawrence Kansas. February, 2015 draft. *Report on the Effectiveness of Local Economic Development Planning in Lawrence and Douglas County, Kansas*

http://lawrenceleague.com/files/Draft_LWV_Report_on_effectiveness_of_LDC_economic_development.pdf

- [2] Harold Wolman and David Spitzley. 1996. "The Politics of Local Economic Development," *Economic Development Quarterly* 10(3):115-150

- [3] Michael McGuire. 2000. "Collaborative Policy Making and Administration: The Operational Demands of Local Economic Development," *Economic Development Quarterly* 14(3): 278-291