



Regional Economic Development Collaboration: Wisconsin's Experience

This paper was written by
Roger Nacker, President,
Wisconsin Economic Development Institute, Inc. (WEDI)
and edited by
Karna Hanna, Executive Director
Sauk County Development Corporation
and
Jan Alf, Director-Eastern Regional Office
Forward Wisconsin, Inc.

The project was sponsored by the
Wisconsin Economic Development Association (WEDA)

October 2003

Comments and conclusions are those of the authors and do not necessarily reflect the views of
the Wisconsin Economic Development Association (WEDA)

Wisconsin Economic Development Association, Inc.

PEOPLE • JOBS • PROFITS

P.O. Box 1230 Madison, WI 53701 608-255-5666

www.weda.org

- Produced in conjunction with WEDI (the Wisconsin Economic Development Institute, Inc.) -
www.wi-edi.org

Regional Economic Development (ED) Collaboration: Wisconsin's Experience

Summary

Regional collaboration has been advocated as a highly useful tool to address economic development issues. Economic developers in Wisconsin have long been involved in these collaborative efforts. Recently, these efforts have come into new focus. An ad hoc survey conducted by the Wisconsin Economic Development association (WEDA) shows that a majority of economic development practitioners belong to such groups, usually more than one covering multiple counties. These groups are most often formally organized and are actively involved in pursuing general economic development objectives. Agriculture and Technology Development Zones, providing tax credits to expanding businesses in the zones, are new state sponsored initiatives, which have resulted in the formation of numerous new regional economic development collaborations.

Regional Economic Development (ED) Collaboration: Wisconsin's Experience

Regional collaboration has recently been advocated as a way to help deal with the impact of the economy's decline, the globalization of business and the compression of time and distance due to advances in information technology. These factors have caused the structural changes now taking place in the economy and the shrinking of institutional budgets. Often functioning as social catalysts, economic developers have increasingly been in the forefront of these local and regional collaborative initiatives. As an example, approximately 60 of Wisconsin's 72 counties have formed countywide economic development (ED) organizations bringing together the cities within these counties for economic development purposes. More recently, the state's initiative to provide agriculture and technology tax credits for groups of counties formally organized to promote the growth of high technology and value-added agriculture businesses has forced some counties into dialogs with neighboring counties.

Collaboration

What is collaboration? Collaboration is a high degree of commitment to working with others. It goes far beyond cooperation, which features mutual respect and a laissez faire approach to development. Collaboration even goes beyond coordination, which features partnering that creates specific gains for each partner. Collaboration features a long-term investment of human and economic resources in building a total result that is greater than the sum of its parts. Therefore, collaboration provides for increasing capacity by working together.

Regional collaboration - communities working together across political boundaries - is essential for successful economic development in today's business world. Since people, dollars, goods and services are all very mobile, the challenge to local communities is to form effective regional coalitions that develop, support and promote common economic objectives.

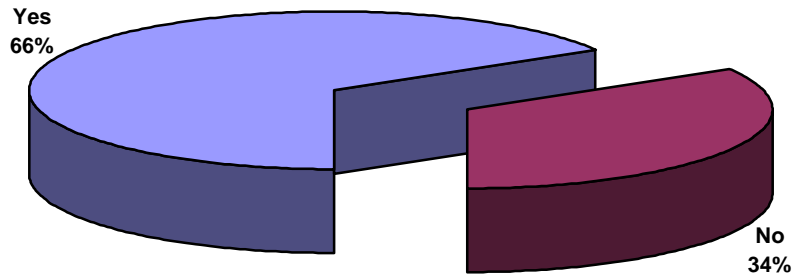
In order to find out more about regional ED collaboration, an ad hoc survey of Wisconsin Economic Development Association (WEDA) members was recently conducted in an attempt to quantify these measures.

The topic of the survey apparently hit a responsive chord. Almost 40% of the local ED practitioners in WEDA responded to the survey. Additionally, some WEDA members responded that the nature of their business didn't fit within the context of the questions but they wanted to ensure that the survey conductors were aware of their wide spread ED involvement. For example, the following quote from the President of Johnson Bank, *"We are involved in just about every economic development effort going on in WI. Our market presidents are locally involved and our company sponsors, participates and belongs to numerous organizations. We attend conferences and host visitors to WI. We are a rapidly growing company ourselves and understand the economic development issues WI faces. We participate in venture funding. We coach developing businesses. ----- Dick Hansen"*

Participation

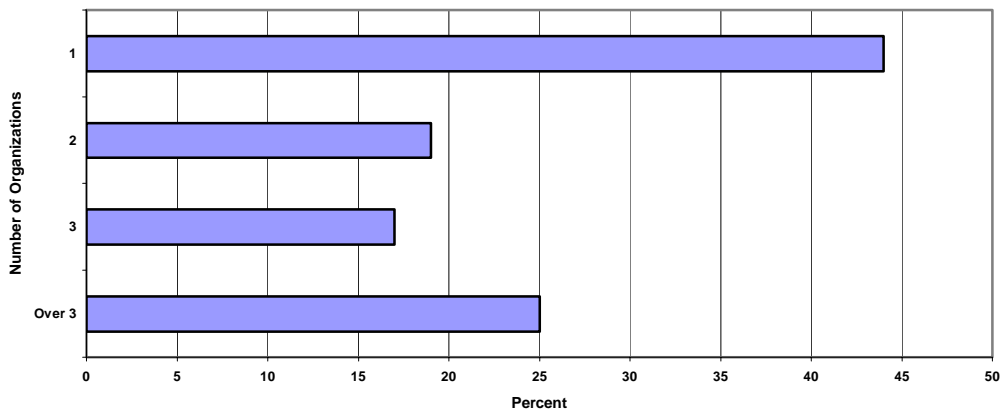
Subsequently, the most interesting find was that two-thirds of the respondents stated they belonged to one or more regional collaborative ED organizations.

Does your organization belong to a regional cooperative group having economic development goals?



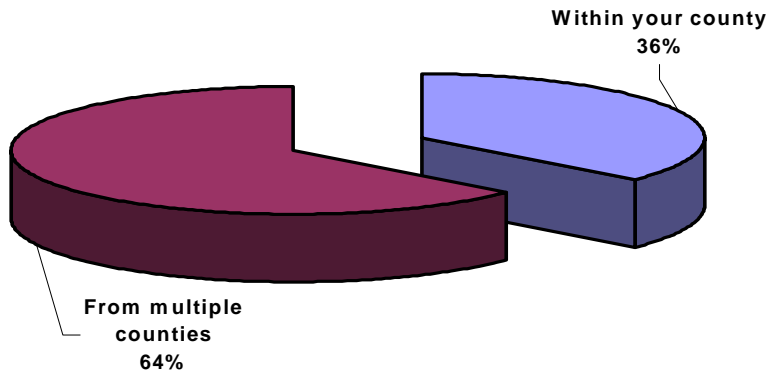
And, almost 25 % of the ED practitioners were members of more than three such organizations.

How many regional collaborative groups do you belong to?



The membership in regional collaborative groups most often consists of multiple counties: almost two-thirds of the respondents are in multi-county groups. Fifty-eight percent of those in collaborative groups belong to more than one such group.

Where are group members from ?



The majority of these collaborations are relatively new. While 22% of the responses indicated group memberships of 10 years or longer for some organizations, the mode (most frequently given) response was one year with a median response (in the middle) of three years. And, 65% have belonged to the cited organization 5 years or less.

Membership tenure, then, is indicative of the age of the respective organizations as over 80% of the respondents indicated they were members since the inception of the organization.

Operating Characteristics

Approximately three-fourths of the organizations have been formally organized, with formal organizational agreements and/or bylaws.

Three-fourths of them also have a funding source.

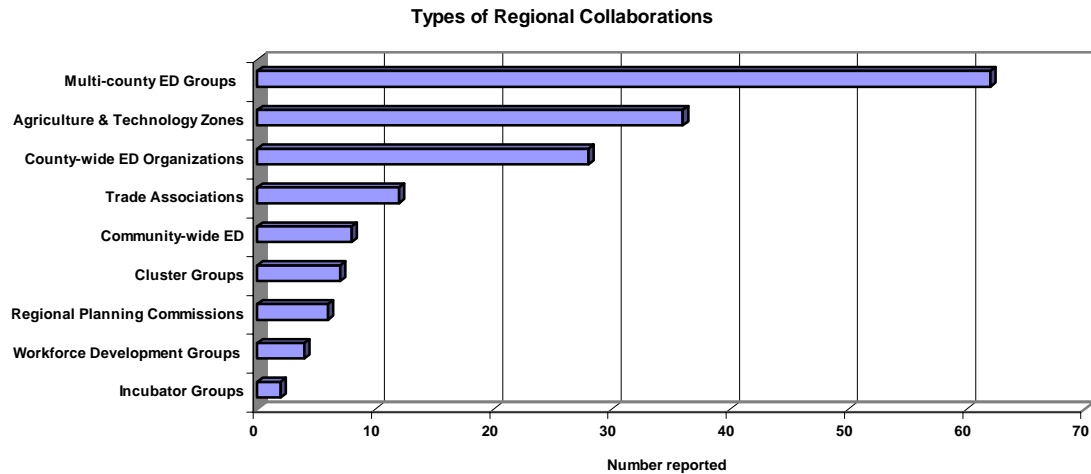
Approximately three-fourths of the organizations exist to fulfill general economic development mission/purposes. Surprisingly, single purpose, targeted mission organizations are the minority of organizations. Given the overlap in the statistics, some organizations have probably morphed into multiple ED purpose groups.

General economic development is also probably reflected in the fact that the groups meet regularly (80%) compared to 25% of the responses for meeting only when needed. By meeting on a regular basis, the groups are also reflective of a high degree of ED involvement and activity.

Overwhelmingly, the groups are considered to have been successful (92%) even though only about half (48%) of the groups use formal criteria for evaluating success.

Most of the collaborative efforts are organized into three main types: multi-county ED groups, agricultural and technology zones and countywide ED organizations.

Several types of special purpose groups were also noted: groups organized around clusters, those focusing on workforce development and those sponsoring or managing incubators.

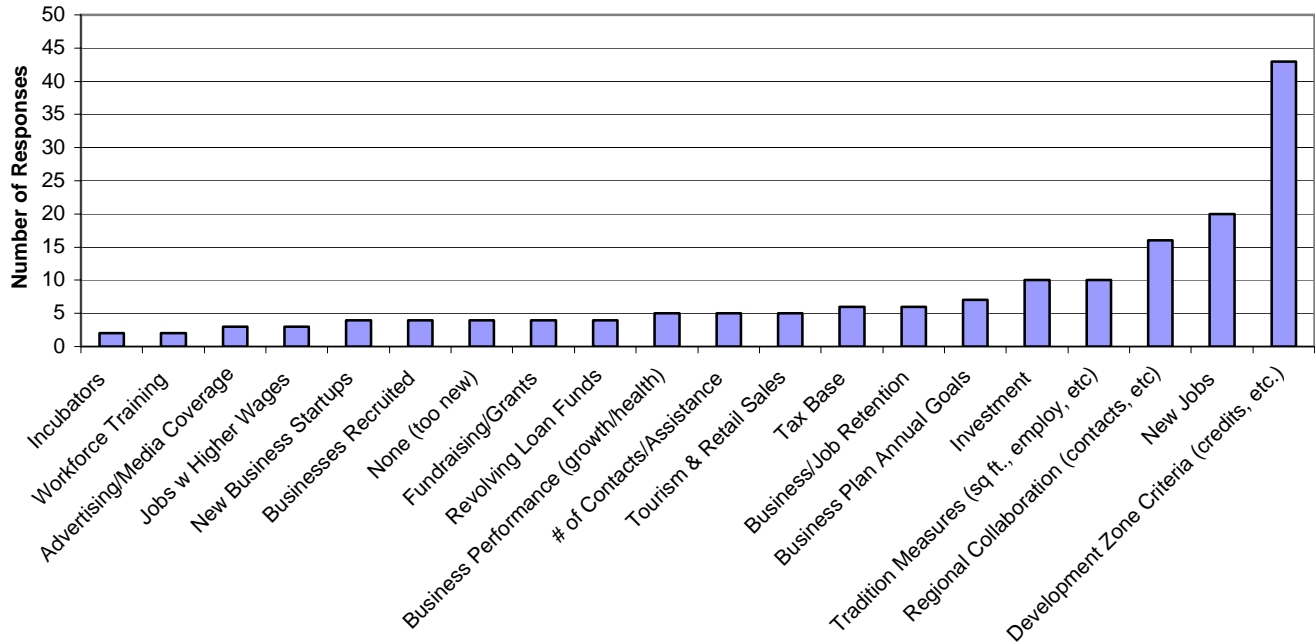


Question	Yes	No
Has your organization been a member of the group from the beginning?	81.6%	18.4%
Is this a formal group, having formal organizational agreements or bylaws?	72.9%	27.1%
Does the group have a funding source?	75.0%	25.0%
Is this group organized for a single, specific mission/purpose? (example, technology)	40.9%	59.1%
Or, is this group organized for general economic development missions/purposes?	72.2%	27.8%
Does the group meet regularly?	79.9%	20.1%
Does the group meet only when needed?	25.3%	74.7%
Has the group been successful?	91.8%	8.2%
Do you have a specific success measure?	48.1%	51.9%

Economic Development Success

The following graphic depicts the relative number and type of success measures used by the organizations. Given that a major amount of effort was devoted recently in order to form collaborations to take part in the agriculture and development zone programs offered by the state, the largest category is involved with measuring some form of development zone activity.

Regional Collaboration Success Measures



Agriculture, Technology and Community Development Zones

These Wisconsin initiatives are firmly based in the concepts of promoting regional cooperation and developing a strong economic base building on Wisconsin's strengths. The Technology Zone and Agriculture Zone programs are new and join the Community Development Zone program, which has been in existence for a number of years.

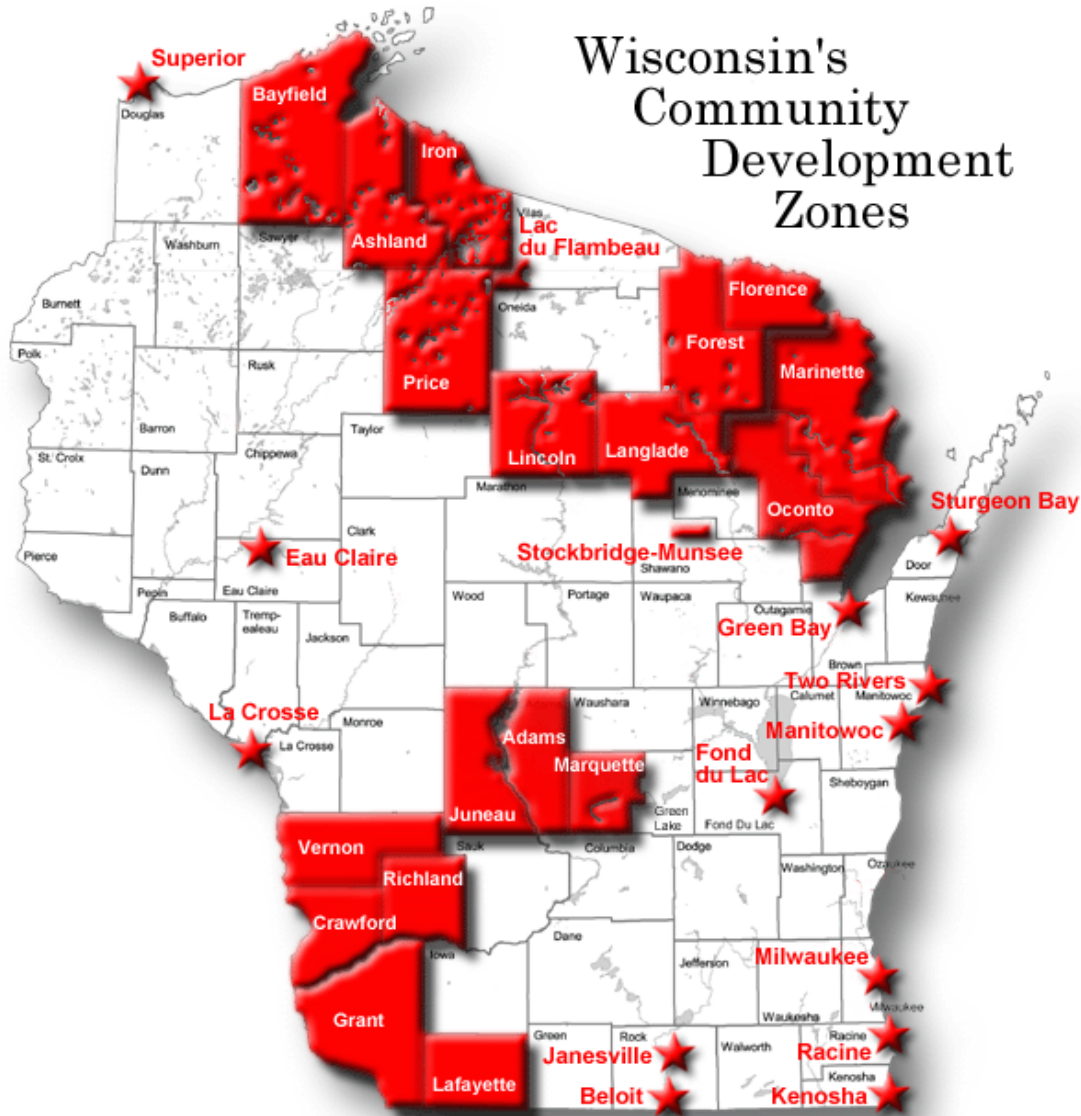
The Community Development Zone Program is a tax benefit initiative designed to encourage private investment and to improve both the quality and quantity of employment opportunities. Similarly, the Technology Zone program is designed to foster regional partnerships in order to help generate high-wage jobs through the start-up and expansion of technology businesses.

Agribusinesses can claim income tax credits for the creation of jobs and capital investment and for environmental remediation activities in the Agriculture Development Zone (which is comprised of four regions in the state). An agribusiness is part of the Agricultural Business/Food Processing Cluster. A cluster includes all the activities and operations that are involved in the growth, production, processing, manufacturing, distribution and sales of agricultural and food products.

Each development zone will have \$5 million in tax credits. The Wisconsin Department Commerce will certify eligible businesses for tax credits based on their ability to create high-wage jobs and investment and support the development of industries in the region.

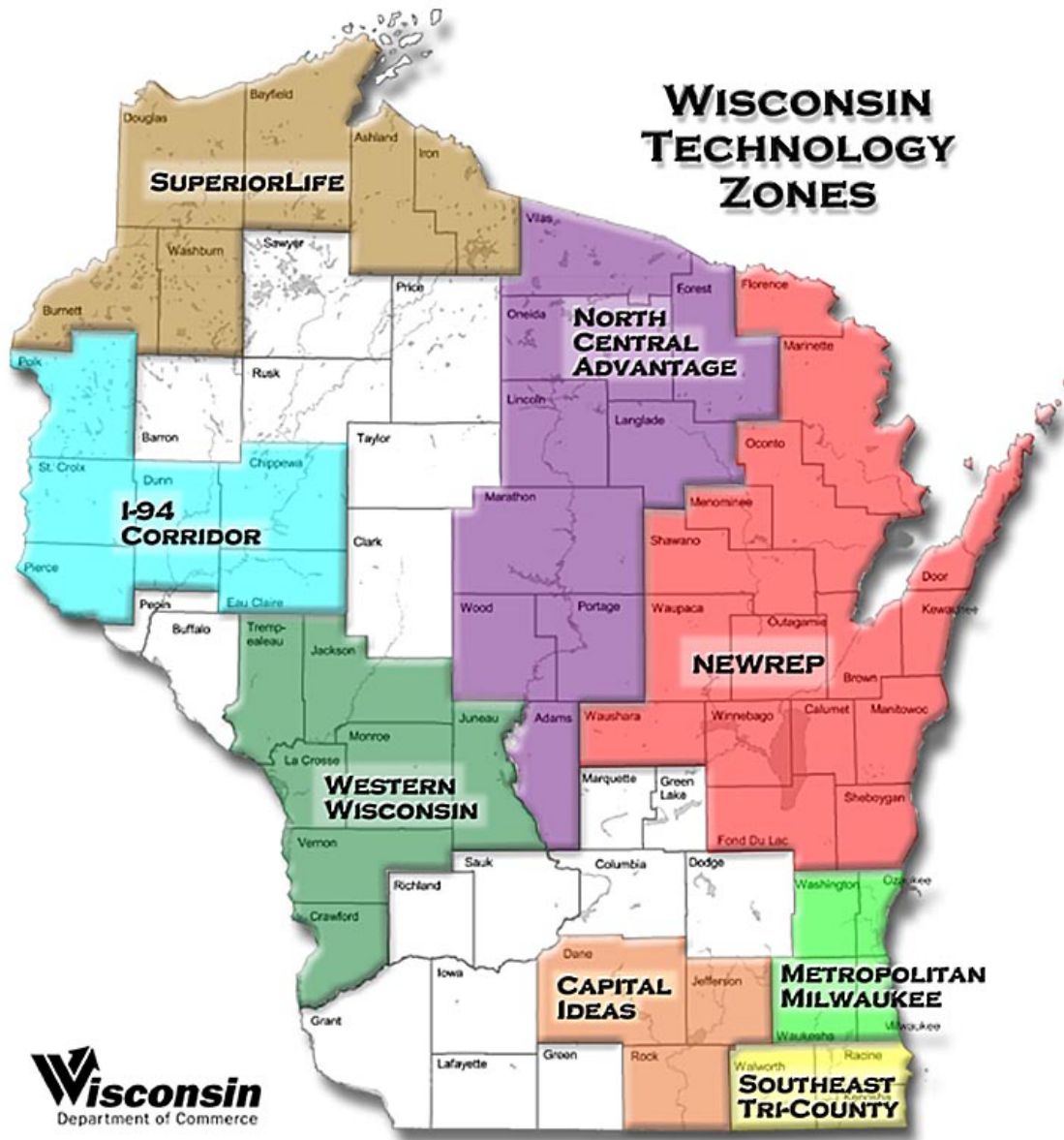
The Community Development Zones

The existing 20 Wisconsin community development zones have been established for 20 years. One five-year extension may be granted following the initial 20 years. The zones range from small rural areas to large metropolitan cities and are located in the following communities:



The Wisconsin Technology Zones

In June 2002, eight regions of Wisconsin were designated as Technology Zones.





10 County Cluster Group
3 County Cluster Group
Advance
Building the New Wisconsin Economy
Central Neenah Business Improvement District
Central Wisconsin Area Economic Development Council (Wood, Portage, and Marathon Co.)
Chequamegon Bay Mayor's and Chair's Commercial Association of Realtors
Dane County Tech Team
East Central International Trade, Business and ED Council (ITBEC)
ED Group from Adams, Juneau, Monroe & Vernon Co.
ED Professionals of Brown County
Forward Wisconsin

Fox Cities Economic Development Partnership
Fox River Valley Marketing Group
Fox Valley Workforce Development Board
Future Neenah, Inc
GMADC Coalition
Grow Wisconsin
I-39 Logistics Corridor
Inner-city Initiative of Milwaukee
Institute for a Competitive Milwaukee
JAEG Career Enhancement Opportunities
Jefferson County ED Consortium
Metropolitan Builders Association
Mississippi River Parkway Commission
Milw Metro Sewerage District (MMSD)
Momentum Chippewa Valley
North Central Wisconsin Development Corporation
Northeast Milwaukee Industrial Development Corporation
Northeast Wisconsin Regional Economic Partnership (NEWREP)
Northwest Wisconsin Business Development Corporation
Northwoods Development Corp
Northwoods NiiJii Enterprise Community

Northwoods Regional Economic Development Group
NW International Trade, Business and ED Council (ITBEC) Economic Development Group
Printing Cluster Task Force
Regional Economic Development Initiative
Rock Co. Development Alliance
Rock River Valley Development
Rock River Valley Regional Partnership
Sauk Co. Collaboration for Health
Sauk Co. Collaborative Initiatives Council
Sauk Co. Job Center
Sauk/Columbia Economic Development Collaborative
South Wood County Economic Development Council
Southeast WI Regional Economic Partnership (REP)
SW International Trade, Business and ED Council (ITBEC) ED Group
SW Wisconsin Economic Development Coalition
Ten Counties
Tourism Alliance
Tri-County Business Partnerships
Urban Economic Development Assoc (UEDA)
WI Economic Development Assoc (WEDA)
West Central Wisconsin Regional PK-16 Consortium (Synergy project)
WI Housing & ED Authority (WHEDA)
WI Business Incubators Assoc, several local incubators
WI Downtown Action Council
WI Rural Partners
WIN Foundation
Wisconsin Business Innovation Corp
Wisconsin Center for Manufacturing and Productivity
Wisconsin Innovation Network
Wisconsin Main Street Program
Wisconsin Rural Enterprise Fund
WI Manufacturers & Commerce (WMC)