Statement of Qualifications:

Professional Economic Development Strategy Services

In response to

Request for Proposals AA14-GD-4888 to Provide Housing and Economic Development Planning Services
February 14, 2014

Gary S. Duggan  
Assistant Director of Procurement  
University of Massachusetts  
Procurement Department  
407 Goodell Bld. – 140 Hicks Way  
Amherst, MA 01003

RE: RFP AA14-GD-4888

Mr. Duggan:

On behalf of Pittsburgh-based Fourth Economy Consulting (FEC) we are pleased to submit this letter of interest and proposal in response to your request for housing and economic development planning services. This project opportunity was recently brought to our attention by a colleague and stakeholder within the Amherst region.

FEC is a national economic development firm launched in 2010. The firm’s founders, who include myself, Rich Overmoyer and Dr. Jerry Paytas, have worked together for many years prior to launching FEC in both private consulting and in economic development organizations.

The firm has grown to ten full time employees and serves numerous clients throughout the country. We have completed and are currently working on planning projects for the Rhode Island Economic Development Corporation. Also relevant to this project is our role with the University Economic Development Association (UEDA). FEC manages UEDA and is working to build the coalition among higher education and economic developers. A key activity is the collection of best practices and resources to help address many of the challenges and opportunities identified in your RFP. We anticipate leveraging those connections to help inform and advise on this planning process.

Based on our review of the RFP, we would like to offer the following observations and what may be considered a novel “active” planning approach to this project.

Vision Framing

First, your project scope and goal is somewhat unique. It is clear that your community and stakeholders recognize the important connection between housing, higher education and economic development. While your economy is healthy and growing, seeking ways to ensure sustainable, context sensitive and highly impactful outcomes by leveraging your university assets is the smart approach.

Second, much has been done. The Town of Amherst and the University of Massachusetts have conducted extensive research and master planning in recent years to include a housing market study in 2013. This deep foundational literature and expertise will allow any consultant working on this project to move forward quickly, focusing on identifying the key goals, opportunity areas and intersections that exist between Amherst (the town) and the University of Massachusetts (the gown).

Third, we see our most important role in this process being facilitators, interpreters and economic development advisors, assisting the Town-Gown Steering committee to reach consensus on priority action items as they relate to each of the areas of focus, 1) Housing and 2) Economic Development. At every point possible we will provide thought leadership, suggest tactics and identify opportunities that may exist for the town and the university based on our experience.

Fourth, we consider this project an economic development strategy first. While housing is a key component, all of the elements expressed in the RFP to include the university research output, spinoffs, supporting services and housing should be positioned within the economic development context. We view the zoning and mapping activities serve as supporting tools to assist in implementation.

Active Planning Approach

With these points in mind, it is difficult to prescribe a detailed and formal approach in advance based on the RFP alone. And that may not produce the best results. Rather we suggest that if our team and project experience would meet your overall goals and expectations, we would work with you, your project team and/or members of the Town-Gown Steering Committee to customize and refine an approach the best leverages the work that has been done and reflects your key stakeholder demands and culture.
To get us to that point, the following pages provide an additional introduction to our team, our qualifications and outline our general approach. We have found these steps and activities effectively drive the project towards a plan based on action versus a static snapshot of historical trends and vague next steps.

We would anticipate some of these activities applying more directly than others to this particular project. For instance, it is less likely that extensive original market research will be required given the recent housing market studies and planning efforts that have been conducted. While review of those existing reports and data will be needed, more time can be directed towards stakeholder outreach and best practice research.

In terms of that outreach, we would suggest that targeted working roundtables be assembled around critical constituencies such as students, developers, university commercialization staff, economic developers, residents, and spinout companies. While some of these groups may be members of the town-gown steering committee, it will be important to include a diverse cross section within these groups and conduct focus group meetings.

It is also important to keep in mind that Fourth Economy is an economic development firm - not a planning or design firm. At this time we have not included a planning or mapping professional on our team. Depending on the need and level of zoning expertise and mapping expected, we would plan to work with the client to either secure that expertise locally, leverage existing planning staff or we can include that expertise through our own network as we learn more about that expected scope and deliverable.

Budget, Timeframe and Communication

Based on our general understanding of the project, we are confident that the project can be completed within the proposed budget of $60,000. Generally we anticipate a six (6) to eight (8) month project period that would include three (3) to four (4) site visits each lasting two (2) working days. At least two FEC senior staff would be assigned to each visit. FEC will provide formal bi-monthly updates by phone and email to the designated project managers or committees. The final report will be designed to include graphics, info-graphics and other illustrative designs to help tell the story and ensure confidence and support in the plan.

We are currently anticipating the need to partner with a planning firm or planning professional to provide some level of mapping and zoning support. If we can work with existing planning staff to accomplish these tasks, other tasks/activities can be changed or added depending on the final budget. We would be open to ideas in this regard and welcome your input.

References

Below are three client references you should feel free to contact to discuss our previous or current engagements:

1. University Economic Development Association
   Chuck Shoopman, Immediate Past President
   (865) 974-6621
2. Rhode Island Economic Development Corporation
   Jeff Davis, Principal Planner, RI Statewide Planning Program
   (401) 222-4718
   jeff.davis@doa.ri.gov
3. Altoona Blair County Development Corporation
   Patrick Miller, Executive Vice President
   (814) 944-6113

Again, on behalf of Fourth Economy and our team, we are pleased to offer these insights and approach. By my signature below I am authorized to present this proposal for your consideration. We look forward to your review and response and should you have any questions in advance, don’t hesitate to call or email.

Sincerely,

Stephen J. McKnight
Vice President – Community and Market Assessments
steve.mcknight@fourtheconomy.com
(814) 312-5251
A New Way of Thinking…

Economic development is increasingly a complex and inexact science. Wealth-generating strategies must encompass, preserve and enhance all aspects of a community’s asset base. That includes traditional assets such as sites and buildings, urban centers, housing, transportation, and utility infrastructure. Just as critical are the cultural, recreational, technological, and innovation resources.

Their form, function and condition not only convey a unique “sense of place” for each location, but also contribute to its capacity for wealth generation. Communities who envision and plan for well-designed “places” while aligning their assets for innovation are the places to which a modern talent force and business investment is attracted.

Founded in 2010, Fourth Economy Consulting is a national economic development firm providing growth strategies, site selection, market analysis, and community development services. Our team has worked extensively with states and communities faced with economic changes and transitional economies as well as with industries searching for new locations.

Through that experience, we have found that three fundamental lessons form the framework of a positive planning experience:

1. Strategic economic development is a long-term proposition. Engaged stakeholders must be prepared for measured outcomes set decades out. They must recognize the initial wins as small, business-by-business - building-by-building - block-by-block.

2. Pretty buildings and coffee shops alone do not a sustainable economy make. Sustained wealth generation in a modern economy requires the existence and alignment of five critical elements: 1) Investment, 2) Place, 3) Talent, 4) Diversity, and 5) Sustainability.

3. Regional ownership in the economic vision is vital to its success. The best-made plan without the support and reflection of its stakeholders is a static document doomed to failure. Those who have the most to gain or lose must be a part of the plan from its beginning.

The fourth economy is based on these three guiding principles. They influence our approach to this project and, in the end, provide the most meaningful planning process and strategies.
Moving Forward

Competitive communities are constantly seeking ways to more effectively leverage their many economic drivers and assets. The great recession and the age of the millennials are profoundly shaking the historic foundation that economic development tools were based on. Today, communities are realizing that they can not wait to play defense, they must create a proactive strategy.

Consistent and impactful economic growth cannot be taken for granted. If not appropriately positioned and aligned, many of these positive economic drivers may not produce the most desired or beneficial outcomes. Global demographic and economic shifts continue to occur that may offer your community a competitive advantage or a possible setback. No longer is it enough to simply wait and react to the economic cards you are dealt. We must work to recognize their strengths and build on them, while closing the gaps where they may exist.

For instance, Fourth Economy has been monitoring the rise of the Millennial Generation and the new demands this new cohort is placing on the communities in which they live and work. Armed with a modern world-view and technology enabled, this group is seeking out locations for their quality of place, both large and small, and starting their own businesses at rapid rates. Likewise, companies are positioning their benefits and seeking locations that can attract and retain this new workforce, and in many cases these are found outside of the big cities. A true renaissance of our nation’s towns and cities, large and small is clearly underway.

The combination of external forces - globalization, recession and regionalization - has created a planning dynamic that most places and many planners have not seen before. At a time when most businesses and communities need to innovate and start new firms, accesses to capital and tolerance for risk are constrained. If communities do not find ways to collaborate, invest, and take risks together, the clear path for most is continued decline or missed-opportunities.
Your Project. Our Priority.

With seven full-time professionals and numerous strategic partners (Fourth Economy Pioneers), Pittsburgh-based Fourth Economy has assembled a team of strategic doers and managers who have worked extensively with economic development organizations, universities, business start-ups, industry relocations and expansions. The team’s diverse and yet complimentary experiences offer our clients a full set of proven services. We work with communities as partners, rather than clients, to insure lasting results from our efforts. Together we develop broad strategies as well as integrated action plans that can be readily implemented by our clients.

The following pages further introduce you to each of our team members and their previous experience.

Steve McKnight
+ Market Assessment
+ Local Development
+ Site Selection

Chelsea Burket
+ Community Development
+ Environmental Planning
+ Workforce Strategy

Rich Overmoyer
+ State Government
+ Policy
+ Entrepreneurship

Jerry Paytas
+ Academia
+ Regional Development
+ Research / Analytics

Ali Mabel
+ Market Assessment
+ Entrepreneurship
+ Financial Analysis
For the past 15 years, Rich has become a nationally known thought leader in the innovation-based economic development field and has served in diverse roles in the nation’s economic development community. Prior to launching Fourth Economy in 2010, Rich served as the Pennsylvania’s Deputy Secretary of Technology Investment. He directly managed technology investment programs totaling over $82 million annually. As Executive Director of the Ben Franklin Technology Development Authority, Rich and his team were credited with the creation and attraction of hundreds of new Pennsylvania companies and thousands of jobs within the Commonwealth. Rich also supervised numerous other state-funded entrepreneurial and technology commercialization organizations. He designed and launched the Keystone Innovation Zone program to spur economic development around Pennsylvania’s university research institutions and create entrepreneurial networks across the state. If selected, Rich will serve as project manager for this effort.

**Education**

University of Pittsburgh, Pittsburgh, PA
Graduate School of Public and International Affairs
M.A. in Public Policy and Management
B.A. in Political Science and English Writing
Stephen is a principal and co-founder at Fourth Economy where he specializes in organization and community evaluations, market assessments and capacity building for Fourth Economy clients. He works to identify key organizational and place-based assets, matching those assets with new market opportunities. Stephen brings more than 19 years of management and economic development experience in both the public and private sector. He has managed more than 175 business expansion projects resulting in $600 million in total investment and $205 million in loan amounts. Stephen has served in senior management roles for non-profit trade associations, economic development organizations and private industry.

Education

American University, Washington, D.C.
Graduate Studies in Public Administration

University of Pittsburgh, Pittsburgh, PA
B.A. in Public Administration and Political Science

Stephen McKnight

Vice President, Community & Market Assessments
Fourth Economy

Areas of Expertise
+ Economic Development
+ Land Use Planning
+ Small Business Development
+ Organizational Management
+ Program Design and Implementation
+ Knowledge-Based Economic Development
+ Site Development
+ Government Relations
With more than 19 years experience in economic and market analysis, Jerry is a principal at Fourth Economy where he directs all research and analytic inquiry. Jerry was Director of the Carnegie Mellon Center for Economic Development and teaches economic and community development at Carnegie Mellon’s Heinz College. At the Ben Franklin Technology Center of Western PA, Jerry managed a network of service providers that assisted more than 1,300 clients, leveraged more than $280 million in loans and grants, started nearly 70 new firms and created more than 1,000 new, high-quality jobs. Jerry serves on the boards of Sustainable Pittsburgh, Landmarks Development Corporation, the Research Advisory Committee of the U.S. Green Building Council, and the University of Pittsburgh Human Stem Cell Research Oversight Committee.

Jerry creates new techniques for assessing and leveraging market opportunities for both for profit and non-profit organizations. Dr. Paytas’ work has been published by the Brookings Institution, the Economic Development Administration and Urban Affairs Review.

**Education**

*University of Pittsburgh, Pittsburgh, PA*
Graduate School of Public and International Affairs
Ph.D. in Public and International Affairs
M.A. in Urban and Regional Planning

*The Johns Hopkins University, Baltimore, MD*
B.A. in International Affairs
Chelsea is the Director for Sustainable Communities at Fourth Economy. She works with public, private, and non-profit clients to develop sustainable approaches to economic development, that is, approaches that support equal opportunity to wealth generation for individuals and communities, while also conserving our natural assets. Specifically, she guides non-profit strategic and business planning and facilitates collaboration around sustainable economic development initiatives.

Chelsea’s work is informed by her background in urban planning and community development. Previously, she worked with non-profits in Southwest Detroit to ensure that infrastructure development provided jobs and other benefits for local residents, and to organize the community around environmental issues. She also worked for the City of Ann Arbor to promote quality development through a community input process and a corridor planning effort. In Pennsylvania, Chelsea has worked with local governments to advance traditional neighborhood development, quality public art and civic design, and historic preservation.

She is a GTECH board member, member of the American Planning Association, and serves on the Wilkinsburg Public Art and Civic Design Committee. Chelsea recently co-founded the Pittsburgh Canning Exchange.

**Education**

**University of Michigan, Ann Arbor, MI**  
M.A. in Urban Planning,  
Community and Economic Development Concentration (AICP Award)

**Pennsylvania State University, Altoona, PA**  
B.A. in Environmental Studies

**Areas of Expertise**

+ Community Development  
+ Land Use and Environmental Planning  
+ Nonprofit Management  
+ Facilitation  
+ Place-Based Economic Development  
+ Workforce Development
Ali leads Fourth Economy efforts to assist public and private clients in innovation strategies. The Fourth Economy client portfolio includes dozens of organizations that are launching new strategies, assessing their response to market dynamics and seeking to maintain resilient operations. Ali’s expertise will serve these clients and channel the team’s resources in the creation of clear action strategies.

Ali brings almost ten years of experience in business and economic development to Fourth Economy. Prior to joining the firm, Ali worked as Program Coordinator at the University of Illinois Research Park. She supported operations at the University’s research parks, incubators and affiliate incubator; assisted with Research Park planning and development; and prepared proposals for technology-based economic development grant opportunities. She also worked at Ernst & Young consulting Fortune 100 companies on finance and supply chain process improvements, and at Sprint Nextel as a finance and operations analyst. Ali has a Master of Urban Planning from the University of Illinois at Urbana-Champaign and a Master of Business Administration and a BA in German from the University of Missouri-Columbia. She has worked and studied in Germany and Austria.

**Education**

**University of Illinois at Urbana, Champaign, IL**
M.A. in Urban Planning

**University of Missouri, Columbia, MO**
M.B.A.
B.A. in German
Experience to Share.

The following Fourth Economy client projects and references highlight activities and processes related to economic development planning. A full listing of our clients and public work product can be found at www.fourtheconomy.com/projects.

**Statewide Economic Development Analysis and Assessment**
:: State of Rhode Island

The Rhode Island Economic Development Corporation hired Fourth Economy Consulting to conduct a statewide business climate and industry opportunity analysis. The study involved developing a unique methodology to examine existing state rankings and indices while offering a more complete understanding of how Rhode Island compared to other states. The study showed that while there is some value in looking at an overall ranking, the greater value and often more accurate context is achieved when the individual measures that contribute to the ranking are analyzed. This framework helped direct additional analysis into the cost and regulatory structure for the state as well as developing specific recommendations to address challenges and leverage assets. Each of these aspects helped then to identify both current and emerging industry sector opportunities for Rhode Island.


**Capture Team**
:: Power of 32 Regional Initiative

Fourth Economy was hired to further develop the goals and strategies of the Capture Team. The Capture Team is now a collaborative of community and economic development organizations from across the region that have committed to working together, when appropriate, to pursue federal and national philanthropic grant opportunities. This collaborative approach serves to leverage the strength of larger organizations to benefit smaller organizations across the region, and to create stronger and more competitive proposals. Fourth Economy provides additional resources to the Capture Team to help support the development of their proposals, identify priorities for proactive funding pursuits, and build their capacity.

Reference:
Jeff Davis, Principal Planner
RI Statewide Planning Program
401.222.4718
jeff.davis@doa.ri.gov

www.p32captureteam.org
TechBelt Initiative
:: Economic Development Stakeholders from Ohio, Pennsylvania, & West Virginia

Economic development stakeholders from Ohio, Pennsylvania and West Virginia recognized the need to work together in order to accelerate the transition from a rust-belt economy to a more diversified and sustainable economic base. Despite sharing a labor force and economic bases, too often organizations were competing and there was little formal communication among key assets and organizations across state boundaries.

It was critical for the region to more effectively leverage all of the regional assets to include universities, medical centers, national laboratories and industry through an efficient and systematic approach to attract a greater share of national investment. Fourth Economy Consulting was selected to facilitate the formation of the coalition, develop and administer services, fund raise, and build communication strategies.

The result was the creation of a fully functional regional economic development collaborative enabling new communication tools and relationships across state borders. Until 2012, TechBelt had helped to secure nearly $7 million in competitive funding and investment for the region. Then, on August 16, 2012 TechBelt’s consortium was awarded the National Additive Manufacturing Innovation Institute award. The proposal included 83 regional partners. TechBelt organized a partnership that secured $39 million in matching funds (required $30M), with $18 million from 44 large and small firm industry partners to match the federal investment of $30 million. Our proposal beat out a dozen others – including MIT and Georgia Tech – for a $69 million investment that provides a platform to spur a revolution in American manufacturing.

Water Economy Network
:: Sustainable Pittsburgh, Allegheny Conference on Community Development

In the spring of 2012, a group of business leaders convened in the offices of the Allegheny Conference for a review of the Pittsburgh H2Opportunity report produced by Fourth Economy and a preview of a Carnegie Mellon report, Sustainable Water Innovation Initiative for Southwestern Pennsylvania commissioned by Sustainable Pittsburgh for World Environment Day 2010. These leaders quantified an immediate and urgent need for a concerted water innovation and market development effort akin to what is underway in other regions such as Philadelphia, Cleveland and Milwaukee.

Fourth Economy, in partnership with the Allegheny Conference and Sustainable Pittsburgh, established The Water Economy Network as a working collaborative consisting of private industry, academia and regional economic development intermediaries. The Network helps its membership access water-sector project opportunities, encourage new company formation through innovative technology development and deployment, and attract both national and international water related industry to the Western Pennsylvania region. Fourth Economy continues to provide organizational and strategic leadership to the network, including marketing and communications support, website development and maintenance, and strategic messaging development.

References:
Dewitt Peart, President
Pittsburgh Regional Alliance
412.215.8717
dpear@pittsburghregion.org

or

Eric Planey
Youngstown Warren Regional Chamber of Commerce
330.744.2131 x 26
eric@regionalchamber.com

www.techbelt.org

Reference:
Sam H. Johnson
Director Water Asset Development
CONSOL Energy Inc.
724.485.3124
samjohnson@consolenergy.com

www.watereconomynetwork.org
**Madison County Community Capacity Analysis**  
:: Madison County Chamber of Commerce, Ohio

Fourth Economy was hired by the Madison County Chamber of Commerce to conduct an economic development strategy which included a community capacity assessment and target industry opportunity analysis. In addition to an extensive stakeholder engagement component, the project also included a site selection scenario that focused on heavy manufacturing, higher technology firms and start-ups. Given the rural character of Madison County, which is located approximately 15 miles outside of the City of Columbus, it was critical to understand the market context and linkages influencing Madison’s growth dynamics. It was also important to incorporate the stakeholder sentiment that Madison’s rural character remain in tact, avoiding the potential for uncontrolled development resulting from the exurb growth around Columbus. Based on the capacity assessment, market conditions and stakeholder feed back, the final study provided Madison County with target industry opportunities and pointed towards a development strategy that focuses on the existing industrial parks and several smaller town centers that exist within the County. Despite these areas being denser than the surrounding county, they did offer capacity for smaller class-A-B office that was in demand as a result of the Columbus metro pushing beyond its outer beltway. Building on its strength and additional research connections with Ohio State University, this approach would begin to move Madison from primarily a bedroom community for Columbus to a more of a work-live destination.


**Regional Economic Competitiveness Strategy**  
:: Mahoning Valley, Ohio

The Raymond John Wean Foundation in partnership with the Fund for Our Economic Future hired Fourth Economy to conduct and economic development competitiveness road map. At the behest of local foundations, diverse stakeholders from across Ohio’s Mahoning Valley (Mahoning, Trumbull, and Columbiana Counties) came together in the spring of 2012 to discuss the need for a new way of working together on a common agenda to advance the community’s economic competitiveness. Over 6 months Fourth Economy gathered and analyzed data on economic trends and conditions, researched the community’s history and assets, conducted stakeholder surveys, and facilitated four steering committee meetings and two larger community meetings aimed at identifying priorities and developing action plans. Ultimately, Fourth Economy helped a group of nearly 70 community leaders decide on three common priorities around the issues of efficient government, inclusion, and talent. Using the framework of collective impact, Fourth Economy outlined a structure and initial work plan to guide implementation, without creating a new organization. The final report is currently in development.


Reference:
Sean Hughes, Executive Director  
Madison County Chamber of Commerce  
740.852.2250  
sean@madisoncountychamber.org
UEDA Strategic Organizational Management
:: University Economic Development Association

The University Economic Development Association (UEDA) has been managed by an outside firm for a number of years. Providing day-to-day organizational management, outside firms provided marketing, membership and leadership to the overall organization. With universities serving as the nexus for economic development as talent, research, innovation and startup generators, the board desired a shift in their management structure, to a firm that could not only provide general professional services, but could also lead the organization to managed membership, financial and strategic growth, while marketing the organization as a leader and potential partner in the university-centric economic development world.

Because of available exceptional internal support, nonprofit and trade association experience, and economic development strategy reputation, UEDA hired Fourth Economy to provide organization and strategic management services to the organization. Fourth Economy serves the organization, providing UEDA’s executive director, event planning, marketing & communications, website development, sponsorship development, programming, and organizational strategy.

In the first year, Fourth Economy reorganized UEDA’s infrastructure, including a customer relationship management database (CRM) system, website, marketing collateral, communications, membership structure and more, to lay a foundation for managed growth. The team also served as project managers for various working volunteer committees, providing support and strategic direction to drive the overall success of the organization. These efforts culminated in October 2012 with the UEDA Annual Summit, held in Chattanooga, TN, which had the highest attendance of any UEDA event to date. The first year will see membership and financial growth, as additional momentum is being used for future balanced growth.
Other Strategy Clients: Fourth Economy

- Allegheny County
- Allegheny Ridge Corporation
- Altoona Blair County Development Corporation
- Association of Independent Colleges and Universities of Pennsylvania
- CAN DO, Inc.
- City of Clairton
- City of Morgantown
- City of Washington, Borough of East Washington
- Creative Real Estate Development Company
- Duquesne Light
- Eastern Land Use Conservancy
- Employer’s First Workforce Consortium
- Green Building Alliance
- Green Tree Borough
- Innovation Works
- Iowa West Foundation
- Lawrence County Economic Development Corporation
- LifeScience Career Alliance
- Louisiana Technology Council
- Madison County Chamber of Commerce
- Mahoning Valley (OH) Competitiveness Initiative
- Marshall University
- Mid Mon Valley Progress Council
- Minnesota Green Jobs Task Force
- Mount Washington Community Development Corporation
- National Energy Technology Laboratory - URS Corporation
- National Energy Technology Laboratory (NETL)
- National Road Heritage Corridor
- Nine Mile Run Watershed Association
- Northwest Pennsylvania Incubator Association
- Ohio & Pennsylvania Regional Economic Development Stakeholders
- Penn State University - College of Medicine
- Pennsylvania Bio
- Pennsylvania Department of Community and Economic Development
- Philipsburg - Osceola Area School District
- Pittsburgh Downtown Partnership
- Pittsburgh Partnership for Neighborhood Development
- Pittsburgh Regional Alliance
- Pittsburgh Supercomputing Center
- Point Park University
- Quad Cities Development Group, Bi-State Regional Commission
- Riverlife
- Riverside Center for Innovation
- South Allegheny S.D.
- Southwestern Pennsylvania Planning Commission
- Sustainable Business Network
- TechConnectWV
- Tennessee Technology Development Corporation
- Three Rivers Workforce Investment Board (WIB), GTECH Strategies, Green Building Alliance (GBA)
- United Nations World Environment Day Partnership
- University Economic Development Association
- University of Louisiana at Lafayette
- Upper Lawrenceville Development Corporation
- Uptown Partners
- Urban Redevelopment Authority of Pittsburgh
- Walnut Capital, LLC
- Washington Economic Development Commission
- Washington Economic Development Commission, Washington Technology Center
- West Virginia University Research Corporation
- Winchester Thurston School
- Youngstown State University
While we recognize that a full scope of work and budget would be requested as a next step in the competitive selection process, the following offers some insight into the Fourth Economy approach.

Our experience has shown us that every community is unique. As a result, no single approach fits all needs. While the process we outline offers community stakeholders insight into the general steps involved, it is a starting point for discussion. We expect that a final approach and specific tasks required will be customized to accommodate unique circumstances and demands for your community and the region in which it functions.

Three core components define our approach:

1. A Capacity Assessment (SWOT)
2. Economic and Market Analysis
3. Development Opportunities

While each of these elements has their own focus and goals, the strength lies in when and how their respective discoveries intersect. Many of the activities occur concurrently throughout the project with regular points of information sharing both internally among the FEC team members and between the FEC team and project managers.

The findings from each are synthesized, building towards a single document that includes a summary of economic challenges and assets, focus areas supported by guiding principles, and prioritized industry and/or investment opportunities.
Every community has a story to tell. Often that narrative is not reflected in the statistics alone. The Capacity Assessment is a process where the team, in partnership with project managers and regional stakeholders, seek to understand the various issues, trends, advantages and challenges impacting a community and the market context that influences its growth potential.

Unlike an Economic and Market Analysis, the Capacity Assessment places a greater emphasis on the qualitative factors influencing growth. These often include (but are not exclusive to) the economic development delivery system, transportation network, collaborating partner structure, programs and incentives, recent business expansions and contractions, innovation assets and the civic engagement practices.

The following four key activities can contribute to the Capacity Assessment. They include: A) Site Selection Scenario; B) Visioning Session; C) Priority Opportunity Roundtables; and D) Interviews.

A. Site Selection Scenario
The reason why some locations succeed in attracting new investment while others fall behind is a complex matter. No longer is the equation as simple as financial incentives, good roads and available commercial buildings. Certain industries require specific assets. Additionally, many industry sectors are converging, causing changes in their location assets and quality demands.

Because Fourth Economy provides site selection services for private businesses, we employ methods used for those clients when assessing each county’s position to attract and grow various types of business investment, from niche high technology firms to large manufacturers. Building on that experience, our team proposes facilitating a site selection scenario designed to test the economic delivery system, determine response capacity and mapping assets.

We also regularly review counties for the national Fourth Economy Index. This new index ranks counties nationwide based on five key factors: 1) Investment, 2) Talent, 3) Sustainability, 4) Place, and 5) Diversity. As a result, we have assembled baseline data for communities all over the nation. This allows us to exercise greater efficiency for the scenario and throughout the project as a whole.

This framework and perspective helps stakeholders to determine their location’s overall capacities and assets that can support certain industry sectors. Fourth Economy examines business recruitment strategies, administrative infrastructure and financial incentive programs as applicable.

This approach positions the data within a framework designed to reveal the advantages and disadvantages for your community and the degree to which “gaps” may exist between their respective economic development goals/objectives and the programs, resources and asset base available to help achieve those goals. Recommendations then can be strategically targeted toward closing gaps, strengthening successful programs or if needed, altering the goals and objectives.
B. Visioning Session
As a second component of the community assessment, Fourth Economy facilitates a visioning session. This session includes regional stakeholders identified in partnership with project managers. This discussion is intended to establish a baseline understanding of the key issues, challenges and emerging investment opportunities within a community from a stakeholder perspective.

The format and content for this session is customized based on the number of stakeholders and the interests they represent. Generally these meetings are structured yet informal, lasting up to three (3) hours. We work closely with project managers to determine the best format to inspire conversation and openness from participants.

The session begins by revealing the results from site selection scenario and initial findings from the economic analysis. This can help position the stakeholders to react to the early findings and address any apparent gaps, issues or topic areas. This often takes place in an open discussion with our team facilitating and documenting the discussion. The visioning process also begins to identify potential industry opportunity areas.

It is important at this early point to maintain focus on areas and actions that can be readily and realistically addressed within the regional economic development and planning context. Too often we see these discussions devolve into areas beyond the project framework, unable to be implemented.

C. Priority Opportunity Area Roundtables
As a result of the visioning session and data collected through the economic analysis, we typically see several key issues and industry opportunity areas begin to emerge. To further investigate these, Fourth Economy can facilitate roundtable discussions. Depending on the nature of the findings and level of community engagement up until this point, the roundtables may focus on one or several industry sector opportunities, key issues or assets that can accelerate or impede investment.

These discussions provide an opportunity for stakeholders to offer additional insight into the region’s assets, challenges and emerging opportunities, beginning to frame the key components of the plan itself.

Together with project managers, we review the potential topic areas and work to identify stakeholder organizations (or individuals) who should be associated with each priority area. Key questions to ask include what role can participants play to help influence outcomes, how those outcomes can be measured and what resources will be required to achieve those goals. Facilitation methods are employed to help guide the discussion and answer these questions. We usually plan for two or three roundtable discussions.
D. Interviews & Surveys
As our team is collecting baseline data and facilitating the opportunity area discussions, we often conduct several phone interviews. Often, given their time constraints, these interviews are conducted with local industry representatives, gaining insights into their operational experience and needs. Interviewees may include (but are not limited to) companies who have left the region, homegrown companies, remotely owned companies, and stakeholders from other regional economic development initiatives. The interviews allow us to gain unique insight into the specific issues broached during the roundtables or not able to be discussed in a public forum. Over the course of the project, we typically recommend 20 to 25 interviews (both structured and semi-structured).

Often, on-line surveys are useful and can be administered either to supplement the interviews or as an alternative to them. Surveys can be included as part of the data collection efforts based on need and desire of the project managers.

Economic Structure, Target Market Opportunities, and Impact

Positive economic outcomes and market opportunities can take many forms. While often they result through traditional development and expansion, sometimes that pathway is through land preservation and community rightsizing. Some communities may be able to expand manufacturing or high tech sectors while others see opportunity in tourism and the arts.

A. Economic Structure
Understanding community economic structure is a foundational activity, outlining the current conditions and trends impacting your town or region. Previous studies as well as current economic data, land use patterns, wages, sites and building information, housing data, workforce and demographic statistical data form a baseline understanding of the economic and social structure.

While the data itself is not unique, recognizing the relevance and potential application of that information is. FEC combines real-time information and analysis to provide a more robust economic picture. We delve into a variety of data sources and information in order to analyze the economic structure and develop a keen understanding of a community’s economic anatomy and how it links to the broader economy at both a regional and national level.

B. Targets and Impact
Based on the economic structure and capacity assessment findings, Fourth Economy will be in a position to begin to target industry opportunities. FEC inventories the current state of the industry for a community with the goal of identifying major opportunities and challenges that face various sectors and/or impact their future growth potential. FEC defines the resources required by different sectors based on a variety of factors. The concentration of employment measured by location quotients is one factor. FEC also considers growth trends in the region and state compared to the U.S. and benchmark states. Furthermore, we analyze the level of patenting and innovation activity related to key sectors.
This analysis yields more strategic information than a simple identification of strength or weakness because it defines the nature of the strength or weakness. The number of jobs in a sector is often used as a gauge for how important the sector may be from an economic development perspective. Employment, however, should not be the only consideration. For example, if there are two sectors, both with 5,000 employees but sector A has 1 firm and sector B has 50 firms, then sector B provides a greater economic development opportunity. Jobs are created by firms so sectors with more firms provide more opportunities to create jobs and diversify the risk of an economic development effort. A sector with only one firm places the economic risk entirely on the success or failure of that firm.

To assess the industry base, we consider the number of establishments and share of establishments for that industry, the number of employees in the region and the average size of establishments. The number and share of establishments indicates whether the region has a critical mass in that sector so that development efforts are not be based on the success or failure of a small number of firms.

Employment provides an indication of the level of impact that growth of the sector may have especially where the goal is job creation. The average size of the establishments compared to the average for the industry indicates the level of capacity within regional firms. Small firms are often flexible competitors but lack the resources of larger firms.

We also consider whether regional growth is leading or lagging the U.S. The most time-consuming task in estimating industry assets is dealing with non-disclosed data. Even when comparing industries at a statewide level, many industries will not be disclosed because a large firm accounts for a significant share of employment. FEC estimates the missing data using industry standard methods.

The economic and market analysis is combined with the community assessment findings to determine what may enhance or impede the development goals of the county. This enables project managers to evaluate both goals and strategies. For example, if a goal is to attract or grow industry sector A, yet we find workforce constraints that may impede that goal, the target sector could be changed or strategies implemented to address the workforce issues.

We also work to discover regional assets, resources and trends that may not be readily apparent through statistical data alone. There may be new and emerging opportunities that do not show up in any data sets. For example, the decision for a manufacturer to locate in a region may create a unique opportunity to consider the supply chain that will be required as the manufacturing facility advances to full production. We combine real-time information such as pending expansions or contractions with the quantitative analysis to provide a more robust economic picture and the impacts that may result.
Development Opportunities

New development in and of itself does not guarantee sustained economic growth or maximum impact. Numerous examples exist of convention centers constructed too far from a town center to impact the urban core. Office and residential construction frequently happens in areas isolated from amenities making them less attractive to businesses and residents. In the end, these types of outcomes can greatly hinder the economic feasibility of a project overall and potentially stall future development and investment confidence.

With this understanding in mind several key activities are necessary to not only determine where new development should take place, but also help define and direct the right type of development mix based on key market drivers. This is the critical first step towards detailing construction costs and operational pro-forma for a particular site or building.

A. Identify and Prioritize Catalytic Investment Zones

Location. Location. Location. Sometimes one block can make the difference between an investment success and one that falls short of expectations. With an understanding of the market drivers and movement patterns in place, we can begin to identify and prioritize zones within a community that can serve as catalytic areas for investment.

Catalytic investment zones are areas in which development is most likely to amplify development opportunities for adjacent property or connected corridors – a cascading investment model. Depending on the market data and drivers, we will endeavor to prioritize and/or reaffirm existing catalytic zones.

Beyond the catalytic zones themselves are the spaces between them. If we consider our home residence as a “first place” and work location as a “second place,” the places and spaces in between are “third places.” Fully functional “third places” should add value to the overall user experience. Parks, coffee shops, civic spaces or retail corridors can serve as third places. Consideration is given to the spaces and assets that border or connect to the zones to determine how these locations can or should interact with the catalytic zones in order to support development success.

B. Determine the Mix of Uses and Investment Scenarios

Focus then shift towards the potential uses, investment scenarios and the degree to which they should be mixed. Within each zone we suggest the appropriate mix of development options based both on the market trends and demand as well as what the zone can physically support. An existing building for instance may serve as an anchor residential or mixed-use opportunity. A development site could serve as a park, new development opportunity or parking asset.
Other Elements of Project Management

Communication
Fourth Economy employs a variety of on-line communication tools and to ensure complete transparency of the process, from start to finish. Basecamp is one such tool that enables all documents to be shared and to manage communication with both the public and project managers. We work with project managers to determine what method works best for them and provide suggestions along the way. Fourth Economy provides continuous updates through both email and regular conference calls with project managers. The frequency and style of these updates are determined prior to the project launch to ensure success.

Report Development
Ultimately what results are recommendations for a community to enhance its economic development services, tool-kit and associated products. It identifies opportunities for collaboration; establishes and prioritizes guiding principles for the regional stakeholders; evaluates the opportunities, assets and challenges impacting the community; and proposes strategies designed to attract, retain and grow new and varied investment opportunities. The report does this through defined strategies with measurable performance metrics. Fourth Economy will work with the project managers to determine the best format for the final report.

We anticipate the final product being supported by a PowerPoint presentation. Increasingly economic development plans/reports are heavily represented through info-graphics that help to tell and illustrate the story of the project, identify goals and the performance measures to track its success along the way. Fourth Economy works with our clients to determine the audience for the work product and crafts the most appropriate communication methods.