

## Why economic development is important

Growing up in a small town in northeastern Indiana, I was along for the ride. And, from the seat of a hopped-up 1950 Chevy business coupe, it was a good ride. After school, I loaded Coke trucks when I wasn't working out with the gymnastics team. I drove the strip and frequented Dick's Pizza and the A&W.

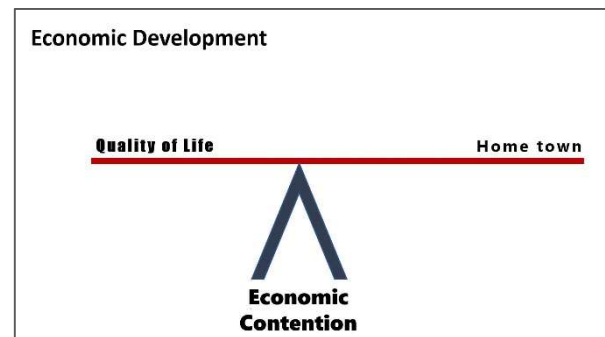
When the lights went out at school we would head into the gym or outside on a nice day. These unplanned outings were a welcome break from the class routine. Across town, on the north or south side, going dark always caused the chamber of commerce phone to ring. The young executive, 14-months on the job, patiently listened to complaints he had heard before – "Curt, the lines are down AGAIN, my 438 workers are idle AGAIN. The shipment to Ford won't go out tonight if we are not back up in 20 minutes! We can't keep doing this! The Connecticut office is on my ass about costs and productivity! Customers are bitching and threatening to take their business elsewhere!" At the forge, suspended motionlessly from the ceiling crane, a 500-gallon vat of molten metal is crusting as it cools. 272 workers can do nothing to save the batch which will be worthless in 30 minutes and an expensive clean-up. Every call ended the same way: "What are YOU going to do about this?"

Like a lot of small towns, Portland had a municipal utility. The public was mostly happy because rates were low. Politicians were happy because they could brag at election time how they were keeping costs down for residents. Utility management was frustrated. They knew rates were too low, meaning deferred maintenance on lines and no significant reserve fund to replace the 1930's coal fired generator. Then, there was the hidden wildcard. Rates appeared lower because utility costs were also being subsidized through the general fund cutting off another option for financing system maintenance and updates. Elsewhere, business executives fumed and weighed options.

The chamber Board meeting agenda had only one item. Electric utility system.

No one wanted to deal with the problem. But, there it was. It was not going away.

After a series of long debates, a path forward was chosen. The chamber would force a referendum on the question of shutting down the municipal utility and transitioning to the public utility serving the region. Cost would be the core of the debate. The cost of electric power would surge to a true cost of electricity. Maybe the magic number was 1,800, but the question remained, how to convince voters they should agree to accept a 200 percent electric utility rate increase. Chamber leadership knew if the referendum had any chance of passage, they would have to convince 1,800 citizens this choice was the best choice for them personally.



The campaign was exhausting, but voters said yes to increasing their family's electric bill. The municipal utility would be sold to the regional public utility. The public utility would transition power generation to other facilities, demolish the coal plant on Water Street, and rebuild the town's electric distribution infrastructure.

The decision solved the problem for local business executives, but more importantly, it became the first domino in a larger plan to diversify the local economy. Curtis F. Canada and a band of volunteer business leaders had carried the day, setting the table for the community's economic future. This and other tough choices resulted in a dozen new employers over a 10-year period beginning in the late 60's.

This personal story reinforces two important lessons. First, the leaders of successful economic development programs typically share a long view of economic development in decision-making. Second, successful economic development is never one person working alone. Successful economic development takes a team of people working together on common goals to benefit the community and its citizens.

### **Tomorrow is setup by tough choices today**

Portland, Indiana had someone to answer the phone, understand the significance of the call and take action. The action was not the quick or easy solution. It was the best, 20-year solution they could devise for the community. This is why economic development is important. Site selection consultant Jerry Szatan put it this way in a recent email, "EDO's – insert your organization name here – play a critical role for the community: they answer the phone and respond under pressure. They keep the community in contention."

Reading between the lines, the book, *Economic Development for the Team* is about the importance of economic development. It has no other reason to exist. We operate in an uncertain environment. We do not have absolute control. We leverage the tools and resources we have. We rely on the cooperation of others. We understand we are only as good as the product we place in the market. We know the issues and priorities will change. But, most importantly, the economic development organization accepts responsibility for striking a difficult balance between today's quality of life, keeping our community in economic contention, and setting the stage for our children's children's home town.

Excerpt, [Economic Development for the Team](#), Eric P. Canada

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