PROSPECTING ECONOMIC DEVELOPMENT PROJECTS

WEDA Academy
February 9, 2022

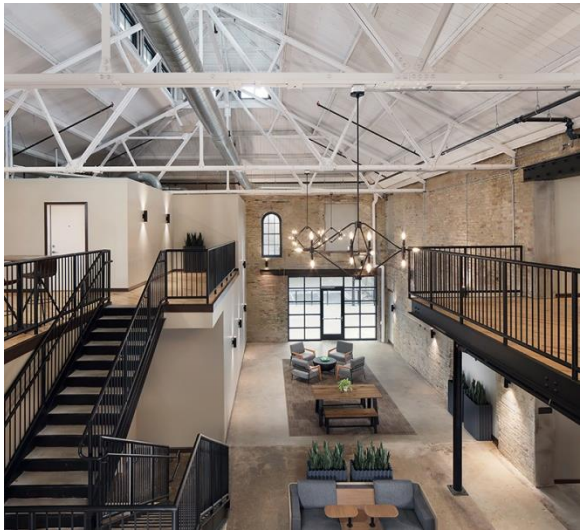
CGSchmidt

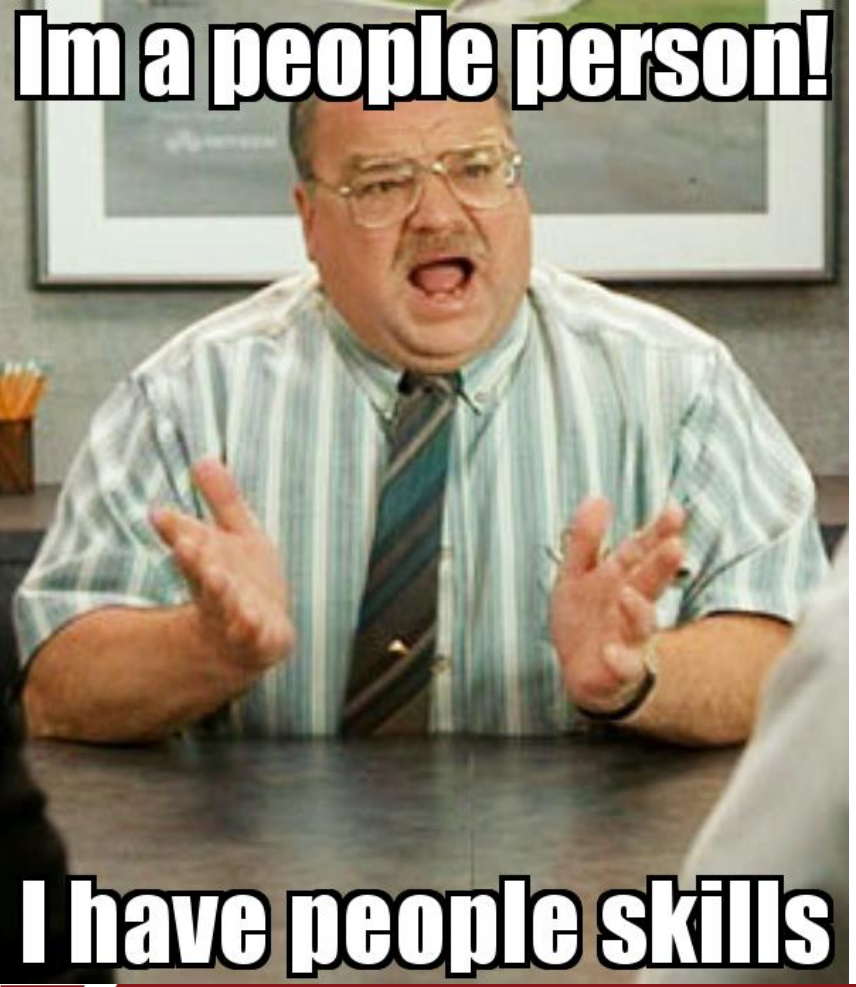
Agenda

- Intros
- Types of Projects
- Roles of an Economic Developer
- Deal Funnel
- What's a good fit?
- Case Studies
- What you want to know
- Five A's to the Win

Types of Projects

- Business Attraction – attracting new business
- Business Retention and Expansion – enhancing existing businesses
- Real Estate Redevelopment
- Business Creation – encouraging the growth of new businesses
- Rural or Urban
- Large or Small



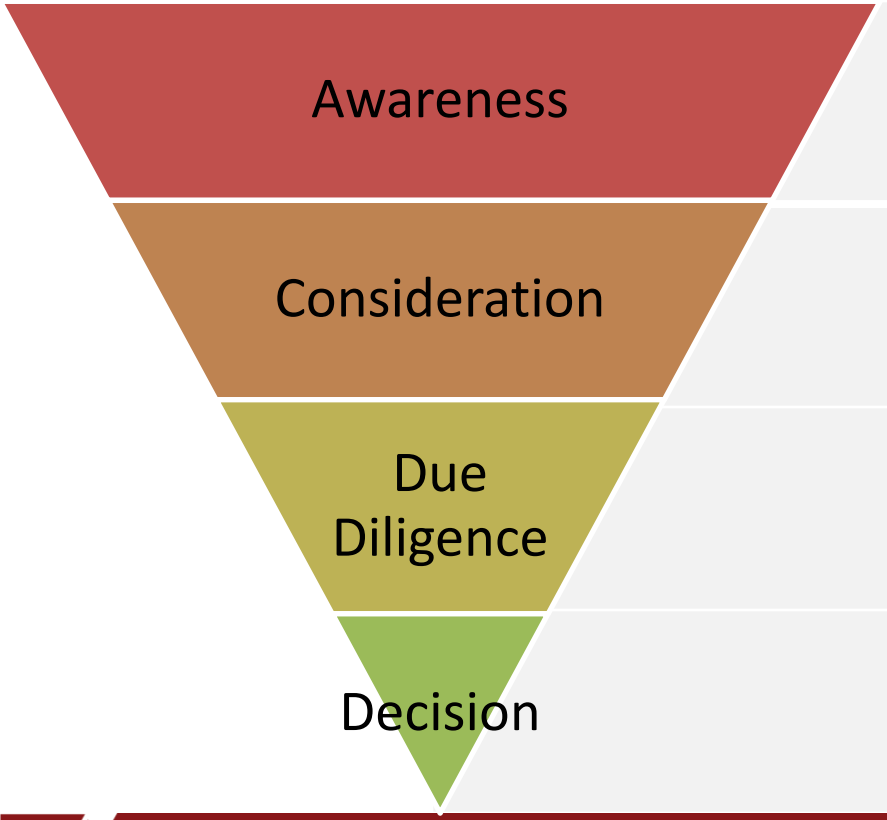


Roles of an Economic Developer

- Building Relationships
- Identifying Prospects
- Evaluating Prospects
- Recommending Solutions
- Deal Structuring
- Analyzing and Underwriting
- Mitigating Risk
- Getting Approvals
- Closing Deals

COMMUNICATION

Deal Funnel



Get the attention of desired prospects
Qualify them

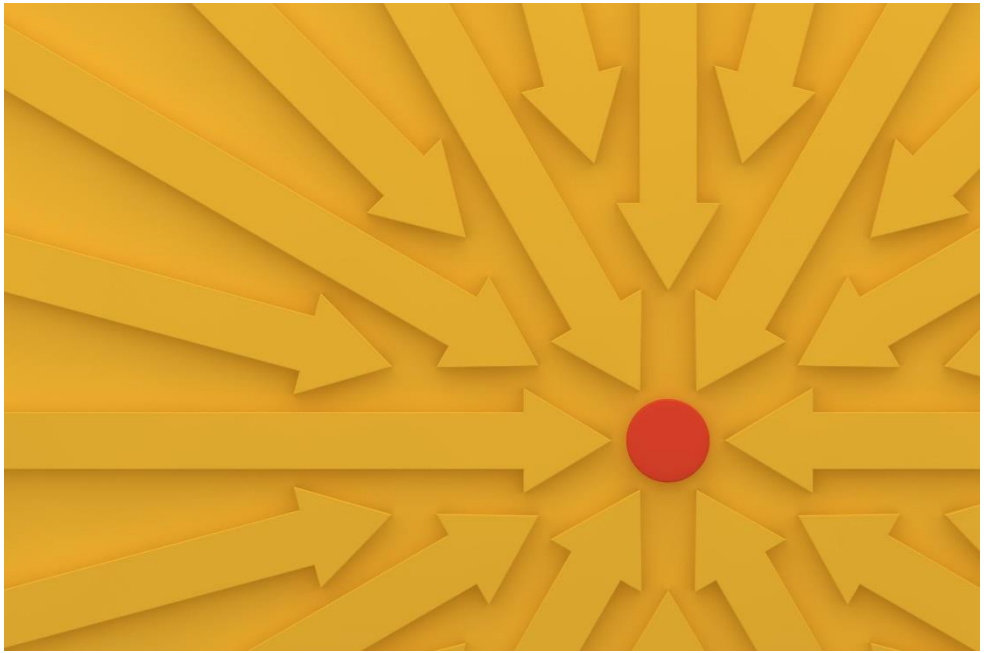
Identify needs
Promote benefits

Provide information
Gather information
Offer

Structure
Underwrite

Offer
Negotiation
WIN!

What's a good fit?

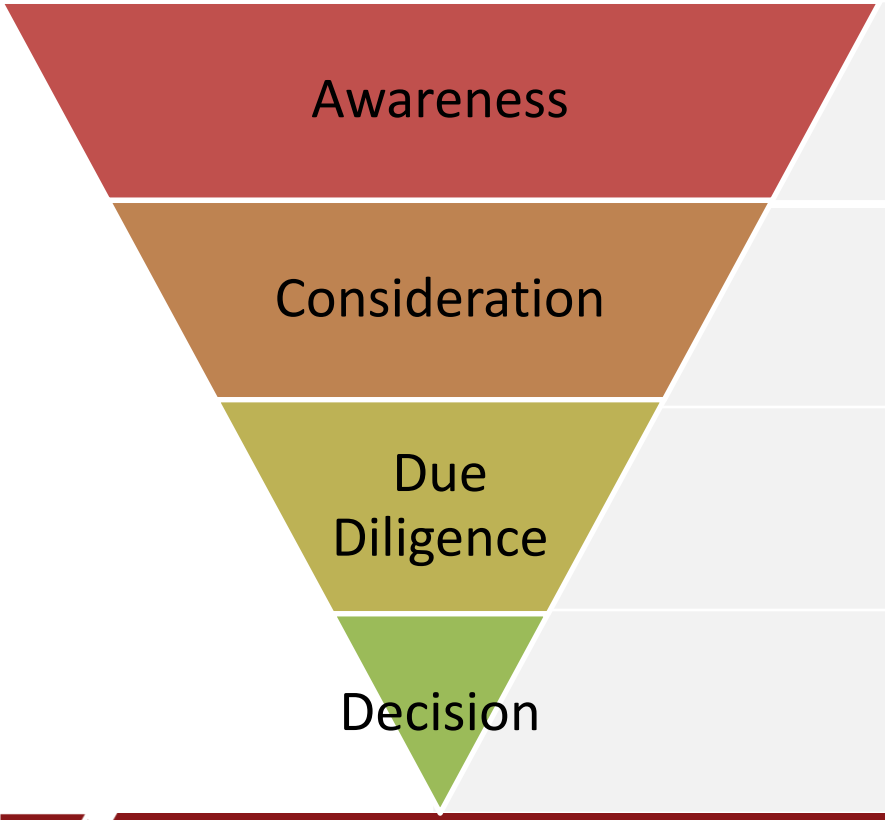


- Increase Commercial and Industrial tax base
- Increase median income and opportunities for the broadest array of residents
- Maintain a diversified industry base
- Your community?

CASE STUDY #1

- Midwestern manufacturer with several facilities across the US.
- Seeking a location for a new facility
- 800 jobs - $30 - $40 million investment
- **EXERCISE**
  - What questions will you want/need to ask in each stage of the funnel?
- **CHALLENGE QUESTION**
  - Would your questions differ for a corporate HQ? How?

What you want to know



Types and wages of jobs
Employee benefits
Capital investment

What are they looking for in the way of land, building, employees, utilities, incentives and other assistance
Other sources
Overall fit

Own vs. lease; approvals needed
Multiplier of jobs
Availability of workforce, land/buildings,
Viability and reputation of industry/business

Approval
Reporting

CASE STUDY #2

- Locally-owned caterer
- Targeting blighted building for event center and catering operations
- 60 jobs
- **EXERCISE**
  - What questions do you need to ask for this type of project?
  - What would make this a stronger or weaker fit for your community?

5 A’s to the Win

- **A**sk
- **A**nswer
- **A**nalyze
- **A**dvocate
- **A**lternatives

Kathryn Berger
Kathryn.berger@cgschmidt.com
414.793.9637

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