

**New Thinking & Commitment for New Success  
Strategies for Moving Forward**

**Economic Development Partners  
of Jefferson County Indiana**

**2008 Strategic Plan  
Executive Summary**

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June 2008

**This strategy marks an important transition for the Economic Development Partners of Jefferson County Indiana (the EDP), the public/private local economic development organization (formerly MIDCOR/The Madison-Jefferson County Economic Development Corporation).**

**The current economic and organization environments call for expanding the EDP's role as an economic development change agent.**

- **The EDP will not abandon its core industrial development mission.**
- **But it will work more effectively with others to stimulate the attraction of active independent retirees, encourage the development of visitor attractions, and better integrate workforce and economic development.**

Both public and private sector board members embrace these changes.

- Conducting this economic development corporation strategy has been an important first step.
- Participating in a broader a multi-organizational economic development strategy for Madison/Jefferson County will bring even greater progress.

### **The EDP Mission**

**To stimulate quality economic development to raise the standard of living and promote quality of life.**

### **EDP Goals**

- 1. To help existing companies prosper, attract outside business and personal investment, and create a favorable climate for economic growth.**
- 2. To increase the non-residential share of the tax base to support quality public services.**
- 3. To be a leading force for public/private collaboration to stimulate quality economic growth.**

## *What is Jefferson County's Competitive Advantage?*

There is much in a name—MIDCOR stood for the Madison Industrial Development Corporation, and industrial development has been the EDP's core mission since MIDCOR's founding. Except for metropolitan Indianapolis and larger cities such as Evansville and Ft. Wayne, industrial development is what Indiana economic development is all about. Warehousing and distribution activities have gained great prominence within the state and greater Louisville as well.

### **A. Retention & Expansion**

The first rule for all economies is that the **expansion and retention of existing companies plus the formation of new companies surpasses the job growth from business attraction.**

Although it is rarely possible to prevent plant closings, it is possible to stay in close contact with local employers and learn whether they have barriers to growth (such as permitting, land needs, or job training) that can be overcome at the local level. Market research through disciplined company contact is also essential for gauging needs for industrial land development and managing school to career programs. **Jefferson County needs a stronger business retention and expansion program targeting existing employers.**

### **B. Manufacturing Leads Business Attraction but Neighbors are More Competitive**

**Jefferson County has had manufacturing success**, including Arvin-Sango (located in 1987, currently providing nearly 800 jobs), Century Tube (1999, nearly 100 jobs), Madison Precision Products (1989, employing 550), and Midwest Tube Mills (1999, building to 120 plus jobs in multiple companies).

**Manufacturing also deserves to remain a priority development target because it pays so much better than other sectors, even healthcare.** All manufacturing employees, including management and technical workers as well as front line staff, earn almost double the county average.

**2004 Jefferson County Employment & Earnings\***

<b>Sector (NAIC's Code)</b>	<b>Employed</b>	<b>%</b>	<b>Average Earnings</b>
Agriculture	917	4.9%	\$201
Manufacturing	3,926	20.5%	\$56,972
Retail	2,353	7.1%	\$18,273
Arts, Entertainment, Recreation	140	0.8%	\$7,114
Accommodation & Food Service	1,218	6.5%	\$12,889
Government	2,558	13.9%	\$42,084
Total, by place of work	18,620	100%	\$33,421

\* Wage/salary and benefits for white and blue-collar workers within each sector.

\* Sectors are by place of work, not place of residence.

Source: US Bureau of Economic Analysis through Stats Indiana.

**South Central Indiana is highly competitive for manufacturing.** Decatur and Jackson counties have had good success of late, and Clark continues to grow as a distribution center and an appendage to Louisville.

But based upon the consultant’s substantial business location experience, **Jefferson County is slightly below average within the region in terms of manufacturing competitiveness.** It will continue to add occasional new manufacturers due to competitive wage rates, especially if labor availability tightens more elsewhere with Honda. But with only 62 acres of industrial land, poor highway access, a relatively small labor shed compared to its I-65 and I-74 neighbors, and the impossibility of forming a mega-site with expressway access, manufacturing employment will continue to be a lesser growth engine for Jefferson County than for the South Central Indiana region.

**Jefferson County Manufacturing Competitiveness within the Region**

<b>Factor</b>	<b>Jefferson Competitiveness</b>	<b>Comment</b>
Workforce Skills	Below average	Average skills, small labor market.
Costs	Competitive	Slightly lower labor costs. Land costs must be below regional average to compete.
Permitting/Regulatory Assistance	Average to Uncompetitive	Need more shovel ready, pre-permitted.
State & local taxes	Average	Little regional difference.
Land/building availability/price	Uncompetitive	Land availability well below average. No modern spec building.
Incentives	Average	Tools are same across region.
Transportation Infrastructure	Uncompetitive	No Interstate, relatively far from airport.
Local ED strategy		To be determined.
Higher Education resources	Average to Competitive	Many have IVY Tech campus. Some have more advance workforce strategies.
Union Activity	Competitive	Much better than Louisville.

Ticknor & Associates analysis.

Factors based upon *Site Selection Magazine* corporate executive survey and consultant location consulting experience.

**Manufacturing deserves to be a target, but with the knowledge that it will not significantly transform the Jefferson County economy or the local quality of life.**

Transportation disadvantages **rule out attraction of the distribution and wholesale sectors** that have become such a staple of metropolitan Louisville, the River Ridge redevelopment in Jeffersonville, and other Interstate-oriented counties.

Though we are increasingly becoming a service sector economy nationally, Jefferson County stands out in only one area of the service sector. King’s Daughters’ Hospital and Health Services is a successful regional service provider. But the county is too small to garner shared service or other corporate administrative centers, it is unlikely to attract corporate R&D beyond what is attached to existing companies, and as a liberal arts college Hanover College has limited growth potential. Gaming has developed elsewhere along the Ohio River.

### **C. Tourism & Visitor Development**

**Without question, Madison has regional and a national competitive advantage for tourism.**

*Midwest Living Magazine*, for example, ranks Madison #4 among its Top 100 Small Town Getaways. Historic Madison and Clifty Falls State Park are important draws, and Madison works hard to plan festivals to attract weekend visitors. Curiously, Jefferson County is underrepresented in terms of its share of employees in the accommodations and food services industry. Many bed & breakfast establishments struggle. Fine dining opportunities are very rare. There is no first class hotel or marina or combined inn and small conference retreat center. There is no arts incubator. There is poor integration with activities across the river in Kentucky.

Hospitality sector development has the downside that most sector jobs pay very poorly. The upside is that visitors can become active, independent local retirees and that festivals and restaurants add to local quality of life. **The strategic economic development question is whether there are opportunities to develop institutions and/or facilities to make Madison even more of a destination, extend visitor stays, and grow the number of higher spending visitors.**

### **D. Attracting Active Independent Retirees**

**An equally or more important question is whether Madison/Jefferson County can build from its tourism and medical strengths to attract a greater number of active and economically independent retirees as new engines of economic growth.**

- A retired couple with two social security checks and one or more pensions brings more income than most new manufacturing or government jobs.
- One social security check and Medicare surpass the average wage and benefits found in the retail, accommodation, or food service sectors.
- And increasingly active retirees continue to consult, form businesses, and invest in local real estate beyond their own housing. They can be a big boost to local entrepreneurship.

Baby Boomers are retiring actively. Sixty is the new forty. Leaving expensive suburban homes for affordable accommodations is a key wealth continuation strategy. Requirements for choosing a new location include superior medical care, reasonable proximity to a major airport and urban cultural and dining activities, and superior built and natural environments—all attributes found in Jefferson County.

**Although few places realize it, pension-rich retirees are a very attractive development target. Jefferson County could be a real leader within the Midwest in this regard.**

**Jefferson County needs a unified strategy to tap this emerging market for which it has an emerging competitive advantage.**

## *Strategies to Move Forward*

Enhanced economic development programming, new ways of thinking about strategic opportunity, and higher levels of collaboration are all necessary to achieve Madison/ Jefferson County's best economic future.

**Our strategies are:**

- 1. Move Business Retention & Expansion to the Next Level**
- 2. Broaden Development Marketing Based on Competitive Advantage**
- 3. Accelerate Business Park and Visitor Attraction Development**
- 4. Build Organizational Leadership within the EDP and Collaboratively with Key Partners**

**Many of these strategies relate only to the Economic Development Partners. Others require collaboration.** The Mayor of Madison, the Chair of the County Commission, and EDP's other Board members will need to collaborate at the highest levels with other leading local development allies to create the broader development Alliance to carry out the broader community economic development mission of this strategy. **New thinking and new commitment will yield new success.**

<b>Strategy Area</b>	<b>EDP Role</b>	<b>New Collaboration Opportunities</b>
1. Retention & Expansion	Systematic company calling. Anchor response system.	Partner with Community Foundation and IVY Tech to integrate workforce development and retention & expansion calling and customer response.
2. Broaden Marketing	Lead industrial marketing.	Build retiree attraction strategy with Convention & Visitors Bureau.
3. Accelerate Product Development	Cooperate with City & County to control and develop business park land.	Partner with City & County and Convention & Visitors Bureau to plan for enhance tourism and visitor facilities.
4. Enhanced Organizational Leadership	Build operational and capital development budgets.	Be a leading convener of a countywide multi-organizational development strategy to gain greater effectiveness and efficiency.

## Strategy 1.

### Move Business Retention & Expansion to the Next Level

**Regular contact and market research about existing major employers is job one for any competitive economic development corporation.** Existing companies are:

- the major source of job creation
- the most critical audience for strategic planning decisions about economic development needs, including workforce and land development
- essential for providing critical information about how to market the area to other prospective industrial employers.

Louisville/Jefferson County and One Southern Indiana (Clark and Floyd Counties) are both outstanding in terms of regular customer contact and ability to generate expansion leads. Jennings and Jackson County also benefit from long relationships due to the long tenure of their respective lead economic developers.

The most common business need is for a deeper and more productive workforce. Jefferson County interviews indicate that this is important for Hanover College as well as for area manufacturers. Columbus, Jackson, and Jennings County have already made major strides in linking economic and workforce development.

#### *A. Further Customer-Focused Retention & Expansion Efforts*

1. Conduct **systematic EDP Executive Director calls on leading employers**, in cooperation with IVY Tech and the Workforce Investment Board, to assess expansion opportunities and needs, evaluate the operating environment, assess the importance of the 421 bridge, determine whether there is need/support to restart the Human Resource Council, and guide future strategic planning.
2. Purchase **analytic and account management software** to track and gain systematic intelligence from employer calling (in many Indiana counties, the Workforce Investment Board funds this purchase).

#### *B. Support Workforce Development as an Active Collaborator*

1. **Foster relationships between area employers and the emerging EcO15 workforce development program.**
2. Develop **employer funding for website enhancement to support the recruitment of key employees and their trailing spouses.**
3. Seek another sponsor (likely the state of Indiana or EcO15) to support the WorkKeys job/student skill assessment matching service.

## Strategy 2: Broaden Development Marketing Based on Competitive Advantage

**Industrial development marketing remains a core EDP mission.** The EDP is the only organization within Jefferson County with this important mandate, and it must continue to lead in this area while recognizing an important chicken/egg dilemma. Presently Jefferson County lacks industrial sites and buildings to justify an expensive industrial marketing effort, so the strategy stresses cost-effective measures. Among regional competitors, only Columbus and Jackson County do industrial marketing extremely well. Both stress relationships rather than advertising and media promotion.

**Now is also the time to broaden the EDP mission to become an active collaborator with other local organizations to market the area to active independent retirees.** Among regional competitors, no one (with the possible exception of Columbus) is positioned to be as effective.

### *A. Develop Organizational Collaboration on Top Development Targets*

1. **The EDP will continue to lead the industrial development effort.** It sets a high priority on cooperating with owners of existing industrial buildings.
2. **The EDP commits to lead a stronger local program for recruiting active, economically independent retirees.** It commits its Board and Executive Director to convene and partner with the City of Madison, the Madison Area Convention and Visitors Bureau, and other appropriate parties to form a strategy to do so, recognizing that this ongoing development effort will likely lie outside of the EDP. This strategy will work to develop a suitable website, a public relations strategy, support facilities such as improved lifelong learning, and investigate the feasibility of Jefferson County as a location for a retirement community.

### *B. Build Industrial Marketing Capabilities*

1. **Reengineer the EDP website**, your business card to the world (underway).
2. **Build Indiana Economic Development Corporation personal relationships** through invitations to area festivals, local speaking invitations, positioning the EDP Executive Director to become an officer in the Indiana Economic Development Association, and periodic participation in state-sponsored missions to Asia.
3. Continue to **market cost effectively through the regional South Central Indiana Economic Development**, including domestic location consultant visits, selective company calling trips, and advocacy and resources to drastically upgrade their website.
4. Develop **stronger resources for proactive marketing once more sites are shovel-ready**.

### Strategy 3:

## Accelerate Business Park and Visitor Attraction Development

**Extensive future industrial development, whether through expansion of local companies or the attraction of new ones, is highly constrained by the limited local supply of development-ready industrial land.** We can not guarantee that if you build it they will come. But we can guarantee that if you do not, they will not. Within the region, most rival local economic development organizations have greater land supply and they are planning to add more.

**Developing local amenities and the enhancement of local tourism and visitor attractions,** such as cultural and entertainment activities, golf courses, fine dining, local artists, farmers' markets, and distinctive local retail, **will have threefold benefit.** It will help to attract key employees and tourists. And it will add to the quality of life for all local residents. Among regional competitors, no one (with the possible exception of Columbus) is positioned to be as effective.

### *A. Accelerate Industrial Land Development*

1. **Target an ongoing supply of shovel-ready** (fully served and properly zoned) sites (approximately 200 acres, to be based on providing a five year supply of industrial land needs and an analysis of land supply in competitor counties).
2. **Expand sources of industrial land development funding.** Continue to use the Lawrenceburg Regional Economic Development Grant Program (from gaming revenue) and local Tax Increment Financing. Seek other foundation resources. Monitor the feasibility of a local multi-investor non-profit land development corporation emulating the Jackson or Clinton County models in which local banks and other investors would form a non-profit corporation to purchase business park land.
3. **Continue to prioritize potential sites,** including land near the current Hutchinson Lane and Shun Pike site. Monitor whether it is feasible to develop fully served industrial sites within Hanover and/or Jefferson Proving Ground in terms of site conditions and availability of public and private funding.

### *B. Collaborate to Develop Local Amenities and Destination Attractions*

1. **The EDP endorses a stronger effort to develop deeper and better local amenities and visitor attractions.** It commits its Executive Director to support the City of Madison and the Madison Area Convention and Visitors Bureau in the market and financial feasibility and incentive packaging aspects of these efforts, including, but not limited to, the feasibility of expanding the Riverrun Theatre Company season and offerings.
2. The EDP will build from the forthcoming bi-state sponsored **U.S. 421 Bridge Study** to continue to advocate for an economic impact assessment of new bridge construction, recognizing its impact on employers, visitors, and the more than 1,600 individuals who cross the river in their daily commute (in 2006, 1,183 commuted from Jefferson County to Kentucky, 429 from Kentucky into Jefferson County).

## Strategy 4: Build Organizational Leadership within the EDP and Collaboratively with Key Partners

**The EDP will remain a very lean organization, but implementing this strategy will require important changes.**

Continued improved **communication** is important to answer past MIDCOR critics, keep the public informed, and build a stronger funding base.

A **different organizational outlook** will be necessary to implement recommended changes. The EDP can make better use of Standing Committees and Task Forces. And it must effectively reach out to the Madison Area Convention and Visitors Bureau and the Community Foundation.

Finally, increasing the mandate and improving on the present mission will require **stronger budget resources as well as careful attention to priorities and outcome metrics**. Benchmarking against other leading South Central Indiana local economic development organizations shows that **the EDP is uncompetitive in terms of total resources, private sector investment, and resources per capita**.

### *A. Continue to Improve Internal Communications*

1. Communicate more effectively within Jefferson County. Continue proactive press communication, speaker's bureau, monthly newsletter and annual report. Widely publicize this strategy. Utilize leadership presence at the Economic Summit more effectively. Develop the "elevator speech" and continuously communicate cumulative results. Invite Board alumni to a June semi-annual meeting. Connect economic development to quality of life for all county citizens and taxpayers.
2. **Rename and rebrand MIDCOR/The Madison Jefferson County Economic Development Corporation as the Economic Development Partners of Jefferson County Indiana** to reflect the countywide constituency, broader mission than industrial development, and the need communicate your mission and purpose to the outside world.

### ***B. Madison-Jefferson County Organizational Development***

1. **Change Board requirements to guarantee slots for representatives of key partner institutions** (e.g. IVY Tech, Hanover College, the Convention and Visitors Bureau, the Chamber, and the possibly the Community Foundation).
2. **Increase the number of \$2,500-\$5,000 annual organizational contributors to raise an additional \$25,000--30,000 annually. This is a Board responsibility (not a staff role).**
3. Develop **Task Forces to implement key strategic initiatives open to local experts and allies** as well as to Board members.
4. Invest more heavily in staff training and professional development, including funding executive director coursework to gain Certified Economic Developer designation.

### ***C. Collaborative Organizational Development***

1. Leverage strong relationships with the City of Madison, Hanover, and Jefferson and among present and past Board members and the personal relationship building attributes of the Executive Director to invite formation of an **interim joint-organizational economic development steering committee** comprised of staff and two board members from the EDP, the Madison Area Convention and Visitors Bureau, possibly the Community Foundation of Madison and Jefferson County, a representative from Hanover College and IVY Tech, other appropriate organizations, and appropriate key elected officials. **Assess the need for and bests ways to achieve regular cross organizational collaboration**, including organizational interest in and funding for developing the retiree and destination development strategies.
2. Develop stronger **joint marketing and website synergies with the Madison Area Convention and Visitors Bureau.**
3. **Invite joint Board exploration between the EDP and the Convention and Visitors Bureau** of how to ensure strategic and operational synergies and possible administrative efficiencies.
4. **Develop greater capabilities to pursue funding from sources such as the state of Indiana, Lilly Endowment** for community-wide development planning and to develop and implement the active independent retiree recruitment program. This can build on past Madison-Jefferson County success in funding and conducting the Collaborative Marketing Project.

## Appendix: About Ticknor & Associates

**Tom Ticknor is one of America's leading independent economic development consultants.** His hallmark is client-centered economic development strategic planning designed for implementation. Most assignments come from repeat clients and direct referrals.

**His track record spans more than 175 economic development and site location assignments with insights from work in 36 states, 7 provinces and 7 countries.** Past Indiana clients include the Bloomington Economic Development Corporation, Duke Energy-Indiana, Jackson County Industrial Development Corporation, the Hamilton County Alliance, the Harrison County EDC, the Hendricks County Alliance, the Lafayette-West Lafayette EDC, the Northeastern Indiana Regional Marketing Partnership, One Southern Indiana, and Vectren.

Prior to forming Ticknor & Associates, he was Principal in charge of the Fantus Consulting Development Advisory practice (now part of Deloitte) and a member of the Fantus Executive Committee. He participated in numerous site location assignments at Fantus.

Co-directs economic development Executive Education courses at Northwestern University's Kellogg School of Management and served for six years on the Council for Urban Economic Development Board of Directors.