

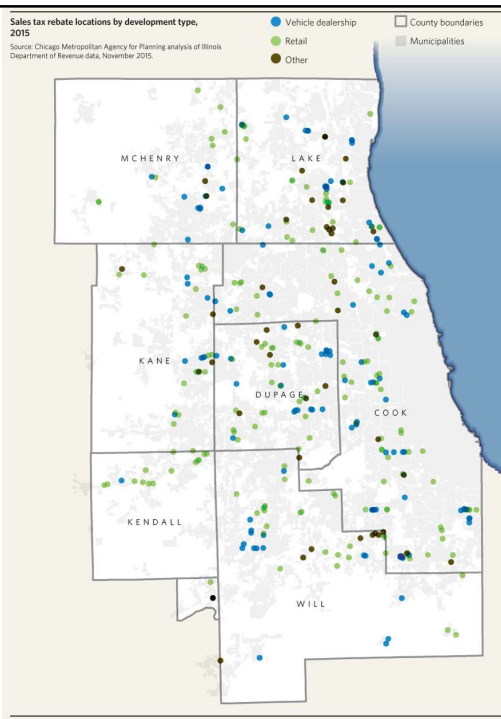
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Designing effective local development incentives

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Incentives are very prevalent, driving a need for strong policies



Academic perspective
1/S.
Local perspective

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Incentives Policy Guide

Concise, readable document

Audience includes professional staff and elected officials of taxing districts (counties, municipalities, school districts) and economic development organizations

Based on literature review, review of local government policies, and interviews



DRAFT STRUCTURE

Principles

- Seek effectiveness
- Be transparent
- Leverage incentives for equity
- Pursue regional benefits

Recommendations

1. Have a formal policy
2. Target towards impact
3. Build consensus
4. Seek cross-border collaboration
5. Provide public goods
6. The best incentive may be a streamlined process
7. Articulate your goals
8. Assess fiscal impact of proposals
9. Front-load incentives
10. Promote high quality local employment
11. Evaluate and claw back when needed



Challenges & Questions

Capacity: How can low-capacity communities balance the need for careful assessment with their limited resources?

Equity: To what degree can communities use incentives to demand equity commitments without overburdening the proposal?

Certainty vs. engagement: How can communities increase certainty for developers while creating opportunities for stakeholder engagement?

Audience: Who will be interested in this document and how should we reach them?



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