

**Northern Michigan and Eastern Upper Peninsula  
Knowledge Economy Strategies Project Co-Learning Report #2**

**Criteria for Prioritizing Projects in  
Transforming CEDS to CIDS**



**Michigan State University  
Center for Community and Economic Development**

in cooperation with the

**Northeast Michigan Council of Governments**

Alcona, Alpena, Cheboygan, Crawford,  
Montmorency, Oscoda, Otsego, Presque Isle

**Northwest Michigan Council of Governments**

Antrim, Benzie, Charlevoix, Emmet, Grand Traverse,  
Kalkaska, Leelanau, Manistee, Missaukee, Wexford

**Eastern Upper Peninsula  
Regional Planning & Development Commission**

Chippewa, Luce, Mackinac

July 22, 2009

Supported, in part, with a grant from the  
U.S. Department of Commerce, Economic Development Administration  
and the Michigan State University Institute for Public Policy and Social Research,  
Office of the Provost, College of Agriculture and Natural Resources, and MSU Extension.



## **Criteria for Prioritizing Projects in Transforming CEDS to CIDS**

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A digital version of this report is available at  
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### **EDA Northern Michigan and Eastern Upper Peninsula Knowledge Economy Strategies Project Co-Learning Report Series**

In October 2008, the Michigan State University Center for Community and Economic Development (CCED) initiated a project with the support of the U.S. Department of Commerce Economic Development Administration (EDA) to develop innovative economic development strategies with three Northern Michigan regional planning partners: the Eastern Upper Peninsula Regional Planning and Development Commission (EUPRPDC), Northeast Michigan Council of Governments (NEMCOG), and Northwest Michigan Council of Governments (NWMCOG). The goal of the project is to create new knowledge-based economic opportunities in the regions and to successfully compete in the global knowledge economy.

An assessment of each region's Comprehensive Economic Development Strategy (CEDS) identified strengths, weaknesses, and opportunities, and helped each region to develop their collaborative learning (co-learning) plans. Co-learning plans are designed to provide regional planners and their stakeholders with relevant new knowledge, focus, and capacity. This new knowledge and capacity serves as a platform for regional planners and stakeholders to create innovative regional economic development strategies focused on competing in the global knowledge economy. By understanding the dynamics and demands of global knowledge economy forces, regional leaders can better align their regional investment priorities with those demands.

This report was produced as part of the development of a co-learning plan in response to a request for information on prioritizing CEDS projects by the Northwest Michigan Council of Governments.

### **Disclaimer**

This report was prepared by the Michigan State University Center for Community and Economic Development under award 06-86-05322 from the Economic Development Administration, U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration or the U.S. Department of Commerce.

# Criteria for Prioritizing Projects in Transforming CEDS to CIDS

July 22, 2009

## Introduction

This paper describing the criteria that may be applied to prioritize economic development projects in transforming CEDS to CIDS consists of the following 10 sections:

- 1) Description of the Northwest Michigan Council of Governments' (NWMCOG) co-learning plan request;
- 2) Description of the current EDA Comprehensive Economic Development Strategy (CEDS) planning process;
- 3) Transforming our thinking;
- 4) Current EDA CEDS criteria;
- 5) Proposed CIDS criteria;
- 6) EDA's suggested best practice cases in CEDS prioritization processes;
- 7) Overview of prioritization methods;
- 8) Best Practice Case: Headwaters Regional Development Commission (Bemidji, Minnesota);
- 9) Best Practice Case: Bi-State Region (Rock Island, Illinois) Best Practice Case; and
- 10) Conclusion.

## Description of the Northwest Michigan Council of Governments (NWMCOG) Co-Learning Plan Request

As part of the EDA-funded Northern Michigan and Eastern Upper Peninsula (EUP) knowledge economy strategies project, the three regional partners submitted 16 requests to the MSU Center for Community and Economic Development for co-learning plans.

One of the requests from the Northwest Michigan Council of Governments (NWMCOG) sought assistance in developing a methodology to prioritize CEDS projects. NWMCOG's specific request included the following:

Develop a methodology for project prioritization. Components of the methodology should include:

- Succinct ranking system (e.g., 10 points, not 100)
- Commonly understood/agreed upon definitions for each criterion (i.e. criteria glossary?).

EDAC members, especially EDOs, [should] understand the need and rationale for project prioritization criteria, avidly use the ranking system, and consider its merits during project development. Criteria are useful for more than just potential EDA projects.

## **Description of the EDA Comprehensive Economic Development Strategy (CEDS) Planning Process**

As described by the EDA, the CEDS is a continuous planning process developed through diverse community participation, and designed to promote sustainable economic development and opportunities. It is based on an analysis of local conditions to identify both problems and opportunities. This rational approach to developing a regional strategy is intended to achieve stated regional goals and to act on the collective vision of the community. A successful CEDS process develops long-term solutions and ideally leads to high-skill job creation. Each CEDS is unique to its region, so criteria and performance measures will differ for each one.

After EDA approval of the CEDS, EDA-funded planning grantees are required to submit annual reports that document the progress achieved in their economic development activities. A CEDS can be adjusted to accommodate unforeseen opportunities or unanticipated problems; however, any changes must be documented in the annual report. A new, updated, or revised CEDS is required by the EDA every 3 years, or sooner if deemed necessary by the EDA due to changed circumstances, and must be available to the public.

An EDA contact advises each regional organization about the best use of EDA resources, prioritization of projects, and identification of other federal programs to support implementation of the CEDS. The EDA contact must receive copies of all versions and changes to the CEDS.

In addition to meeting EDA requirements, understanding the regional context is necessary before tackling specific issues associated with setting project priorities,. Some questions to answer include: What lies beyond the mere compilation of infrastructure projects potentially eligible for EDA funding? What are the important elements of regional planning that address the evolving conditions of the global knowledge economy and network society?

Planning should be practiced through well-focused lenses of innovation, globalization, digital development, and Intelligent Development. Regional goal setting should be guided by a vision to achieve and sustain a prosperity that supports a high quality of life and social equity. Substantive goals that are clearly articulated by stakeholder communities should be integrated in the regional strategy. Funding should be sought to build an infrastructure that addresses the needs of competing in the global knowledge economy; supports the creation of jobs and wealth; and responds to the aspirations of the region's residents, businesses, and institutions.

The bar to compete successfully in the global economy has been raised: regions across Michigan and the Midwest no longer just compete with regions in the Sun Belt, Pacific Northwest, and New England; they now compete with regions in South Korea, Brazil, China, Russia, Romania, and India. We are playing on a truly global playing field.

Projects identified in EDA-funded Comprehensive Economic Development Strategies require local matching funds to leverage EDA investment funds. Obtaining local public funds to meet EDA match requirements invariably entails some level of engagement in local political processes. Local (or any) political process considerations commonly reach beyond stated policy goals and often steer around rational methods used by public agencies. These considerations are unavoidable. Both the local political realities and the policy goals/prescriptions must be recognized and factored into any priority-setting process.

## **Transforming Our Thinking: Re-Framing Matters in Developing Innovative Strategies to Compete in the Global Knowledge Economy**

Careful framing of the issues in the prioritization process is imperative to transform traditional regional economic development strategies to innovative 21<sup>st</sup> century knowledge economy strategies. Effective re-framing of issues associated with economic development in the knowledge economy will be a direct function of positive mind-set change.

In terms of the mindset change contemplated in this process, consider the example of framing a CEDS project as an investment in the infrastructure for an industrial park. In re-framing the initiative, the development becomes an “innovation park.” The traditional component of the approach would have included an extended university research unit specializing in local and regional products, e.g., cherries or wine. In the CIDS model, the investment might focus on a bioscience R&D lab. Blending CEDS and CIDS approaches together can enhance a region’s competitiveness and expand its reach in the global market place.

The work of the “Comprehensive Intelligent Development Strategy Creation Project” must reflect both traditional CEDS and innovative CIDS mindsets. To obtain EDA infrastructure funds, EDA looks to EDDs to embrace knowledge economy opportunities in addition to traditional economic development opportunities. It is necessary, then, for EDDs to apply **both** CEDS and CIDS criteria to screen and prioritize projects.

### **Current EDA CEDS Criteria**

EDA’s seven criteria for funding projects (investments) require that projects are:

1. Market-oriented;
2. Proactive in nature & scope;
3. Look beyond the immediate economic horizon, anticipate economic changes, and diversify the local & regional economy;
4. Maximize the attraction of private sector investment that would not otherwise come to fruition absent EDA’s investment;
5. Have a high probability of success;
6. Should result in an environment where higher-skill, higher-wage jobs are created; and
7. Should maximize return on taxpayer investment.

Principal local economic interests need to provide input to setting CEDS project priorities. This project will develop region-wide understanding and buy-in of CEDS priorities and leverage private sector investments to match EDA funding.

## Proposed CIDS Criteria

Explicit knowledge economy goals and processes can be measured using the following proposed CIDS criteria. They include the following:

- Operate from a mindset that understands the role of globalization forces & digital development technologies in driving Intelligent Development. Understanding these global and digital drivers requires thorough due diligence. These drivers need to be understood to achieve local and regional goals.

Knowledge economy indicators have been identified and developed by the project team and partners in six categories<sup>a</sup>: **Talent, Innovation Capacity, Knowledge Sector Jobs, Digital Economy, Globalization, and Economic Dynamism.**

- Identify & define each issue and method encountered in the strategic planning process.
- Use contemporary research & theory as well as practice to increase understanding of relational theory and dynamics with a tight focus on actionable research and analysis-to-action.
- Contextualize the strategic planning processes using comparative methods; i.e., use best practices (external knowledge) and apply benchmarking to measure progress whenever feasible.
- Use rational methods to prioritize knowledge economy & network society investments.
- Use the expertise of local knowledge and experience in concert with external knowledge.
- Enhance the role and value of civil society in the CEDS process through informed participation and thoughtful engagement.
- Align politics and policy by ensuring that the priority interests of principal stakeholders in the region are included, informed, debated, and integrated.
- Be forward leaning & strategic by framing alternative scenarios in short-term, medium-term, and long-term time lines.

These multi-dimensional, synoptic criteria provide a **profile of the Intelligent Development planner**. Development planning is innovative and “intelligent” when:

- Best practices are informed by the latest relevant research and theories;
- Innovative science and technology are fully employed to develop a region’s economy holistically, equitably, multi-functionally, and sustainably;

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<sup>a</sup> “An Assessment of the Knowledge Economy in Northern Michigan and the Eastern Upper Peninsula,” July 2009. The Assessment describes both the insights gleaned from and the challenges associated with using available data sets from secondary sources.

- It includes attention to economic production, consumption, and amenity factors and quality of life as they related to retaining and attracting knowledge workers as well as stimulating revenues and investments in the region; and
- Co-learning action plans enable practitioners and development scholars to directly engage the various sub-systems of the Intelligent Development system and its applicable frameworks; it is by such translational practice and research that changed mindsets and relational behavior will occur and be rendered sustainable.

## **EDA's Suggested Best Practice Cases in CEDS Prioritization Processes**

NWMCOG's Co-Learning Plan request for assistance in prioritizing CEDS projects goes beyond merely referencing EDA investment criteria. NWMCOG seeks learning that will inform Economic Development District (EDD) organizations on how to execute a rational, evidence-based CEDS-project prioritization process with local stakeholders.

The MSU project team searched EDA publications to identify past research on this topic but without any positive results. As a result, CCED Director Rex LaMore submitted the following request to EDA Chicago Region Office Director Robert Sawyer.

One of the co-learning requests we received from one of our partners in Northern Michigan was assistance in *prioritizing CEDS projects*. Their request is beyond just the EDA funding criteria and really seeks to get at how EDDs can successfully negotiate at the local level a CEDS prioritization process. We did a quick search of EDA's publications to see if any past research had been done on this, no luck there. Any suggestions? Are there any regions that you feel are particularly good at balancing the competing economic and political interests that the CEDS process raises that might be a good case study for us to look at?

Mr. Sawyer suggested two EDD organizations in the Great Lakes region as possible benchmarks: (1) the Headwaters Regional Development Commission in Bemidji, Minnesota; and (2) the Bi-State Regional Commission in Rock Island, Illinois.

The two case studies of CEDS prioritization processes are described later in this paper. To develop a more complete understanding of their priority-setting processes, readers should access their CEDS documents posted on their respective Web sites.

These CEDS process descriptions should be reviewed with the respective CEDS documents.

- (1) Headwaters Regional Development Commission:  
[http://www.hrdc.org/annual\\_report\\_2008/docs/2007CEDSReport-FinalVersion.pdf](http://www.hrdc.org/annual_report_2008/docs/2007CEDSReport-FinalVersion.pdf)
- (2) Bi-State Regional Commission:  
<http://www.bistateonline.org/cgi-script/upload/upload/Data%2520Services%252dCEDS%252edb/2008-ceds.pdf>



## Overview of Prioritization Methods

For a preliminary overview of methods to set priorities, access the following article:

[http://www.mindtools.com/pages/article/newHTE\\_92.htm](http://www.mindtools.com/pages/article/newHTE_92.htm) It concludes with a discussion of the Nominal Group Technique.

The Nominal Group Technique is invaluable in developing project priorities with widespread stakeholder involvement. This technique can be applied by following the instructions in: Delbecq,, A.L., Van de Ven, A.H., and Gustafson, D.H. (1986) *Group Techniques for Program Planning: A Guide to Nominal Group and Delphi Processes*, Middleton, Wisconsin: Green Briar Press.

## Best Practice Case: Headwaters Regional Development Commission (HRDC) Bemidji, Minnesota<sup>b</sup>

To become familiar with the essential elements of the Headwaters RDC CEDS priority-setting process without having to read the entire 147-page document, the most relevant selections are noted below. Readers can scroll through the Web-based CEDS document to the noted selections. The following bullet points should help readers understand the Headwaters Regional Development Commission (HRDC) prioritization process, and learn how another rural and small town EDD organization has met the challenge of prioritizing its CEDS projects in the context of the global knowledge economy. See HRDC's "Ingenuity Frontier" for an excellent example of framing to brand the Region's competitive advantage in this area.

The bullets below are selected for their direct applicability to the CIDS Project by focusing on the prioritization of the HDRC's CEDS projects and referencing Talent Retention and Attraction. This provides both content and context for the project priority-setting process.

- Go to the HRDC website and its link to the November 2007 CEDS document that can be downloaded at: [http://www.hrdc.org/annual\\_report\\_2008/ar08\\_economicdev.html](http://www.hrdc.org/annual_report_2008/ar08_economicdev.html). (Towards the bottom of the page on the right hand side there is a link to download the report.)
- Review the Telecommunication narrative at page III-40 to 41.
- For digital development context, see the map on Advanced Telecommunication Services, page III-43.
- Review the Key Conclusions on the Regional Economy, page III-65.
- Analyze the Economic Development Pyramid figure on page IV-1.
- Since Talent Attraction and Retention is also a Co-Learning theme identified by the northern Michigan and Eastern Upper Peninsula EDDs, see the section on Grow and Attract Talent. Page IV-22.

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<sup>b</sup> This region consists of five northern Minnesota counties on the Canadian border: Beltrami, Clearwater, Hubbard, Lake of the Woods, and Mahanomen. The total population of the region is 79,900.



- Examine the table Primary Occupations and Specific Skills and the figure Available Workers with Specific Skills, pages IV-45 and 46.
- Also see Section V, page V-3 for ideas that suggest action objectives and strategies to Grow and Attract Talent.
- Go to Section VII and review pages VII 1-6. The general process used to identify HRDC priority projects for its 2007 CEDS is described on page 1. Priority projects are subdivided into “vital” and “suggested” projects. Projects are organized areally by the four counties and the White Earth Reservation.
- Review Section VIII, page VIII-1. It lists the criteria that will be assessed for alignment with the vision, goals, and objectives of the Region to ensure that the CEDS projects achieve one or more of the following:
  - Promote economic development and opportunity;
  - Foster effective transportation access;
  - Enhance and protect the environment;
  - Maximize effective development and use of the workforce consistent with any applicable State or local workforce investment strategy;
  - Promotes the use of technology in economic development, including access to high-speed telecommunications;
  - Balances resources through sound management of physical development; and
  - Obtains and utilizes adequate funds and other resources.
- See Section IX, pages IX-1 and 2 for the Performance Measures that will be used to evaluate and monitor the status of the CEDS vision and goals.
- After becoming familiar with Headwaters’ priority-setting approach, readers should also read the entire CEDS document.

**The Headwaters’ benchmark process is exemplary in its own right.** However, any priority-setting process must be understood in its specific context by reflecting on its purpose and intended contributions to economic development.

## **Best Practice Case: Bi-State Regional Commission, Rock Island, Illinois<sup>c</sup>**

### **Preamble**

Our process is actually occurring everyday in the work we do as opposed to any rigid step-driven process. After so many years, it becomes part of the everyday mission of the agency. For EDDs that are just starting out, the process is much more important because this is when buy in must occur. Our member governments accept the CEDS process and know its importance. In other words, I suspect the process would/should be much more intensive for newer EDDs than those that are long established.

### **Introduction**

The Bi-State Regional Commission (BSRC) is (among many things) the federally designated District Organization for Economic Development as defined in 13 CFR Chapter III - Department of Commerce, Economic Development Administration (EDA). Under this designation, BSRC is responsible for preparing a Comprehensive Economic Development Strategy (CEDS) on a triennial basis, with annual progress reports in the interim years. Under its EDA designation and funding, BSRC also provides technical assistance such as grant writing, training, project identification, research, analysis and special studies to governments in the region that pay membership dues. Often these technical assistance projects work as a conduit into the CEDS process.

### **Bi-State Commission's Core Economic Development Activities**

Bi-State's core ED activities can be categorized as follows.

- **Comprehensive Economic Development Strategy (CEDS) for the Bi-State Region**
  - Updated annually with goals and strategy set by a committee of local government representatives and ED practitioners
  - Includes statistical abstract of the five-county district
- **ED Direct Technical Assistance to Local Governments**
  - Grant/loan research, writing and administration
  - Development of graphic materials such as maps, fact sheets, and local government promotional information
- **Regional Coordination Activities**
  - Participate in and assist with Henry County Economic Development Partnership and Mercer County Growth Organization
  - Assist with Quad City Development Group activities related to laborshed and cluster studies, data requests, some mapping and fact sheet development
- **Data Services**
  - Demographic and economic data tracking including fact sheets for all counties in Bi-State Region
  - Research and analysis for example radius studies
  - Information Services Membership (ISM) program for local businesses and non-profits
- **Revolving Loan Fund**
  - Funded through EDA

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<sup>c</sup> The text for this case study was provided by the Bi-State Regional Commission expressly for the current project. The Bi-State region includes Henry, Mercer, and Rock Island counties in Illinois and Muscatine and Scott counties in Iowa. The population of the region in 2000 was 417,741.

- Serves vested local governments within Rock Island and Scott Counties
- Approximately 90 loans since inception totaling \$8.3 million
- **Special Projects**
  - As available through special EDA funding
  - Provided ED readiness training to all five counties with special-project grant in 2006

## CEDS Process

This overview mainly focuses on the task of creating the full CEDS. It should be understood that in actuality, a CEDS progress report is done every year. However, during the third “full CEDS year,” the progress report is part of the larger document. During interim years, the progress report is produced as a standalone document. A CEDS update or Progress Report is delivered to EDA June 30<sup>th</sup> each year.

### Internal Processes

Key CEDS project staff positions include:

- **Data and Graphics Manager** – Controls overall document design and acts as final editor.
- **Economic Development Project Manager** – Facilitates project coordination with BSRC staff, works directly with CEDS Strategy Committee, provides reports to Governing Board, performs economic analysis, and contacts communities to identify economic development projects and progress on such projects.
- **Mapping Technician** – Updates and improves maps as needed.
- **Data Service Planner** – Updates and verifies all data in the CEDS.
- **Word Processing Technician** – Assembles document in digital format, proof reads text, makes edits, imports maps and graphics, prepares for and coordinates printing of the document.

In early May, the CEDS project team convenes to set the project schedule, review, and assign tasks. Approximately one week after the initial meeting, the team follows with a review of the document, where mistakes, inaccuracies, or printing problems in the previous publication are identified and noted for correction. Team members also review the data portions of the document to identify, what needs to be updated or corrected. Staff also verifies the relevance of all data in the document and omits or adds in new data sets as necessary. Over the next two months, the project team will continue to meet on a biweekly basis to discuss progress and address any problems. The last two weeks of the process are dedicated to reviewing and editing the document. Before the document (progress report or full CEDS) is reviewed and approved by the BSRC Governing Board (Commissioners), the BSRC Commissioners have two opportunities to review the document before taking official action but they receive economic development status reports on key initiatives throughout the year.

## **External Processes**

### **CEDS Committee**

Concurrently with the internal process, the Economic Development Project Manager meets with CEDS Strategy Committee to review the economic mission, goals, and strategies for the Region. Generally, there has been a trend to reduce the number of goals and strategies. This has allowed for better tracking and more realistic expected outcomes. According to EDA regulation, the CEDS Strategy Committee must broadly represent the economic interests of the region and consist of 51% private sector representatives. BSRC uses a combination of businesses representatives, chamber of commerce staff, and local government economic development professionals to meet the required composition. The committee meets as needed.

The meetings also provide information that demonstrates the Region's progress toward reaching its previously set goals and strategies (Progress Report). The CEDS Strategy Committee helps identify progress toward the CEDS goals by providing information at committee meetings, in follow up communications, and through ancillary communications throughout the year.

CEDS progress is measured and demonstrated in multiple ways including:

- Anecdotal accounts of achievements related to economic development projects are listed for each CEDS goal. This anecdotal narrative often describes the completion of significant milestones in the process of bringing a project to fruition. Included with the anecdotal narrative are highlights of significant economic development projects that were completed in the region.
- Supporting the narrative statement are tables listing the recently completed economic development projects and projects actively underway in the region.
- Finally, data relative to formal performance measures as defined by EDA are calculated by BSRC staff using federal, state, and local data.

One of the key ground rules that makes the CEDS process and the Strategy Committee function is the economic development non-compete agreement among local governments. Two key statements from the agreement are excerpted below:

- All officials of local governments in the Quad Cities Region and their respective staffs will work together to promote and facilitate economic development within the Quad Cities Region. Appropriate officials will engage in timely and complete communication with each other regarding potential movement of business between the localities in order that all possibilities for accommodating the needs of the business in its existing location may be utilized.
- No discretionary incentives (tax abatement, infrastructure, direct loans or grants, real estate, training assistance, etc.) not otherwise generally entitled "by right" or other encouragement should be provided to business or industry relocating between jurisdictions of participant local governments unless it can be clearly demonstrated that the business or industry cannot expand in its existing locality or will otherwise move outside of the Quad Cities area. In such cases, any assistance provided shall only be for the net increase in jobs.

## **Project Identification and Development**

Project identification is an iterative process that occurs both during the CEDS update and beyond. Within the CEDS, significant economic development projects – generally related to infrastructure – are listed as provided by local jurisdictions (generally CEDS Strategy Committee Members or their staffs). Not all of these projects are EDA eligible, but many may be eligible for funding under various other state or federal programs. Because the CEDS is widely distributed to state and federal agencies, the Strategy Committee sees great value in inventorying all significant economic development projects in the region. The Committee operates under the philosophy that project significance is scalable to the size of the community proposing the project. Therefore, the project list contains a variety of projects that range widely in scope and cost.

BSRC staff monitors the economic condition of the region on a monthly basis. When local economic conditions meet EDA distress, BSRC staff initiates the project development process, by first referring to the CEDS and then following up with CEDS Strategy Committee Members and other local government contacts. Staff dismisses projects based on readiness of the project and an understanding of EDA funding requirements, sometimes referred to as “deal killers.” These so-called deal killers include environmental problems, non-public ownership, lack of direct job creation/retention, and lack of local match.

## **Ongoing Relationships**

Ongoing relationships with the CEDS Strategy Committee members are crucial to the CEDS process. These relationships are centered on standing economic development meetings and recurring projects such as:

- Quad City Development Group Partners
- Henry County Economic Development Partnership
- Mercer Growth Organization
- Rock Island Arsenal Taskforce
- Legislative information trips to Des Moines, Springfield, and Washington, DC.

All of these meetings and projects are relative to the CEDS process in that they provide information for inclusion in the CEDS; connect the CEDS process with appropriate stakeholders; and use the CEDS as a springboard for project identification.

## **Attachments**

Attached are documents used during the CEDS update or progress report process to collect data and track projects. In recent years, the project team has utilized an almost exclusively electronic communication format to track economic development projects in the Region. The attached email message and spreadsheet are a printed example of that communication tool. Also attached is a listing of the Strategy Committee and Governing Board for BSRC as approved by EDA.

Attached are the spreadsheets that were used for the 2008 CEDS and the one that we are using for the 2009 Progress Report. The 2008 spreadsheet has multiple tabs for the different communities in our region. It is nothing fancy. We hope it is helpful to you. We have left the

data in the 2008 version. It is simply a draft of what was finally put in the CEDS. For tracking purposes or quotation, you should refer to the official printed document as our files are a work in progress and not the official CEDS. Let us know if you have other questions.

**Attachment on CEDS Projects Form with Listing of Example Projects.**

**Attachment for Reporting Progress on CEDS Projects (blank).**

## CONCLUSION

The transformation from CEDS to CIDS fundamentally requires a new way of thinking, or mind set, about economic development planning and project prioritization. What does this process look like? Three key observations emerged from this review of the CEDS project prioritization process based on the two best practices described in this paper.

### 1) Community visioning

Both cases affirm the critical step of establishing a regional vision that is used to frame the prioritization process; what is less clear is how data drives this visioning (see next item).

### 2) Traditional data sets

In each case, the EDD relies on data in the CEDS to identify regional strengths and opportunities. Both cases use traditional data sets. That is, they do not incorporate 21<sup>st</sup> century models like the regional Knowledge Economy Indicators developed for our project. Neither case shows any strong indication that the data gathered in the CEDS process is actually used in any analytic way to rigorously identify strengths or opportunities in a local community's economy. It may be inferred, then, that traditional CEDS reports become "data dumps" without the data having any clear application to the project prioritization process.

### 3) Importance of criteria/deal breakers

Clearly stated criteria and specific deal breakers (a local priority, for example, that is egregiously unacceptable to other local areas and counter to regional cooperation) are important to assuring that a road map with bright lines is available to guide the prioritization of projects in a CEDS. **However, even with a road map, some drivers may still want to choose their own routes.**

FINAL NOTE: We want to thank the organizations and individuals who made invaluable contributions to producing this paper. Time and resources alone precluded a more thorough analysis than that which is presented here. The findings and conclusions of this paper are solely those of the Michigan State University Center for Community and Economic Development (CCED) and the CCED alone is responsible for its content, including any inaccuracies.







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