

## What is a Certified Community?

When it Comes to Business the Answer is Clear

*By Don C. Schjeldahl*

A quintessential American belief is that the road to prosperity is more easily traveled with creative marketing and clever packaging in the tank. Ever on the move, economic development organizations have a long history of formulating and promoting new concepts around the idea, "The best place for your business is here." One clever yet potentially confusing trend in economic development marketing is labeling a community as "certified." A quick glance at this rising tide of certified community programs looks to some like just another slick marketing concept, and yet to others like economic salvation itself for communities of all types. Depending on where you look, it's possible to see both as truth.

Evidence of this dichotomy is found in a vigorous debate currently underway among economic development professionals. The debate swirls around questions of "what constitutes certification?" and "will a community realize success from a certification strategy?" The actions of business decision-makers relative to whether communities are certified or not lie at the center of the debate. Will decision makers gravitate toward certified communities?

This article frames the certification debate by presenting my perspective as a location consultant of the status of certification today, then outlining the attributes business decision makers want to see in a certified community. In sum, to wear the certification label, communities need to deliver the ingredients of business success—low cost, stability, predictability, and speed.

### The Certification Movement

The word "certify" means to guarantee or endorse, or to formally state that something is true, accurate, and genuine. It's easy to see why certification is appealing to community leaders looking to qualify for industrial projects. In theory, placing the word "certified" in front of a community name tells the business decision-maker he or she needs to look no further. It tells the decision-maker that the community has everything needed to accommodate the proposed project and that the community is "ready to go." With this in mind, it comes as no surprise that economic development organizations are circling around the certification idea in growing numbers.

To say there is a formal certification movement and that it follows a well-defined route is a misnomer, at least from this consultant's perspective. Individual organizations have their own ideas as to what constitutes certification and these ideas may greatly differ from agency to agency.

Confusion over meaning of the "certified community" label lies in part with the economic development industry itself. Standardization of terms would help the cause. The nomenclature is now too broad, and confusion over terms and meaning is common. For example, certified site, certified community, and shovel-ready site one could assume are built around common elements. It takes only a cursory examination to realize there is little uniformity in design or content among programs claiming these certification labels.

While there are obvious advantages of introducing industry-standard nomenclature, the true problem lies in the lack of standardized criteria for becoming certified. If standardized criteria existed, despite difference in terms or nomenclature, decision-makers would have a reliable way to assess the value of "certification" and development agencies could continue to differentiate and brand themselves.

Pennsylvania's SelectSites and New York's Build Now Sites are prime examples of effective branding strategies built around certification. Both state development organizations offer a robust list of features around which certification is constructed, but each has its own strengths.

What is lacking among the myriad programs boasting the certification label—including those from state, regional, and local agencies and private-sector groups such as power companies—is a uniform purpose. Some groups use certification purely as a marketing tool while others pursue education and organizational standards at all levels as the vehicle for meaningful change within their jurisdictions. Among those in the latter group are Michigan Site Network and the Build Now Sites and SelectSites programs mentioned earlier.

North Carolina's Eastern Region Certified Industrial Site Program is another example of an activist approach. This agency goes as far as to present certification criteria in great detail on its Web site, apparently to eliminate any doubt about its seriousness on the subject. A good review of certified economic development programs can be found in the article, "Right Now Sites: Pre-certified Sites Come in Many Flavors," *Business Facilities*, March 2002. Complicating the landscape, literally and figuratively, are champions of economic development professionalism. A handful of organizations—both public and private—have quietly and over a prolonged time (decades in some cases) defined the certified community concept through well-organized and properly funded programs. The complicating aspect is that you will be hard-pressed to find the word "certification" in their marketing literature. Site consultants generally agree, for example, that if someone at the Kentucky Cabinet for Economic Development or within Community and Economic Development at Georgia Power tell you a community is ready for business, you can bet that community is certified in the best sense of the word.

### **What Certified Means to Business**

Business decision-makers do not care what you call "it." They just want "it." What is "it?" "It" is low operating costs, low startup costs, stable and predictable operating conditions, and the ability to get operations up and going quickly with little resistance. If a certification label will guarantee that a community can deliver on these requirements, then businesses will gravitate toward them.

Presented below is a list of community attributes that location consultants and business decision makers look for when locating a new facility. While the list is far from comprehensive, it does illustrate the point that a successful business location is built on a wide spectrum of community attributes. The challenge for community leaders is to institute an economic development process that addresses, as completely as possible, the spectrum of factors. Certified community attributes to look for:

- A community development strategy in place that clearly states goals and challenges, and outlines processes to achieve the goals
- Modern, well equipped and properly trained public safety forces (police, fire)
- Clean streets and public spaces
- A cooperative working relationship between regional planning agencies, community leaders, economic development officials, utility company representatives and others involved in local development
- Streets, sidewalks and curbs in good working condition
- A community that has demonstrated success in training partnerships between local schools and private industry
- Reasonable local tax rates
- Up-to-date land use plan, zoning and building codes
- Public utilities management that is professional and responsive to business needs
- A fast track permitting program in place and tested
- Demonstrated flexibility and creativity for delivering development incentives that are customized to the needs of business
- Reasonably priced water and waste water systems that are modern and have excess capacity
- Demonstrated positive working relationships with state development authorities
- Local technical schools with modern equipment in properly designed and maintained facilities

- Outside storage in residential, commercial and industrial areas is controlled ´ Demonstrated success of local K-12 public schools
- Modern and well maintained highway, rail, and airport transportation systems Site and Building Attributes

While this should allow you to gauge the community, you'll want to evaluate different factors when comparing actual building sites. Make sure that:

- Site alternatives include a range of site sizes and settings for light industrial, heavy industrial and office uses
- Buildings are available in a range of sizes and settings for light industrial, heavy industrial and offices
- Ownership and purchase terms are clearly stated and agreements are transparent
- Startup costs are minimized through the community's contributions toward low-cost or free land, road and utility infrastructure extensions, site grading, soils testing for foundations, environmental testing and other due diligence requirements already prepared
- Site neighborhood has a positive image
- Highway and road access to site is convenient for employees, visitors and trucks, free of traffic-flow impediments such as low bridges or weight restricted roads
- Access roads are designed to four-season industrial specifications
- Site ingress/egress is well designed and unrestricted
- Electric service to the site is properly sized and close to substations with dual feed capability
- Water quality and line capacity meet industrial standards
- Fire insurance rates are low as a result of looped water lines and adequate line pressure
- Wastewater lines are properly sized and service is reliable
- Natural gas lines and line pressure are properly designed and service is reliable
- There is a storm water plan in place for site area
- Telecommunications, both land and cellular services, are designed to meet business standards and are high quality
- Sites are free of environmental hazardous, flood plain areas, wetlands, endangered species and other conditions that may hinder construction and facility operation.

### **Certification—The Concept is Here to Stay**

A goal of most economic development organizations is to bring prosperity to their respective communities. Adoption of a certification program that positions the community to meet the needs of business is a powerful vehicle for achieving that goal. Certification is not easily achieved, however. Addressing the business needs listed in this article requires a serious commitment of community resources and political capital. The fact that there is no payback guarantees on this investment makes the task of pursuing a certification strategy all the more difficult to sell and implement.

Business decision makers are lured to locations that provide low operating costs, low startup costs, stable and predictable operating conditions and the ability to get operations up and running quickly. A serious commitment to certification will, without a doubt, set the stage for prosperity. Communities that cannot deliver on these needs are less likely to succeed.

***Don Schjeldahl is Director, Facilities Location Group for The Austin Company, headquartered in Cleveland, OH. The Austin Company provides consulting, planning, design, engineering, and construction services to industrial and commercial and governmental clients in major U.S. cities and London, UK.***