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EVALUATING PRIVATE AND PUBLIC FACTORS
IN SHAPING LOCAL ECONOMIC DEVELOPMENT POLICY
USING A CASE STUDY APPROACH

by

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A dissertation

submitted in partial fulfillment

of the requirements for the degree of

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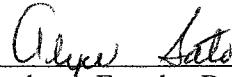
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Dedication

To my Wife, Gail, who has supported me with love and patience through this process.

To my children Victoria, Katelin, Blaine and Brandon for their love.

To my Father and Mother, Blaine and Barbara Tingey, who taught me the importance of learning and achieving

Thank you

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Dissertation Abstract—Idaho State University (2005)

The purpose of this study was to test whether a disconnect exists between business leaders and public policy makers using a case study of Pocatello, Idaho. There were three private sector representatives and three local elected officials that were interviewed to determine whether there were differences in policy approaches toward economic development. From the interviews a disconnect is occurring based on the emphasis of public officials promoting policies related to business/market factors rather than business/market and quality of life factors identified by the private sector representatives. Verification of the data was conducting by using triangulation methods of different data sources including peer debriefing, literature review and evaluation of public and organizational records of Pocatello. By evaluating data obtained within this specific city about economic development factors, generalizations were provided for future studies in other geographic areas.

CHAPTER I

Introduction

An important and challenging issue that many communities face is growing and maintaining their economies in a competitive environment. The competitive element of economic development is compounded by the number of communities in a regional area with similar attributes that are striving to “manage resources to stimulate private investment opportunities in order to generate new jobs and taxes” (Krumholz, 1999, p. 83).

In order to be competitive, local elected officials must shape economic development policies that match the needs of existing and future businesses if they are to be successful in bolstering a local economy. According to Green Fleischmann and Kwong (1996):

Government officials have a variety of options to consider in promoting economic development... including adopting a wide range of economic development policies... These policies include financial incentives to businesses, promotional activities, reduced regulation, revitalization and preservation programs, infrastructure and aesthetic improvements, land development programs, policies to aid minority businesses and others. Adoption of such policies has become so pervasive that competition among communities is often characterized as an “arms race.” (p. 609)

To be successful in economic development, a community’s elected officials must understand what expanding and relocating businesses need and shape economic development policies to match these needs. However, knowing what policies to pursue is

challenging due to the differing approaches used in economic development. Without proper understanding of policy choices, the tendency for local elected officials is to react to economic development opportunities in “an effort to maintain an economic base that is facing an external threat or because of actual loss of an existing industrial sector” (Grant, 1990, p. 149). This reactive approach contributes to a lack of clarity among local policy makers in applying economic development approaches effectively in the economic development process. In affect, local governments may be pursuing a policy destined to fail.

To pursue a more proactive agenda, policy makers must understand the viewpoint of businesses that reside in or are looking to locate to the community in order to be more effective. In other words, local elected officials, desiring to pursue a more proactive stance toward development, will find much success by evaluating perspectives of representatives in the business sector. The viewpoints of these representatives, if adequately captured, can help stimulate policies which would assist communities in facilitating effective and proactive economic development policies.

Economic Development Policy Approaches

Economic development has many positive implications for businesses and residents within a community. The term economic development denotes the active promotion of prosperity within a community, often “Economists distinguish between economic growth and development” (Blair, 1995, p. 14). Economic development is effectively achieved as prosperity is enhanced within a community or region and “implies that the welfare of residents is improving” (p. 14). Improvements in public image, quality of life, equity among incomes of residents and a variety of other factors play an important

role in evaluating how economic development policies are working within communities (Blair). Reaching higher levels of prosperity within a community is a very important issue for elected officials. The challenge for these officials is to promote economic development policy that works and to promote the public interest while increasing opportunity for needed businesses to expand or relocate to a community.

However, unity among elected officials is often disrupted by differing ideological viewpoints about how economic development should be pursued. These viewpoints are focused on how an economy works. On a broad scale, policy makers have differing opinions of how an economy functions most effectively with government support. Some may be hopeful about what government may do to assist and are “advocates of activist government” (Lindeen, 1994, p. 4), and some may be focused on areas of removing government intervention and “contend that reliance on market mechanisms should be paramount because governmental intervention inevitably does more harm than good” (p. 4). Several dimensions of ideology contribute to inaction among elected officials in the pursuit of economic development. These include differing approaches, externalities, and infrastructure and service costs.

Differing Approaches

The lack of clarity on the part of local officials is compounded by the many differing approaches that may be undertaken and various factors that stimulate economic development. These factors are often divided into two areas of thought: quality of life factors and business factors.

Quality of life factors are synonymous with community enhancement activities. They include improvements to a community’s infrastructure, amenities, and public

facilities to improve the overall image of the community. It is based on the premise of building and enhancing the physical image “that attracts investment from homebuyers, homeowners, business, and government” (Nedland & Schubert, 2004, p. 34) within a community, thus strengthening the economy. It includes bettering the community by creating a living environment so appealing that employers and employees are enthused about bringing themselves and their family to this type of environment, and local residents remain optimistic about the community. This creates an attitude that is contagious which also works to retain existing businesses. This approach, it is believed, will create an atmosphere within a community that will ultimately attract business and at the same time allow for enhanced public facilities which will facilitate the future growth of a community over time.

This is the quality of life approach to economic development. It involves investing in projects to enhance the community and involves a long term commitment with large amounts of public expenditures to make this approach work. This may be problematic for some elected officials that resist this approach because it takes too much time to increase the local tax base and is not at the lowest price possible (Reese & Fasenfest, 1997). Additionally, short term observable impacts may not occur which affects voting patterns among the constituents of elected officials also deterring them from supporting this approach (Arnold, 1990).

Business factors are synonymous with market factors. This approach to economic development refers to utilizing community funds to respond to a specific business interested in locating into or expanding within a community. These funds are typically referred to as “incentives” and are used for site enhancement and preparation; thereby,

making attraction of the business more likely. This approach relies on working to reduce the community's property tax levy rate and other costs impacting businesses and residents in a community. This approach also seeks to provide a skilled labor force readily available to meet business needs. Finally, other business factors include consideration of energy costs, a community's overall economic climate, and other factors associated with business markets.

This approach is more popular among elected officials because short-term jobs may enhance the elected officials political aspirations. However, there are issues of concern for some elected officials related to this approach. These concerns include misconceptions that occur among citizens when public funds or taxes are used to assist businesses (Kronish, as quoted in Baker, 2001). Additionally, assisting one business over another creates an uneven competitive advantage over the one making the other feel left out and disgruntled. This creates a negative view on the use of business and market policies. It can even result in displacement of small businesses, neighborhood sprawl, and gentrification which may drive up housing costs (Judd & Swanstrom, 2002).

Externalities

Another issue of concern is externalities. Externalities refer to outward issues that may effect economic development in a positive or negative way. Negative externalities are a detriment to economic development. Blair (1995) argues that:

Negative externalities or spillovers occur when costs of activities spill over to parties not voluntarily involved in the transaction. The ubiquity of negative externalities can be appreciated by considering the following spillovers: pollution,

sign polluting, noisy neighbors, traffic congestion, unkept properties, and destruction of historic properties. (p. 27)

Additionally, cities may not be compensated with an increase in tax revenues when costs are incurred that may exceed services or subsidies given in promoting economic development policies (Judd & Swanstrom, 2002).

Negative externalities are a difficult issue for elected officials to address in pursuing economic development policies. This is because externalities may hamper how the community is perceived by outside businesses. Negative externalities may occur by adoption of certain policies that promote location or expansion of a business without giving due consideration to public needs related to the development or due consideration to proper planning which may mitigate the possibility of creating negative externalities. Differing perspectives among elected officials will also promote policy direction that can lead to negative externalities. For example, if some elected officials feel that government should not be as active in enforcement of property maintenance or building codes, and this direction is taken, the tendency will be for a look of disrepair in the community which inspires a poor perception of that community. If elected officials are not aware of the potential effects of negative externalities in adoption of policies, these issues can negate the effects of economic development policy. This would result in economic development efforts that are stifled, thereby, making it difficult for communities to compete in attracting businesses.

Infrastructure and Service Costs

The costs that communities must incur for economic development may also create concern and disunity among elected officials. This disunity results from differing

viewpoints on how public funds should be spent and in what amount. Utilizing public funds for infrastructure which includes curb, gutter, sidewalk, and water and sewer capacities is often very expensive and difficult to get the public to support. Local elected officials may be apprehensive about using public expenditures when the costs of infrastructure are coupled with the community service levels that a local community may have as a result of an expanding or relocating business. Additionally, cities may be concerned when tax revenues from an expanding or relocating business do not exceed the costs incurred from services or subsidies given in promoting economic development policies (Judd & Swanstrom, 2002). Weighing these considerations of costs versus benefits of economic development efforts can create a tension among elected officials as they determine whether investment should be made to promote economic development.

In combination, the issues of differing approaches, externalities and infrastructure and service level costs often generate conflict among elected officials as they assess appropriate policies to pursue. Because development policy is complex and often divisive, it can lead to local elected officials pursuing policies in a reactive manner rather than evaluating perspectives and factors in a more deliberate manner.

With the many differing factors that may be chosen to direct policy decisions, an important ingredient to enhance economic development is understanding the viewpoint of business owners who are looking to expand or relocate. Local elected officials can do much to further economic development by evaluating perspectives of those in the business sector. Their viewpoints, if adequately captured, will help create policies for economic development that will build greater community prosperity. Understanding these viewpoints will also help to alleviate ideological differences among elected officials in

the areas of differing approaches, externalities and infrastructure and service costs by understanding what business sector representatives view as important in economic development process.

Evaluating Public and Private Sector Organizational Perspectives

In working to understand the factors of economic development approaches, delineation of the purposes of both the public and private sectors must be considered. Although public and private organizations function within a community environment, the goals and objectives associated with private and public organizations are very dissimilar. As Lindeen states:

The clearest distinction between the public and private sectors is in ownership and control. It is the public who ‘owns’ the streets and roads, the parks, the military installations, and the schools and universities. And it is the proprietor, shareholders, or lenders—private parties all—who own private businesses. (1994, p. 8)

The focus of public sector or governmental organizations is to work toward promoting the interests of individuals and residents within a particular jurisdiction. This work includes adopting regulatory policies to protect the interests of citizens.

These functions of government can be categorized into two important categories, power and provision of services (Burns, 1994). The public organization has authority from citizens within a particular area or jurisdiction. This jurisdictional authority allows for, among other things, the “power to tax and charge fees, the power to issue debt, and the power to appropriate private land for public use” (p. 8). This enables and prioritizes a

local government's necessary function which is to work toward promoting and protecting the public interests of the citizenry within a designated jurisdiction.

The public organization also provides services to a particular jurisdictional area. These services include providing "water service, mass transit, sewerage, stadiums, nursing homes, libraries, hospitals, gas service, police, fire protection, electric service, landfills, and airports" (Burns, 1994, p. 9). These are primary services and are the driving elements for local municipalities in meeting the demand and needs of residents and businesses.

There are other important public functions that must also be considered. Almond and Coleman (1960) identified output functions including rule making, application and adjudication and input functions of interest articulation, political socialization and recruitment, interest aggregation and political communication. Wilson (1980) provided analysis of the benefits public programs provide and included categories of policies such as distributive, client, entrepreneurial and interest group policies oriented in how government functions. These output functions are generated by public organizations to provide "governmental structures, institutions, and processes" (Baker, 2001, p. 13), to provide organization of services to enhance the well being of citizens in a jurisdictional area.

Lindeen (1994) also provides a generalized view of governmental functions including supportive, entrepreneurial, and regulatory aspects. Supportive functions include the government acting "positively to assist private action" (p. 125). Governmental programs, subsidies, and working to promote order and stability within an economy are examples of this type of function (Lindeen). The entrepreneurial function

involves providing important services that may be initially too costly for businesses and becoming involved in market competition to offset potential monopolies. Additionally, ownership to control sales of harmful products may also be an entrepreneurial function (Lindeen).

The regulatory function includes limiting activities “to bring about changed behavior by transferring some degree of private-sector discretion to public control” (Lindeen, 1994, p. 127). It may include exerting influence on legal or economic functions or providing protective regulation (Lindeen). These descriptions provide an overview of the functions of a public organization and serve to protect and further the public interest which is important in promoting economic development.

Private sector organizational objectives are found within a very competitive arena focused on increasing profits within an economic market. The impact private businesses have on national, state, and regional economies in this competitive arena is extensive and involves “authority...to make many of society’s most critical decisions involving jobs, land use, and investment” (Judd & Swanstrom, 2002, p. 1). The desire for these types of organizations to increase profit promotes a competitive environment in which the most successful businesses can flourish.

Blair (1995), however, argues that private organizations are not always focused on profit maximizing efforts. He indicates that some private organizations have conflicts among shareholders which results in company decisions that do not maximize profits. These decisions can involve locational factors which may include having “ a good climate, low personal tax rates, or other advantages that have personal appeal...safe locations (a high probability of generating satisfactory profits) rather than high-risk/high-

return locations” (p. 56). Therefore, other factors are involved in business decisions other than maximization of profits. One such factor is how businesses view communities. Therefore, the economic development policies of communities may have a dramatic effect on decisional factors made by business representatives in the economic development process.

Adelman (1961) articulated the main arguments of Adam Smith regarding the term “free trade.” These arguments include “the investigation of capital accumulation, population growth, and labor productivity” (p. 25) as essential components of private organizations working toward profit increases and organization vitality in a competitive environment. McConnell and Brue (1993) indicate that “through free trade based on the principle of comparative advantage, the world economy can achieve a more efficient allocation of resources and a higher level of material well being” (p. 705). This argument regarding free trade is an important component of what motivates private organizations and stimulates the competitive environment among private organizations (McConnell & Brue).

The differing objectives that public and private organizations have, denote a contrast in what motivates their action and expenditure of funds. Yet, both of these organizations are brought together within communities for the purpose of economic development.

In the two worlds of public and private organizations, competition among communities and among businesses is intense and the need to gain an edge may produce pressure on both public and private decision makers. It is this pressure that creates intersecting interests around economic development policy which, if effectively

understood and implemented, allows both groups to come together and succeed in the competitive world.

The public or sector is hoping to gain businesses to the community promoting economic development. Private businesses gain an advantage in locating to a particular community based upon public policies which benefits them and thereby, motivates a decision to expand or relocate. The common interest is the desire to grow and this intersection of interests among the differing organizations demonstrates, “The fact that economic issues are now of overriding importance to political decision makers, at the state and local levels as well as at the national one, is a sign that the public and private sectors are converging” (Kellerman, 1999, p. 101). Yet this convergence may not always produce positive results for both sectors. If business and government leaders do not understand the needs of each other in working within this highly competitive economic development system, then the differing organizational viewpoints may not be accomplished. This results in a disconnect in economic development policy making that may result in policies and strategies that are ineffective. This disconnect is centered on the philosophical debate of whether to rely on quality of life factors or business factors in implementing how economic development programs. A disconnect is occurring when policy makers differ from private sector leaders in deeming either quality of life or business factors as the most important element in establishing economic development policy.

This disconnect results from a variety of factors all associated with the representatives of public and private organizations. In the public sector, there is the tendency for policy makers to view business factors as the most important element in

promoting economic development. This view is promoted for a number of reasons including:

1. Local government policy makers are often excluded from initial or primary discussion with expanding or relocating businesses which is often facilitated by local economic development practitioners, or public administrators. Policy maker involvement is not pursued until the final stages of the decisional process when for example, there is a specific need for funding assistance. This late arrival in the process induces the tendency for policy makers to be reactive in their approach to economic development and to focus primarily on market factor issues in the economic development process;
2. Public policy makers are involved in a large and varied number of issues. This limits their time and involvement to understand business needs and economic development issues;
3. In working within budgetary parameters, adopting economic development policies related to quality of life is more difficult to achieve. These decisions do not normally generate immediate, measurable success, thereby enhancing constituent perception of them.

Private sector representatives may rely on a more holistic approach to economic development. This is prompted by the need to evaluate both internal and external issues affecting the success of a business organization in a community. These issues may include population (which determines marketability of a product or service), workforce availability, transportation, housing, taxes, customer market, adequate infrastructure, community amenities and many other elements. Evaluation of these issues is critical to a business making a decision to locate in a particular community. Therefore, there is more

of a tendency to relate both business and quality of life factors as important in the economic development process for a private organization looking to stay or relocate. This occurrence prompts the following patterns to occur:

1. Businesses tend to foster a relationship with local economic development professionals and public administrators to review a variety of considerations in locating their business to a particular area. This relationship between staff professionals and businesses has been encouraged by policy makers with the formation of non-profit development corporations that serve to reduce political struggles and to speed up development processes (Krumholz, 1999). In working with these groups, a business will consider both business and quality of life factors before making a retention or relocation decision.
2. Private sector representatives are likely to be focused on business production efforts which places limits on both the time and desire to cultivate a strong working relationship with local public policy makers. This may contribute to the disconnect between the public and private sector as well.

This disconnect between public and private sectors is furthered by the reactive approach policy makers display in working to recruit and retain business in a community. This reactive approach to economic development promotes an over exaggerated interest among elected officials toward economic development policy that is based on business factor approaches. Additionally, business leaders work to positively position their company to be viable for a number of years. Therefore, they weigh many different factors in making a long-term investment commitment to a community. Therefore, it is likely that business leaders consider equally important the factors of quality of life factors

(which will assist in recruiting and retaining employees), and business factors (which affects the financial viability of relocating or expanding into a community).

Purpose of the Study

The purpose of this study is to test whether a disconnect exists between business leaders and public policy makers by using a case study of Pocatello, Idaho. This study will assess the factors most important in framing economic development policies for this community. More specifically, if a disconnect is found to be present, other questions will be researched. These include: 1) what factors do business leaders and government policy makers in Pocatello identify as important in retaining and recruiting businesses? and 2) what does this imply about strategies pursued by local government within this city? By evaluating data obtained from Pocatello, Idaho about economic development, generalizations may be drawn which provide suggestions for future studies in other geographic areas.

Summary

Understanding the economic development factors that businesses identify organizations as important to them is important because they may not be factors pursued by the public sector. This is the disconnect. This disconnect between the private and public sectors results in a piecemeal approach to the formation of economic development policy. This contributes to a failure in understanding what most businesses and industries look for in a community when deciding to relocate or expand. This piecemeal approach may result in government policies that miss the mark when it comes to attracting businesses and may induce a reactive approach to economic development. As Power and Barrett (2001) state:

significant economic problems of the region, the anxieties they engender, and the efforts that state and local governments have made to solve them are real and significant. Too often, though, the problems are misunderstood, the anxieties are misplaced, and the efforts of government are ineffective or counterproductive. (p. 18)

This study will identify viewpoints of the public and private sectors with the goal being the convergence of ideas. This convergence of ideas, a common understanding, is critical in developing more effective and sound economic development policies at the local government level.

CHAPTER II

Literature Review

Economic development research continues to evolve due to the complexity of the factors both public and private sectors consider in the expansion or relocation of private enterprise. The literature on economic development includes a variety of topics ranging from economic development on the international stage to rural economic development in the United States. As part of this study, the literature reviewed relates to theories that apply to involvement of local government in facilitating economic development. This includes a review of general theories related to economic growth and development, and a narrowed review of specific studies about local government and private business interaction in economic development.

The focus on research in city and community economic development has flourished with the continually changing environment including “economic and social changes, intense citizen demands, and declining federal aid” (Fleischmann, Green, & Kwong, 1992, p. 677), within cities that has produced a need for research on effective economic development policies. Research in the area of local economic development has shaped a number of studies that have furthered understanding of economic development in communities. However, the changing economic circumstances and diversity among differing communities has necessitated a continued need for research.

The following examination of the literature includes review of general theories on government involvement in economic development. Further analysis includes an overview of research conducted on state and local economic development. A concluding section summarizes review of the literature.

Role of Government in Economic Development

From a historical perspective, there are studies that have evaluated government involvement in facilitating growth and development in communities. Tiebout (1956) for example, developed a theory on how local governments expend funding within their governmental spheres and narrow it to choice of consumer voters. As part of this theory, Tiebout argues that the:

consumer-voter may be viewed as picking that community which satisfies his preference pattern for public goods...the consumer voter moves to that community whose local government best satisfies his set of preferences. The greater the number of communities and the greater the variance among them, the closer the consumer will come to fully realizing his preference position.
(p. 418)

Using the consumer voter model developed by Tiebout, the theory may be applied to private businesses as consumers. Private sector representatives may evaluate a number of different communities and make a decision selecting sites for location of businesses which may be based on public goods that a local government may offer. This model provides a base for how business leaders ascertain preferences in relocating to particular communities.

Another study related to the role of government in economic development was conducted by Adelman (1961). The study determined the importance of government involvement in enhancing the way people live through efforts in economic development. He developed an approach to evaluate growth patterns within an economic system and developed a framework "to adduce a common explanation for the growth patterns of

various economic systems” (p. 6). This approach involves explaining economic systems based on an analysis of theories from past philosophers such as Marx, Smith, Schumpeter and Ricardo. From the study, Adelman concluded that “From a purely economic view...government leadership and direction are necessary for the successful modernization of the economic and social life of a nation” (p. 148). From Adelman’s findings and the consumer voter model outlined by Tiebout (1956), local elected officials play a needed role in providing economic opportunities for communities which they represent. These studies also establish the importance of adopting policies that will assist communities in maximizing the citizens benefits obtain to promote growth and prosperity.

Local Economic Development Policy Literature

The literature on local community economic development relates very closely to theories on choices that are made by citizens to live in communities based on “individual utility maximizing behavior” (Eisinger, 1997, p. 9). This behavior can be expanded to a larger community sphere as described by Eisinger as a component of the market model. He states, “...patterns of clustering by race and class and in the efforts of entrepreneurs to pursue development and investment, literally shapes the city’s housing, its neighborhood, its infrastructure, and its downtown” (Eisinger, 1997, p. 14).

Eisinger (1988) also alluded to the changing trends in how economic development efforts have shifted from an emphasis in funding at the federal level to state and local government and the evolving policy directions of the public sector. He indicates that since the Great Depression there has been a greater emphasis on economic development

by government which “may be traced mainly to two major elements of the environment: the cultural commitment to an economic order in which market mechanisms and private enterprise are key characteristics, and the federal political arrangement” (p. 32). Eisinger also alludes to the shift from federal to local efforts which has occurred as part of the “decentralization of responsibility for policy in this domain is attributable to the nature of American federalism” (p. 32). His ideas portray the increase in competition among communities which has created a “market milieu for economic development policy-making in which competition for private investment among states and local governments has been the driving force...and success and failure seem to be easily measured and assiduously monitored by the public” (p. 32).

Additional studies have outlined the emerging interest of government in maintaining a durable economic environment. Research on economic development at the local level indicates the need for government involvement in economic development policy to promote and maintain a strengthened economy. Imbroscio (1997) outlined approaches to economic development in urban environments that has been developed over time. These strategies include:

1. Neomercantilist; which includes enhancing or maximizing benefits for the local economy.
2. Municipal enterprise; which involves promoting non-traditional local public ownership.
3. Community based; which develops community owned/controlled economic institutions.

4. Progressive regulatory; which uses innovative means to wield regulatory powers and human capital which builds knowledge and job skills.

Review of the methods prompted Imbroscio (1997) to conclude that economic development research “must provide a more thorough understanding of the constraints—political, legal, institutional, fiscal, ideological, and economic” (p. 267). He also indicates, “if the alternative strategies are in fact implemented more fully in cities, future research must attempt to evaluate these efforts” (p. 267). Therefore, he concludes that constraints need to be overcome to allow for effective strategies for implementation of effective economic development policies.

Blakely and Bradshaw (2002), provide further clarification of community economic development strategies. They elaborate on the importance of creating jobs for local residents, achieving a stable economy and building a diverse employment and economic base as important outcomes for communities. Additionally, they identify approaches that communities may implement to work toward successful economic development. These components include: 1) The locality development strategy; 2) The business development strategy; 3) The human resource development option; and 4) The community-based employment development strategy. The locality development strategy includes enhancing the physical elements of a community including improving infrastructure, and enhancing public amenities to raise quality of life features in the community. The business development strategy includes use of incentives to promote and encourage new businesses to relocate to a community and the retention of existing businesses. Methods used include financial incentives and opportunities to create a positive atmosphere for business success in a community. The human resource

development option involves strengthening local connections between workforce and needs of employers in the private sector. This includes partnering with groups to provide better skills training and placement efforts for both prospective employees and employers. The community based employment development strategy provides more employment opportunities by connecting neighborhood needs with employment opportunities through the use of community based development organizations, and cooperatives which are managed and owned by workers.

The strategies formulated by Blakely and Bradshaw (2002) demonstrate the variety of local economic development policies available to communities. With this variety of policy choices, decision making and implementation processes become more challenging in promoting economic development policy. If local elected officials are uninformed about the implications and approaches in developing economic development policies, it is likely that ineffective approaches may be undertaken in the economic development process. The variety of techniques outlined by Blakely and Bradshaw reiterate the need for more thorough evaluation and interaction among private and public leaders.

Flora, Sharp, Flora, and Newlon (1997) evaluated the success of economic development projects using entrepreneurial social infrastructure (ESI). ESI indicators “emphasize the inclusiveness and diversity of social relations and structures at the community level” (p. 624). The study included utilization of a questionnaire of randomly selected local elected officials on viewpoints related to economic development. The results showed that community organization is an important component in economic development and their research efforts “reinforces the need

to strengthen civil society and the key role of the private sector—both for profit and not for profit—in that strengthening process” (p. 637).

Another important study related to local government and economic development was conducted by Grant (1990). The study utilized a case study approach to evaluate how local governments make decisions about economic development policy. The study was focused on the city of Fort Wayne, Indiana and included analysis of policy alternatives which led to a decision by a General Motors truck plant to locate in the community. Conclusions from the study indicated the need for more involvement of a variety of groups in the planning process. Additionally, Grant argued that the decision by the company to locate in Fort Wayne was made “from within a narrow framework of both participants and information” (p. 167). Therefore, the study demonstrated the need for greater interaction from both public and private sectors in the decision process on economic development decisions.

Schneider and Kim (1996) studied the effects of economic development policy over a 13 year time span on efforts by local governments to attract high tech industries. They analyzed geographic documentation of areas that these industries located in and evaluated community factors in the relocation process to particular communities. The results indicated that industries locate in communities primarily due to “private wealth and associated lifestyle” (p. 150) as critical issues in determining industry location in a community. They evaluated local policies which contributed as well. Additionally, they also concluded that government spending and tax related policies are a lesser factor than local community wealth.

Another relevant study was conducted by Blair (1995). He provided a comprehensive summary of issues related to business location, expansion and retention. The study indicated that development factors are varied and, “When selecting a location, organizations are generally required to make trade-offs among desired location features” (p. 41). These trade-offs are dependent on local government decisions and policies and how they affect incentives for business organizations that are trying to expand or locate in a particular community. Blair also provided discussion on what factors affect business recruitment and expansion. They include: quality of life, site costs, political climate and stability, energy costs, taxes, government incentives and infrastructure, and local business climate.

An additional study related to business location and expansion was conducted by Bates (1995). He addresses the difficulty in assessing the effectiveness of economic incentives provided to small businesses. He assessed the impact of government incentives to businesses and concluded that “Relevant data are often lacking or difficult to assemble, and, when data are available, cause and effect relationships are hard to establish” (p. 206). He also indicates that difficulties arise in evaluating effectiveness in economic development programs, by stating that “Strategic planning is rather arbitrary in this milieu, when solid information on the payoff of various program initiatives is simply unavailable to economic development personnel” (p. 206). These issues lead to a policy making viewpoint that lacks of understanding of how policy decisions affect the progress of economic development in a community.

As local policy makers try to establish effective policies that will enhance opportunity for growth and expansion of businesses, they must understand the

environment and issues which affect the economy in which they live. Power (1996) identified factors that determine how an economy is established. These include preferences of individuals such as market versus non-market or individual versus social inclinations. This, added to living environments which may include commercial opportunities, labor market qualities, public services, community, crime, recreation and other qualities, prompts how individuals behave in an economy. This behavior may include migration, demand for public goods, and support or lack of support for certain types of economic policies.

For communities to establish an effective economic development policy, a number of factors must be evaluated to understand what growth policy is best, based on existing businesses and the resources that may be used to attract other businesses. Additionally, land and infrastructure play an important role in setting policies to enhance a community's economy. However, understanding factors that businesses review prior to relocation and expansion is critical in shaping appropriate policies that will help government leaders strengthen a local economy.

Using a large sample of city governments across the United States with a population of ten thousand to two hundred fifty thousand, Fleischmann et al. (1992) conducted a mail survey of community officials asking about development strategies that communities pursue. As part of the study it was identified that cities could adopt "As many as 64 economic development policies...only 13 adopted no policies; at the other extreme, one city had an arsenal of 54 development tactics" (p. 682). There were a variety of other factors that the study evaluated as well. However, most of the cities participating in the study conducted a mix of economic strategies including loans,

financial incentives, activities to attract or retain business, revitalization projects, regulatory reform, developmental land management, historic preservation, aesthetic improvements and improvement of facilities. From the results of the survey, Fleischmann et al. concluded the following for needs in future research:

One is local decision making about economic development, especially the nature of coalitions associated with the adoption of policies and the assignment of programs to local organizations...Finally, analysts must examine the impact of development policies on local economies and communities' well being. (p. 694)

The study reiterates the challenges associated with the broad range of policies that community leaders may adopt. Without the perspective of business views in the economic development process, policy makers may find it difficult to establish policies that meet the needs of businesses to allow for relocation or expansion into a targeted community. The study also emphasizes this point by directing future research to the establishment or coordination of greater collaborative efforts among differing groups in the economic development policy process.

Elkins (1995) pursued a study which surveyed local chamber of commerce directors, which he viewed as "uniquely appropriate as survey respondents to assess the business perspective on the growth coalition" (p. 587) to understand perspectives of businesses in economic development issues. The study illustrated the importance of principal actors related to growth as including business leaders and local elected officials.

Finally, in evaluating other studies related to input on economic development policy, Feiock (1991) found that, "Virtually all of the studies finding government development policies to have little effect were based upon large national corporations that

constitute less than 1% of businesses in the United States. Much less data are available on small business decisions” (p. 644). Feiock indicated that there is a need to further understand viewpoints related to factors in pursuing economic development strategies.

Summary

The research on economic development emphasizes the role of government in maintaining and strengthening economies to allow for private sector success. There have also been a number of approaches to researching local government involvement in economic development. Although the literature indicates a strong emphasis on research related to local economic development efforts in communities, there is limited material on comparative evaluation of factors that public and private sector representatives view as important in shaping economic development policy. This supports the establishment of the parameters of this study which focuses on the viewpoints of both public and private representatives that have direct interest in the effects of public policy on economic development. In many instances, elected officials feel the pressure among their constituents to enhance development in a community to expand the tax base, create better paying and a wider variety of job opportunities and to induce redevelopment that may take the place of underutilized sites. Therefore, many local elected officials pursue differing policies ideas to encourage economic development efforts.

Private business leaders also have a definite need for policies that promote economic development. If they are pursuing a location or expansion possibility for their business, having economic development polices in place that may help in solidifying a decision is critical for their needs. Therefore, they have a definite interest in economic development policy.

The literature alludes to studies that have evaluated local economic development policy. Yet the need for a better understanding of public and private viewpoints on economic development is evident from the review of the literature. As part of this study, there is further analysis of relevant literature that will add further clarification to viewpoints of public and private sector representatives. This is an important component in delineation of the findings of this study to provide clarification on future recommendations and research in local economic development public policy. Additional research review will be considered as part of the evaluation of research findings to be discussed in chapter four of this study.

CHAPTER III

Methodology

To better understand factors which shape viewpoints of economic development among private and public sector leaders, the primary research tool will be the case study approach. In a case study, “a researcher examines one or a few cases of a phenomenon in considerable detail, typically using a number of data collection methods, such as personal interviews, document analysis, and observation” (Johnson, Joslyn, & Reynolds, 2001, p. 143). Yin (1984) stated furthermore that: “A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used” (p. 23).

The focus of this study is to evaluate viewpoints of local elected officials and private business representatives in Pocatello, Idaho in order to understand how they view economic development. This study is limited to Pocatello, Idaho and is a single case study within a specific organization or area to “infer similar behaviors and conditions...only to the organization or group examined” (McNabb, 2002, p. 289). Additionally, single case studies are typical in social and administrative sciences and as Miles and Huberman (as cited in McNabb, 2002) concluded are called “the traditional mode of qualitative analysis” (p. 288) within the case study method approach.

Definitions

In order to pursue this research and test whether there is a disconnect between the views of elected officials and business leaders on economic development, it is necessary to define terms carefully.

1. Economic development: “implies that the welfare of residents is improving” (Blair, 1995, p. 14). It involves improvements in public image, quality of life, equity among incomes of residents, and a variety of other factors that play an important role in how economic development is working within communities (Blair).
2. Private sector: business organizations within the state of Idaho and on the tax valuation rolls within the City of Pocatello including a business of 50 or more employees.
3. Public sector: refers to a sector of the federal, state, or local government and for the purposes of this includes Bannock County and the City of Pocatello, a municipal corporation.
4. Private sector representative: refers to a business leader that will be interviewed as part of this study. These representatives are selected for the study through the assistance of three non-profit organization directors that work with local businesses on economic development issues and have business representatives serving on the respective boards of each organization in Pocatello. These organizations include the local chamber of commerce, Bannock Development Corporation and the Eastern Idaho Development Corporation and will be referred to as the Study Advisory Group. The advisory group members were interviewed individually to obtain a list of business leaders to be contacted for this study. The interviews and input from the Study Advisory Group identified businesses representatives that fall within the following parameters: 1) the representative is an individual charged with making business decisions on relocation or expansion of the private sector organization with a minimum of fifty employees; 2) has knowledge of or has been involved in Pocatello community issues which includes serving on boards of

local non profit organizations and committees representing community issues. From this list, a random number chart was used to select participants for the study.

5. Public sector representative: is an official elected by the citizens of Pocatello or Bannock County and is charged with making decisions on policy for economic development in Pocatello. The criteria for selection of these individuals includes: 1). the individual is currently serving as an elected official on the Pocatello City Council or Bannock County Commission; 2) has served at least four years in this position. A list will be gathered from the City of Pocatello and Bannock County clerk's offices to determine the tenure of elected officials to participate in this study that meet these research parameters. The public sector representatives were selected based on a stratified sample "which is a procedure in which subgroups are selected on the basis of one or more shared characteristics and then sampled separately" (Manheim & Rich, 1991, p. 383). The representatives were categorized into two groups. The groups were evaluated from an assessment of association with other economic development organizations as board or committee members of groups such as the Pocatello Development Authority, Bannock Development Corporation board or the Eastern Idaho Development Corporation board. This group was categorized as having "high involvement" in economic development matters. The other group of representatives did not have a formal association with other economic development groups and are termed as having "less involvement" in economic development. This stratified sample is critical to identify public sector representatives to be interviewed that have more involvement in economic matters and are more closely connected to a number of different groups that work specifically on economic development in the Pocatello community. The input from these representatives is

essential in understanding viewpoints of elected officials that invest larger amounts of time on economic matters. Gaining input from a sample of public sector representatives with low involvement is also important. Their viewpoints strengthen the research by gaining input from those that are not as connected in economic development processes.

6. Economic Development Perspective Disconnect: when policy makers differ from private sector leaders in deeming either quality of life or market factors as the most important factor in establishing economic development policy.

Scope of Research

The study progresses as follows:

1. There were six participants being interviewed as part of this study.
2. The participants include three local elected government officials who are involved in the decisional process for local economic development policies in Pocatello and have served for a minimum of four years in an elected position charged with making decisions on economic development policy. There are also three private sector representatives from businesses located in Pocatello that were interviewed.
3. The interviews were conducted individually and each participant did not know the names of the other respondents.

Significance of the Study

This study of Pocatello, Idaho helps communities understand factors that both public and private organizations view as important in shaping economic development policy. The information may also assist local government leaders to work more proactively to understand the needs of existing businesses within a community to help in retention efforts and to work more collaboratively to enhance the economy within a

particular community. It also helps identify information to assist in balancing economic development policy to effectively recruit and retain businesses while balancing the needs of a community including providing “opportunity and economic justice to those in greatest need” (Power & Barrett, 2001, p. 19). It may also identify how public and private sector leaders may work more collaboratively to produce greater prosperity in communities. By evaluating data within this specific city about economic development factors, generalizations may be drawn which may provide suggestions for future studies in other geographic areas.

Case Study Process

McNabb (2002) described the steps in conducting case study research. He suggested the following process: 1) Framing the case; 2) Operationalizing relevant themes, issues and concepts; 3) Selecting and defining case units of analysis; 4) Gathering case data; 5) Conducting in-depth interviews, analyzing documents and other material or naturalistic observation; 6) Analyzing and interpreting data by grouping by key constructs or identifying key bases for interpretation; 7) Developing generalizations; 8) Testing alternative interpretations; 9) Forming and/or refining theory from the case; and 10) Developing and presenting a report of the findings.

The following describes the approach utilized for this study as part of the case study process.

1. Framing the Case

Developing a greater understanding of the viewpoints of public and private sector officials in Pocatello on economic development is the basis for this study. Use of the case study research method is important because it allows for analysis of phenomena that are

occurring within a specific area (Pocatello, Idaho). This study method is particularly relevant to the proposed study area and topic and “makes sense in public administration where the intention is to understand a specific situation in order to make or adjust policy or practice” (Johnson, 2002, p. 51). The case study approach is also much more “feasible than a large national study and more focused, providing the in-depth information that often is appropriate to the decision maker’s focus” (p. 51).

This approach involves developing the case study which is bounded within the business and politically defined area of Pocatello, Idaho to allow for focused evaluation of public and private sector viewpoints on factors that are most important for economic development. The case study approach is appropriate due to the geographic area of study that is identified as Pocatello, Idaho to understand the phenomena occurring.

2. Operationalizing Relevant Themes, Issues and Concepts

The common theme related to this research is the need for articulation and selection of policies which enhance economic development in Pocatello. The premise for this study is that an economic development perspective disconnect is occurring between public and private representatives in Pocatello. This study tests if a disconnect is occurring, thus filling a gap in the literature on differences that public and private sector representatives view in shaping economic development policy. Additionally, this research further clarifies how public policy is assessed by private and public sector representatives on current economic development practices of Pocatello.

3. Defining the Unit of Analysis

The methods used for evaluating the economic development perspective disconnect between what government and business leaders, were interviews of key business officials within the Pocatello area. The interviews were conducted by contacting private sector representatives within Pocatello. An interview time was established with each individual and scripted questions were used for the interviews (See Appendix A). Public sector representatives were also selected and interviewed with the same questions. The interviewer asked a number of probing questions to understand perspectives but care was taken to not bias the respondents through careful interviewing techniques. The interviews were tape recorded for analysis purposes.

Additionally, public and organizational records of the City of Pocatello on economic development policies were also analyzed. Additional information was obtained from State of Idaho and economic development organizations in Pocatello to verify the interview responses. This technique was implemented to detect what local business representatives articulated as important for economic development. A comparison was made between the information collected from City of Pocatello records and economic development organizations and themes included from public comment by business officials. This approach assisted in verifying the data collected from the interviews of private and public business and representatives.

4. Gathering Case Data

The data were collected from the interviews by the researcher asking the interview questions and tape recording each respondent's answers on each question. The information was then transcribed and evaluated to develop generalizations. The questions

used in the interview process were pre-tested by having review and input of the questions by the Study Advisory Group. Additionally, a former local elected official also reviewed the questions to provide additional input. Public records and organizational data that were analyzed were obtained from the City of Pocatello Clerk's Office who maintains records of public hearings conducted for the city.

5. Conducting Interviews, Analyzing Documents and Observation

The interviews were conducted by contacting the public and private sector representatives within Pocatello. An interview time was established and each respondent signed a consent form to participate prior to the interview. As mentioned previously the interviews were tape recorded and transcribed for analysis.

Public hearing records of economic development related topics for the City of Pocatello within the past eight years were collected and analyzed. From this information, comparisons were made between the policies adopted and the general themes included from public comment by both public and business officials. This approach helped establish greater validity by using "multiple sources of evidence" (Yin, 1994, p. 90), to augment the data collected from the interviews of public and private sector representatives.

6. Analyzing and Interpretation of Data

The primary research tool for this study to analyze and interpret the data is the use of content analysis. Content Analysis is defined as "the systematic counting, assessing, and interpreting of the form and substance of communication" (Manheim & Rich, 1991, p. 160-161). To conduct a content analysis there must be a "physical record of communication" (p. 161). Specific themes must also be developed which is a

“particular combination of words or ideas, such as a phrase, a sentence or even a paragraph” (p.163). The transcribed interview information was the document utilized for the content analysis. A codebook was developed after categorization of comments was conducted. Key words and comments were identified as either relating to quality of life or business factors. Each question was evaluated separately and statements and wording were placed into categories. From this information, generalizations were drawn based upon this analysis.

7. Development of Generalizations

Once the data were interpreted through use of the content analysis, the researcher outlined generalizations to establish findings of the study. The additional data collected from public hearing records also assisted in detailing the results and generalizations which were used in formulation of findings.

8. Testing Alternative Interpretations

Generalizations were obtained from the information collected including analysis and comparison of supporting data from the review of government public record and economic development organizational documents. Other methods of verification including peer debriefing and additional review of the literature were conducted to ensure that interpretations were being assessed correctly.

9. Forming and/or Refining Theory from the Case

Once the information was collected, the theory was refined as part of this process of the research. The additional data collected from public records and other sources were also used to refine the research.

10. Developing and Presenting a Report of the Findings

A report of the findings is presented in Chapter V. This includes extensive discussion on the perspectives that public and private sector representatives deem as important in the economic development process within the study area.

Role of the Researcher

The researcher has a wide range of tasks associated with this research. The researcher has experience as an employee for the City of Pocatello for seven years, and has identified respondents through contacting county and city clerk offices to obtain a listing of public sector representative to be randomly selected to participate in the study. Additionally, the researcher organized the Study Advisory Group which assisted in identifying a list of private sector representatives to be interviewed. The researcher contacted private sector representatives after a random selection process. The researcher also conducted the interviews and provided all analysis and interpretation of the data.

Method of Verification

An essential element in conducting case study research is verifying the accuracy of reported findings. According to Creswell (1998), important components of the verification of data in case studies is the use of multiple sources of information, as a form of verification. Additionally, Lincoln and Guba (1985) identify triangulation of data which includes the validation of different sources of information by comparing results of multiple data sources and peer debriefing which is “exposing oneself to a disinterested peer in a manner paralleling an analytic session and for the purpose of exploring aspects of the inquiry that might otherwise remain only implicit within the inquirer’s mind” (p.

308). Therefore, the methods of verification used for this study are collection of multiple sources of data through interviewing and review of public hearing and economic development organizational information. Triangulation and peer debriefing are also used as forms of verification.

The multiple data sources included the interview data, and analysis of public record information. Additional material was obtained from local data on economic trends in Pocatello related to jobs and expansion of private investment in the community. This material has been compared to determine trends and to verify the accuracy of the research.

Peer debriefing was conducted by utilizing a local economic development professional to review and provide input on generalizations that are being drawn from the research. The professional reviewed and compared responses from the interviews to verify any consistencies or discrepancies in the data.

Utilizing these approaches to verify the methods has been critical in verifying the information obtained in the research. It is also an important element of case study research methods (Creswell, 1998).

Summary

This chapter outlined the case study processes and procedures implemented in conducting this research. There was also information on the role of the researcher in the process. By pursuing a case study of Pocatello, Idaho and evaluating data within this specific city about economic development, generalizations have been drawn to more fully understand factors to develop more insightful economic development

policies. Utilizing the case study method of research as part of this study has also provided data which will provide suggestions for future studies.

CHAPTER IV

Results

Prior to discussing the results of the study, it is important to describe the economic characteristics of the case area for the study. Pocatello, Idaho is a community located in southeastern Idaho and is the county seat for Bannock County. Pocatello “is nestled in the foothills of the Portneuf River Valley. It is a major trade area for Southeast Idaho and home to Idaho State University” (Idaho Department of Labor, 2004). The City’s population in 2000 was listed at 51,466 (United States Census Bureau, 2000).

The Pocatello, Idaho area (Pocatello and Bannock County, Idaho) had substantial growth in its economy in the 1990s. Between 1990 and 1997 employment increased in Bannock County by 27% and in 1999 the unemployment rate was 4.8% in Bannock County (City of Pocatello, 2003). Over the past few years there have been some shifts in the labor force. Although there were fluctuations in types of jobs with the closing of the Astaris plant, “During the 1990’s, major business expansions and relocations positively affected employment in Bannock County” (Idaho Department of Labor, 2004). This included a decrease in mining operations but an increase in other industry sectors including construction (Idaho Department of Labor, 2004). The shift in the types of jobs included:

Major commercial construction projects, such as expansions at American Microsystems, Inc., Quest, and Idaho State University, along with new establishments including the Idaho Women’s Correctional Facility, Kimberly-Clark Ballard Medical, SME Steel Contractors, Premier Technologies, Convergys

Customer Management Center, and a multitude of retail stores, restaurants, created jobs in the county. (Idaho Department of Labor, 2004)

The Pocatello City Council currently consists of six members. The City has a strong Mayor form of government. The Mayor was elected in 2001 and the six Council members include one female and five males from a variety of backgrounds that represent the residents in Pocatello. The Bannock County Commission consists of three males who primarily set policy for the county which consists of approximately 75,500 residents (United States Census Bureau, 2000).

Data Analysis

The respondent interviews were conducted in February and March of 2005. Six participants were interviewed including three local elected officials and three private sector representatives that are upper level managers of businesses in the Pocatello area. Each of the business representatives were involved in local decision making for the companies they represented and had a proficient knowledge of the implications of economic development issues. Two of the business representatives worked in differing manufacturing industries and the third was associated with a professional/retail business. Two of the local elected officials had experience working with economic development organizations and were categorized in this research study as having high involvement in economic development. The third public sector representative was categorized as being less involved. During the interview, each of the public and private sector representatives were engaged in the topic and provided a great amount of input on economic development issues.

The process of analyzing the data involved converting qualitative data to a quantifiable structure, by categorizing and coding the data (Glaser & Strauss, 1967, p. 101). The conversion process for this study, in order to facilitate interpretation of the data, was conducted in three phases. The first phase involved analyzing the transcribed interview data to establish categories from the comments. The researcher reviewed each of the transcribed interview documents and developed a listing of general categories of comments that was based on both quality of life and business factors in economic development. Table 1 outlines the categories and provides a brief description that defines the categories.

Table 4.1

Interview Category Descriptions

Response Category	Category Description
General positive input or importance of business factors in economic development	General comments that positively portray business factors including using community funds to respond to a business, site enhancements, tax levy rates, skilled and available labor force, energy costs, transportation and other business/market factors categorized as important to facilitate economic development in a community
General negative input or lack of importance of business factors in economic development	General comments that negatively portray business factors including using community funds to respond to a business, site enhancements, tax levy rates, skilled and available labor force, energy costs, transportation and other business market factors categorized as of minimal or low importance to facilitate economic development in a community
Positive input or importance of quality of life factors in economic development (General)	General comments that positively portray quality of life factors including improving community infrastructure, amenities, public facilities or physical image characteristics as important to economic development .

Table continues

	Additionally, schools location, physical environment and other characteristics that attract residents to live and stay in a community are categorized as important to facilitate economic development in a community
Negative input or lack of importance of quality of life factors in economic development (General)	General comments that negatively portray or minimize the importance of quality of life factors including community infrastructure, amenities, public facilities, physical image characteristics, schools location, physical environment and other characteristics in the economic development process.
Positive input or importance of business factors in economic development (Pocatello specific comments)	Specific responses that relate to positive business factors associated with economic development in Pocatello.
Negative input or lack of importance of business factors in economic development (Pocatello specific comments)	Specific responses that relate to negative comments about business factors associated with economic development in Pocatello.
Positive input or importance of quality of life factors in economic development (Pocatello specific comments)	Specific responses that relate to positive quality of life factors associated with economic development in Pocatello.
Negative input or lack of importance of quality of life factors in economic development (Pocatello specific comments)	Specific responses that relate to negative comments about quality of life factors associated with economic development in Pocatello.
Importance of positive attitude and efforts of community leaders	Comments on the importance of local public leaders and government organizational leaders contributing positively to businesses in a community and enhancing economic development efforts.
Business networks and business representative involvement in economic development	Business representatives and leaders working together and being involved in promoting community economic development
Non Relevant Statement	Any statements not associated with issues related to the research project.

The second phase of the process included coding the interview data into the identified categories and quantifying the number of comments for each of the categories. This phase involved analyzing specific comments to determine which category was most appropriate. Comments were assigned a code corresponding to a relevant category. Table 2 provides a synopsis of the results of the content analysis. The results (Table 2) indicate that both public and private sector representatives have similar numbers identified which is partially attributed to the respondents answering the same questions.

Table 4.2

Interview Content Analysis Results

Response Category	Business Representative Content Analysis Category Response Numbers	Public Representative Content Analysis Category Response Numbers
General positive input or importance of business factors in economic development	59	48
General negative input or lack of importance of business factors in economic development	5	4
Positive input or importance of quality of life factors in economic development (General)	21	13
Negative input or lack of importance of quality of life Factors in economic development (General)	4	3
Positive input or importance of business factors in economic development (Pocatello specific comments)	25	57
Negative input or lack of importance of Business Factors in Economic Development (Pocatello specific comments)	10	6

Table Continues

Positive input or importance of quality of life factors in economic development (Pocatello specific comments)	12	23
Negative input or lack of importance of quality of life factors in economic development (Pocatello specific comments)	4	2
Importance of positive attitude and efforts of community leaders	9	17
Business networks and business representative involvement in economic development	6	10
Non Relevant Statement	5	6

The quantified responses indicate that although there are differences in responses, the disconnect between public and private sector representatives is not clearly evident. However, after the coded responses were assigned into categories and quantified, further detailed analysis was conducted. This was the third phase of the process. This analysis is critical because interpreting the data strictly from a quantified analysis does not capture the impact of the type of statements or the emphasis that is added by the respondents. The results are detailed by private representative and public representative responses.

Private Sector Representative Responses

Private representative respondents were asked several questions about the factors in they use in evaluating a decision to locate in a particular community. The responses were mixed and included a wide variety of both business and quality of life factors. Business factor responses included access to markets, transportation facilities, availability of raw materials, site and work force costs, energy expenses and all other relevant items

that effect total cost to do business. In ranking business factors, the respondents indicated that site costs, political climate and stability, energy costs, taxes, local business climate and other factors such as transportation and availability of workforce were all either very important or important in the decisional process. One of the three respondents indicated that government incentives were not as important in the decisional process and each of the respondents indicated that all of the issues were dependent on the type of business looking to expand or relocate.

Two of the respondents ranked quality of life factors as either being very important or important in the decisional process to locate in a particular community. A number of quality of life comments were identified as important considerations to locate in a community including cost of living for employees, amenities such as recreational programs and facilities, medical facilities, affordable housing, commute time, and community infrastructure. One of the respondents indicated that companies should evaluate lifestyle concerns of employees because it is hard to get employees to move to places that do not meet lifestyle needs. Another respondent indicated that quality of life was not a major consideration but that the focus was primarily on costs of doing business. This respondent also indicated that it is difficult to determine what exactly quality of life is, and that some people may think that a place like Los Angeles has a high quality of life and smaller communities have a lower quality of life, and others may think the opposite. Therefore, quality of life, he argues, is not easily defined and is dependent on the city or community.

All respondents indicated that Pocatello does offer a variety of business and quality of life factors. Business factors mentioned in Pocatello include trained

workforce, with particular reference to the importance of Idaho State University, inexpensive power, utility availability, local business climate, transportation, supportive government, and government incentives. Quality of life factors mentioned in Pocatello include the physical environment, outdoor recreation, cost of living, commute times and affordable housing. One respondent said that it is difficult for employees to leave Pocatello because they enjoy the quality of life the city offers. One respondent noted, however, that Pocatello needed to provide more recreational opportunities for people in the area.

Business respondents were then asked to identify top relocation considerations for differing types of businesses. For High Tech businesses or those that manufacture products reliant upon technology, workforce and costs associated with doing business were identified as most important. Transportation, and total delivered costs (costs associated with total delivery of a product) were relocation characteristics mentioned as important to manufacturing businesses. Professional and retail oriented business relocation characteristics were listed as quality of life, infrastructure, opportunities for professionals to grow in the industry, incentive money in communities, a positive political and business climate and incentives for the businesses.

Respondents were asked to identify the most important tools that Pocatello and other communities should have available for economic development. There was a great amount of input on the importance of having government leaders that have foresight and a vision for the future on what will help bring businesses to the community. The private sector respondents indicated that governmental and non-profit organizations such as the Pocatello Development Authority and Bannock Development Corporation are critical

groups for Pocatello in order to keep the community competitive in economic development. Additionally, two of the respondents identified incentive packages as important including lower taxes and monetary subsidies to lower a company's expansion or relocation costs. One of the respondents stated that he was not a big fan of incentive packages for economic development because it did not make a huge difference when compared to other factors. Other business factors important for Pocatello included access to facilities that may lower delivered costs of a product, and a well educated and skilled labor force. They also identified quality of life factors including good medical facilities, cost of living, and having adequate infrastructure including good roads.

Private sector representatives were also asked to respond to a question about the role of government in assisting a company to relocate or expand in a community. The responses included short term actions such as providing incentives and facilitating partnerships among businesses and other key partnerships such as colleges and universities. Other responses included having government officials better understand the nature of businesses in their community and working to cultivate more confidence of business people in the community. It was suggested, that government representatives should work to recruit businesses to a community, especially those that add back and do not harm the community by producing environmental pollution to an area. A positive "can do" attitude of government was also listed as necessary to a community's success.

Finally, private sector respondents were asked questions about the role their organization has in assisting with the economic development of the community. Their responses involved a variety of roles including participating in community economic

development organizations, providing a stable work environment for employees, and keeping products competitive in an international market place.

Public Sector Representative Responses

Public representatives responded to questions about the major factors they use in evaluating or making a decision to locate in a particular community. The majority of responses related to business factors including availability of resources, skill level of employees, transportation, educational level of employees, issues related to reducing the costs of doing business including what may affect the “bottom line” for a company including taxes. Other responses included comments on quality of life such as education for children, cost of living, crime, and infrastructure. However, one public sector representative indicated that unless a community meets the issues related to the cost of doing business that quality of life factors will never be discussed or considered relevant. Additionally, the respondent indicated that quality of life is difficult to define and is determined on whatever appeals to a person.

Public representatives as previously stated, identified business factors as those most important in a business deciding whether to expand and relocate. These factors include site costs, energy costs (depending on the business), taxes, government incentives, and local business climate. Additionally, transportation and an educated workforce were also mentioned as essential factors in the decisional process for a company wishing to relocate or expand in a particular community. There were mixed responses related to quality of life. One respondent indicated that quality of life was very important and specified seasonal recreation opportunities including hunting and fishing and other recreation opportunities as important elements in economic development for a

community. Other respondents indicated that quality of life is a factor only considered when business factors have been satisfied. One respondent emphasized that quality of life is always less important than business factors.

The respondents commented on business and quality of life factors in Pocatello. They indicated that the quality of life in Pocatello as it relates to economic development was very good. The majority of issues related to business factors were considered very good in Pocatello as well with the exception of taxes which were thought to be too high for business (i.e. property taxes). Political stability in Pocatello was also communicated as being poor by some of the respondents.

Public representative respondents were then asked to identify top relocation site characteristics for differing types of businesses. The information provided by the respondents were similar to what the private sector respondents indicated. The results obtained on this issue and coded under business factors resulted in interview data that was categorically saturated or continued to add to the data until no more was found (Creswell, 1998, p. 56). Comments related to business factors by all three respondents included access to raw materials, transportation, energy, and skilled labor force.

The most important tools that Pocatello and other communities should have available for economic development, as described by public sector representatives, were all related to business factors with no mention of any quality of life factors. These factors included a skilled workforce, availability of cost effective energy, proficient government entities that promote and enhance economic development opportunities, and adequate ground transportation. They also indicated that government incentives such as tax increment financing and the location of a community were also important. One

respondent even indicated that Pocatello was not competitive for some businesses to relocate because of its location. The emphasis was that larger market communities were at least two hours away from Pocatello which makes gaining quicker access to these markets more difficult.

In response to a question about the role of government in assisting a company to relocate or expand in a community the public representatives indicated that making the necessary accommodations to help promote an expansion of a business in the community was important. This includes providing a friendly atmosphere for businesses and providing incentives to assist such as providing infrastructure for business sites which are all related to business factors or attitude and efforts of community leaders.

Public representatives were asked to describe the role their organization has pertaining to community economic development. The respondents indicated a number of methods that their organization uses to be more “business friendly” such as ensuring government departments streamline review and approval efforts to promote economic development. This includes promoting an environment which is positive toward a company wanting to relocate or expand. Government incentives and working to get other business representatives involved in helping to promote the community were also important roles. Finally, providing support by hiring a lobbyist to engage in cooperative ventures with non profit organizations for economic development was considered a role as well.

Verification of Data

As described in Chapter III, an important part of verifying the validity of the data collected is to compare the results with other sources of data using triangulation. Triangulation involves collecting multiple sources of data to verify the data collected. In this study, triangulation includes data obtained from the interviews, and information from Pocatello City Council meetings over the past eight years (1997-2005) on policy decisions regarding economic development. Other sources of information include documents obtained from local and state economic development organizations on the economy and efforts to further economic development in the Pocatello area.

Other techniques have also been used to verify the data. These techniques include peer debriefing and a supplemental review of the literature to verify that the data collected from the interviews is in line with what other sources of information is detailing. The results of these verification techniques follows.

Triangulation Using Multiple Sources of Data

An important tool that communities utilize in the State of Idaho for economic development is urban renewal and tax increment financing. Tax increment financing, better known as TIF, “is a redevelopment financing tool that is normally used to fund the costs of public infrastructure related to redevelopment and, in some cases, limited expenditures for private site preparation” (MacGillivray, 1996, p. 6). The governing legislation for the use of tax increment financing in the state is the Idaho Urban Renewal Law (State of Idaho, 2003) and the Idaho Local Economic Development Act (State of Idaho, 2003)

Urban Renewal Law was first passed by the Idaho Legislature in 1965. Under this law “a Mayor and Council can declare areas as deteriorating, and declare that the rehabilitation, conservation, and redevelopment of such areas is in the interest of the public’s health, safety, morals or welfare” (State of Idaho, 2003, p. 507). The Urban Renewal Law also states that an area of a city that:

constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities... may be designated an urban renewal area. (State of Idaho, 2003, p. 507)

The Local Economic Development Act was passed in 1988 by the Idaho Legislature. This legislation identifies that:

An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan...A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area, or thereafter, as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area.(State of Idaho, 2003, p. 527)

The City of Pocatello has used urban renewal and TIF on a number of different occasions to facilitate economic development. This tool has been the primary resource to

facilitate economic development in the community. Projects and proposals are identified in a planning document that is formulated by City staff with input from the Pocatello Development Authority, a redevelopment agency responsible for administering TIF in Pocatello. Over the past eight years there have been a number of projects outlined in these planning documents. These were reviewed to determine what policy direction was pursued by the City Council. Most of the projects were related to improving infrastructure and the development of public facilities to induce a business relocation or expansion.

As part of this study, minutes from the public meetings where these TIF districts were created, were obtained from the City Clerk's office. From these documents, a content analysis was conducted by categorizing and then coding the comments of public and private sector representatives. This analysis was done to evaluate perceptions of public and private participants on economic development efforts in Pocatello. Additionally, voting numbers were also tallied in the content analysis to assess public representative support or non support of the use of TIF and urban renewal for economic development purposes.

Categories were established after evaluation of the material from the public records. The categories included the following:

1. Business representative positive or supportive statement about economic development and tax increment financing;
2. Business representative negative or non-supportive statement about economic development and tax increment financing;
3. Improving infrastructure is important with the use of tax increment

financing;

4. Improving infrastructure is not important with the use of tax increment

financing;

5. Elected official negative or non-supportive statement about tax increment

financing and urban renewal (includes votes);

6. Elected official positive or supportive statement about tax increment financing

and urban renewal (includes votes);

7. Neutral Statement associated with economic development and tax increment

financing.

The content analysis of these meetings provided a variety of comments and input associated with the use of TIF in Pocatello's economic development efforts. Table 3 identifies the numbers of comments from the analysis.

Table 4.3.

Content Analysis of Public Records

Category	Content Analysis Response numbers
Business representative positive or supportive statement about economic development and tax increment financing;	9
Business representative negative or non-supportive statement about economic development and tax increment financing;	6
Improving infrastructure (is important) with the use of tax increment financing;	4
Improving infrastructure is not important with the use of tax increment financing;	1
Elected official negative or non-supportive statement about tax increment financing and urban renewal (includes votes);	25
Elected official positive or supportive statement about tax increment financing and urban renewal (includes votes);	61

Table continues

Neutral Statement associated with economic development and tax increment financing.	4
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There were nine responses of business representatives that spoke in favor or were supportive of the use of TIF. Their comments identified TIF as an important tool to increase the tax base and that it was one of the few tools available for economic development in the community.

There were six comments of business representatives that spoke negatively or in a non-supportive manner about the use of TIF. These comments suggested the need to find other means to finance the project. The comments also expressed the concern that local taxes were high because of TIF. It should also be noted that many of the comments were made by the same person.

There were four comments from business people wanting TIF used primarily to improve infrastructure. One comment from a business representative stated that TIF should not be used for infrastructure improvements.

There were twenty five comments from elected officials that indicated negative or non supportive statements about TIF as an economic development tool. The comments include concern that TIF gives advantage to one business while negatively impacting another business not having received TIF assistance. Other comments of concern related to the tax burden on “non TIF” assisted businesses and that TIF may create additional burden if extended in time. These comments were primarily directed at the need to enhance economic development efforts by reducing taxes. Community quality of life was argued to have been negatively impacted when an amended motion to remove landscaping from a project was approved. Overall it was found that council members’

support for the creation of urban renewal areas and the use of TIF for economic development was seldom unanimous.

There were 61 positive comments or actions regarding TIF and urban renewal. A majority of the actions were represented by the votes of the City Council. Comments reflected the desire to use all of the tools available for economic development, TIF being one of the main tools and the feeling that creation or expansion of a TIF district creates jobs and helps the economy. Finally, it was pointed out that many businesses have been positively assisted with TIF funds including AMI, Ballard Medical, Qwest and Convergys in the Pocatello area. There were four neutral comments about the use of TIF funding as well.

Analysis of the data from the City Council meetings provides insight on economic development issues in Pocatello. The comments by many of the City Council members indicate that business factors are of primary concern. Although there were projects proposed that are associated with quality of life factors, the statements indicate that the use of TIF and urban renewal were primarily to expand job opportunities and to assist businesses in site expenses. Negative comments from elected officials also indicated the primary concern was for business factors. The primary concern being the reduction of the property tax to benefit businesses. There were no comments in the public records arguing for the use of TIF funds because of the benefit to quality of life.

Business representative comments, indicated that for the most part they were supportive of TIF. Like the public representatives, business comments reflected support for the use of TIF funds. These improvements include sewer and drainage systems and replacing curb, gutter and sidewalks. There were also comments about using TIF funds to

recruit businesses to the community. Overall, the business representatives tended to focus their input on using TIF to promote both quality of life and business factors.

A number of additional documents were analyzed to provide additional insight on factors public and private representatives deem as important in economic development processes in Pocatello. These documents include the City of Pocatello Comprehensive Plan (2003) and other city data and organizational information from Bannock Development Corporation (BDC). The City of Pocatello Comprehensive Plan (2003) indicates that area agencies strive to work cooperatively to “promote a strong economy with abundant job opportunities and commercial services for all individuals” (City of Pocatello, 2003, p. 21). Pocatello’s efforts to enhance cooperation seem to be working as varying government entities successfully involve themselves thereby diversifying the local economy. For example, of the major Pocatello area employers, 5,270 individuals are in the government sector, 3,085 in manufacturing, 800 in transportation/utilities, 700 in services and 360 in finance and insurance companies (p. 20). This diversity is enhanced by amenities business can take advantage of, including “convenient access to air, rail and freeway transportation systems” (p. 20), and an educated workforce enhanced by the location of Idaho State University.

The efforts of Pocatello are similar to other communities in that, “Local governments become concerned about economic development either in efforts to maintain an economic base that is facing an external threat or because of the actual loss of an existing industrial sector” (Grant, 1990, p. 149). This was demonstrated by the close of the Astaris Industrial plant in 2001, resulting in Pocatello adjusting to work through this major loss in jobs.

The environment in which economic development takes place in Pocatello has inspired efforts by local governments to develop regional plans to enhance the collective vision of government and private sector entities. The Our Valley Our Vision planning is one such effort. City and county governments worked to enhance planning and zoning documents to promote an atmosphere that encourages economic development and growth. This document also identified future infrastructure needs necessary to meet future opportunities for growth.

Bannock Development Corporation (BDC) (2002) in cooperation with economic development partners of the region, including the City of Pocatello and Bannock County, has identified six objectives for economic development:

1. Maintain a strong association with existing business/industry.
2. Facilitate the creation of jobs at attractive compensation levels, and promote workforce development.
3. Attract new industry and business which improves the community.
4. Promote education and partner with Idaho State University in academic and economic development.
5. Maintain a cooperative relationship with economic development agencies for the enhanced development of the region.
6. Actively support the continued presence and new missions of the INEEL. (Bannock Development, 2002)

The focused efforts of BDC along with the emphasis on providing opportunities for a highly educated workforce (via University training) help to enhance economic development practices for the area. However, among the major objectives that Bannock

Development pursues, there is not a strong component that relates to quality of life encouraging investment by the City or County to promote economic development.

The City of Pocatello philosophy (2005) on economic development promotes a strong orientation toward business factors in economic development and very little emphasis on quality of life. This philosophy is reflected in the following statement “business costs can be cut and utility rates in the City are low compared to other areas of the country” (www.Pocatello.us). This statement provides further evidence that the focus of City public sector representatives is to focus on business factors in promoting economic development.

In summarizing the multiple sources of data analyzed, there is evidence that in Pocatello the emphasis in both public policy and marketing efforts is to promote business factors in the economic development efforts of the community. Review of the public hearing records on urban renewal and tax increment financing and the City’s comprehensive plan indicates that business factors are of greater importance in expanding and attracting new businesses than is a focus on quality of life. Although infrastructure is emphasized as being important for the use of tax increment financing, the plans specify and the public spending primarily includes infrastructure improvements to facilitate an expansion or relocation of businesses with a few exceptions. Additionally, while the comprehensive plan mentions quality of life as important in economic development, a majority of the goals and objectives are geared more towards promoting business factors. The marketing website for the community, along with the stated objectives for Bannock Development Corporation also emphasize business factors in economic development for the community. These sources suggest that business factors dominate the economic

development thought process of the community. Although there are limited comments from private sector representatives in these data, there was support for public infrastructure improvements which impact the quality of life argument for economic development.

Peer Debriefing

A member of the research committee agreed to take part in the peer debriefing process of this study. The individual has had a wide variety of experience in public policy and economic development for the Pocatello area. The content of the responses and findings were reviewed and evaluated to determine the credibility of the data collected from the research (Lincoln & Guba, 1985). After review of the data, the individual participating in the peer debriefing discussed the content in detail and how the information was interpreted. Notes were taken by the researcher, and the primary issues that resulted from this session was that there was not overwhelming evidence of the disconnect in viewpoints on quality of life and business factors from the interviews, there is strong evidence from the public hearings and other city documents that business factors are of greater importance to policy makers in economic development efforts in Pocatello than are quality of life factors. The person participating in peer debriefing was also surprised that quality of life factors were not more strongly emphasized in the interviews as important to private sector representatives.

Overall, there was general consensus that the interview data, and the supporting verification data indicate that there is a disconnect in viewpoints on economic development between public and private sector representatives. This disconnect is

evident in the different approaches to economic development pursued by public and private sector representatives.

Additional Literature Considerations

Additional literature has been reviewed to augment the differing data sources related to this study. There are several additional studies that must be considered to understand differing factors and approaches that have been studied for economic development. Eisinger (2002) studied the differing tools that communities use to facilitate economic development. The techniques he identified included tax incentives, public borrowing, federal intergovernmental revenues and earmarked taxes. These techniques along with the public officials desire for growth resulted in policies that encourage assistance to businesses by providing incentives. His findings indicated that “traditional tax breaks and low-interest loans are the incentives of choice (Eisinger, 2002, p. 23). His results offer insight on the tendency public officials have to focus on business factors in promoting economic development. This is consistent with other sources of information already identified in this study.

Sweeney (2004) provided further insight into incentives for economic development. As a private sector consultant, his experience demonstrated that incentives must work to influence business decision makers that considering investment in a community. These incentives “enhance the strength of a location...and ensure the decision maker that those aspects that are attractive right now will still be in the future” (p. 9-10). He further concludes that other issues influencing business investment include infrastructure, tax policy, and community development or quality of life issues. This

combination of business and quality of life factors, from a private sector perspective, indicates findings consistent with this study.

Schultz (2004) conducted research through consultations and meetings with business leaders, citizens and public officials to identify why some communities thrive economically and others do not. He identified five factors that help communities enhance prosperity and economic health. These factors include forces of freedom which includes globalization and other issues such as deregulation which helps promote more growth for companies, ready and willing labor force, lowered business costs, improved communications and travel, and quality of life. His study identifies the importance of both business and quality of life factors to promote economic development and prosperity within communities.

Florida (2002) argues that there is a shift in society which includes an increase in people that are part of he calls “the creative class” (p.8). The creative class includes “people in science and engineering, architecture and design, education, arts, music and entertainment, whose economic function is to create new ideas, new technology and/or new creative content” (p. 8). This new creative class looks at a community or place to live based on attractions and amenities that make it a desirable place to locate before they look for a job. In view of this societal shift, he argues that political leaders must work to have a strategy “aimed at attracting and retaining people...and investing in the lifestyle amenities that people really want and use often, as opposed to using financial incentives to attract companies” (p. 293). Florida does not conclude that financial incentives to attract businesses are unimportant, but that elected officials must also work to enhance their community by investing in amenities that will attract people. His study provides

support to this study and encourages both business and quality of life factors be considered in economic development policy for communities.

This additional literature, supports the conclusion that there is a need to pursue both quality of life and business factors in creating the most effective economic development policies for communities. Additionally, there seems to be emphasis for the need to further investigate the effectiveness of economic development policy. There is a need to evaluate both business and quality of life factors in approaching policy choices for economic development. Utilizing the information obtained from the public and private sector interviews along with the additional literature, helps to identify the importance of pursuing economic development policy that considers both quality of life and business factors. However, there is evidence that public leaders in Pocatello are not considering quality of life factors as much a priority in economic development as they are business factors. This may hinder the effectiveness of economic development efforts for the city.

This study is different from other economic development case studies due to the differing methods of verification used. As indicated in Chapter II, Grant (1990) conducted a case study and evaluated economic development policies, yet the methods of verification were different. This makes the data added from this study unique as compared to other economic development research.

Generalizations

An analysis of the differing sources of information collected and analyzed as part of this economic development study indicates differences in perceptions among

public and private sector representatives in Pocatello. Table 4 provides a summary of these differences.

Table 4.4

Public and Private Representative Response Summary

Private Sector Representative Response Data	
Pocatello Private Sector Interviews (three respondents)	Respondents indicated that business factors particularly related to overall cost of doing business are considered in the process of determining to locate or expand into a community. Two of the three respondents considered quality of life factors as important in company decisions to locate or expand into a community. Respondents also indicated the importance of business government relations in the economic development process
Pocatello Urban Renewal Public Hearing and Public information Comments	The comments at the public hearing for urban renewal and tax increment financing in Pocatello included four comments in favor of funding infrastructure for the community which is classified as a quality of life issue. Overall with the exception of one private sector representative, there was general support of tax increment financing use for economic development projects.
Peer Debriefing	The data indicates a higher emphasis on business factors by private sector representatives than originally anticipated. However, the combination of both quality of life and business factors is evident in the interview responses and supporting data verification data.
Literature Review	Sweeney (2004), and Schultz (2004) emphasize the need to look at both business and quality of life factors for economic development. Florida (2002) emphasized the need to look at quality of life factors by improving communities to affect economic growth that is people oriented.
Public Sector Representative Response Data	
Pocatello Public Sector Interviews (three respondents)	From the interview data, public sector representatives commented on both business and quality of life factors in economic development. In quantifying the content analysis data, public

Table Continues

	sector representatives tended to comment more on business factors as the primary focus of economic development efforts. Quality of life factor comments were acknowledged but were primarily related to the Pocatello area and the importance of quality of life for the community rather than as a major factor in promoting economic development
Pocatello Urban Renewal Public Hearing and Public Information Comments	The content analysis indicated that there was general support from public officials for economic development and the use of tax increment financing. However, there was some opposition by elected officials related to business factors. There was also no comments related to use of the funds for quality of life issues.
Peer Debriefing	The interview data alluded to a disconnect between public and private sector representatives. The data verification confirmed that public sector representatives are more focused on business factors which may create policy that is too narrowly focused.
Literature Review	Eisinger (2002) discussed the preferences of local elected officials as being more in line with business factors in economic development.

As mentioned previously, the interview data do not demonstrate clear differences in viewpoints among public and private sector representatives. However, the verification data does allude to greater differences in viewpoints among public and private representatives in Pocatello. This leads to a disconnect that is occurring because of a lack of understanding among private and public sector representatives in the economic development process in Pocatello. The following generalizations have been derived from this study:

1. Business factors are identified by both public and private sector representatives in Pocatello as essential in economic development policy. Quality of life factors tend to be viewed by private sector representatives as important because of the need to evaluate

business decisions in a very thorough manner. Public sector representatives feel that quality of life factors are needed in economic development to make the area a nice place to do business, but they seem to miss the real connection of businesses viewing it as an important location factor in business decisions. This leads to a disconnect in economic development efforts in Pocatello.

2. There is a need to define exactly what quality of life really means. The interviews identified some concerns about how different people may define quality of life in economic development which may lead to confusion among people involved in decision making processes.
3. Both private and public sector representatives view attitude and cultivating relationships between public and private sector representatives as important in economic development processes for Pocatello.
4. There are differing economic development needs for manufacturing, high tech and service/retail businesses and public officials must be aware of these differences in facilitating economic development.
5. In Pocatello, there are a variety of perceptions on taxes and business climate. There is also a need to have elected officials partner to utilize important resources such as the University and the Idaho National Laboratory in promoting economic development.
6. Elected officials and business representatives must partner more and work together in attracting additional business and helping existing businesses expand.

Summary

Reese and Fasensfest (1997) promote working to evaluate broader impacts of economic development policy. Such an assessment is essential to understanding effective

economic development approaches. This study adds evidence that a disconnect is occurring on how public and private sector representatives view economic development and thus demonstrates the need to evaluate economic development policy in more detail as stated by Reese & Fasenfest. The information collected from the interviews of public and private sector representatives in Pocatello, evaluation of City of Pocatello public records and other community organizational documents, peer debriefing and additional literature considerations substantiates the disconnect among private and public sector representatives. This study also alludes to the need to evaluate the broader impacts of economic development. Although the differences between public and private representatives in Pocatello are not as extreme as originally anticipated at the beginning of this study, there are elements that allude to the need to shift thinking on economic development approaches in Pocatello.

CHAPTER V

Conclusions

This case study of economic development perspectives from public and private sector representatives in Pocatello Idaho provides insight on economic development policy approaches for communities. It also adds to the need to evaluate the impact of development policies for communities (Fleischmann et. al, 1992). The study demonstrates the wide range of issues to be considered in Pocatello and other communities desiring to shape effective economic development policies. The information collected from Pocatello and other sources of data leads to a number of findings regarding viewpoints of public and private sector representatives on the issues of economic development.

The following information provides a summary of this study and is composed of six sections. They are: findings, linking the results of the research, limitations, considerations of future research, implications and conclusion.

Findings

The original focus of this study was to determine if there was an economic development policy disconnect between public and private sector representatives. The data collected in Pocatello indicate that there are differing viewpoints between these two sectors on the importance of business and quality of life factors. Although the interview data did not provide extreme viewpoint differences, the additional data verified there is a disconnect and that it is impacting the productivity of economic development efforts in Pocatello.

In addition to the findings of this disconnect, the data also revealed similarities on specific economic development issues in Pocatello. This information is included in the following findings. The findings are described in the following topics: 1) differing viewpoints of public and private sector representatives, 2) defining quality of life, 3) cultivating public and private sector relationships, 4) coordinating community economic development.

Differing Viewpoints of Public and Private Sector Representatives

The Pocatello City Council has adopted a policy to “Increase the standard of living and the quality of life...by promoting, maintaining and improving a full range of employment opportunities and economic choices in the City” (City of Pocatello, 2003, p. 21). Although quality of life is acknowledged as a component of economic development in Pocatello, the interview data, the public hearing and organizational records reflect a greater interest in promoting business factors in the effort to expand and recruit businesses. Although quality of life is deemed as a factor for economic development, there is little emphasis placed upon it when compared to the emphasis on incentives and other such efforts to lower business costs.

This viewpoint of public representatives is not aligned with private representatives. For example, Pocatello data infer that while business factors are important to private interests, quality of life factors are at least equally important in the decisional process leading to a business expanding or locating to a community. In other words, private representatives promote a viewpoint of economic development success shaped by both quality of life and business factors.

Defining Quality of Life

The data collected from the interviews along with additional review of the literature identify ambiguities in how public and private sector representatives define quality of life in economic development. For example, some may view community recreational and public amenities as key components of quality of life, while others may view low commute times or exceptional educational facilities important. These differing perceptions of how quality of life is achieved produces conflicting standards among elected officials promoting economic development. If quality of life is not well defined, especially by public policy makers, with input from private representatives, then these conflicting standards will continue making a cohesive and successful approach to economic development difficult.

Cultivating Public and Private Sector Representative Relationships

In Pocatello, both public and private representatives stressed the importance of cultivating relationships among these themselves. This includes a proactive effort by both sides to communicate economic development needs. It also emphasizes the importance of partnership when pursuing the recruitment of new businesses or the expansion of existing businesses. This is consistent with literature on why cultivating relationships is such a vital part of business retention and expansion efforts in communities (International Economic Development Council, 2002).

Coordinating Community Economic Development

The respondents indicated there are a variety of perceptions about the business climate in Pocatello. These perceptions vary and include differing opinions on how taxes, transportation, community amenities and other issues affect economic development in

Pocatello. It also suggests the importance of utilizing resources existing in a community such as Idaho State University and the Idaho National Laboratory to enhance economic development efforts. This necessitates partnering with these resources to improve the workforce, develop products, and increase opportunities to attract new businesses with the use of these resources.

Although the findings demonstrate that in Pocatello there are differences in how public and private sector representatives view quality of life and business factors in the pursuit of economic development, there are issues that both groups agree must be emphasized. As mentioned previously, these include cultivating relationships to positively portray the community to outside businesses, involving both elected officials and business leaders in recruiting businesses, and identifying resources to help retain and expand existing businesses.

By understanding these issues, and working to overcome the economic development disconnect, Pocatello policy makers will be more effective in economic development efforts.

Linking the Results

In Pocatello, there are policy makers more engaged in economic development than others. As mentioned in Chapter III, these are “high involvement” elected officials categorized as such because of their association as board or committee members with economic development organizations. Examples of these groups include the Pocatello Development Authority, Bannock Development Corporation, and the Eastern Idaho Development Corporation. Other elected officials are categorized as “less involved” because they do not have a formal association with other economic development groups.

In this research, these were two of three public representatives categorized as high involvement in economic development matters for Pocatello. Although these two respondents are more engaged in economic development efforts, including significant interaction with private sector representatives, they are still less inclined to support quality of life factors over business factors. This is in contrast to private sector respondents.

This information verifies the existence of a disconnect hypothesized in Chapter I. This disconnect is primarily a result of the differences in perceptions between public and private sector representatives on the importance of business and quality of life factors in economic development. The difference in perception leads to policy that does not address issues deemed important by businesses looking to expand or relocate.

The disconnect suggests that public sector representatives are not engaged in initial discussions with businesses in the expansion or relocation made and that this contributes to a lack of understanding on what these businesses label as important. This is attributed to the role economic development practitioners and public administrators play in the process of recruitment of businesses which limits the need to involve policy makers until the final stages of the decision process. Although the role economic development practitioners and public administrators is important in the recruitment process, there is a need for elected officials in a community to be more engaged in economic development processes at all levels.

From the data, private representatives indicated the importance of evaluating both quality of life and business factors. However, there are differences in viewpoints among businesses that have differing products and markets. The data collected in Pocatello

suggests that business representatives are more engaged in evaluating quality of life factors than are public representatives. This is because there is a need to evaluate aspects of a community that will help employees feel satisfied with the environment in which they live. This contributes to private representatives evaluating quality of life factors more extensively than public representatives.

There are numerous other findings that come from the data collected in Pocatello. There are also other differing economic and political issues in communities outside Pocatello that may prompt further study on this concept of disconnect. Blakely and Bradshaw (2002) further clarify the need to study this disconnect because there are differences among communities and without the capacity to effectively implement strategies for economic development, communities may just be “following the fad” (Blakely & Bradshaw, 2002, p. 166) of other jurisdictions. This results in ineffective policy and poor economic development practice.

In summary, the data collected in this case study of Pocatello establish a disconnect related to differing viewpoints that once corrected may establish better economic development policy in communities. Yet, the issues identified in Pocatello may have variations in other communities. From these conclusions, public policy makers must be aware of the importance to communicate and take steps to alleviate a misunderstanding of what businesses view as important in expanding or relocating in communities.

Limitations

This type of study does not rely on a wide range of perceptions among participants; rather, it is limited to six respondents with additional data included to verify the responses. There was also limited verification data on private sector perspectives on

factors that are important for economic development. This may limit the study and make it “difficult to generalize from a single case” (Johnson et al., 2001, p. 146). This presents the challenge of having enough relevant information “to present an in-depth picture of the case” (Creswell, 1998, p. 64). It is also important to have delineated boundaries for the case area (Creswell), and within the City of Pocatello, the political issues related to economic development change constantly, thus making the case study process more difficult to generalize on a larger scale.

Future Research

The comments from the interviews were specific to the case area of Pocatello. Therefore, responses and additional data sources were limited to the political and economic environment of this community. Future research may be expanded to regional areas or states to explore implications of differing viewpoints between public and private sectors. It may also assist in identifying if public and private sector representatives in differing regional areas have similar perceptions of business and quality of life factors in economic development policy.

There is also a need to evaluate how local elected officials define quality of life factors in community economic development. This will determine if there are conflicts among policy makers on how quality of life factors may be achieved in particular communities to enhance the effectiveness of economic development policy.

Additional research may be pursued to determine how public and private sector representatives evaluate needs among high tech, manufacturing and service/retail oriented businesses. This will determine whether communities evaluate differing needs of

businesses in developing policy or if efforts are more focused on having policy that fit all types of businesses.

Future studies may also be more narrowly focused to determine similarities and differences on economic development factor viewpoints among public and private sector representatives in rural communities, and small and large cities. Other research may study perceptions of economic development policy on differing economy bases of communities. This includes evaluating communities that rely primarily on tourism versus others that may rely on manufacturing or high tech industry. There is also a need to more thoroughly evaluate what policies and projects communities have pursued in enhancing quality of life and business factors which public and private sector representatives view as being successful

Implications

This study has implications for community leaders in both public and private sectors that are involved in economic development efforts. For local policy makers, the strategic planning processes that communities utilize to establish economic development policy must include clear definitions of both business and quality of life issues to be pursued. In these processes, proactive efforts must include soliciting input from local private sector representatives to more clearly understand viewpoints that may effect how private sector leaders view the community. Blakely and Bradshaw (2002) indicate among other things the importance of “exploring contingencies important to the local population or political leadership that could have major impacts on jobs, sales, incomes, public revenues and expenditures, economic productivity, job quality, and local quality of life” (p. 161).

This study also has implications for economic development practices for organizations that work in community economic development. Enhancing understanding of viewpoints of public and private sector representatives will help to alleviate differences in how economic development policy is pursued. This will increase the effectiveness of approaches to recruit businesses and industry and will help in business recruitment and expansion.

Final Thoughts

Pocatello has been successful in cultivating an atmosphere to enhance economic development in the community. There is evidence of job growth and expansion of industry. There is also planned efforts as described in the City's Comprehensive Plan (2003) to be proactive in pursuing efforts to enhance economic development. This includes promoting business and quality of life economic development factors that will strengthen the community.

The interview and verification data of this study indicate that there is a disconnect in how private and public representatives view what will be most effective in economic development efforts in the community. The differences identified on the importance of quality of life and business factors among public and private sector representative in Pocatello indicate that there is a need to shift thinking to align viewpoints to be more effective in economic development efforts. This alignment is important because there is a need for communities to "have a better perspective on the problems affecting the national and international economy and their consequences for citizens in general and for certain groups in particular" (Blakely & Bradshaw, 2002, p. 25). Understanding the perspectives of private sector representatives will help public

policy makers in Pocatello and other communities successfully participate and compete in matching needs of existing and future businesses to be successful in bolstering a local economy. The method explored here, provides new insights into the study of economic development

Appendix A
Interview Protocol

Factors in Shaping the Economic Development Role and Strategies assumed by Local
Governments

Spring 2004

Business or Government Representative Name _____

INTRODUCTION

Introduction of the project, included information on the type of research (Case Study). Indicate that the research is regarding business factors that are most important in framing economic development policies for Pocatello. Indicate that the interview will be recorded for transcription purposes.

The following questions will be used to provide an outline for the discussion.

Question 1: Describe your responsibilities with the organization?

Question 2: In your opinion, what are the major factors that businesses evaluate in making a decision to locate in a particular community? **(Probing questions will need to be asked which will shape the parameters of the following questions).**

Question 3: In your opinion, what does Pocatello have to offer in terms of economic development that other regions of the country do not?

Question 4: Please rank the following overall factors in the decisional process of a company wishing to locate in a particular community or region:

- _____ Quality of life (Explain)
- _____ Site costs (Explain)
- _____ Political climate and stability (Explain)
- _____ Energy costs (Explain)

- _____ Taxes (Explain)
- _____ Government incentives and Infrastructure (Explain)
- _____ Local Business Climate (Explain)
- _____ Other Factors (Please Specify and Explain)

Question 5: How does Pocatello rank in terms of the factors described previously compared to other communities.

- _____ Quality of life (Explain)
- _____ Site costs (Explain)
- _____ Political climate and stability (Explain)
- _____ Energy costs (Explain)
- _____ Taxes (Explain)
- _____ Government incentives and Infrastructure (Explain)
- _____ Local Business Climate (Explain)
- _____ Other Factors (Please Specify and Explain)

Question 6: What are the top re-location site characteristics for the following industries?

High tech

Manufacturing

Professional/Retail

Question 7. What are the most important tools that Pocatello has available in enhancing economic development?

Question 8. What are the most important tools that other cities (including outside of Idaho) have available in enhancing economic development?

- Question 9.** What tools should Pocatello have to enhance economic development?
- Question 10.** What is the role of local government in assisting businesses to relocate or expand in a community?
- Question 11.** What do you believe are the most important elements or goals that you feel the organization you represent has pertaining to community economic development?
- Question 12.** What strategies or objectives does your organization primarily pursue to attain these goals or elements?

Appendix B
Human Subjects Committee



**IDAHO STATE UNIVERSITY
HUMAN SUBJECTS COMMITTEE
NOTICE OF ACTION**

RESEARCH PROPOSAL TITLE: "Factors in Shaping the Economic Development Roles and Strategies Assumed by Local Governments."

INVESTIGATORS: Blaine T. Tingey. SPONSORING AGENCY: Extramural

PROPOSAL NO.: 2501MODREN Assigned by Human Subjects Committee)
HUMAN SUBJECTS COMMITTEE ACTION
XX PROPOSAL APPROVED AS

PROPOSAL APPROVED PENDING MINOR MODIFICATIONS. Submit three copies of modifications for final approval. Refer to the Manual of Policies and Procedures of the Human Subjects Committee at www.isu.edu/departments/research/human.htm for an explanation of the procedures to be followed. **Please bold all modifications.**

PROPOSAL REQUIRES MAJOR MODIFICATIONS. Submit 12 copies of the revised protocol for committee review. Refer to the Manual of Policies and Procedures of the Human Subjects Committee at www.isu.edu/departments/research/human.htm for an explanation of the procedures to be followed.

CLAIM OF EXEMPTION APPROVED.
CLAIM OF EXEMPTION DENIED
PROPOSAL WAS DISAPPROVED

.....February 28, 2005
Human Subjects Committee Chair.....Date

Note: Approval is for a maximum period of one year. Projects extending beyond that time period should be renewed. The researcher must notify the Human Subjects Committee immediately in cases where the subject is harmed. Information (e.g. adverse reactions, unexpected events/outcomes) that may impact on the risk/benefit ratio should also be reported to, and reviewed by the HSC to ensure adequate protection of the welfare of the subjects.

X Investigator
X Dean of Research
X Office of Sponsored Programs
X Human Subjects Committee

ISU Is An Equal Opportunity Employer

**Human Subjects
Committee**

Campus Box 8056
Pocatello, Idaho
83209-8056

Ralph Baergen, Ph.D.
Chair
(208) 282-3371

Committee Secretary
(208) 282-3811
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Appendix C
Initial Telephone Contact Information
and
Informed Consent

Initial Telephone Contact Introduction

For business officials, contact the business person within the organization, that is responsible or provides input into relocation or expansion for the business (including owner, CEO, real estate representative or other qualifying individual).

For local elected officials, contact them by name and ask the following

INTRODUCTION

Hello. My name is Blaine T. Tingey with the Political Science Department at Idaho State University. The reason for my call is that I am working on a research study which is evaluating private and public factors in shaping local economic development policies in the City of Pocatello. It involves a case study approach through in depth interviews of business representatives and government officials within the City of Pocatello. Please be advised that involvement in this study is strictly voluntary. Are you interested in being interviewed as part of this study? **(If answer is yes continue)**.

I would like to set up a time to interview you on issues related to this subject. Is there a time that I may meet with you at your convenience.

Set up a time and location and indicate that the interview will likely be about 30-60 minutes in length.

Consent to Participate in Research

Title of the Study

Evaluating Private and Public Factors in Shaping Local Economic Development Policy Using A Case Study Approach

You are asked to participate in a research study conducted by B. Tim Tingey, (1415 Golden Gate St., Pocatello, ID 83201), Doctor of Arts student in the Department of Political Science at Idaho State University. The project is a Dissertation project to fulfill partial requirements for the Doctor of Arts degree. The purpose of this study is to evaluate the possible disconnect between business representatives and public policy makers in Pocatello, Idaho, and understand what business factors are most important in framing economic develop policies for this community. More specifically, if this disconnect is occurring, what factors do businesses and government policy makers in Pocatello identify as important in shaping economic development policy approaches and what does this imply for strategies pursued by local government within this city.

There will be six individuals interviewed as part of this research project. Your participation in this research project is voluntary. You should read the information below, and ask questions about anything you do not understand, before deciding whether or not to participate.

Purpose of the Study

The purpose of this study is to verify the existence of a disconnect between business representatives and public policy makers in Pocatello, Idaho, and understand what business factors are most important in framing economic develop policies for this community. More specifically, if this disconnect is occurring, what factors do businesses and government policy makers in Pocatello identify as important in shaping economic development policy approaches and what does this imply for strategies pursued by local government within this city. By evaluating data obtained within this specific city about economic development factors, generalizations may be drawn which may provide suggestions for future studies in other geographic areas.

Procedures

If you agree to participate in the study, you will be asked several questions regarding economic development in Pocatello. The interview session will also be recorded to allow for adequate evaluation of the information provided. The length of time for the interview will be approximately 30 to 60 minutes.

Potential Risks and Discomforts

Only risks that are typically associated with interviews, as part of research will occur. These may include time associated with participating in the interview process. The

respondents will be interviewed on a voluntary basis. Therefore, it is highly improbable that harm may occur. However, as in all research, there may be some risk that a breach in confidentiality may occur but the principal researcher for this project will take all reasonable steps to ensure that a breach in confidentiality does not occur. If there is harm that does occur, the subject information will be disregarded and will not be included as data in the research.

Anticipated Benefits to Subjects

The information will allow the subjects to provide input into economic development issues in Pocatello. It also may assist public and private organizations in enhancing efforts related to economic development.

Anticipated benefits to Society

The study will enhance understanding in factors that relate to economic development in communities.

Payment for Participation

There are no plans to pay respondents as part of this study. Additionally, the researcher will travel to the business or office site of those being interviewed to limit time involved and any travel expense by participants.

Financial Obligations

There will be no financial obligations to subjects associated with this project. However, time will be required to complete the interview which may take away from work productivity.

Emergency Care and Compensation for Research-Related Injury

This research does not present a greater than minimal risk to the subjects.

Privacy and Confidentiality

The only people who will know that you are a research subject are members of the research team. No information about you, or provided by you during the research, will be disclosed to others without your written permission, except if necessary to protect your rights or welfare if required by law.

When the results of the research are published or discussed in conferences, no information will be included that would reveal your identity. If photographs, videos, or audiotape recordings of you will be used for educational purposes, your identity will be protected or disguised.

The tape-recorded materials and notes taken during the interview will be secured and stored and protected by the principal researcher and no unauthorized individuals will be allowed access to the materials. After the research is completed, the materials will be destroyed.

Participation and Withdrawal

Your participation in this research is VOLUNTARY. If you choose not to participate, that will not affect your relationship with Idaho State University, or your right to receive services at Idaho State University to which you are otherwise entitled. If you decide to participate, you are free to withdraw your consent and discontinue participation at any time without prejudice to your future at Idaho State University.

Rights of Research Subjects

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have any questions regarding your rights as a research subject, you may contact the Human Subjects Committee office at 282-3811 or by writing to the Human Subjects Committee at Idaho State University, Box 8116.

I have read the information provided above. I have been given an opportunity to ask questions, and all of my questions have been answered to my satisfaction. I have been given a copy of the informed consent form.

By signing this form, I willingly agree to participate in the research it describes.

Name of Research Subject

Signature of Research Subject or Legal Representative

Date

I have explained the research to the subject and have answered all of his/her questions. I believe that he/she understands the information described in the document and freely consents to participate.

Name of Investigator

Signature of Investigator

Date

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