

# INFRASTRUCTURE DEVELOPMENT

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7 OF 9 ISSUE BRIEFS

## INTRODUCTION

Infrastructure is a societal foundational asset that provides the long-term support for lasting economic growth. Investments in these assets can come in a wide variety of forms that benefit the economy – roads, bridges, airports, power plants, cell towers, and water/sewer systems are just a few examples of the basic physical structures and facilities needed for the operation of a society and both public and private enterprises.

For economic development, infrastructure strategies often emphasize the need for investments that support anchor projects or for assets that open new areas of a region for growth. In this context, aligning infrastructure strategies that focus on strategic investments connect to a broader regional development goal.

Although alignment between states and EDDs can quickly coalesce around infrastructure priorities, these investments often depend on having clear timeframes, outcomes and roles that collaborators must play. Yet, these projects can require large investments that require long periods of time to obtain funding and ultimately create which highlights the need for long-term organizational and strategic alignment. Scarce resources can, furthermore, limit the number of infrastructure projects that states and regions can undertake to ensure that their communities remain economically competitive and that their residents enjoy a high quality of life. As such, strategic alignment and collaboration can ensure that states and Economic Development Districts (EDDs) invest these limited resources efficiently and productively. States and EDDs pursuing strategic alignment offer several lessons.

## About the Issue Brief Series

Alignment of state and EDD planning activities leading to collaborative program execution is an important way to increase the chances of regional and state economic success. Awareness alone is not enough; alignment is the critical next step in working together to solve a region's economic challenges. Misalignment of strategies can result in divergent priorities and uncoordinated efforts that may undercut program success or lead to duplicative activities.

Creating a culture and process centered on alignment supports coordinated economic strategies and investment which can help facilitate improved economic outcomes, sustained economic growth, and enhanced equity throughout the nation's economy.

This issue brief is one of a series of nine reports that will help inform efforts to increase alignment, collaboration, and co-investment between states and local EDDs, as well as their public and private stakeholders. The first issue brief provides an overview of all issue briefs along with an explanation of how case studies were identified.

**The Center for Regional Economic Competitiveness specializes in providing practical, data-driven solutions so decisionmakers can create more equitable opportunities for their states and regions. We achieve this by helping regions build capacity and leverage their strategic assets with an emphasis on talent, innovation, and networking.**

## LESSON HIGHLIGHTS

### ALIGNING INFRASTRUCTURE DEVELOPMENT ACTIVITIES

Alignment Lesson	Case Studies Demonstrating Alignment
<p><b>Lesson 7.1 - States and EDDs: Center collaboration efforts around project planning, funding, and implementation.</b> Every organization has unique knowledge, talents and skills that can complement those of other organizations. Between states and EDDs, opportunities exist to combine local knowledge and expertise of EDDs with the state resources and funding. Realizing these synergies can help build relationships and increase the chances of success.</p>	<p>Recognizing the challenges its communities face in accessing project financing, the State of New Mexico launched the FUNDIT program to provide technical assistance to enhance communities’ capacity to access financing opportunities. In close partnership with New Mexico’s Economic Development Department, New Mexico’s EDDs play an important role both as sounding boards and as potential benefactors of local infrastructure projects.</p>
<p><b>Lesson 7.2 - EDDs: Serve as champions and administrators of local infrastructure projects.</b> EDDs can champion and/or administer important regional infrastructure projects and, in the process, catalyze investment from local officials, state legislatures, and federal and state agencies like the Department of Transportation.</p>	<p>To finance an infrastructure project that would catalyze an important regional investment, the South Plains Association of Governments utilized its grant writing expertise and leveraged long lasting relationships with state and federal partners. As such, the EDD successfully obtained the capital needed to make the infrastructure improvements that ultimately provided lasting economic benefits to nearby communities.</p>
<p><b>Lesson 7.3 - States and EDDs: Recognize and set expectations for the long-term nature of infrastructure development.</b> Due to project costs and timing, there are few “quick fixes” that will address all infrastructure needs. As a result, states and EDDs should start today to develop the relationships necessary to create consensus around a long-term plan to meet state and regional needs. Furthermore, because some projects have high investment costs and long horizons, it can be difficult to get policy makers to immediately support the initiative. Be prepared for delays and invest in persistence to communicate state and regional needs.</p>	<p>The Michigan Infrastructure Council (MIC), created in the wake of the Flint water crisis, aims to address long-term infrastructure challenges throughout Michigan. Via board membership and regional collaboration summits, MIC intentionally seeks engagement from EDDs to provide a regional perspective to infrastructure challenges.</p>

## LESSON 7.1 - STATES AND EDDS

### CENTER COLLABORATION EFFORTS AROUND PROJECT PLANNING, FUNDING, AND IMPLEMENTATION.

Infrastructure plays a vital role in supporting economic growth. These assets power commerce by facilitating connections between workers, businesses, suppliers, and markets. Aligning state and EDD investment priorities is critical for infrastructure development and maintenance given the costs, funding sources, investment timeline, and system linkages. As a result of these conditions, it is common for EDDs to work with state and local governments and other partners to plan, seek funding, and implement transportation, communications, utilities, or other related infrastructure projects.

Many EDDs engage with their state departments of transportation directly through statewide and rural transportation planning efforts. EDDs help conduct outreach to local governments about their transportation priorities on behalf of state partners. Likewise, EDDs often assist with state and local broadband planning, funding applications, and deployment. They are key advocates for addressing rural water and wastewater issues. EDDs are also frequently a go-to resource for local agencies engaging with federal partners like EDA and state partners on various projects, including water/sewer systems and implementing energy projects.

In New Mexico's case, staff at the Economic Development Department established a novel program designed to bring together federal, state, and regional stakeholders to procure project funding. This program, known as FUNDIT, has become instrumental in fostering state-regional collaboration around a variety of shared infrastructure challenges.

In addition to supporting New Mexico's infrastructure funding initiatives, local COGs advocate for new projects. In the following case study, New Mexico's Eastern Plains COG supported the New Mexico Department of Transportation in identifying the local need for a new highway. Using its knowledge of local communities and economies and of the economic benefits an interstate highway corridor would bring to communities, the Eastern Plains COG helped convince state and federal policymakers to designate a new "Port-to-Plains" interstate highway extension.

## CASE STUDY

### Sharing Expertise and Resources between Regional, State, and Federal Agencies

#### New Mexico's FUNDIT Initiative

The New Mexico FUNDIT is one example of state-regional strategic alignment for infrastructure initiatives. FUNDIT, an initiative of the New Mexico Economic Development Department, funded key strategic initiatives and projects to leverage information for local stakeholders. At FUNDIT quarterly calls, communities seeking investment present their projects to a variety of agencies and organizations (including councils of government or COGs) and receive introductions to potential financing opportunities based on local need. In this way, COGs serve as both sounding boards and potential benefactors of needed economic development projects.



*New Mexico's FUNDIT program provided funding for this agricultural community center.*

FUNDIT has been useful to New Mexico EDDs in allocating capital for infrastructure programs. The fund helped an Agriculture Community Center in Magdalena access broadband funds from the Bipartisan Infrastructure and Jobs Act through the U.S. Department of Agriculture and supported a variety of business attraction projects under the New Mexico Local Economic Development Act (LEDA).

The state's nine Councils of Government (COGs) are vital members of the alliance and have regular calls with state and federal partners to ensure consistent communication. This collaboration of federal, state, regional, and private partners has been critical when developing many projects, including the designation of a new federal highway in eastern New Mexico.

## CASE STUDY

### COG in Action: Working to Obtain Funding for Vital Infrastructure

#### New Mexico's Eastern Plains Council of Governments

The Port to Plains Alliance had been working since the 1990s to designate an interstate highway to facilitate transportation and trade from the border with Mexico in west Texas up through New Mexico, Oklahoma, and Colorado. In 2021 the Eastern Plains Council of Governments (EPCOG) in Northeast New Mexico conducted the Ports-to-Plains Corridor Economic Impact Study for use by the New Mexico Department of Transportation (NMDOT) which had identified the need for a study to determine the potential benefits and impacts that an Interstate Highway designation would have on communities along the Corridor.

In addition to the impact report, EPCOG collaborated with the Governor of New Mexico to get the required letter of support needed for congressional action. The designation of a future extension of Interstate 27 became official in 2022, and the team at Eastern Plains Council of Governments was quick to cite years of hard work and collaboration with state and federal partners as key to the success of the project.

## LESSON 7.2 - EDDS

### SERVE AS CHAMPIONS AND ADMINISTRATORS OF LOCAL INFRASTRUCTURE PROJECTS.

In Lamb County, Texas, a local EDD played a critical role in bringing about a project that contributed to the revitalization of an agricultural region. As in New Mexico, the EDD served as an ambassador and an advocate to state and federal agencies on behalf of local communities—actions which helped engender statewide support and unlock project funding.

Equipped with local knowledge and resources, EDDs can also serve as key partners in the administration of federal infrastructure funding. In the past three years, major stimulus legislation helped significantly increase federal funds available for infrastructure. In many cases, states can lead the effort to place these dollars while remaining open to input and expertise from local partners.

This alignment is well-demonstrated in Louisiana, which sought to connect underserved communities to broadband through a National Telecommunications and Information Administration (NTIA) grant. As the following case study shows, states such as Louisiana can take the initiative to engage with EDDs to accomplish statewide broadband goals. A state that recognizes the value and expertise of EDDs, and an EDD that seamlessly connects state officials to its stakeholders, are two critical elements that contribute to a successful infrastructure planning effort. In the process, the state and EDD can deepen their relationship and build the institutional capacity for future collaboration.

## CASE STUDY

### An Economic Development District Leading Infrastructure Development Efforts

#### South Plains Association of Governments

Lamb County is in the southern part of the Texas Panhandle and has a rich agricultural history in cotton production. The American Cotton Growers (ACG) Denim Plant began production in 1975 and at one point was the county's largest employer and produced enough cotton to make thirty million pairs of jeans a year for companies like Gap and Levi Strauss, generating millions of dollars for the local economy.

The plant closed in 2015, resulting in significant economic distress. Then a major economic development opportunity presented itself. Michigan-based Select Milk Producers, Inc. indicated an interest in redeveloping the empty denim mill into a milk processing plant. However, state and local leaders deemed the road serving the facility, County Road 217, inadequate to the daily arrival and departure of nearly 150 semi-trucks required to keep up with planned operations.

The South Plains Association of Governments (SPAG), the area's Economic Development District serving fifteen counties in the region, utilized its grant writing expertise and leveraged long lasting relationships with state and federal partners to pursue funding for road infrastructure improvements that would meet the new facility's needs. On behalf of Lamb County, SPAG wrote and administered grants from the U.S. Economic Development Administration totaling \$1.3 million. This funding, coupled with a local investment of \$1.5 million and partnerships with the Texas Department of Transportation and the Texas Department of Agriculture (TDA), enabled the region to complete the road's reconstruction by late 2018. As a result of renewed transportation activity enabled by this project, new businesses (including a truck stop) opened in nearby Littlefield, and the community invested in additional amenities such as parks and road improvements.

SPAG's facilitation of this key road infrastructure upgrade is a powerful example of how local-regional-state-federal partnerships can come together to facilitate transformative economic development projects. Texas State government staff understand the value of partnering with EDDs on infrastructure projects like this one in Lamb County. The staff also recognize that EDDs can help facilitate business attraction and recruitment efforts to small and rural communities where there are no other local economic development staff. Given their local and technical expertise and knowledge of on-the-ground needs and opportunities, EDDs are ideal partners to support larger statewide infrastructure goals tied to economic development.



*County Road 217 under construction*

## CASE STUDY

### Leveraging Regional Expertise to Deploy Broadband in Underserved Communities

#### Louisiana's collaboration with Acadiana Planning Commission

Connecting rural regions to broadband technologies has long been a challenge in Louisiana, and therefore, a focus for EDDs like the Acadiana Planning Commission (APC). Acadiana has leveraged its role collaborating with the EDA to develop in-house expertise on broadband deployment and planning. NTIA rewarded the district with a grant to study broadband deployment in its rural parishes.



This NTIA grant was the result of APC's work both with local stakeholders in its region, private companies, and the state. APC's local expertise and collaboration allowed Louisiana to subsequently obtain nearly \$30 million for broadband infrastructure from EDA.

Given this success, the state of Louisiana has further leveraged Acadiana's broadband experience. The state made Acadiana a key partner in its Granting Unserved Municipalities Broadband Opportunities Program. As a project partner, Acadiana served as a critical go-between for rural parishes without staff capacity to deeply engage with state officials and is now working on an EDA-funded eligibility mapping study to inform state investments. The successful collaboration between the state and the APC illustrates the value that EDDs can bring to high-priority state projects and how to deepen relationships with their state partners.

## LESSON 7.3 - STATES AND EDDS

### RECOGNIZE AND SET EXPECTATIONS FOR THE LONG-TERM NATURE OF INFRASTRUCTURE DEVELOPMENT.

The costs and timeline of infrastructure planning and development highlight the need to think long-term. Recognizing that there are no "quick fixes" that fulfill everyone's needs is often the first step to aligning expectations on how states and their EDDs should approach critical infrastructure challenges. With this in mind, and despite the long-term nature of infrastructure development, states and EDDs should use an early moment to lay the groundwork for a multi-year or multi-decade strategy. As the following case study from Michigan illustrates, partners should start immediately in creating the institutional and programmatic foundation required for long-term success.

## CASE STUDY

### Partnering with EDDs on Water Infrastructure Planning and Development

#### EDDs role on the Michigan Infrastructure Council

Following the water systems failure in Flint in 2014, Michigan created the [Michigan Infrastructure Council \(MIC\)](#) to promote a long-term strategy, rooted in asset management principles set forth by MIC, to address infrastructure challenges that pose significant implications for a region's quality of life and economic well-being.

EDDs successfully partnered with the state in early infrastructure projects that pre-dated the MIC and those successes led legislators to include EDDs and other regional organizations in MIC legislation. Today, two of the seven voting members on the MIC Council are executive directors of Michigan EDDs, providing an important regional perspective to the group and further cementing the strong partnerships between the state and districts in addressing infrastructure issues through such activities as:

- **30-Year Integrated Infrastructure Strategy:** This effort sets a broad vision for the entire state with goals and strategies around transportation, energy, and water systems, with input from localities and regional economic development stakeholders.
- **Asset Management Readiness Assessment Scale:** The MIC-created infrastructure readiness scale provides a framework for communities and organizations to assess their own asset management proficiency. EDD staff promote the assessment in their regions and provide training to local partners on how to conduct the assessment and what to do with the findings.
- **Asset Management Education and Training / Asset Management Champions:** Three cohorts of practitioners across the state, including many EDD staff members, have participated in training that provides background, tools, coaching, and networking opportunities to learn more about asset management best practices.

A core element of MIC's collaborative framework is its Regional Communication and Collaboration Summit. These summits, held on a regular basis, help regions identify needs and save money on major infrastructure projects. For example, when the Great Lakes Water Authority (GLWA) needed funding to rebuild a 42-inch water main and repave a 24-mile road in Shelby Township, the MIC—in collaboration with the Southeast MI Council of Governments—helped ease seasonal restrictions in a way that shortened the project by a year and saved the GWLA over \$1 million.

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