

Fall 2006

UAP 5774: Economic Development Studio UAP 5124: Planning Studio (option available in Alexandria)

Alexandria Wednesdays 4 pm to 6.30 pm Polycom classroom 1021 Prince Street	Blacksburg Wednesdays 2.30 pm to 5 pm Architecture Annex Room 200
Professor: Heike Mayer e-mail: heikem@vt.edu Phone: (703) 706 8122	Professor: John Provo e-mail: jprovo@vt.edu Phone: (540) 231 4004

Course Description

This course is a practical learning experience for planning students interested in economic development. Students will serve as “consultants” to a local or regional planning agency that is interested in addressing a particular planning issue. We will work as a team and will use tools of economic development analysis and strategy. We will regularly interact with government agencies and community partners. Interim products and presentations will be an essential component in the progress of the project. Students are expected to contribute professionally (very much like a “consultant”) to the work on the project.

This year, the class will be held in two locations (Alexandria and Blacksburg). The work for the studio project will be conducted by all the students enrolled in both campuses.

Course Objectives:

- Conduct a “real world” study for a planning agency that includes data gathering, analysis, writing and presentation.
- Gain hands-on experience in conducting a study for a local planning agency or community partner.
- Become familiar with tools and strategies in economic development.
- Understand project management skills and requirements.
- Gain experience working in a team for a client.

Studio Project

Title: Linking Urban and Rural Economies in the Commonwealth of Virginia: A Market Analysis of “Farmshoring” or Domestic Outsourcing

This year’s Economic Development Studio (listed in Blacksburg as UAP 5774 and in Alexandria as UAP 5774 or UAP 5124) will conduct the first comprehensive analysis of the opportunities and barriers regarding domestic outsourcing or “farmshoring” in Virginia. We will work closely with community partners such as the Virginia Economic Development Partnership, the counties in Northern Virginia, the Cities of Harrisonburg and Martinsville, and the Southwest Virginia counties of Carroll and Smyth.

Students will conduct a comprehensive and detailed market analysis of opportunities for domestic outsourcing between several core Northern Virginia jurisdictions and several differently situated rural jurisdictions in the Shenandoah Valley, Southwest and Southside. The Studio will provide students with the opportunity to gain hands-on experience through the application of core ideas in urban planning and economic development. The studio will be divided in two teams – Blacksburg and

Alexandria – that will work together on the study and the recommendations.

Students will

- assess the opportunities and challenges for domestic outsourcing in the Commonwealth,
- conduct a market analysis of sending and receiving jurisdictions,
- write a report for the clients,
- formally present their findings to the class and to the client,
- facilitate and organize meetings to work on the analysis and the implications of the findings as well as preparing the research report.

Requirements and Grading

The grades in this class will be based on the following criteria:

- **Preparation**: Your efforts and contributions to the group's work (inside and outside of class)
- **Leadership**: Your role in contributing to progress of the team.
- **Participation**: Your contributions inside and outside of class (with client, with your colleagues)
- **Professionalism**: Seriousness of your work and contributions
- **Team work**: Your role in the team
- **Quality of products**: Quality of your work and contributions to milestones, presentations, etc.
- **Milestone achievements**: Quality of your contribution to the milestones

Evaluations

The instructors will conduct period evaluations of the class' progress and will solicit feedback from students throughout the semester.

Readings

Readings will be posted on Blackboard as needed. Students are also expected to conduct literature research on their own depending on their tasks in the project.

Milestones:

The Milestones represent assignments that – in sum – will comprise the final report for the client. Students in teams will prepare these interim products and present them in class. We expect that each interim product will be researched, written and presented in a professional way. Changes in the due dates and the number of milestone products should be expected depending on client needs, data availability, etc.

Late or Missed Milestones

For this class, it is instrumental that we achieve the milestones as indicated in the schedule. We will define the nature of the milestones in the beginning of the class. You and your colleagues will be responsible for timely progress towards the completion of the milestones.

Virginia Tech's Honor Pledge

We expect that all assignments in this class conform to Virginia Tech's Honor Pledge as well as to the usual academic standards. The pledge states that "I have neither given nor received unauthorized assistance on this assignment." This means that you will refrain from plagiarism and cheating or from any other form of receiving unauthorized assistance.

For more information, see: <http://www.honorsystem.vt.edu/>

Special Needs

Any student with special needs or circumstances should feel free to meet with us during office hours.

Readings (will be posted on Blackboard)

- Gurstein, P. (2005). *Delocalized employment: Implications for regional development*. EMERGENCE Canada. Retrieved August 16, 2006, from the World Wide Web:
http://www.chs.ubc.ca/emergence/Delocalized_Employment_logo.pdf
- Bardhan, A., & Kroll, C. (2003). *The new wave of outsourcing*. Fisher Center for Real Estate & Urban Economics. Retrieved August 16, 2006, from the World Wide Web:
<http://repositories.cdlib.org/iber/fcreue/reports/1103/>
- Kroll, C. (2005). *State and metropolitan area impacts of the offshore outsourcing of business services and IT*. Fisher Center for Real Estate & Urban Economics, University of California, Berkeley. Retrieved August 16, 2006, from the World Wide Web:
<http://repositories.cdlib.org/iber/fcreue/fcwp/293/>
- Porter, M. (2004). *Competitiveness in Rural U.S. Regions: Learning and Research Agenda*. Institute for Strategy and Competitiveness, Harvard Business School. Retrieved August 16, 2006, from the World Wide Web:
http://www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs/eda_5frural_5fregions_2epdf/v1/eda_5frural_5fregions.pdf
- Washington State University. (2005). *Outsourcing & growth jobs in Washington: A report for businesses and rural communities interested in statewide information-based job growth opportunities*. Washington State University Extension. Retrieved August 16, 2006, from the World Wide Web: <http://cbdd.wsu.edu/initiatives/ework/pdf/WorkforceReport6-8-05.pdf#search=%22Washington%20State%20outsourcing%20and%20growth%20jobs%22>

Additional readings will be handed out in class.

Calendar	Date	Topic	Readings & Class exercise	Milestones
Week 1	August 23, 2006	- Introduction		
Week 2	August 30, 2006	- What is outsourcing? - National and regional trends	Gurstein (2005) Bardhan & Kroll (2003) OED handout	
Week 3	September 6, 2006	- Urban and regional impacts of outsourcing - Urban/rural opportunities & challenges	Kroll (2005) Porter (2004) Washington State study	Milestone #1: Develop outsourcing criteria
Week 4	September 13, 2006	- Study Design & Methodology - Data sources in socio-economic analysis	Discuss Study's methodology	
Week 5	September 20, 2006	- The economies of NoVa/D.C. & SW VA	Guest speakers	Milestone #2: Group work plans
Week 6	September 27, 2006	- Examples of domestic outsourcing in VA - VEDP's Distributed Services Program	Guest speakers (VEDP)	
Week 7	October 4, 2006	Students' interim presentations		Milestone #3: Presentations
Week 8	October 11, 2006	Work Session: Industry Demand		Milestone #4: Group Presentations
Week 9	October 18, 2006	Work Session: NoVa Case Study		
Week 10	October 25, 2006	Work Session: Harrisonburg Case Study		
Week 11	November 1, 2006	Work Session: Receiving rural communities case studies		
Week 12	November 8, 2006	<i>No Studio (Professors at ACSP conference)</i>	Work in teams	
Week 13	November 15, 2006	Discussion of final product	Discuss outline of report	Milestone #5: Group write up
Week 14	November 22, 2006	<i>Thanksgiving</i>		
Week 15	November 29, 2006	Final Presentation	Possibly in Richmond at VEDP	
Week 16	December 6, 2006	Final Discussion		
Week 17	December 13, 2006	Final Report due		Milestone #6: Report due

**Economic Development Studio / Planning Studio Project @
Linking Urban and Rural Economies in the Commonwealth of
Virginia: A Market Analysis of “Farmshoring” or Domestic
Outsourcing**

The Project

The Commonwealth is exploring this opportunity through a pilot program at the Virginia Economic Development Partnership (VEDP) marketing Lynchburg, Harrisonburg, Blacksburg and Danville to companies located in Northern Virginia. Dubbed the Distributed Services Initiative, this may become an important part of the Governor’s state-wide economic development strategy, which is due next year.

As this moves forward the state would clearly benefit from an exploration of the opportunities and barriers to link urban and rural communities. To sustain a successful program in the long run, policymakers need a detailed understanding of the issues and conditions faced by or present in the communities, what industry demand is, and what kind of sectors should be targeted.

We will provide such a first comprehensive analysis of the rationales underlying these efforts. In the Economic Development Studio @ Virginia Tech faculty and graduate students in urban and regional planning will examine the potential for improved links between urban and rural economies to the benefit of all.

We propose to conduct a comprehensive and detailed market analysis of opportunities for domestic outsourcing between several core Northern Virginia jurisdictions and several differently situated rural jurisdictions in the Shenandoah Valley, Southwest and Southside.

The following table outlines our approach and some key questions:

	Possible Sending Jurisdictions	Possible Receiving Jurisdictions
Unit of Analysis	Northern Virginia <ul style="list-style-type: none"> ▪ Fairfax County ▪ Arlington County ▪ Alexandria ▪ Prince William County ▪ Loudoun County (2 additional regions to be named)	Shenandoah Valley <ul style="list-style-type: none"> ▪ Harrisonburg Southside <ul style="list-style-type: none"> ▪ Martinsville/Henry County ▪ Lake Country Region Southwest <ul style="list-style-type: none"> ▪ Smyth County ▪ Carroll County
Questions	<ul style="list-style-type: none"> - What are the community’s market conditions? Industry/Employment/Occupations Planning/Policy Environment Other Community Resources - What is the industry demand? Growth/Target Sectors - What are the benefits of outsourcing? to the rural community to the urban community - What kind of productivity gains can be attained? 	

Through the studio we hope to build on and enhance the capacity of the state and of individual jurisdictions to conduct a rational, focused effort to identify and target opportunities. To that end the following outlines possible elements of a target market analysis including: 1) a detailed client briefing, 2) an analysis of local conditions and industry demand, and 3) a final report with strategic recommendations for implementation.

Step One: Partner Briefing Month One (August)

The studio faculty will collect information from publicly available databases on general economic and demographic conditions in the targeted communities. They will also review economic development agency websites and local media for these communities to develop and overview of existing economic development programs and priorities.

Further, the faculty will research best practices in farmshoring/domestic outsourcing. In this search they will identify key criteria for companies considering domestic outsourcing, such as the nature of the work involved, available telecommunications infrastructure, workforce attributes, educational and training services, and operating costs.

From this data the students will prepare a briefing for agency staff and stakeholders from each of the partners participating in the project. They will develop questions to pose to the localities in order to drill- down on historical trends and staff projections for local conditions and program priorities as well as their reaction to the best practices scan.

Step Two: Analysis of Local Conditions Month Two (September)

In this step we will analyze the opportunities which the communities may offer to various industries. Building on the company criteria for domestic outsourcing identified in Step One, the students will conduct detailed analysis of the existing market conditions. This could include: telecommunications infrastructure, workforce educational and training services, and operating costs attributes, existing industry base, as well as other industry or policy/planning issues which may present constraints or represents assets for economic development. This will include quantitative data gathered from public databases or directly from service providers, as well as qualitative data gathered from individual interviews with specialized internal informants (e.g. major employers, education and training institutions) about conditions in the communities and individual interviews with key external informants (e.g. VEDP, DBA) about the communities' place in state and regional initiatives.

Deliverables at this stage would include detailed analysis of industry/employment conditions (e.g. labor pool issues, capacities or needs of the existing workforce or business base, occupational profiles), detailed analysis of planning/policy environment (e.g. local planning objectives, alignment with VEDP cluster strategies). From this analysis the students will narrow the criteria for domestic outsourcing developed in Step One to a subset most applicable to the local situations.

Step Three: Analysis of Industry Demand Month Three (October)

The students will conduct detailed analysis of industries/industry clusters nationally, drawing on a variety of public data sources to develop a “growth list.” They will apply the screening criteria for domestic outsourcing related to existing local conditions, developed in the Step Two, to the industries on the growth list. The industries that fit those criteria will be identified as “target” industries. The students will prepare profiles of each industry.

Deliverables will include a summary of identified target industries, detailed information on market trends in those industries, and profiles of firms engaged in domestic outsourcing through means such as establishing branch offices, utilizing teleworkers, relocating firms, relocating entrepreneurs, and supply chain analysis. In this step, we will also focus on the particular economic benefits that will incur to urban communities from farmshoring and outsourcing.

Step Four: Completion of Studio Report (November-December)

In this step, the students will prepare a written report. This report will be submitted to the client for review before being finalized. This step may include an oral presentation of the findings to the client.

Faculty

Heike Mayer is an assistant professor in the Urban Affairs and Planning program of Virginia Tech’s Alexandria Center. Her research interests include regional economic development and the evolution of high technology regions and industries. She received her bachelor’s degree from the University of Konstanz (Germany) and a master’s degree and Ph.D. in Urban Studies from Portland State University in 2003.

John Provo is the Senior Economic Development Specialist with OED. He received his Ph.D. from the School of Urban Studies and Planning at Portland State University where he worked for the Institute of Portland Metropolitan Studies conducting studies of industry clusters, analysis of economic and community policies, and staffing governance processes involving substantial public participation. He received a master's degree in Urban and Regional Planning from Virginia Commonwealth University in 1999 and a bachelor's degree in government from the College of William and Mary in 1989.