

Comprehensive Economic Development Strategies (CEDS) Summary of Requirements

U.S. Department of Commerce, Economic Development Administration

This document provides a synopsis of the requirements for comprehensive economic development strategies. For further information, interested parties are directed to section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. § 3162) and EDA's regulations at 13 C.F.R. part 303. The document is intended to serve as a convenient source for requirements relating to the CEDS. Nothing in this document is intended to supersede or otherwise modify EDA's statute, regulations, policies or procedures.

Introduction: A comprehensive economic development strategy (CEDS) is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. The CEDS should analyze the regional economy and serve as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources. A CEDS integrates a region's human and physical capital planning in the service of economic development. Integrated economic development planning provides the flexibility to adapt to global economic conditions and fully utilize the region's unique advantages to maximize economic opportunity for its residents by attracting the private investment that creates jobs for the region's residents. A CEDS must be the result of a continuing economic development planning process developed with broad based and diverse public and private sector participation, and must set forth the goals and objectives necessary to solve the economic development problems of the region and clearly define the metrics of success. Finally, a CEDS provides a useful benchmark by which a regional economy can evaluate opportunities with other regions in the national economy.

Who should develop a CEDS? A Planning Organization seeking to formulate and implement a regional economic development program will benefit from developing a CEDS. Successful economic development efforts are based on CEDS that provide an economic roadmap to diversify and strengthen regional economies. The Public Works and Economic Development Act of 1965, as amended (PWEDA), requires a CEDS in order to apply for investment assistance under EDA's Public Works or Economic Adjustment Assistance Programs. At EDA's discretion, EDA may accept CEDS that it has funded or CEDS prepared independently of EDA investment assistance or oversight.

The following sections set out below on "Planning Organizations" and "Strategy Committees" cover the requirements for EDA-funded CEDS, while the remainder of this document pertains to technical requirements for CEDS. *It should be noted that in determining the acceptability of a CEDS prepared independently of EDA investment assistance or oversight for projects under 13 C.F.R. parts 305 or 307, EDA may in its discretion determine that the CEDS is acceptable without it*

fulfilling every requirement set out in 13 C.F.R. § 303.7. In doing so, EDA shall consider the circumstances surrounding the application for investment assistance, including emergencies or natural disasters, and the fulfillment of the requirements of Section 302 of PWEDA.

A. EDA-funded CEDS

Pursuant to 13 C.F.R. § 303.6, if EDA awards Investment Assistance to a Planning Organization to develop, revise, or replace a CEDS, the Planning Organization must follow the procedures set forth in paragraphs A.1 and A.2.

1. Planning Organization: A Planning Organization (as defined in 13 C.F.R. § 303.2), typically an Economic Development District (EDD) or Indian Tribe, may be eligible for EDA planning investment assistance. The purpose of such assistance is to develop a CEDS for a specific EDA approved region. The Planning Organization is responsible for:

1. Appointing a Strategy Committee (CEDS Committee);
2. Developing and submitting to EDA a CEDS that complies with 13 C.F.R. § 303.7;
3. Making a new or revised CEDS available for review and comment by the public for a period of at least thirty (30) days prior to submission of the CEDS to EDA;
4. Obtaining approval of the CEDS from EDA;
5. After obtaining approval of the CEDS, submitting to EDA an updated CEDS performance report annually. The performance report, in addition to reporting progress on CEDS implementation, should also discuss community and private sector participation in the CEDS effort. Any performance report that results in a change in the technical components of the EDA approved CEDS must be available for review and comment by the public for a period of at least thirty (30) days prior to submission of the performance report to EDA;
6. Submitting a copy of the CEDS to any Regional Commission if any part of the EDA-approved EDD region is covered by that Commission;
7. Submitting a new CEDS to EDA at least every five (5) years, unless EDA or the Planning Organization determines that a new CEDS is required earlier due to changed circumstances.

2. Strategy Committee: The Strategy Committee is the entity identified by the Planning Organization as responsible for developing, revising, or replacing the CEDS. The Strategy Committee must represent the main economic interests of the region, and must include Private Sector Representatives (defined in 13 C.F.R. § 300.3, with respect to any for-profit enterprise, as any senior management official or executive holding a key decision-making position, or that person's designee) as a majority of its membership.

In addition, the Planning Organization should ensure that the Strategy Committee also includes:

- Public officials;
- Community leaders;
- Representatives of workforce development boards;
- Representatives of institutions of higher education;
- Minority and labor groups; and
- Private individuals.

Strategy Committees representing Indian Tribes or States may vary.

B. Technical Requirements

Pursuant to 13 C.F.R. § 303.7, a Planning Organization must include the following information in a CEDS submitted to EDA:

1. Background: The CEDS must contain a background of the economic development situation of the region that paints a realistic picture of the current condition of the region. This background must include a discussion of the economy, population, geography, workforce development and use, transportation access, resources, environment, and other pertinent information.

2. Analysis of Economic Development Problems and Opportunities: The CEDS must include an in-depth analysis of the economic development problems and opportunities that identifies strengths and weaknesses in the regional makeup of human and economic assets, and problems and opportunities posed by external and internal forces affecting the regional economy. This analysis must:

- Incorporate relevant material from other government sponsored or supported plans and demonstrate consistency with applicable State and local workforce investment strategies.
- Identify past, present, and projected future economic development investments in the region.
- Identify and analyze economic clusters within the region.

3. CEDS Goals and Objectives – Defining Regional Expectations: The CEDS must contain a section setting forth goals and objectives necessary to solve the economic problems, or capitalize on the resources, of the region. Any strategic project, program, or activity identified in the CEDS should work to fulfill these goals and objectives.

- Goals are broad, primary regional expectations.
- Objectives are more specific than goals, clearly measurable, and stated in realistic terms considering what can be accomplished over the five (5) year time frame of the CEDS.

4. Community and Private Sector Participation: The CEDS must include a section discussing the relationship between the community in general and the private sector in the development and implementation of the CEDS. Public and private sector partnerships are critical to the implementation of the CEDS.

5. Strategic Projects, Programs and Activities: The CEDS must contain a section which identifies regional projects, programs and activities designed to implement the Goals and Objectives of the CEDS. This section should identify and describe:

- **Suggested Projects** – All suggested projects, programs and activities and the projected number of jobs to be created as a result, and the lead organization’s responsibilities for execution of the projects.
- **Vital Projects** – A prioritization of vital projects, programs, and activities that address the region’s greatest needs or that will best enhance the region’s competitiveness, including sources of funding for past and potential future investments. These can be overarching “themes” for regional economic development success and is expected to include components. Funding sources should not be limited to EDA programs.

6. CEDS Plan of Action: The plan of action, as described in the CEDS, implements the goals and objectives of the CEDS in a manner that:

- Promotes economic development and opportunity;
- Fosters effective transportation access;
- Enhances and protects the environment;
- Maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy;
- Promotes the use of technology in economic development, including access to high-speed telecommunications;
- Balances resources through sound management of physical development; and
- Obtains and utilizes adequate funds and other resources.

The CEDS must also contain a section that discusses the methodology for cooperating and integrating the CEDS with a State’s economic development priorities.

7. Performance Measures: The CEDS must contain a section that lists the performance measures used to evaluate the Planning Organization's successful development and implementation of the CEDS, including but not limited to the:

- Number of jobs created after implementation of the CEDS;
- Number and types of investments undertaken in the region;
- Number of jobs retained in the region;
- Amount of private sector investment in the region after implementation of the CEDS; and
- Changes in the economic environment of the region.

These are not meant to be the only performance measures for the CEDS. Most Planning Organizations developing a CEDS will benefit from developing additional quantitative and qualitative measures that will allow them to evaluate progress toward achieving the goals identified as important in their regions. For more information, go to www.eda.gov.