The Ahwahnee Principles for Smart Economic Development

AN IMPLEMENTATION GUIDEBOOK

by Rick Cole, Trish Kelly and Judy Corbett with Sharon Sprowls
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“Never doubt that a small group of committed citizens can change the world. Indeed, that is the only thing that ever has.”

— Margaret Mead

In the spring of 1991, a group of visionary architects and urban designers from around the country gathered in the living room of Judy and Michael Corbett. The setting was not accidental. Judy Corbett was the Executive Director of the Local Government Commission and Michael, an architect himself, had been Mayor of Davis, California. Together, they had designed and built Village Homes to promote both environmental sustainability and a sense of community for the 240 families who live there.

Out of that gathering came a short document of “community and regional principles” that outlined alternatives to the auto-dependent sprawl that has covered so much of the American landscape. Presented to a conference of California local elected officials at the Ahwahnee Hotel in Yosemite, these principles were seized on immediately as a positive program for changing local land use and transportation policies and practices. Within five years, the “Ahwahnee Principles” would be adopted by more than one hundred California cities and counties, part of a growing national and international movement for building more livable communities.

As the Local Government Commission pursued that far-reaching effort, the connections between land use, transportation and economic development became increasingly clear to us. In some communities, the structure of local government financing had fostered the mistaken notion that the need for jobs and revenue required sacrificing quality of life. In other communities, we saw evidence that revitalization and growing prosperity was flowing directly from their commitment to an integrated vision of promoting community and environmental sustainability.

In all communities, we found more and more voices warning that our society can no longer afford wasteful endeavors. We can’t afford to waste our natural and human resources and we can’t afford to waste our investments in economic development.

So, with funding from the United States Environmental Protection Agency’s Transportation Partners
Program, the Local Government Commission began to formulate a set of economic development principles for creating more livable and prosperous communities to supplement the original Ahwahnee Principles.

We found visionaries across the nation engaged not just in new thinking, but in putting those ideas to work. We found both successes and challenges. We found many people doing similar breakthrough work using different words, and others using similar words to describe a wide range of differing approaches. Above all, we found that economic development no longer works as an end in itself. Prosperity in the 21st century will be based on a comprehensive approach to creating and maintaining a sustainable standard of living and a high quality of life for all.

From that wide-ranging effort (with generous help from a remarkable range of leaders) has come “The Ahwahnee Principles for Smart Economic Development.” They represent common ground among many different initiatives, a comprehensive new model which recognizes the economic value of natural and human capital.

Embracing economic, social, and environmental responsibility, these principles focus on the most critical building blocks for success: the community and the region. They emphasize community-wide and regional collaboration for building prosperous and livable places.

 Adopted in June 1997 by the Local Government Commission, these principles are designed to be shared and adapted to the needs of many different situations. We have prepared this guidebook to assist local policymakers in implementing them at both the regional and community level. It begins with background on why we need this new approach to economic development. Then, a chapter on each principle goes into greater depth and offers specific examples and ideas for putting them to work. We have also sought to include additional resources for assistance.

We hope that this guidebook helps you in your efforts. We truly believe that by thinking globally and acting locally, you can not only improve your region and your community, but also you can help change the world.

A Word About the Words We Use

This guidebook was written for local policymakers. It is primarily designed for elected officials and staff in city, county and regional government agencies, but we hope it will be useful to business and community leaders as well.

We have thought a good deal about certain key words and, for clarity’s sake, it’s important that readers understand how we use them.

We have used the word “community” to mean a specific and distinct place that people care about, whether it is an incorporated village, town or city.

We have used the word “region” to describe a larger area that would include many individual communities which are interdependent because they share some important economic, environmental or social fabric.

We have used the word “local” and “locality” to cover both these levels — as distinguished from, for example, “national” or “international.”
Why A New Approach to Economic Development?

“Local economic development is a process of deliberate intervention in the economy of a particular locality to stimulate economic growth by creating the local business climate which fosters private investment. It is a process which is neither exact, nor fully predictable, and is more of an art than a science. For communities, the results of the process are jobs, revenue and long-term economic prosperity.”

— California Association for Local Economic Development

The world is changing. “Information technology, communications, travel and trade that link the world are revolutionary in their impact,” writes Harvard economist Rosabeth Moss Kanter. In an earlier era, going after jobs, revenue and long-term economic prosperity used to mean business recruitment. Attracting businesses to locate in your community meant business-friendly policies, tax incentives, glossy brochures, salesmanship and deal-making.

But today, the new pace of economic change, the new shape of the economy and the new scope of competition all require a new approach to the pursuit of jobs, revenue and long-term prosperity for local communities and regions.

Few goals are more important than jobs, jobs, especially when times are tough. But there are new concerns about:

The stability of jobs: Are they going to last? Will they be eliminated by global competition, corporate downsizing or technological innovation?

The quality of jobs: Are they full-time? Can they support a family? Do they lead to other jobs or are they dead-ends?

Matching jobs with the workforce: Do local residents have the skills to earn the jobs? Do the jobs offer opportunities to the unemployed and the underemployed? Will they exacerbate transportation problems by attracting new commuters or will they spur an influx of new residents?

Welfare reform: With millions leaving the welfare rolls, can they find jobs that will support their families? Are there jobs near them or accessible by public transit? Must they seek new skills or move?

For cities and counties facing tightening fiscal constraints, there is no more important priority than the revenue needed to provide core services like police, fire and public works. But there are new concerns about the long-term impact of seeking short-term revenues:

Revenue instead of wealth: Are our revenue-generating efforts raising the general standard of living and
providing opportunities for families to be self-supporting? Or is our local tax structure inducing cities to seek revenue without promoting community wealth?

**Consumption instead of production:** With a tremendous retail overcapacity, should we continue to promote and subsidize new retail? Are we inadvertently undermining local businesses and promoting blight in existing areas? Are we overemphasizing tourism and entertainment compared to nurturing existing and emerging manufacturing and service industries?

**Zero-sum competition:** When we engage in cutthroat competition between localities over siting new businesses, are we cutting our own throats? Are we subsidizing overcapacity, redundancy and waste? Are we shortchanging our ability to invest instead in the foundations of long-term prosperity such as education, public infrastructure and vital community services? Are we sacrificing our environment and long-term quality of life for ephemeral revenues?

These concerns contribute to growing doubts about the future prosperity of communities, raising questions such as:

**Global competition:** Competing with lower wages and other standards in the developing world, are we engaged in a race for the bottom? Conversely, compared to our most advanced competitors, are we making adequate investment in such areas as education and infrastructure?

**Environmental sustainability:** Are we stealing from our children and grandchildren when we pursue economic development by wasting or poisoning natural resources and damaging fragile ecosystems? Are we creating potentially grievous global climate changes?

**Quality of life and social equity:** Are our current economic development efforts damaging our way of life, eroding community and promoting inequality? Are we creating economic success only for some? And does that success come at the price of family life and local community character?

Nowhere were these questions drawn more starkly in recent years than in the Silicon Valley where the future comes a little sooner. Facing unrelenting competition from both foreign and domestic rivals, the birthplace of the personal computer was in a high stakes battle to survive as a global center of high tech industry.

A slump in industry sales underscored the urgency of the area’s underlying problems of sprawling land use, rising home prices, grid-locked traffic, mediocre public schools and bickering local governments.

Unless the area regained its reputation as an attractive and affordable place to live, work and raise families, it faced becoming a modern-day ghost town after the technology rush.

The usual chamber of commerce remedies weren’t working. “All we knew was that we weren’t moving forward,” said John Kennett, the former chair of the San Jose Metropolitan Chamber of Commerce. “We kept talking about the same problems, pointing the same fingers. Yet those of us who wanted to take action knew no one group could do it alone.”

In 1992, government, business and community leaders launched “Joint Venture: Silicon Valley Network” with a report called *An Economy at Risk*. The media was skeptical, with one newspaper editorializing: “De-spite Tuesday’s surprising show of support, it is unlikely they will roll up their sleeves and invest the time and effort this venture needs.” But within six months, the newspaper had changed its tune: “Joint Venture,
which some skeptics feared would be no more than a grandiose public relations ploy, is developing both substance and muscle.”

Joint Venture: Silicon Valley Network has led the industry’s heady resurgence, gaining attention as a model for “collaborating regionally to compete globally.” A common building code has been adopted by all 29 local jurisdictions. Large and small companies joined to win changes in the state tax code to promote manufacturing and are collaborating to lower health care costs.

More than $20 million has been raised to improve public education. Economic progress has been linked to quality of life: in Money Magazine’s annual list of best places to live, San Jose jumped to Number Two in the nation.

Having made measurable progress in achieving the goals set in 1992, Joint Venture just released an integrated, inspirational vision of Silicon Valley’s future in 2010, developed with broad regional participation and including measurable objectives. Continuous improvement is the ethic here; the work of “collaborating regionally to compete globally” never stops.

Can a refocused approach to economic development work in your city or region? Despite its success, if Silicon Valley were the only model, it could be dismissed as a fluke. But it’s not.

All across America, a new model is emerging that promotes economic development in partnership with community health and livability. Undoubtedly, there are elements of this new approach at work in your city and region already.

This guidebook is about bringing those elements together into a comprehensive, collaborative effort to pursue jobs, revenue and long-term economic prosperity in harmony with building livable, sustainable communities.
The Evolution of Economic Development

Estimates vary, but across the nation there may be as many as 10,000 agencies and programs pursuing economic development, often in fierce competition with each other. Their scope may be a city, county, region or state. They may be government entities, chambers of commerce, public-private partnerships or community nonprofits. But all are in the business called “economic development.”

The “first wave” of economic development efforts emphasized “industrial recruitment” — bringing factory payrolls to your state or community. Many programs still pursue this goal, but the emphasis has shifted away from “smokestack chasing” to a broader array of business types. What some call “the second wave” of economic development has placed more emphasis on business retention, along with public-private deals for real estate development. Using a wide range of tools, economic development programs and agencies target assistance to businesses and locations within their jurisdiction.

However, a new model is emerging that some describe as a “third wave,” an integrated approach which promotes regional economic health through a broader emphasis on community and human development. It looks beyond city and county borders to the larger regional economy. Instead of targeting individual firms, this model promotes industry clusters, concentrations of interconnected businesses that can be the engines for global competitiveness. It creates an environment in which all businesses have the chance to succeed.

This “third wave” builds on the best of business retention programs, broadening the focus to a comprehensive commitment to “growing your own” business base by making local entrepreneurship easier and more rewarding. This approach puts long-term competitiveness and diversification ahead of short-term spikes in growth and revenue and aims at “smart growth” policies that make efficient use of valuable community resources, including land, air and water. “Third wave” efforts invest broadly in people, promoting lifelong opportunities for improving skills and open access to information, not just in targeted training programs. This approach also embraces corporate responsibility and poverty reduction as a means for improving productive capacity.

The third wave is not a rejection of earlier efforts, but a logical evolution. Emphasizing an ethic of “continuous improvement,” it is evolving to keep current with our changing world. The “third wave” represents the cutting edge of economic development, an adaptation to the challenges of the 21st Century.

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The Ahwahnee Principles for Smart Economic Development

Policies for the 21st Century

While each community and region has unique challenges and opportunities, the following common principles should guide an integrated approach by all sectors to promoting economic vitality within their communities, and in partnership with their neighbors in the larger region.

1. INTEGRATED APPROACH

Government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that:

- Encourages local enterprise;
- Serves the needs of local residents, workers, and businesses;
- Promotes stable employment and revenues by building on local competitive advantages;
- Protects the natural environment;
- Increases social equity; and
- Is capable of succeeding in the global marketplace.

2. VISION AND INCLUSION

Communities and regions need a vision and strategy for economic development according to these principles. Visioning, planning and implementation efforts should continually involve all sectors, including the voluntary civic sector and those traditionally left out of the public planning process.

3. POVERTY REDUCTION

Economic development efforts should be targeted to reducing poverty, by promoting jobs that match the skills of existing residents, improving the skills of low-income individuals, addressing the needs of families moving off welfare, and insuring the availability in all communities of quality affordable child care, transportation, and housing.

4. LOCAL FOCUS

Because each community’s most valuable assets are the ones they already have, and existing businesses are already contributing to their home communities, economic development efforts should give first priority to supporting existing enterprises as the best source of business expansion and local job growth. Luring businesses away from neighboring communities is a zero-sum game that doesn’t create new wealth in the regional economy. Community economic development should focus instead on promoting local entrepreneurship to build locally based industries and businesses that can succeed among national and international competitors.
5. **INDUSTRY CLUSTERS**
Communities and regions should identify specific gaps and niches their economies can fill, and promote a diversified range of specialized industry clusters drawing on local advantages to serve local and international markets.

6. **WIRED COMMUNITIES**
Communities should use and invest in technology that supports the ability of local enterprises to succeed, improves civic life, and provides open access to information and resources.

7. **LONG-TERM INVESTMENT**
Publicly supported economic development programs, investments, and subsidies should be evaluated on their long-term benefits and impacts on the whole community, not on short-term job or revenue increases. Public investments and subsidies should be equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises, instead of individual firms.

8. **HUMAN INVESTMENT**
Because human resources are so valuable in the information age, communities should provide lifelong skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training available to all.

9. **ENVIRONMENTAL QUALITY**
Communities should support and pursue economic development that maintains or improves, not harms, the environmental and public health.

10. **CORPORATE RESPONSIBILITY**
Enterprises should work as civic partners, contributing to the communities and regions where they operate, protecting the natural environment, and providing workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment.

11. **LIVABLE COMMUNITIES**
To protect the natural environment and increase quality of life, neighborhoods, communities and regions should have compact, multi-dimensional land use patterns that ensure a mix of uses, minimize the impact of cars, and promote walking, bicycling, and transit access to employment, education, recreation, entertainment, shopping, and services. Economic development and transportation investments should reinforce these land use patterns, and...
the ability to move people and goods by non-automobile alternatives wherever possible.

12. COMPACT DEVELOPMENT
To minimize economic, social, and environmental costs and efficiently use resources and infrastructure, new development should take place in existing urban, suburban, and rural areas before using more agricultural land or open space. Local and regional plans and policies should contain these physical and economic development planning principles to focus development activities in desired existing areas.

13. CENTER FOCUS
Communities should have an appropriately scaled and economically healthy center focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in the town center or downtown. At the neighborhood level, neighborhood centers should contain local businesses that serve the daily needs of nearby residents. At the regional level, regional facilities should be located in urban centers that are accessible by transit throughout the metropolitan area.

14. DISTINCTIVE COMMUNITIES
Having a distinctive identity will help communities create a quality of life that is attractive for business retention, future residents and private investment. Community economic development efforts should help to create and preserve each community’s sense of uniqueness, attractiveness, history, and cultural and social diversity, and include public gathering places and a strong local sense of place.

15. REGIONAL COLLABORATION
Since industries, transportation, land uses, natural resources, and other key elements of a healthy economy are regional in scope, communities and the private sector should cooperate to create regional structures that promote a coherent metropolitan whole that respects local character and identity.
An Integrated Approach: Collaborating Locally to Compete Globally

**PRINCIPLE ONE — INTEGRATED APPROACH:**
Government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that:

➢ Encourages local enterprise;
➢ Serves the needs of local residents, workers, and businesses;
➢ Promotes stable employment and revenues by building on local competitive advantages;
➢ Protects the natural environment;
➢ Increases social equity; and
➢ Is capable of succeeding in the global marketplace.

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In our ferociously competitive world, it is not enough to muddle along. Complacency is eventually punished harshly. Yet without a tangible crisis, most communities and regions fail to mobilize effectively their energies and strengths. “The only people who really look forward to change,” one humorist observed, “are babies with wet diapers.” For the rest of us, change is unsettling. We are more apt to stick to the familiar, including our approaches to economic development. Yet, the world is changing around us and most people recognize that it will change our lives against our wishes unless we actively channel change in the directions we choose. Is it possible to mobilize the energy and attention of an entire community or region to pursue economic development as part of a broader vision of local success?

**Case Study:**
San Luis Obispo County

Located exactly halfway between Los Angeles and San Francisco, San Luis Obispo County is a picturesque, largely rural area with a population of less than 250,000. Its economic base has rested primarily on agriculture, tourism and a state university, as well as construction to accommodate a growing population of newcomers drawn by its unhurried quality of life. But as is the case in many parts of the country, an increasing polarization was poisoning local politics — a bruising ongoing battle between the forces supporting “growth” and those dedicated to “protecting the environment.” In order to secure sales tax revenue, many of the cities were subsidizing “big box” retailers, arousing deep resentment from local retailers and many citizens. This deepening divide was standing in the way of finding solutions to a very real challenge: young people who grew up in the area were leaving in droves because of the lack of economic opportunity in the county. There were also disturbing signs of incipient “urban distress;” congestion, poverty and family crises.
To address these challenges, a group of concerned civic leaders decided to create a speakers’ series called “Designing the Future.” They were sick of the bitter squabbling and deeply worried that their county would sink into the formless suburban sprawl that covers so much of California, undermining both the agricultural and tourism underpinnings of their economy. Those who attended the speakers’ series heard new ideas that linked economic prosperity with social and environmental health. This fresh approach captured the imagination of those who participated and soon “Designing the Future” evolved into the “Foundation for Community Design.”

This independent partnership organized a “conversation” involving more than 4,000 residents of the county, including a broad cross-section of leaders from business, government and community groups. They put special emphasis on involving “the voices of those who traditionally have not been heard in public policy discussions,” including the substantial number of local Spanish-speaking residents. To virtually everyone’s surprise, a broad consensus emerged from across geographic and demographic lines. The shared desire was for a future where “growth is carefully planned and managed without sacrificing the natural beauty and health of the environment [and] the economy emphasizes clean industry, prosperous agriculture and flourishing tourism [that] provides a variety of employment opportunities with livable wages and offers affordable housing alternatives. . .” Education and youth development were also seen as critical to preparing future citizens to succeed and to encourage “involvement in their communities.”

The next steps they took were to translate those broad themes into action steps on a wide range of fronts, assembled in a user-friendly “Compact” published in both English and Spanish for wide distribution in the county. To ensure implementation and accountability, they established performance indicators as a “report card” to measure their progress. What has made the San Luis Obispo example a nationally watched model of collaboration is that all this was undertaken without an urgent crisis. Leaders in the area saw that their future economic prosperity, community quality of life and environmental sustainability were all interconnected challenges and that addressing them required an integrated approach.

For more information, call Maria Singleton, Foundation for Community Design, ☎ (805) 546-7265.

■ Case Study: Northhampton County

Across the country, another largely rural county faced a different challenge: not rising, but declining population. Northhampton County has a population of only 13,000 occupying a seaward peninsula connected to the rest of Virginia by only a 15-mile-long bridge and tunnel combination. Over the past two decades, Northampton had lost much of its traditional seafood and agricultural processing industry.

With more than one-quarter of its population living below the poverty
line, the urgent need for economic development of any kind would in many places have overshadowed any other consideration. But local leaders sensed that reversing the cycle of decline required a comprehensive strategy.

The little towns nourished over decades by farming and fishing had not been swallowed up by sprawl development. Local leaders, embracing the connection between economy, environment and people, saw opportunities for prosperity that capitalized on the area’s natural resources and “sense of place.”

The board of supervisors prepared a sustainable development action strategy, leading to the County’s selection as one of the sites of the President’s Council on Sustainable Development’s first four “eco-industrial parks” — the Port of Cape Charles Sustainable Technology Park.

The community developed “The Cape Charles Principles,” a set of principles for developing the Park. The lead partners, the County and the town, purchased acreage near the harbor for the park, and secured a range of state and federal grants to develop the infrastructure for the site.

Citizens helped to create the park’s master plan in 1995; subsequently, the site received a new “sustainable technologies industrial park zoning classification.” The overall site will be about 300 acres, half of which is greenfield and half of which is brownfield.

An environmental assessment on a priority development area (a former hazardous waste disposal site which overlooks the Chesapeake Bay) has been completed, as well as some remediation. This area will be developed as a conference center, next to the historic downtown.

During the past year, the site plan was redesigned, and covenants and restrictions were developed and approved. They define the development criteria for the park, as well as specific measures for an eco-industrial park, including maintenance of high water quality. A new foreign-owned solar products firm is operating adjacent to the site until a facility is built within the park, and a small firm making desalination devices has committed to locating in the park.

Efforts are focused on securing financing for the first facility. The community’s approach is a commitment to long-term development that is good for business, good for people, and good for the environment by investing in and protecting its natural and cultural assets.

For more information, call Timothy Hayes, County of Northampton, ☎(757) 678-0438.
Resources

Joint Venture: Silicon Valley Network has published an invaluable handbook titled “The Joint Venture Way: Lessons for Regional Rejuvenation.” It notes that, “A new type of economy, one with different demands and opportunities, is transforming every aspect of our region and forcing wrenching changes in business, government, education and the community.”

It describes how the Joint Venture effort “has strengthened connections between our economy and our community, drawing on the best practices of our leading companies and organizations. It has changed the way we think about the role played by different sectors of our community and encouraged collaboration between these sectors...It has helped us understand the interdependence between economic development and quality of life.”

For more information, call Joint Venture: Silicon Valley Network, ☎(800) 573-JVSV.

Tips for Success: An Integrated Approach

According to the “The Joint Venture Way: Lessons for Regional Rejuvenation” handbook’s conclusion, six interrelated elements “led to change in our community:”

✓ “Communities must take responsibility... As markets, companies and cultures globalize, organizations and people are searching for meaningful connections to local places. More than ever, communities must shape their economic future. This means fundamentally rethinking what communities are and who in the community is responsible for leadership.

✓ Clusters drive regional economies... Industry clusters are geographic concentrations of related companies, talent and support institutions and operate on the basis of economic realities, rather than political boundaries.

✓ Collaboration links economy to community... Collaboration is emphasized not for its own sake, but as a disciplined means to action.

✓ Continuous improvement is the ethic... Key to success is the ability to reassess candidly what is happening every step of the way and readjust when necessary.

✓ Civic entrepreneurs are the catalyst... Civic entrepreneurs come from all walks of life and are leaders who use the skills, networks and drive developed in their own sector to benefit the broader community.

✓ Commitment to implementation is key... The difference between a short-term commitment to an idea and long-term commitment to implementation and ongoing collaboration is the willingness to stick with the effort in the face of adversity.”

With these ingredients in hand, each community and region must put together its own distinctive recipe for creating more livable and prosperous places for the 21st century.
Vision and Inclusion: Getting Everyone on Board

2 PRINCIPLE TWO — VISION AND INCLUSION:
Communities and regions need a vision and strategy for economic development according to these principles. Visioning, planning and implementation efforts should continually involve all sectors, including the voluntary civic sector and those traditionally left out of the public planning process.

“A clear community vision provides direction and guidance for community leaders and residents, who continuously acknowledge and renew public support for the vision and make decisions which are consistent with it.”

— Building Livable Communities: Livable Oregon’s Strategic Plan

“Sure, a few of us could get together and develop a plan, but no one would believe in it.”

— Jim Morgan, CEO, Applied Materials, the world’s largest semiconductor equipment company.

Economic development is part of the larger job of building prosperous and livable communities. Everyone needs to understand and participate in shaping a comprehensive vision that embraces economic development as part of improving the entire community.

In the long-run, the economic health of a community is intimately linked to its environmental and social health. Nothing succeeds like success — and nothing can hinder a community or a region from achieving its economic potential more than failing to address issues like crime, pollution, congestion, ethnic strife and poverty.

Moreover, it’s just not possible to sustain an effective economic development program without allies. Today, determined adversaries can stop or slow down just about anything. So who needs to be at the table when developing your community’s approach to economic development?

Anyone who can help and everyone who can hurt. In other words: everybody.

Easy to say, harder to do. But when a community comes together to get behind a vision, dramatic changes can occur.

■ Case Study: Monrovia

Twenty years ago, Monrovia, California was an older suburb sliding into decline. The local J.C. Penney store (before it closed) was selling T-shirts that said, “Will the last one to leave Monrovia please turn out the lights?”

Then, a young slate of activists won majority control of the City Council, much to the suspicion of the business establishment. Recognizing the need to build a broad base, they courted the local Chamber of Commerce and merchants and together forged a vision for civic revitalization, beginning with the 40 percent-vacant downtown.

Careful analysis revealed the local market could not support the size of the older downtown. So half of it was torn down to make way for light industrial development. The City invested heavily in the remaining downtown core. Without broad participation by residents and business-
people, this bold strategy could never have overcome a daunting array of obstacles.

Mayor Bob Bartlett, first elected as part of the reform slate, continues to be a tireless champion of teamwork and collaboration. A star football player in his youth, he makes the point that Monrovia’s high school team is a consistent winner at home because visiting opponents quickly discover that “they are playing our whole town!”

Building on success, the City and the Chamber of Commerce embraced the school board as an essential partner in community collaboration. It took longer to obtain three-way consensus, but teamwork brought big pay-offs. Restored to fiscal health, with a vibrant downtown and booming high tech business corridor, Monrovia earned “All America City” recognition in 1995. The following year, President Bill Clinton traveled to the City to showcase it as “a sterling example of what every community can do.”

For more information, call Greg Stuart, West Palm Beach, ☎ (561) 659-8031.

Case Study:
West Palm Beach

On the other side of the country, Mayor Nancy Graham of West Palm Beach, Florida, came back from attending the Mayor’s Institute on City Design with a determination to address a disaster she had inherited: hundreds of acres in the center of the City that had been cleared for an urban renewal project that never materialized. She brought the community together to develop a downtown master plan. The ambitious public process led to tossing out the old zoning code, replacing it with a map and a simple booklet that outlines how to develop within the community’s vision of grand boulevards, a revitalized waterfront, restored neighborhood commercial uses and compact housing near the downtown. The public energy and private investment generated by the plan has earned the City national recognition as a distinctive community where emphasis on livability has led to resurgent prosperity.

For more information, call City of Monrovia Mayor Bob Bartlett, ☎ (626) 932-5503, or Donald Hopper, Assistant City Manager, ☎ (626) 359-3231.
Resources

These examples underscore the urgency of building what the National Civic League calls “community capacity.” Over time, building partnerships and establishing trust across polarized lines makes community problem-solving far easier. The National Civic League, which has been promoting civic partnerships for more than 100 years, has an array of both publications and case studies, as well as a formal consulting service called the Community Assistance Program. For more information, call ☎ (303) 571-4343.

Organizations like the National League of Cities and the City-County Communications and Marketing Association (3CMA) also offer help for launching community visioning and coalition-building efforts. The National League of Cities can be reached at ☎ (202) 626-3000. 3CMA can be reached at ☎ (703) 707-0830.

Tips for Success: Vision and Inclusion

One size will not fit all. But here are some key guidelines to keep in mind as you design a process for creating a community or regional vision and strategies for implementation:

✓ Avert crises by anticipating them. Explain the consequences of complacency and point out the potential to seize new opportunities by “telling a story” in a compelling way.

✓ Don’t settle for just a “blue ribbon” panel or a select group of “stakeholders.” Such a group can help coordinate or advise your effort, but inclusiveness means gathering more than just “the usual suspects.” Look for allies among the media, religious groups, environmentalists, social action groups, etc.

✓ Make sure initial buy-in comes from more than just city hall. One or more private or nonprofit cosponsors is vital to building support and participation.

✓ Consciously recruit up-and-coming potential leaders and participation from emerging and under represented groups.

✓ Invest the time and money needed up front to create an inclusive effort. You’ll save them in the long run by not running into conflict later with groups and interests you’ve left out. Consider translating materials for those not fluent in English.

✓ Be action-oriented and specific in your vision. You should come to consensus about what is special in your community and what needs attention, instead of crafting a bland, generic statement aimed at pleasing everyone.

✓ Educate the community. Asking people what they want without informing them about constraints and opportunities invites unrealistic expectations and keeps communities stuck in stale controversies. The best way to achieve new possibilities is to inject new ideas, new data and new people into the process.

✓ As with any exercise of leadership, one must listen to the thoughts and desires of others and find a creative way of harnessing those interests to the larger goal of community or regional success.
Poverty Reduction: Leaving No One Behind

PRINCIPLE THREE — POVERTY REDUCTION:
Both local and regional economic development efforts should be targeted to reducing poverty, by promoting jobs that match the skills of existing residents, improving the skills of low-income individuals, addressing the needs of families moving off welfare, and insuring the availability in all communities of quality affordable child care, transportation, and housing.

The end of welfare as we know it was ushered in by the passage of the historic “welfare reform” act of 1996. Controversy remains about the availability of jobs to absorb the influx of job seekers — one recent study estimates that only about half of the welfare case load targeted to enter the workforce during the first two years of welfare reform will be able to find a private sector opening, even during the current period of low unemployment. Yet at the time the bill was signed, welfare caseloads were already in decline and represented only 14 million of the nation’s 38 million living in poverty. So not only must communities and regions focus on helping move people from “welfare to work,” but also economic development strategies must promote more and better jobs that pay enough to adequately support individuals and their families.

There are no easy answers. But we simply can’t afford the staggering social costs of millions of Americans living in poverty, often in isolated rural areas or racially and geographically segregated central city enclaves. This colossal waste of human potential costs us all, even those living far from the day-to-day reality of poverty. However, in a ground-breaking study of data on 74 metropolitan areas in the U.S., the authors of “Growing Together” found that “efforts to reduce central city poverty led to an increase in regional income: doing good and doing well went hand-in-hand.”

Across America, there are literally thousands of different programs, from job training to social services, aimed at reducing poverty and its causes. Like efforts aimed at economic development, these programs are often fragmented, duplicative and isolated. This, too, is a waste of human potential. These well-meaning efforts need to be linked with a comprehensive and results-oriented community and economic development approach that looks foremost not at the disadvantages of low-income people and low-income communities, but at their potential.

“For the last 40 to 50 years we have been looking at communities in terms of their needs,” notes Jody Kretzman, director of the Neighborhood Innovations Network at Northwestern University. “We have
run into a brick wall with that approach . . . real community building is about finding and organizing particular resources, people, institutions and businesses.”

Turf battles make this difficult and there are often deep rifts of suspicion between and among government, business, service providers, community development corporations, advocates for the poor — and the least organized but most affected stakeholders, low-income people themselves. But a sense of urgency and a climate of mutual respect can alleviate conflict and promote collaboration.

Experience in Wisconsin, an early showcase for “welfare reform,” shows that putting people to work is actually more expensive in the short run than paying subsistence benefits. But putting people to work and broadening opportunities for upward mobility has profound long-term benefits — for those that directly benefit, for the communities they live in and the nation we share.

- Case Study: Berkeley

**Berkeley**, California’s First Source Program, which operates out of Berkeley’s Work Source One Stop Career Center hiring program, is a resource for local residents seeking employment and for local employers looking for workers. The program is extremely successful at placing participants because it is directly linked with the City’s process for approving and financing real estate development projects and with community-based job training efforts. In operation for more than ten years, the center has placed more than 2,500 residents at a cost lower than federal jobs programs and won the National Council for Urban Economic Development’s 1996 Economic Development Program Award.

For more information, call Allison Page, City of Berkeley First Source Program, ☎ (510) 644-6085.

- Case Study: Oakland

The City of Oakland, California, is using its relationship with one of its nonprofit entities to help implement the City’s welfare-to-work program. The Spanish Speaking Unity Council in Oakland, a nonprofit community development corporation, is taking an active role in Oakland’s welfare-to-work programs, focusing on community-based economic development.

Some of the Council’s poverty reduction programs serve women and children in 645 families through Head Start and Early Head Start. A Job Readiness and Employment Program has been added to existing efforts, starting with 30 families and offering intensive support services aimed at job retention and long-term self-sufficiency.

Another element of their comprehensive approach is a partnership with Bay Area Rapid Transit (BART), the Department of Transportation, the City and others to build a 15-24 acre transit village. The village will contain housing for senior citizens, retail shops, restaurants, a health clinic, community social services offices, a day care center, and an intermodal transportation center with improved access and parking.

The project will help revitalize the surrounding commercial district, and improve use of BART from outlying areas, as well as create a pedestrian-oriented community center. Building on the Council’s Facade and Street Improvement Program for
surrounding businesses, 67 businesses made improvements, more than 70 jobs have been created thus far, and the area was designated a National Main Street pilot project sponsored through the Local Initiatives Support Corporation.

For more information, call Arabella Martinez, Spanish Speaking Unity Council, ☎ (510) 535-6926.

**Case Study: Seattle**

The City of Seattle, Washington, is taking an explicit approach to incorporate “welfare reform” into what former Mayor Norm Rice called “the bigger challenge of building community, as part of a larger, integrated effort to renew and strengthen all aspects of community.”

To connect people to jobs that can support a family, the City secured foundation funding and support from employers to create the Seattle Jobs Initiative. Seeking to integrate economic development, business competitiveness, workforce development and poverty reduction, the program began in May 1997.

In the first seven months, 1,200 clients were enrolled, and more than 450 placed in jobs with an average wage of $8.63 an hour. Job placements have come through community-based organizations’ connections with employers.

For more information, call Andrea Schultz, Seattle Jobs Initiative, ☎ (206) 628-6975.

**Case Study: Lake Tahoe Region Counties**

The Sierra Economic Development District, a multi-county economic development district in California, is the sponsor of one of 42 projects funded nationwide by the Ford Foundation’s Public Sector Initiative Program. The effort is targeted to assist entrepreneurship among the growing Latino population in the Lake Tahoe basin.

Joining in 1994 with La Comunidad Unida, a community-based organization, the Sierra Economic Development District now provides technical assistance and small cash grants to help low-income residents start businesses. So far eight new businesses have been launched and seven part-time enterprises have received assistance.

For more information, call Betty Riley, Sierra Economic Development District, ☎ (530) 823-4703.
Resources

For assistance in inner cities, call the Initiative for a Competitive Inner City (ICIC). The ICIC believes that the key to revitalization is the sustained growth of inner city-based businesses employing local residents, through tapping into the existing and potential competitive advantages of inner cities: their strategic location, local market demand, integration with regional business clusters, and human resources. Location is often the best advantage, as well as a large amount of unmet local demand. The ICIC estimates that approximately 30 percent, or more than $25 billion, of inner-city retail demand is unmet within the inner city.

The strategy focuses on the position of inner cities as parts of regional economies, and the ICIC enhances their resources by providing research, student assistance teams and inner-city advisers. Inner City Advisers (ICA) is ICIC’s core on-the-ground program for implementing ICIC’s model. ICA acts as a professional services firm, and currently has offices in Boston, Baltimore, Oakland, and Kansas City. ICA’s corporate partners include businesses, professional service firms, and graduate business schools. They help inner-city companies identify and use their competitive advantages to increase company revenues and profits so they can expand their work force and strengthen their communities.

Services include customized management assistance, financial and legal counsel, support in leveraging technology, access to training, and introducing firms to sources of capital and potential purchasing relationships. The success of the program is based on the strong network of the region’s large and successful companies, with business-to-business connections. Clients generally have a minimum of $1 million in annual revenues and 15 employees, a significant number of which must be inner-city residents. Although only in operation a few years, local affiliates report that many businesses have already been helped, with positive results. There have been 51 clients to date; during 1997, 35 clients increased sales by almost $19 million, and increased employment by over 200 jobs.

For more information, contact Amelia Alberghini, ICIC, ☎ (617) 292-2362, or Cletis Shelby, Oakland Inner City Advisers, ☎ (510) 451-1415.

Tips for Success: Poverty Reduction

✓ It is important to integrate “welfare reform” and social service efforts with a comprehensive approach to community economic development. To settle for less not only shortchanges our ability to compete in the global economy, it dims the American dream.

✓ Connect poverty reduction efforts to broader economic development efforts.

✓ Take advantage of locally-based nonprofit groups to implement poverty reduction programs.

✓ Involve the business community. Help them see the resource value of all sectors of the community.
Local Focus: Growing Your Own Business

PRINCIPLE FOUR — LOCAL FOCUS:
Because each community’s most valuable assets are the ones they already have, and existing businesses are already contributing to their home communities, economic development efforts should give first priority to supporting existing enterprises as the best source of business expansion and local job growth. Luring businesses away from neighboring communities is a zero-sum game that doesn’t create new wealth in the regional economy. Community economic development should focus instead on promoting local entrepreneurship to build locally based industries and businesses that can succeed among national and international competitors.

“In many communities, recognition that more jobs are grown through expansion of existing businesses and start-up of new ones is dramatically changing the nature of the economic development professional’s work . . . (The) new breed of economic development professional delivers value to their community by connecting companies to local resources and by creating an environment in which local businesses can be globally competitive and linked.”

— Henton, Melville and Walesh, Grassroots Leaders for a New Economy

“The local economy is the gateway into the global economy for your city and its neighborhoods.”

— National League of Cities, Guide to Achieving World Class Local Economies

The grass has always looked greener on the other side of the fence. So priority in economic development too often goes to luring businesses from somewhere else instead of “growing your own” base of existing businesses. Cities clamor to attract national brand names at the expense of local retailers. One forlorn community paid $129,000 outright to grab a Starbucks for their Main Street, when they could have helped a local business owner run a local coffee shop, probably at far less cost. Localities compete fiercely with lavish subsidies to acquire whatever status symbol is the latest hot commodity — from high tech industry to urban entertainment complexes to state-of-the-art sports stadiums — instead of bolstering the less glamorous companies, facilities and industries already contributing to the local economy. Rural locales, desperate to replace lost jobs in agriculture or extractive industries, often compete for facilities that are less stable or desirable.

Piles of studies and countless bitter disappointments reveal the folly of this course. Yet hope springs eternal that some expensive new “project” will be an economic development panacea.

Ironically, it’s far easier (and less expensive) to attract outside corporate and capital investment when a locality is taking care of business at home, with a healthy community and vibrant climate for local entrepreneurship. Plus, existing businesses (whether locally-based or subsidiaries of larger corporations) often have greater stability, growth potential and local loyalty than companies...
that move around based on short-term incentive packages.

In most cases, local businesses recirculate far more of their sales revenue back into the local community in payroll, purchasing, services and contributions compared to traditional chain stores and especially highly centralized big box retailing operations.

Too often we forget that even large corporations often began somewhere and many remain loyal to those places. While much energy is lavished on courting out-of-town Fortune 500 giants, communities often neglect a potential Bill Gates working seven days a week right under their noses. That’s too bad. Because in those crucial early years, a little attention, a little help, perhaps a little capital, can go a long way. And even if local entrepreneurs don’t go on to become billionaires, they are far more likely to do things like support the local Little League or symphony.

Focusing on retention means that rather than emphasizing slick videos or ads in corporate placement and business magazines, more time and resources should be devoted to working with your existing base of businesses. This begins with a thorough analysis of the strengths and potential of the vital industry clusters that drive your local economy. It probably involves some fresh dialogue in your community or region because of the “culture of blame” and antagonisms between government and business that exist in many locales. This inevitably involves some “venting” by businesses of old complaints, but needs to be channeled in a forward looking way. Building stronger relationships between businesses, government and the community takes time, but pays high returns in the long run.

Communities have used a number of strategies to support local firms.

### Forming Public-Private Partnerships

Some remarkable public-private partnerships have emerged to promote local business creation and expansion. These partnerships may involve the private sector as well as community organizations and nonprofits.

#### Case Study: North Carolina Counties

HandMade in America was founded in 1993 to promote local crafts and heritage tourism in 21 mountain counties of western North Carolina. It has forged eleven partnerships, including one with the University of North Carolina to develop the Center for Craft, Creativity and Design. The handicraft industry has grown to employ 4,000 full- or part-time artisans, generating $122 million for the regional economy.

For more information, call Becky Anderson, Handmade in America, (704) 252-0121.

### Helping Microenterprises

Microenterprises are those businesses that can be capitalized with less than $25,000.

#### Case Study: Ukiah

In rural Ukiah, California, the nonprofit The West Company provides professional business planning and management training, consulting, and access to capital at any stage of micro or small business ownership to low-income persons, especially women and minorities. Established by a foundation grant in 1988, the program works with local colleges and chambers of commerce to offer selected topical workshops and training courses. It also offers one-on-one counseling, older mentors for young entrepreneurs, as well as specialized help with technology, marketing and international trade. To help with credit access, the West Company has a revolving loan fund which makes small loans to clients, who then are able to establish a credit history.

Almost 1,200 persons have completed entrepreneurial training, more than 300 microbusiness owners receive on-going technical assistance, and more than 70 loans have been made.
Establishing Business Incubators

While local governments, business and community organizations often have a wide range of “business assistance” programs including loans, training, employee placement and technical assistance, an “alphabet soup” of different programs can be bewildering, especially to small businesspeople who don’t have the time to search among all the resources available. That’s why many communities are seeking to coordinate these efforts with a “one-stop” approach that acts as a user-friendly gateway and referral network to provide businesses with the help they need.

One focus of these kinds of efforts are small business incubators which provide a range of technical assistance, usually within a managed facility offering shared support resources at a favorable lease rate, to increase the chance of success for start-ups.

While a relatively new phenomenon, they have proved their track record nationwide and are being used increasingly to support the development and long-term success of locally owned businesses.

Businesses started in an incubator have a success rate of 80 percent compared to 20 percent otherwise. Incubator programs are successful in both urban and rural settings.

Case Study: Arcata

Suffering from the erosion of resource-extraction industries like timber, the environmentally and socially conscious rural community of Arcata, California, was stereotyped as “anti-business.” But by encouraging local entrepreneurs to build small businesses, it ended up featured in Inc. Magazine and the Wall Street Journal. Not only do local businesses thrive, many have grown into international exporters of unique products.

One exceptional effort is a business incubator helping local entrepreneurs add value to locally grown crops and market the resulting products nationally. The incubator serves small businesses in the food industry, those who manufacture specialty syrups, jams and jellies, and the like.

The group is now encouraging local farmers to grow crops organically, because organic foods have higher economic value. The incubator is also helping the businesses market their wares jointly through Christmas catalogues, and is beginning to broaden sales through use of the Internet.

For more information, call Jim Krimbell, City of Arcata Economic Development Project, (707) 822-4616.

Case Study: Oakland

In California, many incubator projects have received partial support from utility firms, like the Oakland Communications Technology Cluster (CTC). A joint project of the City of Oakland’s Redevelopment Agency and Pacific Gas & Electric, it’s the first incubator in the United States focused on business support to communications start-ups.

Located in the Innovative Technology District and supporting the development of local and regional knowledge-based industries, the incubator has 20,000 square feet of space with an excellent telecommunications infrastructure.

Core services included in the lease include assistance with business planning, management and financing. The incubator is almost two years old; it has 24 clients (about 70 percent full).

Although still early in the project, several businesses have already been linked with venture capital opportunities. One firm has already graduated, showing strong potential for new product development.

For more information, call Joseph Gross, Oakland CTC, (510) 836-8985.
Assisting Home-Based Businesses

Another emerging approach to local business development is to encourage the growing phenomena of “home-based businesses.” A few communities are in the forefront of identifying and providing specific support for home-based businesses, especially those which may eventually leave home and grow. The first step is to reach out to these often hidden enterprises, which may even be technically illegal under traditional zoning.

Case Study: Morgan Hill

Some programs are led by chambers of commerce, such as in Morgan Hill, California, a suburban area experiencing substantial population and housing growth spilling over from Silicon Valley. The local Chamber of Commerce, made up of mostly local retailers, initiated its program when the director recognized the explosion of home-based businesses operating both part- and full-time.

Social gatherings and networking meetings led to starting the Home Based Business Action Group (HBBAG), serving a three county area. The group meets once a month, and now has more than 100 members. Other services include access to business resources, counseling, workshops and seminars, and health and business benefits. The forum has helped increase the economic viability of its members, especially through public relations and marketing of their presence and products, and has brought credibility to the area’s home-based businesses.

For more information, call Vicky Matisi, HBBAG, (408) 722-8600.

Establishing Financing Networks

Accessing financing for small businesses and finding venture capital for start-ups is always difficult, especially in rural and inner city areas. Networks have been set up in several states including Texas, Colorado and California to assist rural entrepreneurs.

Case Study: Counties in the Sierra Nevada Region

The Rural Venture Capital Network (RVCN) was established by the Tri-County Economic Development Corporation initially to serve 15 northern California and Sierra Nevada counties, matching growing companies in need of funding with appropriate investors. Additional technical assistance is provided to businesses through seminars and referrals to a regional network of small business assistance providers.

Although newly formed, the RVCN has already had several matches. The network is supported by local and federal grants, and eventually will require subscription fees by entrepreneurs and investors in order to be self-sustaining.

For more information, call Jon Gregory, RVCN, Tri-County EDC, (916) 893-8732.

Hundreds of other partnerships have been developed across the nation, many focusing on inner city neighborhoods, to assist entrepreneurs with financing and technical assistance. While many have been successful at retaining or increasing local jobs, they usually require a high level of effort and funding to get off the ground and by their nature can only assist a relatively small number of businesses.

Helping Main Street

Another approach to the challenge of promoting small businesses and entrepreneurship is to provide assistance not to individual businesses, but to all the businesses in a particular area. One of the most successful models for focusing on retention and development of existing businesses is the Main Street Center of the National Trust for Historic Preservation. Started as a pilot program in a handful of dying small town downtowns, it has grown to more than 1,200 local programs across the nation.
Case Study: Albany

Communities like Albany, Oregon, have used the Main Street model to energize local investment in the face of competition from regional malls. Downtown Albany lost its anchor department stores in the early eighties and by the end of the decade vacancies were around 40 percent. Through the Main Street process, the Albany Downtown Association was created and a program of revitalization began.

The centerpiece was the rehabilitation of an abandoned national chain drug store by a local property owner, who joined two buildings and rehabilitated them in partnership with the City, using a combination of tax credits and state and federal funds. Part of the deal was the City’s commitment to locate City Hall in the building for ten years, allowing the developer to justify the rehabilitation costs.

More than half of the remaining space is now small retail specialty shops, differentiated from the stores at suburban malls. The project, known as Two Rivers Market, contributed to a sense of positive identity for downtown Albany and has stimulated more than $10 million in private sector investment since 1984. Vacancies are now around 7 percent.

For more information, call Brian Scott, Livable Oregon, ☎(503) 222-2182.
The Main Street Approach: Building on What You Have

The National Main Street Center program for revitalizing older commercial areas emphasizes strengthening existing businesses, then gradually recruiting new ones. Their “common sense” model is based on their Four Point Approach:

1. **Design:** Improve the physical environment by renovating buildings, constructing compatible new ones, improving signs and merchandise displays, creating attractive and usable public spaces, and ensuring that planning and zoning regulations support revitalization.

2. **Organization:** Build collaboration among a broad range of public and private-sector groups, organizations, and constituencies.

3. **Promotion:** Market the district’s assets to residents, visitors, investors, and others through special events, retail promotion, and activities that improve the way the district is perceived.

4. **Economic Restructuring:** Strengthen the district’s existing economic base while finding ways to expand its economy and introduce compatible new uses.

In addition to these four points, the Main Street program also relies on eight “key principles:”

1. **Comprehensive action:** The Main Street program sees the need for comprehensive activity in each of the four areas of the Four-Point Approach. Physical improvements or marketing efforts alone won’t revitalize a commercial district; the effort must address all of the district’s problems and opportunities in a unified way.

2. **Incremental progress:** America’s Main Streets didn’t deteriorate overnight — and their problems realistically can’t be solved quickly, either. It takes time. In the early days, progress occurs in small steps while participants learn the basic revitalization skills needed. Over time, the small victories gradually build into larger ones.

3. **Public-private partnerships:** Both the public and private sectors have important skills, vantage points, and programs to bring to the revitalization process — and neither sector can handle the job without the other. True partnerships are essential.

4. **Action-oriented planning:** The problems facing many historic town centers are serious and complicated. But, rather than trying to tackle the most difficult problems first, the Main Street program breaks the big problems down — and begins with small, achievable tasks.

5. **Build on existing assets:** Every commercial district has its own particular strengths. By building on each district’s unique assets, the Main Street program is easily adapted to different types of communities.

6. **Quality:** Main Street buildings were built with high quality materials and craft skills. Revitalization should reflect the same high level of attention to detail.

7. **Changing attitudes:** Rebuilding a traditional commercial district’s economy and reestablishing its relevance in the community involves change. Some districts’ economic composition must change. Investment patterns must change. New partnerships need to be forged.

8. **Self-help:** The Main Street program doesn’t rely on government grants or big fix ideas; it’s a self-help program through which community leaders learn how to guide economic growth and preserve historic commercial buildings.

For more information, call the National Main Street Center at ☎ (202) 588-6219.
Tips for Success: Local Focus

Even in a healthy economy, business turnover is brisk: studies reveal that between six and ten percent of businesses in a community close each year because of retirements, buyouts, under-capitalization, relocations or other factors. Replacing those firms requires a steady stream of new business ventures, far more than can be individually targeted and assisted by government programs. So make sure your programs for retaining, expanding and replacing businesses are broad-based and flexible.

✔ Develop and fine-tune your tracking systems so you know what is happening over time in your local economy — openings, closings, shrinkages and expansions. Often a local college or university business school or department will be willing and able to assist you in assembling and analyzing this data. Adapt your policies and programs to these changes through “continuous improvement.”

✔ Use surveys and personal contacts to detect qualitative attitudinal changes and new issues that are “early warnings” of concerns that may not yet be on the statistical radar screen — as well as learn of impending company expansion and/or relocation decisions that may be influenced by timely intervention.

✔ Minimize subsidies or regulatory exceptions for individual firms. Helping one business, no matter how “worthy,” runs the risk of creating 99 enemies and one ingrate. Virtually every locality has been burned by doing favors for a single company and finding out later that when conditions change, the firm walks away or closes down anyway. If something is good for one firm, apply the same breaks to all firms — and if you can’t afford to do it for everyone, you probably can’t afford to do it for just one.

✔ Strive to overcome the “culture of blame” and no-win arguments about whether government is “anti-business.” Seek out and nurture intelligent partnerships and relationships with business and commerce that focus on problem-solving rather than ideological debates.

✔ Remember, businesses are made up of people. Build relationships and don’t underestimate how businesspeople value just being appreciated. Recognizing and celebrating the direct and indirect contributions made by companies to their local communities costs local government little, but goes a long way.

✔ Make sure you have a small business/entrepreneurship component in your economic development strategy. Non-profits can become an important service delivery mechanism to help implement this strategy.

When you are looking for the greatest return on a community’s investment, “Think Globally, but Invest Locally.”
Industry Clusters: Building on Local Advantages

PRINCIPLE FIVE — INDUSTRY CLUSTERS:
Communities and regions should identify specific gaps and niches their economies can fill, and promote a diversified range of specialized industry clusters drawing on local advantages to serve local and international markets.

“One of the standard maxims in the economic development business is to build on your strengths. Simply put, cluster analysis is a better way to figure out what your strengths are... It leads economic development in the right direction — away from the headline-making deal and toward the incremental steps, the constant and tedious networking, that are necessary for an economy to thrive.”

— Bill Fulton, Economic Development Columnist for Governing Magazine

Economic development is still more an art than a science so, like management theories, it’s prone to fads with catchy names. “Industry clusters” sounds like one of those trendy “flavors of the month.” It’s not. It has long been obvious that some industries thrive in particular places: automobile manufacturing in Detroit, publishing in New York, high tech firms in the Silicon Valley. What is new is a much greater understanding of this phenomenon and its wider significance revealed by the work of economists like Michael Porter, as well as pioneering applications of those valuable insights to economic development practice by consultants, particularly Palo Alto’s Collaborative Economics.

From this work have come some critical insights:

➢ Individual companies that can be lured to your locality by specific promises or subsidies may be prime candidates for other localities to target for bigger promises and subsidies. While traditional recruitment efforts concentrated on luring specific factories or headquarters, communities derive benefits that are far greater and more durable by growing distinctive clusters of interdependent and competing firms.

➢ While many companies can start — or relocate — almost anywhere, a concentration of resources and skills in a field can serve as a magnet both to attract new entrepreneurs and retain existing firms.

➢ Although some firms or industries have higher visibility or prestige than others, there is greater likelihood of long-term commitment from a good match than a dream date. Building on existing strengths is the strongest foundation for both growth and diversification of your local economy.

In turn, this leads to a shift in emphasis away from focusing on individual companies toward fostering industry clusters through a broader agenda. There are long-standing models for nurturing a particular industry — visitor and convention bureaus, for example, focus on the hospitality industry. But in recent years a number of creative and successful examples of cluster efforts have emerged.
Case Study: State of Arizona

Several states have led the effort to select and understand the needs of their key industry clusters and to strengthen them through explicit strategies. In Arizona, the effort began when the Governor invited industry leaders to participate in working groups that would profile their members, identify common problems, and develop their own strategies.

Eight clusters were identified, but three more groups requested recognition. One was a group of optics firms, working in diverse markets including optical components, optical design software, lasers for medical, industrial and graphics applications, and digital electronic camera systems.

Few recognized that these types of firms were concentrated in the state, particularly in the Tucson area. An in-depth analysis of the cluster in 1992 identified 100 optics firms that joined together to create the Arizona Optics Industry Association. The goal was to turn Arizona into an international center of excellence in optics technology.

The cluster joined with the environmental cluster to arrange partnerships for developing technology-based products, and joined with two other clusters to obtain federal funding for an international trade strategy.

The State’s cluster model was adopted by the Greater Tucson Economic Council, which created a strong network of optics firms, educational institutions, government agencies and the community, and is fundraising for the Arizona Optics Initiative. Funding supports joint university/firm research and development. The Council also works on student career development and assists banks in understanding the financing needs of the industry. Through this model, the City is developing a specialized optics resource infrastructure. As a result of the cluster’s initiatives, the markets for established optics-related firms have grown, while new businesses and relocations have expanded the number of firms in the cluster to over 150.

For more information, call the Morrison Institute for Public Policy, Arizona State University, (602) 965-4525.

Case Study: San Diego

One of the most successful regional cluster strategies has emerged in San Diego, California, whose leaders were ahead of the curve in recogniz-
ing their vulnerability to defense cutbacks. By promoting biomedicine, telecommunications, and other emerging local high tech concentrations, San Diego softened the blow of base closures and defense industry downsizing. Initially brought together by concerns over water shortages, biomedicine industry leaders created two regional advocacy/policy organizations, which merged in 1995 into BIOCOM, the association for the health care technology and bio-agriculture industries. Concurrently, the City engaged in industry clusters analysis and worked with business leaders to identify key issues for growing the biomedicine industry.

In 1992, to address regulatory concerns, the City established an Ombudsman Program to help businesses cut through red tape when obtaining new permits and expanding local operations. The organized approach of this industry to identify and advocate its policy issues with local, state and federal government has allowed these agencies, especially at the local level, to be more responsive to industry needs. Through the work of the California Economic Strategy Panel, workforce preparation for a qualified labor pool has emerged as a key issue.

The Association is partnering aggressively with the San Diego Chamber of Commerce, the San Diego Regional Economic Development Corporation (EDC), the education community, and other alliance organizations to expand biomedical programs in community colleges, develop appropriate curriculum, and provide internship opportunities. As a result of the region’s industry cluster focus, the EDC has reorganized its Board of Directors to ensure that key clusters are represented through its work program.

For more information, call Ann Randolph, BIOCOM/San Diego, ☎ (619) 455-0300.

Case Study: Napa

In Napa County, California, the nonprofit Napa Valley Economic Development Corporation (EDC) — made up of local government staff and business leaders appointed by elected officials — initiated a cluster study. Living in a rural county renowned for its fine wine and hospitality industries, business and government leaders in Napa County, California were amazed to learn during a planning session hosted by the EDC that the health care industry was possibly a larger cluster.

For more information, call Celine Haugen, Napa Valley Economic Development Corporation, ☎ (707) 253-3212, ext. 101.

<table>
<thead>
<tr>
<th>Industry Cluster</th>
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Source: Napa Valley EDC
Tips for Success: Industry Clusters

✓ Encourage private sector leadership in forming cluster working groups that bring together companies and local resources in a particular industry. These should be semi-independent, but part of a larger umbrella economic development or regional collaborative. Involve other key institutional partners such as universities, community colleges, school districts and, where appropriate, regional facilities such as airports, seaports and transportation agencies. Focus initially on networking and problem-solving.

✓ Recognize that cluster concentrations are seldom confined by single jurisdictions. If an industry cluster operates regionally, it makes sense to forge regional networks. The jobs, revenue and wealth generated by an industry cluster will also be shared regionally, making the pie bigger for all.

✓ Be responsive to these cluster collaboratives and work with them on the changing challenges they identify. Begin with manageable projects (permit streamlining, for example) and move on to larger issues (such as training and education) when trust and capacity have been established.

✓ Identify gaps that would strengthen your industry clusters, but build on existing strengths before launching bold new initiatives.

✓ Don’t be mesmerized by the jargon of cluster analysis. While sophisticated data analysis is useful, perceptions are often as influential as arcane statistical patterns. For example, coining the phrase “Silicon Alley” was arguably as influential at raising the profile of new multimedia businesses in New York City as any computer print-out of SIC code data.

✓ Be aware of small but emerging and potentially important clusters which also don’t show up yet in statistical indicators.

Remember that balance is always important. While it’s smart to nurture your current and potential strengths, no single industry cluster, no matter how strong, is immune to the business cycle or structural changes that can hit dependent communities and regions hard. You will always need a diverse economy and over-reliance on a cluster strategy can be as short-sighted as ignoring strategic clusters altogether.

Resources

OverAchievers—Business Clusters that Work: Prospects for Regional Development is a helpful and insightful book on industry clusters produced by the nonprofit Regional Technology Strategies, Inc. (RTS). RTS designs develops, pilots and assesses technology related policies and programs that will enhance industrial competitiveness, economic development and technical employment opportunities, and pays special attention to less advantaged areas and populations.

To order a copy of their book or learn more about their services, call (919) 933-6699.

The Economic Development Administration (EDA) of the U.S. Department of Commerce produces a useful document on business clusters entitled Cluster Based Economic Development: A Key to Regional Competitiveness. For a complimentary copy, call Margot Leydic-Boyd of the EDA Research Unit at (202) 482-4085.
“Telecommunications technology is changing dramatically the way business and government will be conducted. The need for telecommunications infrastructure such as rights of way, fiber optic lines and communications equipment will be as important as traditional locational factors (roads, sewers and water systems etc.).”

— California Association for Local Economic Development, Building Economically Competitive Communities

In a society increasingly choked by the economic, social and environmental costs of moving goods and people, a compelling and promising new path is opening up for what urban systems expert Walter Siembab calls “telemobility.” While no one can predict with confidence the form and pace of the computing and telecommunications revolution that is underway, it has the potential to introduce unprecedented opportunities and choices for community growth, prosperity and livability. But like all technologies, it requires careful thought and planning to guide its application.

Just as the railroad was dubbed “the iron horse” and the auto was introduced as “the horseless carriage,” the telecommunications revolution debuted as “the information superhighway.” But already that analogy is obsolete. Multiple technologies and applications are rapidly evolving. Convergence around a single mode continues to recede. So should communities leap at innovations to stay ahead (or not be left behind) or should they hold back and await a shakeout, avoiding the pitfalls of pioneering?

There is no surefire strategy. Headlong embrace of innovation is indeed risky. Remember the advice of Mark Twain: “There are two kinds of people who shouldn’t gamble: those who can’t afford to and those who can.” But there is equal danger in ignoring the options and opportunities of the new technologies.

“Smart” communities are ones where the public and the private sector are experimenting together to adapt technological progress to improving competitiveness, civic life and public access to information and resources. They hedge their bets, looking to explore multiple paths to the future. Above all, they make a commitment to confront technological issues not as an esoteric realm for a technical priesthood, but as key challenges for all to understand and influence. They do not surrender their community values and resources to technology — they adapt technology in accordance with their values to expand their resources.

Obviously, there is no single model for broadening access and pursuing a competitive edge. But as technology reshapes our very definition of “community,” localities can’t escape confronting these issues and opportunities. The places that will prosper are those which use technology as a tool...
to achieve their strategic goals, avoiding the extremes of either neglecting the opportunities or embracing technology as a complete fix.

Case Study: Santa Monica

Santa Monica, California, was the first City to provide electronic access for residents. Public Electronic Network (PEN) is a public access computer network that provides direct access to City information and services 24 hours a day, and expands communication between City Hall and community members. PEN is free to all those living, working, or going to school in Santa Monica, and can be accessed from office and home computers as well as public terminals located in City libraries and other community centers. Residents use the system to send electronic mail to City staff and elected officials; to participate in online discussions of public issues; and to perform simple on-line transactions.

The network also provides access to the City’s library catalog, an interactive kiosk network and an Internet website. Since its inception in 1989, more than 7,000 residents have registered, accessing the network approximately 4,000 times per month. City staff responds to an average of 200 e-mail messages per month.

For more information, call Keith A. Kurtz, Public Electronic Network, (310) 458-8383.

Case Study: Sunnyvale

In 1997, the City of Sunnyvale, California, replaced a permit tracking software package infected with the Year 2000 “bug” and an obsolete mainframe computer with a state of the art Geographic Information System (GIS) and a city-wide network to enter the electronic information age. By participating in Joint Venture: Silicon Valley, and at the request of the City’s large business customers who wanted to submit permits over the Internet, the City determined that it could better serve the community by streamlining the permit process.

Now, permits for major construction projects can be submitted via the Internet, and the GIS software has helped unify the public works, plan-

Case Study: Compton

In Compton, California, a “Televillage” was established at a transit center that links local bus routes with a light rail station on the Los Angeles to Long Beach Blue Line. The center offers facilities for telecommuting, teleconferencing and computer use and training as well as a small business assistance center.

For more information, call Krishna Tavor, City of Compton Televillage, (310) 604-7717.

Case Study: Anaheim

With its public power utility facing an uncertain revenue future in the deregulated electric industry, the City of Anaheim, California, teamed with a private firm to install a fiber optic network under the City’s streets. By leasing the additional capacity, the City not only hopes to make Anaheim a more attractive location for firms with high-volume, high-speed communication needs, but also to earn revenue over the long run.

For more information, call Edward Ajhajyen, City of Anaheim Utilities Department, (714) 765-5137.
ning and public safety departments. The software has also allowed the City to better track permits, schedule inspections, identify parcels, and monitor complaints.

For more information, call Leland Vandiver, City of Sunnyvale, ☎ (408) 730-7657.

■ Case Study: Silicon Valley

Smart Valley Inc., is a non-profit effort in the Silicon Valley of California to apply technology to community improvement, particularly focusing on education, transportation and local government.

More than 70 high tech firms and communities support this outgrowth of Joint Venture: Silicon Valley. Smart Valley Inc.’s projects include SmartSchools NetDay and PCDay, which have resulted in 95 percent of Silicon Valley schools connecting to the Internet and networks linking most or all classrooms in 82 percent of the schools.

Teachers are partnered with technology mentors, and have online access to a “Resource Co-op” which allows educators to share best practices for the integration of technology into classrooms. A new project will focus on using technology to increase voter registration and civic participation. For more information, call Pete Sinclair, Smart Valley, Inc., ☎ (650) 577-8907.

■ Resources

If your community or region is not on the cutting edge and can’t look to local high tech businesses or postsecondary institutions to lead the way, the Telecommunications and Information Infrastructure Assistance Program (TIIAP), initiated in 1994 by the U.S. Department of Commerce’s National Telecommunications and Information Administration is an important resource for communities striving to expand the use of information technology to enhance community vitality.

TIIAP provides seed money for innovative, highly practical projects that extend the benefits of advanced telecommunication and information technology to rural and underserved Americans. There are now 332 projects across the nation helping to strengthen communities, improve the delivery of public services, promote public safety, and enhance health, education, culture and lifelong learning.

For more information, call ☎ (202) 482-2048.
Tips for Success: Wired Communities

✓ Don’t be intimidated. Technology is critical to your community’s future competitiveness. It is as important as roads, sewers and water supplies.

✓ Explore new resources. Take advantage of government, foundation and corporate funding sources to network your community.

Tangible Applications of New Technology to Local Economic Competitiveness

✓ Information: The emerging challenge is not accumulating data, it is managing it, analyzing it and making it understandable and accessible. In a community or region, vast amounts of data are collected on economic activity, but few public or private sector decision-makers have organized themselves to share and track key indicators. A “wired community” uses the newly available resources to make better decisions. Web sites can give 24-hour accessibility to census data, planning and building codes as well as hot links to such things as business assistance programs.

✓ Marketing: Here again, the challenge is not adding to the overload of information that people are drowning in, but savvy delivery of the right information to the right audiences. Although it is now possible to send out millions of e-mail messages with little more than a click of a mouse, “smart” marketing should mesh with the community’s integrated approach to economic development.

✓ Learning community: Technology can vastly expand the ideal of the public library and the university extension — opening up opportunities for life-long learning and skill enhancement for all. The redesign of workforce preparation system to focus on one-stop resource centers with electronic connections begins to provide regional infrastructure. But this will not happen without sustained public commitment and support to expand technological access and literacy.

✓ Building community: Only a relatively few people in a community or a region can attend a meeting. But a vast number of people can make a virtual connection through other media. Just as a newspaper could once be thought of as “the voice of a community,” new media can bring people together in new and powerful ways to promote economic development. However, the new media also have tendencies to fragment and even isolate people. Communities must apply the same rigor to inclusion in cyberspace as anywhere else.

✓ Services: Trips to City Hall can be eliminated by offering permits, licenses, bill payments and other services over the Internet 24 hours a day, seven days a week. Complaints can also be handled on-line. But to be effective, these service options need to be user-friendly and actively marketed.

✓ Imaging: The new media can dramatically enhance the usefulness of information by putting it together in new ways. Geographic information systems, for example, give new meaning to mapping, allowing economic development information to be cross-referenced and illustrated in revolutionary ways. Pictures and sound can communicate far more quickly and powerfully than text alone.
PRINCIPLE SEVEN — LONG-TERM INVESTMENTS:
Publicly supported economic development programs, investments, and subsidies should be evaluated on their long-term benefits and impacts on the whole community, not on short-term job or revenue increases. Public investments and subsidies should be equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises, instead of individual firms.

“We’re in a tough global competition. We can’t afford to waste a single asset skewing the marketplace with subsidies that don’t cause net wealth production.”
— Christopher Colburn, Battelle Memorial Institute

In a healthy economy some businesses will move, close or merge. Others will grow and some will shrink. Many of the most important factors affecting these trends are international, national and regional. Localities have limited influence on those realities.

Where can localities make a strategic difference? That depends on the circumstances. But in general, localities tend to focus too much on luring or saving individual businesses and not enough on improving the general business climate. Individual cities or counties also tend to operate as if their jurisdictions were completely autonomous and self-contained, instead of intimately interconnected with regional economies.

Sports stadiums are a prime example. Politics and prestige play a predominant role in decisions about public investment. Expenditures on sports and entertainment are primarily a function of local discretionary income. Adding a new franchise doesn’t “create” new wealth or jobs, it generally redistributes them. Moving an existing franchise around within a region may dramatically affect the balance sheets of the cities involved, but won’t significantly add or detract from overall spending and employment patterns in the region.

There are undoubted “intangible” impacts, but these are usually exaggerated. Still, huge amounts of energy and resources are devoted to what amounts to a largely zero-sum game, often at the cost of lowering environmental and other standards in an inequitable and short-sighted way.

On a less glamorous playing field, economic development efforts often focus on the fortunes of just one company — usually a large, well-connected or highly visible firm. The bidding war to attract a domestic Mercedes manufacturing plant eventually topped one hundred million dollars. Almost invariably, the corresponding benefits turn out to be less than expected. For example, the City and school district of Marysville, Ohio expected tremendous divi-
dends from the decision of American Honda to locate its highly successful manufacturing plant in their rural community. Yet, when most of the managerial personnel chose to live in other cities, Marysville found that most of the indirect benefits either went elsewhere or never developed. Examples also abound of localities going to extraordinary lengths to keep a particular company from closing or moving, only to find down the road that it wasn’t enough because of economic changes or a new owner. The cost of subsidies by local and state governments is estimated at over $5 billion a year, with little systematic evaluation of the return on that investment.

As an alternative to that hit-and-miss approach, some communities and regions have focused on improving the overall business climate and targeting public investment in vital infrastructure, human capital and quality of life amenities. This long-term perspective may not lead directly to being able to take credit for a particular business relocation or averting the closure of a large firm, but it can be measured by the long-term overall health of the economy. Communities need to invest in long-term, stable prosperity rather than subsidizing high-risk projects.

Case Study: Sioux Falls

Sioux Falls is the largest city in South Dakota and a regional economic hub for a region covering parts of four states. A private nonprofit, the Sioux Falls Development Foundation, originated back in the 1950s to foster economic development, is funded by both the City and the County. From an original emphasis on business attraction, the nonprofit made the shift to a focus on retention and expansion of existing businesses and workforce preparation.

In 1987, a large-scale community-based visioning process produced a new initiative called Forward Sioux Falls — Into the Next Century, which increases the emphasis on investing in workforce preparation, including the creation of a new education-business partnership to upgrade skills needed for technology-using firms. It also stresses quality of life issues, including affordable housing. The results: from 1988 to 1995, more than $660 million in private capital investments led to the creation of 18,000 new jobs, producing $350 million more in annual wages and salaries. For more information, call the Sioux Falls Development Foundation, (605) 339-0103.

Case Study: Portland

Portland, Oregon has become a nationwide model of growth management policy, but that is just part of a comprehensive approach to prosperity and high quality of life. In the late 1960s, Portland was threatened by the downward cycle of other inner cit-

ies: smog, congestion, blighted neighborhoods, retail flight, tax base erosion and the loss of good jobs and middle-class families to the suburbs.

Many other cities invested in downtown mega-projects that failed to bring real vitality back to the central core. But Portland’s “Downtown Plan” was a long-term blueprint for rebuilding a vital and exciting city. It reinforced the traditional uses of a great downtown — a mix of commerce, housing, retail, culture, entertainment and government.

Dramatic decisions were made, such as tearing down a waterfront freeway to open up the area to civic, housing, recreational and other uses. An emphasis on urban design and environmental protection was not always easy, but paid off over the long run. Not only is Portland routinely ranked as one of the most livable cities in the nation, but also it has ridden out its former boom-and-bust dependence on resource extraction to become a vibrant regional economy. For more information, call Brian Scott, Livable Oregon, (503) 222-2181 or Jeff Joslin, City of Portland, (503) 823-7700.
**Tips for Success: Long-Term Investment**

✓ **Invest in infrastructure:** Transportation systems, methods of handling sewage and trash, linking to worldwide telecommunications media — these often unglamorous factors of production and distribution don’t get much attention until they reach a crisis. But crisis management is the most costly way to do business. Far-sighted planning and investment in efficient infrastructure is an undervalued necessity, especially if demand management strategies can minimize the cost of building new facilities — costs that get passed on to businesses and their customers.

✓ **Implement permit streamlining:** In today's hurry-up world, companies need decisions quickly. That doesn’t mean lowering standards. But it does mean reducing overlapping and cumbersome regulatory processes and substituting consolidated reviews. Endless bureaucratic reviews not only drive away business, they also make it difficult for citizens to participate in a meaningful way. Streamlining also means re-examining prescriptive rules that tell companies how they must perform and looking for objective standards that give them greater flexibility for meeting them.

✓ **Support private initiative:** Government is often not the best — and certainly not the only — means of promoting long-term investment. Increasingly, private economic development efforts are taking the lead, funded in part or completely by the business sector or specific industries or commercial districts. Business consortiums, business improvement districts, economic development corporations and trade centers are all tools that the public sector can encourage and support to improve the climate for business.

✓ **Invest in education:** In the information age, the best investment is human investment. A well-trained, well-educated workforce is not just a vital asset for attracting new employers, it is also vital to the success of existing ones.

✓ **Focus on wealth creation:** Some investments are more strategic than others. Many communities target retail activity, both for the revenue it generates and the appearance of vitality that it creates. But retail is generally a secondary source of economic activity, dependent on the spending power of local residents and visitors. Investing in solid underpinnings for non-retail, wealth-creating industry clusters is the surest way to promote retail growth in the long run.

✓ **Provide access to capital:** The number one cause of business failures is undercapitalization. Governments have traditionally set up loan pools for small and disadvantaged businesses as well as making loans to attract or retain larger businesses. This is often done through a nonprofit economic development corporation or through a public-private partnership with local bankers. It is difficult to generalize about these efforts because they vary so widely in effectiveness.

One of the most important measures is the degree of leverage involved — the ratio of public to private funds. But the most productive investment of public resources may not be hard cash. A strong emphasis on promoting local entrepreneurship through other means sets a great example for private sector venture and investment capital.
**PRINCIPLE EIGHT — HUMAN INVESTMENT:**
Because human resources are so valuable especially in the information age, communities should provide life-long skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training available to all.

“*The most serious problem in the U.S. economy today is the poorly prepared labor force and the nation’s education system.*”

— Annual Survey (1997) of National Association of Business Economists

“In an information age economy, people are your greatest resource. And that resource goes home every night to the community . . . so the quality and vitality of the community matters a great deal — it affects employees’ ideas, what they bring to the job and their staying power with your company.”

— Ed McCracken, former CEO, Silicon Graphics

After Sputnik was launched by the Soviet Union in 1957, Americans took a hard look at the nation’s educational performance and found it wanting. After a massive mobilization was launched to improve the teaching of science and math, the reputation of American technological prowess was restored when our astronauts reached the moon.

In the new information economy, Americans again are taking a hard look at our capacity to succeed in global competition. Although the need to hone our skills is widely recognized, there is far less clarity or consensus about what needs improving or how it can be improved. Americans are confused and discouraged by the failure of costly fads and divisive ideological debates about education. They seek prudent investment in our nation’s human capital, not political band-aids.

This has led to an upsurge of initiatives at the local level. Their goals are ambitious, but the most promising efforts are grounded in sensible long-term commitments, not over-night cures. Some focus on higher education, others on primary and secondary schooling, while still others aim to create “a learning community” through expanded access to life-long learning opportunities. What they share is a belief that education is everybody’s business.

One of the most promising trends is the increased realization of the value of higher educational institutions to the economic future of localities and the greater collaboration between colleges and their communities. “They are magnets for brainpower,” notes Rosabeth Moss Kanter in World Class, “which in turn is channeled into knowledge industries.” It is not just the great research universities that are seen as seedbeds of innovation — for example, community colleges are also increasingly appreciated for their contributions to training and retraining a skilled workforce.

Yet, building bridges between campus, commerce and community is no simple matter. The old ideal of community in small town America rested upon frequent interaction between leaders in government, business, medicine, education and religion.
These sectors in a modern region, however, are often concentrated into huge, specialized institutions.

Colleges and universities, for example, have evolved into complex communities unto themselves, often isolated from their surroundings. With e-mail communication, colleagues on the far side of the planet often seem closer than neighbors down the street. In an article entitled, “Why Not Reward a Political Scientist Who Helps a Neighborhood,” David Glidden of University of California at Riverside complained that “the university is an allegory for the larger society — both suffer from an obsession with self-interest at the expense of common interests, common causes, common good.”

■ School Partnerships

Some communities have had success strengthening their ties with universities, community colleges, and secondary and elementary schools. In most communities governance is split between cities and schools and, in virtually all regions, there are a number of local school systems.

Yet, no factor is more important for economic success than quality schools, both because they prepare the future local workforce and because many employers and employees seek them for their own children. Nor should the training of young people for their future responsibilities as citizens be underestimated in building healthy communities.

■ Case Study: Silicon Valley

The 21st Century Education Initiative is a project of Joint Venture: Silicon Valley Network that aims to build “a world-class educational system that enables students to be successful, productive citizens of the 21st Century.” Governed by a board of directors of business, education and community leaders, it developed a set of guiding principles later adopted by the participating school districts. It also identified a set of standards for measuring progress in six key areas: Teaching and Learning Strategies; Assessment and Outcomes; Commitment and Involvement of Stakeholders; Systemic Approach; Use of Resources; and Sustainability. Each of these has been tested in pilot projects with impressive preliminary results. For more information, call Joint Venture, (800) 573-JVSV.

■ Life-Long Learning and Training

There is also increasing recognition that education is not only for the young. The old ideal of graduating from high school, college or graduate school and then going to work for the same employer until retirement is shattered. Experts say new graduates should count on changing jobs at least seven times over their careers, including the probability of changing industries or professions. That means learning becomes a life-long pursuit, including a broad range of transferable skills as well as specialized training.

The explosion of private sector training, university extension programs and non-degree community college courses are all outgrowths of these trends. Creating a “learning community” where libraries, the Internet and other resources are effectively linked to provide convenient and customer-friendly learning opportunities is still in the future, but not very far away.

Taking the lead in establishing such networks are innovative training agencies which recognize that traditional “vocational” programs need to be reshaped. With the recent passage of the federal Workforce Investment Act, “one-stop centers,” which some
Private Industry Councils have been setting up under the Job Training Partnership Act, will become the new workforce delivery system. “One-stop centers” are directly connected to the needs of local industry clusters and are broad and flexible enough to meet both the changing needs of the economy and such tough challenges as assisting older workers, the disabled and welfare recipients.

These programs are based on the concept of life-long learning, and the principle of universal access to serve both clients and employers. Using technology to increase access and integrate service delivery, they pull together the resources and programs of a wide range of partners, including schools, colleges, social service providers and economic development programs.

Case Study: Napa County

The Napa County Training and Employment Center in Northern California is a nationally recognized virtual “One-Stop Center” on-line. A web site called “The Hub” provides comprehensive listings for a four-county-area of available jobs, resume services, business and economic development information, and information on career planning and other topics such as occupational outlook, government resources, and housing/transportation/child care resources, as well as links to other key sites. The system is designed to serve both businesses and individuals, and allows the smallest JTPA-funded program in the state to provide a full line of information services linked to the broader regional economy. For more information, call the Napa County Training and Employment Center, (707) 253-4291.

Case Study: San Diego City and County

The San Diego Workforce Partnership, Inc. is a nonprofit that operates under a Joint Powers Agreement between the City and the County. The Partnership set up the nonprofit to have an entity to be the “workforce broker,” playing a more strategic role in delivering flexible and responsive services to both employers and workers. Its Career Center Network provides one-stop access to job training, information and hiring services from six locations; delivers JTPA-funded employment and training services; provides access to a nationwide on-line network of workforce resources; and establishes partnerships with businesses and economic development groups to strengthen the workforce and the local economy.

More than 20,000 residents were served in 1997, including 5,000 youth placed in summer jobs, and 9,500 adults and laid-off workers. For more information, call Cecile Cowan, San Diego Workforce Partnership, (619) 238-1445.

Tips for Success: Human Investment

✓ While acknowledging that any people-centered endeavors are more subjective and complex than punching out widgets, the most cost-effective investment you can make to promote smart economic development is to invest in a smarter workforce.
✓ The new paradigm must be to provide assistance to businesses as well as potential employees so that they both can compete in the new economy.
✓ Collaboration must be results-oriented or it will get lost in endless coordinating meetings that produce mission statements and minutes and little else.
✓ The private sector can be a valuable ally in ensuring that tangible benefits are produced. But there are also public sector and nonprofit entrepreneurial personalities who have lead the charge to transform the workforce development system into one which can help people improve their own standards of living while making important contributions to the economy and community overall.
PRINCIPLE NINE — ENVIRONMENTAL QUALITY:
Communities should support and pursue economic development that maintains or improves, not harms the environment and public health.

“We look forward to the day when our factories have no smokestacks and no effluents. If successful, we’ll spend the rest of our days harvesting yesterday’s carpets, recycling old petro-chemicals into new materials, and converting sunlight to energy. There will be zero scrap going into landfills and zero emissions into the biosphere. Literally, our company will grow by cleaning up the world, not by polluting or degrading it.”

— Ray C. Anderson, Chairman, Interface, Inc., and Co-Chair, President’s Council on Sustainable Development

B y developing progressive policies, highlighting success stories, and providing infrastructure, technical support and financial assistance for businesses, local governments can reduce environmental impacts while fostering economic growth. There are many examples of local government programs that have assisted businesses in reducing solid and hazardous waste, conserving energy and water, and preserving natural resources. These efforts have been profitable to businesses and helped maintain environmental quality.

One business that is ahead of the curve is Interface, Inc. Interface, an international carpet manufacturer with over a billion dollars in annual sales, overhauled its environmental practices and corporate philosophy in 1994. As part of this process, the company started collecting data from each of its facilities on total energy consumption and total waste for all product lines; as a result they were able to document their entire “environmental footprint” and set a baseline for reducing the company’s impact on the environment.

Interface has gone on to set the standard for sustainable manufacturing by taking steps to eliminate waste, create benign emissions, use renewable energy, close the recycling loop, reduce transportation emissions, educate consumers and redesign commerce. But these policies are more than lofty environmental goals. Since their implementation in 1994, Interface estimates that it has saved $47 million, at the same time that it has increased its production outputs. The founder and Chairman, Ray Anderson, spearheads Interface’s revolutionary effort to become “the first sustainable corporation in the world, and, following that, the first restorative company.”

Solid Waste
Usable materials that are discarded as “trash” represent a lost opportunity to save money, create new jobs and expand existing businesses. The materials diverted and recovered from the waste stream through waste prevention, reuse and recycling represent an important local resource, one that can contribute significantly to the local economic base. The activities of collecting and processing reusables and recyclables, as well as manufacturing new products made with these items, are important sources of jobs and cash in local economies.

Local governments can begin to capture the economic benefit of source
reduction, reuse and recycling by: instituting policies that foster source reduction, reuse and recycling; investing in the development of new reuse or recycling markets; fostering reuse activities; closing the recycling loop by buying recycled materials; promoting waste prevention; rewarding businesses for wasting less; and cultivating local reuse, recycling and remanufacturing businesses.

These strategies ultimately help develop local markets for materials, keep money flowing in the local economy, and reduce public and private sector operating costs.

**Case Study: Moorpark**

In Moorpark, California, local solid waste management staff helped Marplast Inc. secure several loans for a $1.4 million expansion. Marplast is a plastic manufacturer that uses 100 percent recycled plastic to make toilet plungers, toys, specialty cups, and medical and industrial parts. The County initially attracted Marplast by identifying local recycled material feedstocks, evaluating markets, and streamlining the permitting process. The loans will enable Marplast to purchase a commercial building, use an additional 350 tons of recycled plastic per year, and add nine new jobs to raise its workforce to 35.

For more information, call David Goldstein, Ventura County Solid Waste Management Department, ☎(805) 648-9242.

**Case Study: Berkeley**

The City of Berkeley, California, has become a center for innovative and progressive businesses with a green mission. The City offers low-interest loans and assists businesses with siting, permitting, employment and manufacturing.

This “Green Valley” attracts clusters of like-minded businesses including those that reuse materials, use recycled feedstock, or sell products with recycled content: some of these are meeting regularly to joint-market themselves. Overall, the City estimates that it is home to over 125 green businesses that contribute over 3,000 jobs and significant taxes to Berkeley and the regional economy. For more information, call Kate Squire, Berkeley Planning and Development Department, Office of Economic Development, ☎(510) 705-8187.

### Industry-Specific Benefits of Source Reduction

<table>
<thead>
<tr>
<th>Industry / Institution</th>
<th>Sample Source Reduction Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers and Software</td>
<td>Return on investment (ROI) of 128%-3,332%</td>
</tr>
<tr>
<td></td>
<td>$110,000 to $14.2 million annual savings</td>
</tr>
<tr>
<td>Automobile Manufacturing</td>
<td>60% reduction to landfill</td>
</tr>
<tr>
<td>Warehouse / Shipping</td>
<td>ROI of 238% to 292% for container efficiencies</td>
</tr>
<tr>
<td>Industrial Machines, Equipment, Supplies, etc.</td>
<td>ROI of 52% to 2,138%</td>
</tr>
<tr>
<td>Hotels</td>
<td>ROI of 100%</td>
</tr>
<tr>
<td>Dairy</td>
<td>ROI of 48%</td>
</tr>
<tr>
<td>Commercial Printing</td>
<td>ROI of 227%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>$18,000 to $20,000 annual savings</td>
</tr>
<tr>
<td>Research Laboratories</td>
<td>Reduced waste and development time, Increased production</td>
</tr>
<tr>
<td>Food</td>
<td>$25,000 to $3 million annual savings</td>
</tr>
<tr>
<td>Groceries</td>
<td>2,750 tons/year</td>
</tr>
<tr>
<td>Can Manufacturing</td>
<td>$133,000 annual savings</td>
</tr>
<tr>
<td>Health Care</td>
<td>$5.9 million annual savings</td>
</tr>
</tbody>
</table>

Source: California Futures Source Reduction Case Studies, 1994

### Energy

Lighting, refrigeration, pumping and manufacturing represent a large share of many businesses’ operating costs. Energy efficiency is fundamental to economic development because it can significantly reduce operating expenses, increase economic competitiveness, and retain money in the local economy that would otherwise be spent on energy. There are numerous success stories.

**Case Study: Austin**

Austin, Texas, has become a leader in “Green Building” innovations which
cover the spectrum from energy-efficient fixtures and appliances to insulation. By developing voluntary green building policies, requiring green products in City projects, and creating a comprehensive database of environmental products and vendors, the City has fostered the green building marketplace and spawned numerous jobs in environmental businesses.

The City’s initial efforts began in 1991 when they created a rating system for residential builders who built homes using green products. In 1992 they developed a “source book” of logistical and technical information for use by builders. In 1993, in the midst of building an international airport, the City integrated green building guidelines that they now apply to all City projects. The guidelines also provide the foundation for City guidance on private sector commercial buildings.

Because green building saves energy, this program has been funded by Austin’s municipal utility. The City now has 129 member companies participating in its program by using green building techniques, and approximately ten percent of all new housing stock is built using these guidelines. The City estimates that total energy savings exceed 1.44 kilowatts per house per year. New businesses working in areas such as rainwater harvesting and integrated pest management have evolved as a result of these efforts and other businesses have sited facilities in Austin because of the new markets.

For more information, call Marc Richmond-Powers, City of Austin, ☎(512) 499-3029.

Case Study: San Diego

In San Diego, California, the City of San Diego Environmental Services Department recently renovated a commercial office building to house their offices using "green" materials and techniques. The lead architect and designer responsible for the project, Lynn Froeschle, says the new building “showcases environmentally friendly building products, healthy indoor air quality, energy and water conservation systems, construction reuse and recycling and building materials with recycled content.”

This project demonstrates to other businesses that it is cost effective to renovate using green techniques; the cost was $37 per square foot — average for commercial building renovations — and resulted in the reuse of tons of materials and the recycling of over 40 tons of construction debris. The renovated building is anticipated to use 60 percent less energy with a potential savings of $80,000 per year and a four-year payback.

For more information, call Lynn Froeschle, AIA, ☎(619) 571-2858.

Case Study: Bakersfield

Westminster Ceramics in Bakersfield, California, instituted a closed-loop water recycling system to recover ceramic clays and dyes. The company reduced their freshwater use by 47 percent and now has a “zero discharge” to the wastewater treatment plant. The recaptured ceramic material has generated additional revenue and saved $7,000 in disposal costs.

In addition to standard permitting and inspection, the City approved the pollution prevention technology. Though businesses have to be careful not to generate hazardous waste from this type of system, it can result in tremendous water savings as well as additional benefits.

For more information, call Wes Stanley, Westminster Ceramics, ☎(805) 326-0249.

Land and Habitat

Natural resource battles have resulted in some of the most divisive economic development arguments in the country. However, there is often a common ground that ensures that the need to grow is balanced by the need to protect native species and habitat. Natural resource industries and economies are dependent on the continuous replenishment of their feedstocks.

Water and Wastewater

By implementing and promoting a variety of water and wastewater conservation practices, local government can stretch existing water resources that frequently limit growth. For businesses, implementing closed loop water recycling systems can reduce water and hazardous waste disposal costs and allow for the recovery of product that is suspended in the water.
Case Study: Routt County

Routt County, Colorado, emerged from a political brawl over expanding the Steamboat ski resort area to embrace what the Joint Center for Sustainable Communities calls “the cutting edge of conservation, diverse economic health and effective, productive coalition building.” The Center’s Vision 2020 project emphasizes preserving local ranching and protecting natural land and resources.

Already, more than ten thousand acres of ranch land have been protected by conservation easements and other agreements. A local tax increase initiative, and state and federal moneys have allowed the County to secure over $15 million for parks and trails, wildlife and open space, rural telecommunications and transportation planning.

For more information, call the Joint Center for Sustainable Communities, National Association of Counties, ☎(202) 393-6226.

Pollution Prevention

Pollution prevention is one of the least talked about, but most beneficial approaches to improving environmental quality. Pollution prevention emphasizes the use of alternative production processes or product designs to eliminate or reduce waste at its source, before recycling, treatment or disposal.

Pollution prevention approaches help retain and expand existing businesses by lowering operating costs through reduced feedstock and disposal costs, decreasing liability for hazardous material, improving a business’ image, and opening new markets.

Case Study: Sacramento County

Sacramento County, California, operates the Business Environmental Resource Center (BERC) which helps businesses comply with environmental regulations and implement pollution prevention efforts. Established in 1993, this County office helps businesses understand and comply with federal, state and local environmental regulations that may affect them — including air quality, hazardous waste, solid waste, stormwater, and wastewater requirements. The BERC unites the air district, environmental management department, public works agency and various departments of the California Environmental Protection Agency through regular interagency meetings. By acting as a nonregulatory office that provides free and confidential assistance, the BERC has established strong working relationships with over 4,000 businesses in the Sacramento area, saving businesses time and money.

For more information, call Terrie Mitchell, Sacramento County BERC, ☎(916) 364-4110.

Case Study: Palm Desert

Palm Desert, California, has one of the highest per capita rates of electric golf cart ownership in the United States. However, because golf carts were illegal to drive on the street, their use was limited to the golf course. Councilmember Dick Kelly championed the cause of the cart drivers by working with the State Legislature to modify existing vehicle codes and allow the use of golf carts on public roads.

The City then developed an infrastructure of cart lanes and signage used in all areas of City operations. Custodial cleaning products were the first category of toxic products to be addressed under the program.

After reviewing existing cleaning products, the City was able to save money and eliminate 3,200 pounds of hazardous materials purchased annually by switching to nontoxic alternatives. They developed a comprehensive set of purchasing specifications to ensure that future products are safe for workers and the environment. This practice has stimulated suppliers to reformulate their products and created a special niche for certain suppliers.

For more information, call Deborah Raphael, City of Santa Monica, ☎(310) 458-2255.
that has attracted national and international attention, including articles in the Scientific American, WIRED, and the Wall Street Journal, and a half-hour television program on the British Broadcasting Service. Ford Motor Company is sending out a design team to study their program, and Honda has come to the city to unveil their next generation of smart vehicles.

The National Highway Transportation Safety Association recently issued a ruling encouraging cities that are considering this approach to transportation to follow Palm Desert’s example. In addition to reducing the pollution associated with combustion engines, the City’s golf cart program has provided an inexpensive method of transportation for local residents, many of whom are retired and on a fixed income. It has also fostered the growth of the electric car industry, resulted in additional sales of electric cars in Palm Desert and attracted fuel cell developers to the city.

For more information, call Lisa Constande, City of Palm Desert, ☎ (760) 346-0611.

Tips for Success: Environmental Quality

✓ Expand the role and responsibility of existing environmental managers. Empower your staff and encourage them to make strides toward environmental change.

✓ Overhaul your practices — lead by example. Direct staff to have interdepartmental meetings and revisit purchasing practices, maintenance practices, and construction practices to determine if there are ways to incorporate source reduction, reuse, recycling, and buying recycled. Changing regulations to incorporate these practices is not always easy, but businesses naturally respond more to the bottom line than to rhetoric.

✓ Include long-term environmental indicators in economic statistics and benchmarks. Trends can be tracked in everything from percentage of brownfields recycled to loss of agricultural land to overall rates of energy consumption. By focusing on these indicators, a more balanced and comprehensive picture of community health and economic prosperity emerges and policy makers, businesses and consumers make more informed choices.

✓ Recognize and assist businesses with their environmental protection and pollution prevention efforts. By fostering innovation and showcasing business success stories, you reward those businesses that are working to improve the environment.

✓ Provide technical education and assistance to businesses with potential environmental impacts. Small business assistance centers, manufacturing assistance partnerships, and county certified unified program agencies can provide detailed technical assistance, including assistance with pollution prevention.

✓ Provide financial assistance for environmentally responsible endeavors. Utilize existing low interest loan programs and promote the availability of other funding sources.

✓ Establish demonstration projects. By creating and promoting successful examples of pollution prevention, local government demonstration projects illustrate that the technology exists and is effective.

✓ Develop eco-industrial parks or incubators. Encourage symbiotic business development where one business’ waste is another’s feedstock.
Corporate Responsibility: Building Civic Partnerships for Mutual Benefit

PRINCIPLE TEN — CORPORATE RESPONSIBILITY:
Enterprises should work as civic partners, contributing to the communities and regions where they operate, protecting the natural environment, and providing workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment.

“Corporate social responsibility is no longer just an option, it is an imperative. Companies that address issues of corporate responsibility successfully gain competitive advantage; those who ignore them do so at great risk.”

— Bill Boler, Director, Community Economic Development, Business for Social Responsibility

P
ublic policymakers have a difficult time striking the right balance with the private sector. Far too often, the public sector assumes the worst of businesses, regulating them as if they were all irresponsible and rapacious. Sometimes with little understanding or appreciation of business practices, totally unrealistic expectations are placed on the private sector to bear onerous costs, make generous voluntary contributions, suffer endless bureaucratic processes and solve all social problems. On the other hand, communities seeking jobs and revenue are often far too quick to lower standards, provide lavish subsidies with no direct payback and throw caution overboard when it comes to luring corporate investment, which in some cases may actually undermine the long-term health and prosperity of the locality. What makes finding an intelligent balance even more difficult is that these two extreme attitudes often operate simultaneously in a locality, sending out maddeningly mixed signals about what a community or region expects from the private sector.

To successfully pursue a comprehensive economic development approach, both extremes should obviously be avoided. The private sector deserves a clear and consistent set of expectations from public policymakers. These expectations must be grounded in a civic partnership, based on a continuing dialogue to help both the public and the private sectors understand the changing needs and capacities of the other.

The public sector needs to understand the primary function of businesses is to earn profits by providing valuable products or services. This is what allows businesses to meet their payrolls and pay their taxes, making a direct and essential contribution to the community. Companies that do this while protecting the natural environment and providing their workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment need to be acknowledged.

Successful communities have a set of business leaders who do this and more. They recognize the “vital cycle” — that it is in the long-term
interest of the economy to have a healthy community. They do not just give their money, but also their leadership, to civic issues because it is in their enlightened long-term issues. Community leaders must tap these potential “civic entrepreneurs”; many problems cannot be solved by government alone.

Creating a new partnership is not easy. The leaders of Joint Venture: Silicon Valley emphasize the need to overcome “the culture of blame,” the temptation to point fingers at others, instead of taking responsibility for ourselves.

Case Study: Twin Cities

Beginning in the Twin Cities of Minneapolis and St. Paul in 1976, the Minneapolis Chamber of Commerce has nurtured an enduring culture of corporate responsibility based on community giving. When the Chamber launched the nation’s first 5% Club it recognized 23 companies for notable generosity and commitment to community needs; in 1998, it recognized 253 companies. Over the years, the program has grown to recognize businesses throughout the state and is now known as the Minnesota Keystone Program. The Program promotes and sustains corporate support for communities by encouraging and recognizing companies that contribute two to five percent of their pre-tax earnings to address community needs. For more information on starting a corporate giving program, recognizing businesses for giving, or developing a mentoring system for business giving, call Margaret Arnold, Minneapolis Chamber of Commerce, (612) 370-9132.

Case Study: Fresno

Tired of the polarized politics of businesses versus environmentalists, community and regional business leaders along the Sierra Nevada mountain range in California and Nevada banded together to create the Sierra Business Council. Recognizing that the health of the economy was directly related to both the quality of life and environmental sustainability, the Council has won national recognition for establishing a new, more integrated approach to land use planning, economic development and environmental protection. The Council has prepared a set of comprehensive planning principles, analyzed general plans in the region to assess their adherence to the principles, and offered suggestions for amendments.

For more information, call Tracy Grubbs, Sierra Business Council, (530) 582-4800.

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### Tips for Success: Corporate Responsibility

✔ Keep a balance. Unnecessarily bashing business undermines the economic climate in a community, but promoting business at the expense of total community benefit leads to conflict and eventual economic decline.

✔ Establish an awards program for companies that are good corporate citizens. It’s an effective and inexpensive way to reward and promote corporate responsibility.

✔ Enlist leaders in the business community to promote corporate responsibility in your community or region. The most persuasive advocates for good business practices are businesspeople themselves.

✔ Recognize that businesspeople look for results. They are more likely to support efforts with a direct return on their investment of time and money. The old model of corporate CEOs sitting on boards and leading United Way drives is giving way to energetic volunteers from all levels of business taking an active and often direct role in achieving specific goals, from mentoring teens to rehabilitating neighborhoods.

✔ Look to local foundations for help. For example, The James Irvine Foundation is providing funding for civic entrepreneurs throughout the State who are linking quality of life with economic vitality.

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Building Industry Association of the San Joaquin Valley, American Farmland Trust, Fresno County Farm Bureau, and the Fresno Business Council.

Farmland in the area is rapidly being lost to sprawl development patterns at the same time that Fresno’s downtown and older neighborhoods are experiencing serious decay. The group spent a year developing a road map for achieving a vision of Fresno’s future including specific development standards and an emphasis on compact development patterns and revitalizing the city’s inner core.

For more information, call Greg Kirkpatrick, Growth Alternatives Alliance, ☎ (209) 627-3708.

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#### California Civic Entrepreneurs,
from Collaborative Economics at ☎(650) 614-0230.

Business for Social Responsibility (BSR) is a national association of businesses which helps its members achieve long-term commercial success by implementing policies and practices that honor high ethical standards, and to help its members meet their responsibilities to all those who are impacted by corporate decisions. BSR conducts programs on a range of corporate social responsibility issues. Their programs focus on issues related to corporate accountability, community involvement, the environment, ethics, governance, human rights, the global economy, the marketplace, and the workplace. For more information, call BSR at ☎ (415) 537-0890.

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### Resources

The James Irvine Foundation, through its “Sustainable Communities Program,” has been assisting collaborative regional initiatives throughout California to promote economic vitality and improve the quality of life in urban environments. The foundation has published a report on “civic entrepreneurs” who are helping to lead these initiatives. You can obtain the report, California Regions Take Action — The Emergence of
“Just as companies now compete on quality, communities will too.”

— Collaborative Economics, Linking the New Economy to the Livable Community.

“Livability isn’t some middle class luxury. It is an economic imperative.”

— Robert Solow, Nobel Prize-winning Economist

Other experts estimate the losses are much higher. The Silicon Valley Manufacturing Group complains that, “Every day in Silicon Valley our engineers lose an estimated 34,000 work hours sitting in traffic. Thirty four thousand hours a day wasted and we have product life cycles that are six to nine months long! Your product could be dead and gone before you’re out of your car.”

Unfortunately, we have gotten to the point where we cannot even build our way out of the problem. One comprehensive study carried out by the University of California at Berkeley revealed that within five years of a highway expansion, 60 to 90 percent of new urban highway capacity is filled with trips that would not have otherwise occurred. Over the next twenty years, the Southern California region will spend more than a trillion dollars of public and private resources on roads and freeways, including more than $81 billion in public capital investment. Yet a report by the Southern California Association of Govern-ments projected that those expenditures would result in a 330-percent increase in rush hour congestion because much of the new growth was assumed to occur in outlying areas. Severe gridlock, skyrocketing costs and strangu-lation of goods movement threaten to exact a drastic price on the regional economy.

PRINCIPLE TWELVE — LIVABLE COMMUNITIES:
To protect the natural environment and increase quality of life, neighborhoods, communities and regions should have compact, multidimensional land use patterns that ensure a mix of uses, minimize the impact of cars, and promote walking, bicycling, and transit access to employment, education, recreation, entertainment, shopping, and services. Economic development and transportation investments should reinforce this land use pattern, and the ability to move people and goods by non-automobile alternatives wherever possible.

Traditional zoning is based on separation of uses. A sensible idea for avoiding the impact of the industrial age — grimy factories right next to homes — has evolved into a baroque system of fragmenting the rich fabric of urban life into isolated pods of single uses that require people to drive to every destination. It is absurdly wasteful — in newer urban areas there are an average of seven parking spaces for every car. Half of our developed land is now devoted to roads.

When everyone is on the road, the roads get congested and a region’s entire economy suffers. For example, the time lost in traffic jams costs California businesses over $2 million a day, according to the State Department of Transportation.
The end result of an auto-dependent lifestyle is a loss of quality of life. We must spend multiple, often frustrating hours behind the wheel, driving to work, driving children to soccer practice, driving elderly parents to the doctor, adding up to a grand total of eleven trips a day on average per household. This lifestyle disconnects us from our neighbors and our community. Rather than greeting friends at the corner grocery, we fight traffic to get to a big box store where we mingle with thousands of anonymous shoppers.

According to the Centers for Disease Control, lack of exercise and poor diet comes in as a close second to tobacco use as a prime cause of death and illness in the United States. More than 60 percent of adults fail to achieve the recommended amount of regular physical activity, and even children and teenagers are not exercising enough. Walking a total of a half-hour a day could dramatically increase our health — but we have no time. Rather, we’re spending our time behind the wheel, navigating through traffic.

The smog which results from auto traffic is also bad for people and it is bad for agriculture-based businesses. Farmers in California’s San Joaquin Valley, a primary source of fruits and vegetables for the entire country, complain that poor air quality reduces crop yields by 20 to 25 percent.

An increasing number of public and private sector groups in California are beginning to call for reducing auto dependence through mixed-use, compact, walkable and transit-oriented land use planning. Over 120 communities have adopted the Ahwahnee Principles to guide their planning and development. The Sierra Business Council, made up of businesses located in the Sierra Nevada mountain range, has adopted a goal of reducing the “intensity of public dependence on the automobile.” The Agricultural Task Force for Resource Conservation and Economic Growth (a group of growers from California’s Central Valley) and the Growth Alternative Alliance (representing business associations from the Fresno area) have taken a similar stand.

Equitable Real Estate Investment Management Corporation, America’s second largest real estate investor, analyzes projected property values in communities throughout the United States. In their publication the Equitable Report, the Company has advised real estate investors to avoid communities where housing, shopping, and office uses are isolated, and to seek out those where a mix of uses keep places alive throughout the day and evening. They add that access to transit is also a plus.

Indeed, the Silicon Valley Manufacturing Group surveyed their high-tech workers and found that about two-thirds of the respondents would prefer to live in existing urban centers rather than outlying areas in order to reduce their commute time. But some cities — even in car-crazed Southern California — have taken the lead to provide residents with transportation choices and improve the quality of life.

**Case Study: Pasadena**

The City of Pasadena’s general plan states that “Pasadena will be a city where people can circulate without cars.” However, it took an explosion of poorly planned development to come to that policy agreement. In 1989, citizens were so angry about what new devel-
Development was doing to the city that they passed a growth management initiative designed to drastically limit development. Business and minority advocates responded with a lawsuit against the initiative. In settling the case, the City Council agreed to revise the general plan and submit it to the voters for approval.

The general plan revision process became a community effort which directly involved more than 3,000 residents, and a more racially and class-diverse cross-section of the City’s population than any previous planning effort.

A public outreach campaign brought people together under the banner of “Imagine a Greater City.” The campaign included newsletters, a speaker series, videos, postcards, telephone banks, and community meetings.

Participants moved beyond the static question of “how much growth” to the more challenging and useful questions of “what kind of growth do you want” and “where should it go.” Draft versions of the plan were printed in accessible and reader-friendly formats; the longer, more detailed versions were available to those who asked for them.

The result was a general plan produced by an informed constituency which supports alternatives to the automobile. The general plan states that walkability is to be achieved through:

➢ Developing mixed-use, pedestrian- and transit-oriented specific plans for areas where residents want growth;
➢ Concentrating new development near light rail stations and along two major boulevards slated as transit corridors;
➢ Allowing neighborhood commercial development that provides stores and services within walking distance of residences;
➢ Increasing transit service; and
➢ Limiting development outside targeted areas.

Since adoption of the general plan, specific plans have been prepared for several of the growth areas, with the active participation of area residents. One can visit Pasadena today and already see the difference proactive planning has made. A derelict park has been brought back to active use and is faced by a charming housing complex with retail on the ground floor. This development, located near Pasadena’s City Hall, has brought a once-deserted area back to life and provided 1,000 residents with a walkable lifestyle. For more information, call Laura Dahl, City of Pasadena Planning and Permitting Department, ☎ (626) 744-4155.

Case Study: Addison

The City of Addison, Texas, is a classic sprawling community on the outskirts of Dallas. It is the center of the largest retail activity in the region and is landlocked by parking lots, freeways, and collector roads. Now rising from the asphalt is a delightful 70-acre town center that will allow residents to “live, work, play, and stay” in their community.

The project was the result of a partnership between the City of Addison and a developer, Columbus Realty Trust. Together the two created the master plan in partnership with the property owner. Project construction began in 1995 and will be completed with the development of a light rail station, to be constructed within walking distance of the community in 2005.

The plan provides a finely-woven grid of narrow streets, with pedestrian-friendly sidewalks and public seating areas, shaded by trees. Buildings accommodating retail, office, and civic space are oriented towards the street. A total of ten acres of pocket parks are scattered throughout the development and there is an outdoor space for public events and celebrations.

A mix of housing includes live-work space, apartments, and town homes. The residential buildings face the street but have internal semiprivate courtyards that feature fountains, informal public-private gathering areas, and pools. What was formerly suburban sprawl now has all the charm of a European town. Resident’s lifestyles are no longer tied to spending several hours a day
in the car. For more information, call Bryant Nail, Post Properties, ☎(972) 770-5174.

**Case Study: San Diego**

In 1959, a large Sears department store was constructed in the Hillcrest neighborhood near downtown San Diego, California. In typical suburban fashion, it interrupted the street pattern with a monolithic development, surrounded by a large parking lot. In the eighties, when the property was vacated by Sears and put up for sale, planners and nearby residents saw an opportunity to restore their old neighborhood to its original character — a mixed-use, walkable neighborhood with a neighborhood center.

Working closely with residents, nearby businesses and a developer, the City prepared a specific plan for what is now the Uptown District, proposing the construction of 320 residential units; 100,000 square feet of shops, cafes, offices, and commercial services; a community center; and a major supermarket on the 14-acre site. The project was built in 1989 in such a way that the supermarket is located behind smaller retail buildings which line the street and create an inviting environment for pedestrians. The design has allowed it to become part of a walkable street. Smaller parking lots do not separate the building from the street, and additional parking needs are accommodated through an underground garage beneath the supermarket. The Uptown District supermarket has enjoyed a higher volume of sales than other San Diego stores owned by the same grocery chain. For more information, call former city architect Michael Stepner, ☎(619) 235-4100 x101.

**Tips for Success: Livable Communities**

- Adopt the Ahwahnee Principles for more livable communities (p. 58-59) into your general plan — as over 120 local governments in California, the City of Reno, Nevada, and others already have. The Local Government Commission’s guidebook, *Land Use Strategies for More Livable Places*, will provide the information you need.

- The new federal transportation legislation TEA-21 provides greater flexibility in the use of transportation funds. Some of this money can be used for transit, bike and pedestrian benefits. Analyze and prioritize transportation expenditures based on measures which will improve the local economy through improving transportation options.

- Work with the development community and local businesses. Encourage them to learn about what is best for their communities in the long term. Suggest that they form coalitions with environmentalists and community leaders for the purpose of making recommendations to the city regarding land uses which best support the interests of all residents.

- One cannot understate the importance of leadership. Most businesses do not realize the importance to the local economy of changing land use patterns. To change business as usual will require a strong local elected official who is willing to “buck the tide,” one who can articulate why it is that developing a new business park located off a freeway far from the town center may not be in the economic best interest of the community.
“Maryland will go bankrupt building the roads, schools and other facilities needed to accommodate the kind of sprawling suburban growth patterns that have characterized development in the last few decades.”

— Maryland Governor Parris Glendening

“Repair and rejuvenation of existing places is the highest form of sprawl containment.”

— Roberta Brandes Getz, Cities: Back from the Edge

A healthy alternative is emerging to this polarization. From Oregon, Washington, and California in the West, to Vermont, New Jersey, Maryland and Florida in the East, a new approach is being tested. Development that brings housing, jobs, and stores closer together in a compact form is being emphasized as the smart way to grow, adding value to existing communities and earning a profit by using resources efficiently. Instead of pitting jobs and prosperity against quality of life and the natural environment, compact development or “smart growth” is aimed at a “win-win” for public and private sector investment.

A few states have taken the lead, passing legislative initiatives to inhibit sprawl and promote more compact growth. Oregon led the way, followed by New Jersey, Florida, and Washington. Recently, Maryland adopted “Smart Growth” legislation proposed by Governor Parris Glendenning. A package of bills became law that promotes preservation of agricultural land, targets state infrastructure investment toward existing communities and supports the revitalization of older urban centers.

California businesses have become particularly active in promoting more compact growth patterns.
Realizing the critical importance of environmental quality and the preservation of open space to the success of their tourist-based economy, businesses in the Sierra Nevada have come together to promote the establishment of a clear edge between town and country. Meanwhile, in the San Joaquin Valley, agricultural groups have joined forces with their local building industry association, Chamber of Commerce and business council to promote urban limit lines. This is based on research carried out by the American Farmland Trust showing that the Central Valley stands to lose $2.1 billion a year in agriculture-related income by 2040, if current low-density growth patterns continue to consume agricultural land at their current pace.

Even the computer industry is concerned. Their highly-skilled workforce places a high value on quality of life. These business owners have watched with increasing concern as development has consumed agricultural lands and open space at an alarming rate, turning California’s Silicon Valley into an expensive and less than desirable place for people to live. As a result, the businesses’ professional organization, the Silicon Valley Manufacturing Group, is promoting the creation of urban limit lines, more affordable housing, and transportation alternatives to increase the quality of life for their employees.

To achieve compact growth, local government leaders need to focus on developing overlooked sites within existing city boundaries and encouraging redevelopment and revitalization in declining neighborhoods and city centers. In virtually every community and region development of raw land is far easier than building within existing areas. Cities need not only to level the playing field, but also need to tilt it in the direction of providing incentives for building in town.

For more information, call Hugh Kellas, GVRD, (604) 432-6380.

Case Study: Portland

For a quarter of a century, since the passage of S.B. 100 in 1973 under Republican Governor Tom McCall, the State of Oregon has required all of its cities to establish an urban growth boundary to protect farmland, wilderness and open space. As a result, urban areas have had greater motivation to efficiently plan development within the boundary. By emphasizing downtown revitalization, an extensive transit system and infill development, the Portland region has emerged as a leader in regional land...
use and transportation planning. Doomsday critics used to predict that Portland’s policies would lead to economic collapse.

Now, with the region experiencing an economic boom and national recognition for its high quality of life, they claim that growth management has triggered high home prices. Yet many competing regions have lower quality of life and higher home prices. The Portland experiment of planning growth and stopping sprawl has clearly worked to the economic advantage of the region.

For more information, call Paul Taylor, Portland Development Commission, ☎(503) 823-3245.

Case Study: San Jose

According to the San Francisco Chronicle, San Jose could be the “Bay Area poster child for sprawl.” In 1950, it was a compact 17 square miles surrounded by farmland. Twenty years later, it had ballooned to 136 square miles, complete with smog, traffic congestion, inner city blight and other problems often blamed on uncontrolled growth. In an effort to reverse this trend, the City began to promote infill development and public transit.

A fiscal impact analysis conducted in the early 1990s reinforced this strategy. It determined that the cost of development in adjacent rural valleys, instead of building in existing urbanized areas, would result in an annual deficit of $2 million for the City; building the same number of housing units within the City, on the other hand would result in increased annual revenues of $4.5 million. With the support of the Silicon Valley Manufacturing Group, San Jose’s Mayor, Susan Hammer, instituted a long-term urban boundary or “green line” stating that, “want a clearly defined line that states where San Jose’s pavement ends and where our greenbelt and hillsides begin.”

For more information, call Mike Flores, San Jose Planning Department, ☎(408) 277-4576.
Resources

For assistance in choosing specific strategies for containing urban growth, there are a number of nonprofit organizations that can help. Among them are the American Farmland Trust [☎(530) 753-1073], the Trust for Public Land [☎(800) 714-5263], the National Growth Management Leadership Project, 1000 Friends of Oregon [☎(503) 222-2182], and the Greenbelt Alliance [☎(415) 398-3730].

The Visual Preference Survey™ and the Community Image Survey have been used successfully by a number of communities throughout the country. These surveys use slide images to help people visualize and choose alternative approaches to development. Surveys specific to many regions of California are available through the Local Government Commission’s Center for Livable Communities [☎(800) 290-8202].

The Local Government Commission’s guidebook, Building Livable Communities: A Policymaker’s Guide To Infill Development provides specific information about the barriers to infill development and urban revitalization and how to overcome them. Participation Tools for Better Land Use Planning, also published by the Local Government Commission, provides ideas on ways to involve the community.

The Local Government Commission has also developed the Ahwahnee Principles for Resource-Efficient Development (see page 58), which were created by Peter Calthorpe, Michael Corbett, Andres Duany, Elizabeth Moule, Elizabeth Plater-Zyberk and Stefanos Polyzoides in 1991.

Tips for Success: Compact Development

✓ Involving and educating the public is key. When they fully understand the trade-offs, experience has shown that the majority will choose compact growth.

✓ It is wise to work in partnership with the private sector. The best-intentioned regulatory reforms will be opposed or even defeated by private interests if they are not actively involved in shaping them.

✓ Work with neighboring cities and counties. It doesn’t help if one community decides to stop sprawl and its neighbor doesn’t. Inviting elected officials within a region to come together to look at maps of current city boundaries and to visualize anticipated growth has spurred more than one community into establishing urban growth boundaries or shared greenbelt buffers.

✓ Rather than responding to piecemeal development proposals, designate where you want new growth to occur in your community.

✓ Prepare specific plans for targeted growth areas which follow the Ahwahnee Principles.

✓ Fully involve community and neighborhood residents in the process, using tools which help people visualize exactly what is proposed.
The Ahwahnee Principles
for Resource-Efficient Development

Existing patterns of urban and suburban development seriously impair our quality of life. The symptoms are: more congestion and air pollution resulting from our increased dependence on automobiles, the loss of precious open space, the need for costly improvements to roads and public services, the inequitable distribution of economic resources and the loss of a sense of community. By drawing upon the best from the past and the present, we can, first, infill existing communities and, second, plan new communities that will more successfully serve the needs of those who live and work within them. Such planning should adhere to these fundamental principles:

■ Community Principles
1. All planning should be in the form of complete and integrated communities containing housing, shops, work places, schools, parks and civic facilities essential to the daily life of the residents.
2. Community size should be designed so that housing, jobs, daily needs and other activities are within easy walking distance of each other.
3. As many activities as possible should be located within easy walking distance of transit stops.
4. A community should contain a diversity of housing types to enable citizens from a wide range of economic levels and age groups to live within its boundaries.
5. Businesses within the community should provide a range of job types for the community’s residents.
6. The location and character of the community should be consistent with a larger transit network.
7. The community should have a center focus that combines commercial, civic, cultural and recreational uses.
8. The community should contain an ample supply of specialized open space in the form of squares, greens and parks whose frequent use is encouraged through placement and design.
9. Public spaces should be designed to encourage the attention and presence of people at all hours of the day and night.
10. Each community or cluster of communities should have a well-defined edge, such as agricultural greenbelts or wildlife corridors, permanently protected from development.
11. Streets, pedestrian paths and bike paths should contribute to a system of fully connected and interesting routes to all destinations. Their design should encourage pedestrian and bicycle use by being small and spatially defined by buildings, trees and lighting; and by discouraging high speed traffic.
12. Wherever possible, the natural terrain, drainage, and vegetation of the community should be preserved with superior examples contained within parks or greenbelts.
13. The community design should help conserve resources and minimize waste.
14. Communities should provide for the efficient use of water through the use of natural drainage, drought tolerant landscaping and recycling.
15. The street orientation, the placement of buildings and the use of shading should contribute to the energy efficiency of the community.

■ Regional Principles
1. The regional land-use planning structure should be integrated within a larger transportation network built around transit, not freeways.
2. Regions should be bounded by and provide a continuous system of greenbelt/wildlife corridors to be determined by natural conditions.
3. Regional institutions and services (government, stadiums, museums) should be located in the urban core.
4. Materials and methods construction should be specific to the region, exhibiting continuity of history and culture and compatibility with the climate to encourage the development of local character and community identity.

■ Implementation Strategy
1. The general plan should be updated to incorporate the above principles.
2. Rather than allowing developer-initiated, piecemeal development, local governments should take charge of the planning process. General plans should designate where new growth, infill or redevelopment will be allowed to occur.
3. Prior to any development, a specific plan should be prepared based on these planning principles. With the adoption of specific plans, complying projects could proceed with minimal delay.
4. Plans should be developed through an open process and participants in the process should be provided visual models of all planning proposals.

Ahwahnee Principles Authors: Peter Calthorpe, Michael Corbett, Andres Duany, Elizabeth Moule, Elizabeth Plater-Zyberk, Stefanos Polyzoides.
Editors: Judy Corbett, Peter Katz, Steve Weissman.
PRINCIPLE THIRTEEN — CENTER FOCUS:

Communities should have an appropriately scaled and economically healthy center focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in the town center or downtown. At the neighborhood level, neighborhood centers should contain local businesses that serve the daily needs of nearby residents. At the regional level, regional facilities should be located in urban centers that are accessible by transit throughout the metropolitan area.

City, town and neighborhood enters contribute to the sense of community, efficiency, and economic vitality. At the regional level, centers foster synergy for business, residents, and visitors alike. Former San Jose Mayor Tom McEnery led the revitalization of downtown San Jose, California, promoting it as the “heart of the Silicon Valley.” In his book The New City State, he argues that the more dispersed a region, the more it requires a core, a cross roads, a central organizing principle, a soul. He writes, “the people of a city, in any era, can either pursue individually a thousand definitions of self interest or focus on communal definitions of the public good. The first approach, so common in American cities today, leads inevitably to confusion, chaos and failure. The second approach is what I like to call the cathedral strategy. It requires that a city’s leaders agree with residents to act upon a shared mandate, a mission statement for where the city stands and who they are together.” The revived San Jose downtown is now the center of new energy, not only with hotels, restaurants and visitor attractions, but with scores of high tech start-ups who profit from proximity to each other and supporting resources.

The Association of Bay Area Governments recently studied the economic importance of city centers in their report, The Changing Dynamic Between Cities and Suburbs in the San Francisco Bay Area. Their conclusion: a failure to address the problem of the declining city and declining suburbs will result in higher overall taxes for everyone and a decreased availability of capital for business development.

What about at the neighborhood level? With changing demographics and the explosion of home offices, there are also new opportunities for appropriately-scaled centers for providing neighborhood shopping and services. Convenient centers that can meet the needs of daily life are great complements to transit stops, schools and branch libraries, and bring a range of services within reach.
of walking and biking, especially for youth and the elderly. They are great natural incubators for new small businesses.

According to Collaborative Economics, the businesses of the “knowledge era” depend upon informal networking to retain their competitive edge in the new economy. Vital city and neighborhood centers are important not only because they add to the quality of life — but also because informal community gathering places provide workers with multiple opportunities for casual networking. A study of office space preferences in the Atlanta Region reported by in the July 1998 Land Lines, the newsletter of the Lincoln Institute of Land Policy, confirms this observation: “Agglomerative tendencies continue to be important in explaining office concentrations, despite the ability of information technology to reduce the need for such contacts.” With current and future trends indicating a predominance of small businesses, town and neighborhood centers will increasingly serve as the location of the enterprises of the future because they offer small, flexible office space in a setting which provides many opportunities for casual interaction.

In his 1991 book, Edge Cities, journalist Joel Garreau celebrated the emergence of places that not only bore no resemblance to traditional center cities, but were in fact burying them in the competition for new investment, employment, and residents. But contrary to his predictions, a counter-trend is now in full swing. Not only are traditional downtowns and main streets all over the country enjoying a significant comeback, one can even find old-fashioned town centers being constructed from scratch in the middle of auto-oriented suburban landscapes.

**Case Study: San Luis Obispo**

San Luis Obispo, California, is a town with a strong center focus brought about through strong City policy. The City’s general plan designates downtown as the cultural, social and political center of the city. “It should remain compact and be the city’s most intensely developed area.” The plan acknowledges that residential uses are an essential component of a successful downtown. It requires that residential uses be preserved and encourages new ones to be built above the street level. The plan calls for downtown as the permanent site for City Hall, City services, and the County Government Center. All new museums, galleries, theaters, and nightclubs must be downtown. Planning has also extended to the streetscape calling for continuous storefronts along sidewalks, adequate space for pedestrians, and a nearly continuous tree canopy. Flowers are encouraged and street facades are called for that are in keeping with the region’s history.

Rather than allowing the flow of space to be broken up by surface parking lots, parking is provided in structures located at the edges of the commercial core, assuring that people will walk. All these measures seem to have accomplished the goal. Downtown is economically successful, vibrant and beautiful, drawing far more shoppers, diners, tourists and business activity than a mall located on the periphery of the community. At the same time, the City’s residents have gained a valued sense of place.

For more information, call the City of San Luis Obispo Planning Department, ☎(805) 781-7102.
Case Study: Cathedral City

In Cathedral City, California, the spread of subdivisions, strip development, shopping centers and the widening of a state highway through the town progressively destroyed its town center.

However, civic and business leaders worked for more than five years to create a grand vision of a vibrant city center for the growing city. They had to battle the state transportation agency and a real estate downturn, but their investment is now transforming a decaying stretch of state highway into a pedestrian-friendly grand boulevard with an adjacent new civic center, town square, movie complex, university extension office, and street retail. Plans also call for housing in the area.

The resources invested by the City have leveraged significant private investment. However, the grand vision provided by the City has proven to be the most valuable investment of all.

For more information, call the City of Cathedral City Planning Department, ☏(760) 770-0344.

Case Study: Brea

In the Orange County community of Brea, California, the widening of Brea Boulevard virtually wiped out the City’s oldest commercial area. Most residents had stopped shopping there long before, preferring newer, more convenient shopping centers. But the citizens of this growing suburban community didn’t want to abandon a shared sense of place, a public crossroads that would serve as the heart of Brea. They committed themselves to creating a new and improved downtown.

It has not been easy, especially in the face of the regional recession in real estate. But with Phase Three of the new downtown under construction, that vision is taking shape out of $100 million in public/private partnerships.

The first phase brought major retailers into a 500,000-square-foot Gateway Center. The second phase created a new downtown residential neighborhood with nearly 100 traditional-style homes built as the Ash Street Cottages. Now with the approval of an in-town Edwards Theater multiplex cinema, Birch Street will become a landscaped shopping street with 90,000 square feet of stores and restaurants, reminiscent of the successful Third Street Promenade in Santa Monica.

"Since very few new downtowns have been built in our time, it has been an incredible challenge," says Councilmember Bev Perry. “But because of the community’s vision and tenacity, in the years ahead, families will enjoy a downtown in their hometown.”

For details, call Sue Georgino, Brea Redevelopment Department, ☏(714) 761-4421.
**Tips for Success: Center Focus**

✓ Avoid relying on generic fads or one-dimensional niches when it comes to downtown revitalization or new construction. One of the enduring strengths of city centers are their balance and adaptability as uses change. Don’t expect single projects to rescue a downtown, especially because the fortunes of projects may fade over time. The current enthusiasm for entertainment and tourist uses should be moderated. A city center is not a theme park. It needs a wide range of civic, residential, commercial and cultural offerings. Thriving small businesses (not just retail) are vital to the life of a city center.

✓ Emphasize the civic aspect of centers, not just the commercial. The center should be “the heart of the city.” Museums, community centers, parks, fountains, gardens, monuments and special events are all tried-and-true ingredients that secure the loyalty of citizens and customers. Don’t neglect history. Or signage.

✓ Remember that centers have all kinds of competition. So be sure they are safe, clean and attractive. Dirty streets and run-down buildings feel unwelcoming and unsafe. Build partnerships for problem-solving and continuous improvement.

✓ According to Kennedy Lawson Smith, Director of the National Main Street Center, "The truth is that downtown revitalization takes place in the community’s planning and land-use laws, policies and practices.” Designate downtown as the location for specified uses such as theaters, civic institutions, museums, and the like. Also make sure that housing is incorporated into the downtown. This will keep the area safe by making sure that there are people around and eyes on the street at all hours of the day and night.

✓ Working with local businesses and neighborhood residents, establish design guidelines for your city and neighborhood centers. Most successful efforts have started with a vision of what the community wishes to achieve.

✓ Encourage local businesses and property owners to organize business improvement districts. Most successful downtown redevelopment projects have enjoyed the active involvement of area businesses; they have an enormous stake in your success. The International Downtown Association can offer support.

✓ Make sure that new development incorporates neighborhood centers within walking distance of residences by adopting and implementing the Ahwahnee Principles for more livable communities.

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**Resources**

The National Main Street Center works with communities across the nation to revitalize their historic and traditional commercial areas. For more information, call (202) 588-6219 or visit their web site at www.mainstreet.org.

The International Downtown Association assists communities with information sharing, communications and advocacy. It can be reached at (202) 293-4505 or visit their web site at http://ida-downtown.org.
DISTINCTIVE COMMUNITIES:
Having a distinctive identity will help communities create a quality of life that is attractive for business retention, future residents and private investment. Community economic development efforts should help to create and preserve each community’s sense of uniqueness, attractiveness, history, and cultural and social diversity. They should include public gathering places and a strong local sense of place.

“I economics, it is the differentiated product that commands a monetary premium. If in the long run we want to attract capital, to attract investment to our cities, we must differentiate them from anywhere else.”

— Donovan Rypkema, Principal, Real Estate Services Group

In his book, Invisible Cities, Italian novelist Italo Calvino describes the dreary monotony of the global village: “If on arriving at Trude, I had not read the city’s name written in big letters, I would have thought I was arriving at the same airport from which I had taken off. The suburbs they drove me through were no different from the others... The downtown streets displayed goods, packages, signs that had not changed at all... Why come to Trude? I asked myself. And I already wanted to leave. ‘You can resume your flight whenever you like’, they said to me, ‘but you will arrive at another Trude, absolutely the same, detail by detail. The world is covered by a sole Trude which does not begin and does not end. Only the name of the airport changes.’”

Like Trude, many communities are beginning to look alarmingly alike and it is damaging their economic vitality. Given the choices, why in the world would anyone choose to live in, work in or visit your community or region? Unless you have a compelling and distinctive answer, you will not prosper in the 21st Century. Fresno Chamber of Commerce President Anne Speake blames the City’s decaying center and anonymous sprawl development for the fact that her region is losing businesses. Speake says, "No one wants to locate where there are only strip malls and housing.”

Economist Joel Kotkin argues that localities will have to have “a compelling story to tell” to attract and retain human and investment capital. He emphasizes that there is no single “right” formula, but “despite all the talk about new technology and placelessness extolled by self-styled futurists and consultants, people still intrinsically seek a sense of uniqueness, of home and history where they live. The new patterns of settlement and new technology may have changed the nature of place but they have not eliminated our need for it.”

The National Trust for Historic Preservation has documented that historic preservation has resulted in definite economic benefits for those
communities that have undertaken such efforts. Success has undoubtedly resulted because saving a community’s history connects it with the past and results in an enhanced sense of place.

Building on history is very important, but many cities do not have a large supply of old buildings. Distinctiveness can also be achieved by making certain that newer buildings reflect the history, the climate, and the geography of the region. It isn’t necessary or desirable to build the same housing type in Santa Fe as in Seattle. Each has different local building materials available and a different climate, calling for a distinctive architecture. Even landscape materials should be distinct to each region. When these differences are taken into account, the economic benefits will include reduced energy and water bills.

Another tool for creating a distinctive community is creating civic space. The dominant method of planning in recent years has been to place a building in an open field and surround it with a parking lot. This has produced thousands of placeless, look-alike cities and towns. Some forward-thinking municipalities, however, have brought back historic planning principles which create civic places rather than just taking up space. The technique involves surrounding a human-scale area with buildings, creating the equivalent of an outdoor living room for the neighborhood or the entire community. This draws people to the area and with them comes increased economic activity.

Case Study: Nevada City

Nevada City, California, an old Gold Rush town, is one of the many communities that has enjoyed the economic benefits of preserving their unique history and character. In 1968, the City was facing a fiscal crisis and was eager to attract new business and investment. They were also dealing with the effects of a freeway extension that had bisected the town. While other towns in the area were tearing down buildings to make room for freeway-oriented commercial development, Nevada City decided to try something different. They enacted a historic preservation ordinance.

The ordinance states that the historic character and the distinctive architecture of Nevada City “attracted tourists and visitors to the former Gold Rush town thereby augmenting the economy and general welfare of the City and its inhabitants.” The ordinance also identifies the fact that to “permit a departure from the established type of architecture in the construction of new buildings or in the alteration of existing buildings would tend to depreciate the values of all properties.”

The Nevada City ordinance contains strong language to prevent the destruction of historic buildings and to ensure architectural review of new construction and alterations in the historic district. Almost 30 years after its adoption, the historic preservation ordinance still stands as one of the community’s most effective planning tools. And the result is a thriving town with throngs of visitors and residents flocking downtown to walk and to shop.

For more information, call the Nevada City Planning Department, ☎ (530) 265-2496.
Case Study: Bozeman

To control look-alike strip development, the City of Bozeman, Montana, has adopted design objectives for their entryway corridors. The document calls for high quality design, a reduction in the visual and physical dominance of the automobile, pedestrian access and orientation, and public open spaces.

Restaurants, large retail stores, and large shopping centers are asked to create usable, well landscaped outdoor spaces for public enjoyment, particularly near the entrances of buildings where food and drinks are sold. Trees are called for in parking lots.

The guidelines reinforce the most prominent traits of several major roads leading into the City. On one commercial strip, the guidelines call for low-key building forms which are to be subservient to native vegetation. On another, the guidelines call for rows of trees both on the street and on property sidelines.

Bozeman used their design guidelines to push WalMart to modify its design for a boxy, flat-roofed building of the type found throughout the country. The company agreed to substitute beige-painted, split-face block for its usual flat gray block exterior. They extended the building’s entrance to make it more attractive and added projections at intervals along the facade to make the wall more interesting. A 14-foot wide sidewalk with 10 feet of plantings on each side extends from the entrance to a public sidewalk. Residents report that the results of Bozeman’s Design Objectives Plan are already becoming apparent.

For more information, call Andy Epple, City of Bozeman Planning Office, ☎ (406) 582-2360.

Case Study: Santa Monica

The City of Santa Monica, California, is among those communities taking aggressive action to enhance their sense of place by creating places for people rather than just for cars. The Santa Monica City Hall, Civic Auditorium, and Courthouse are within walking distance of the city’s newly revitalized and extraordinarily successful downtown and the famous Santa Monica Pier. However, these destinations are physically isolated from one another. There is limited pedestrian access to and through the area between them and 60 percent of the area is paved for surface parking. This unfortunate situation is changing, however, as the Council has taken on the “purposeful act of city building.”

The City developed a specific plan to transform their 45-acre sea of asphalt into a city center with civic space. City buildings, housing, office space and retail uses will surround a park, a plaza, and a narrow tree-lined street. Pedestrian and bicycle paths will reconnect the area to the Santa Monica Pier, downtown and the neighborhoods. Surface parking will be eliminated and a parking structure will be built.
The effort is a public-private partnership with the RAND Corporation, the City’s third largest employer. RAND will build a minimum of 350 units of housing across the street from the courthouse, a third of them affordable to low- and moderate-income earners. RAND is also building office space with retail on the ground floor that will serve residents and tourists.

The planning effort involved hundreds of citizens in three workshops. This effort follows other forward-thinking planning efforts in the City of Santa Monica which have made the community one of the most popular places to live, work and visit in the entire Los Angeles region.

For more information, call City of Santa Monica Councilmember Paul Rosenstein, ☎ (310) 458-8201.

▲ Residents of all ages gather for a festival in Monrovia’s compact downtown park. Mixed-use buildings, parks, public plazas, and pedestrian-friendly streets can provide a strong foundation for “distinctive communities.”

Tips for Success: Distinctive Communities

✓ Communities with a supply of historic buildings should adopt a historic preservation ordinance. Contact the National Trust for Historic Preservation for advice.

✓ Adopt design guidelines for the various districts of the community. It might also be wise to establish a design review committee.

✓ Modify local building codes to assure that building and landscaping practices are compatible with the regional climate.

✓ Undertake place-making versus space-taking land use planning.

✓ Provide new homeowners with a list of trees and shrubs that are native or well adapted to the region. In many climates this will save money on water bills — and it will assure that money won’t be wasted on plants that won’t survive. In climates where water is a problem, adopt a landscape ordinance appropriate for commercial and multifamily properties.

✓ Be yourself. Everyone wants the equivalent of an Eiffel Tower for their town, but even building a full-scale replica of the one in Paris won’t guarantee the same results. The truly unique assets of other communities can’t be copied. What gives a place a distinct competitive advantage is to invest in authentic, high quality assets over the long-term, especially those that build on unique historic, cultural and natural opportunities.
PRINCIPLE FIFTEEN — REGIONAL COLLABORATION:  
Since industries, transportation, land uses, natural resources, and other key elements of a healthy economy are regional in scope, communities and the private sector should cooperate to create regional structures that promote a coherent metropolitan whole that respects local character and identity.

Regional collaborative planning is not only an opportunity, it is a necessity . . . without regional approaches to solve many critical problems that affect communities — such as economic development, transportation, land use, sprawl and water quality — little long-term progress can be made.”

— The President’s Council on Sustainable Development, Sustainable America: A New Consensus

On a map, the colors that mark the territories of nations, states and municipalities seem tangible and fixed. But as we know from the sudden melt-down of the Soviet Union, those colors are more fluid than they appear. In the emerging global economy, existing political jurisdictions are less and less meaningful.

Writer Neal Peirce, in his book Citistates: How Urban America Can Prosper in a Competitive World, calls regions “the true city of our time, the closely interrelated, geographic, economic, environmental entity that chiefly defines late 20th Century civilization.” More and more economists argue that regions are eclipsing nations as the primary geographic organizing principle of global competition. Regions are seldom defined by political boundaries; instead they are linked by shared history, infrastructure and ecosystems. Some are so huge that it is important to understand them in terms of subregions as well. But one of the imperatives of community economic development, in the words of Bill Fulton, author of The Reluctant Metropolis, is to “stop pretending that our communities are surrounded by 400-foot walls separating us from the jurisdictions around us.”

There are powerful reasons for regional collaboration. One very pragmatic one is that “business does not recognize jurisdictional boundaries and is impatient with the inability of individual jurisdictions to see beyond them,” according to the Economic Development Handbook jointly produced by the California League of Cities and CALED. “It is no longer possible for one jurisdiction to fully satisfy the requirements of their businesses. It takes a number of jurisdictions that make up the economic regions in which businesses operate.”

Equitable Real Estate Investment Management, Inc., noted in its 1997 annual report to its customers that, “regions where equity is concentrated and planning coordinated tend to develop stronger local economies with more stable tax bases. Conversely, suburban landscapes with fragmented political fabrics can be particularly treacherous for real
estate investors. There is nothing worse than having neighboring suburban municipalities competing with one another for resources and tax base."

Case Study: Lancaster and Palmdale

For years, Lancaster and Palmdale, two Southern California desert communities, had vied with each other in battles over auto malls, shopping centers and other retail businesses, costing each millions in subsidies. A single deal for a regional distribution center cost Lancaster $1.6 million in incentives. A deal struck by adjacent Palmdale to attract a department store costs that City up to $2 million every year. Finally, the Mayor of Palmdale proposed a truce where the cities would split their combined sales tax revenues based on their populations. The Mayor of Lancaster responded with a proposal that would freeze that City’s current advantages, but split future revenue increases according to the population formula. It will take either special state legislation or a vote of the citizens of the two cities to finalize an agreement, but the discussion has already exposed how counter-productive the current competition has become.

For more information, call Mayor Jim Ledford, City of Palmdale, (805) 267-5100.

Case Study: Silicon Valley

The challenge facing the region known to the high tech industry and the press as Silicon Valley was far larger in scale. Overlapping more than twenty cities in two counties, the area was a hotbed of jurisdictional conflicts and jealousies. Every city zealously guarded its local prerogatives even as citizens and businesses fumed at rising traffic and housing woes. To the astonishment of virtually everyone, one of the first tangible achievements of Joint Venture: Silicon Valley Network was agreement on a uniform building code for the entire area, encompassing 27 cities and both counties. Now when it comes to opening or expanding office or manufacturing facilities in the region, high tech companies don’t have to master 29 different sets of codes, saving them time and money, and encouraging them to site or expand in the region.

For more information, call Joint Venture: Silicon Valley Network, (800) 573-JVSV.

Case Study: Boise

In 1995, an Urban Land Institute (ULI) panel brought in to assess the region’s growth management policies and techniques, and the impact of high levels of population growth on the livability of the region around Boise, Idaho, found a lack of direction and vision.

In response, and inspired by his participation in the Mayor’s Institute on City Design (a leadership initiative established by the National Endowment for the Arts), the Mayor of Boise began a process to address the role of sprawl and its connection with land use planning.

Meetings with the region’s five city and two county administrators led to their being assigned specific topics as teams, for presentations at a two-day retreat in mid-1997 — “the Treasure Valley Institute.” The teams (with no staff or constituents present) made the presentations on four key issues: community identity and “sense of place,” regional growth patterns, preservation of open space and recreational opportunities, and the link
between transportation and land use. An interdisciplinary team of urban design professionals provided technical assistance and support, resulting in an agreement — the Treasure Valley Partnership — which identified several goals for cooperative action, and a declaration of the communities as a single region.

The administrators continue to meet on a monthly basis, providing a more rapid resolution of subregional issues. Public works directors who had already been meeting on a regular basis now have a forum for formally communicating issues and needs, including innovative infrastructure-sharing agreements.

A new regional group of chambers of commerce and higher education institutions has been formed. Funding will be raised to undertake a regional visioning process to create a flagship consensus goal for the entire region. While the process is still unfolding, this is now a region where people pride themselves on working together.

For more information, call Wayne Gibbs, City of Boise Planning Department, ✆(208) 384-3830, or Christine Saum, National Endowment for the Arts, ✆(202) 682-5544.

Forging a region doesn’t mean that individual communities have to give up their distinctiveness, it just means they must work together on common challenges.

Our nation’s founders faced a similar challenge getting thirteen colonies to cooperate. The solution they arrived at is engraved on every dollar bill: “E pluribus unum” — “one out of many.”

Tips for Success: Regional Collaboration

✓ According to the Mayor of Boise, Idaho, the key to his success was building personal relationships with the leaders of other communities in the area. The personal relationships led to trust, and once that trust was established, progress could be made.

✓ Don’t bite off more than you can chew. Regional collaboration is more likely to succeed if you start out by addressing less complex problems before tackling the big issues.

✓ Try new settings to encourage local elected officials to think regionally. The San Diego Association of Governments organizes a retreat for its board members every year during which participants must address all of the discussion issues from a regional point of view.

✓ Don’t be afraid to let the business and civic sectors take the lead. Several regional organizing efforts have been jump-started by private efforts.
Okay. Now that you’ve decided you’re going to work toward implementing these principles for integrated economic development in your community or region, where do you begin?

As a policy maker, you know the wisdom of the maxim, “There is no limit to what you can accomplish if you are willing to give others the credit.” So find some key partners at the outset. You might try reaching out to some unlikely sources — you’ll need allies from other “camps” to be successful in the long run. Build trust by listening and incorporating the ideas of others. Share this handbook and other resource materials and examples with them.

Then, together, your core group needs to take a fresh look at the strengths and weaknesses of your situation. Deciding where your community or region should go requires dispassionately assessing where you are. Sadly, despite the explosion of information in our society, few policy makers have in-depth, up-to-date data about their community or region.

**GET THE FACTS**

Often the information is available, just not readily assembled in useful formats. You can go out and hire consultants to compile and analyze this data. A less costly option is to use existing staff from various city departments, supplemented perhaps with volunteers and/or staff from your local chamber of commerce or economic development agency. Professors and students from local business schools are another cost-effective resource. Don’t get buried in statistics. But here are some issues you should address:

- What are the key factors in your local economy?
- What is the shape of your local economy — how much is local, regional and beyond?
- What are the growing industry clusters?
- What are the declining ones?
- Who makes up your workforce — their numbers, education levels, incomes.
- What are your strongest resources?
- What are your most important deficiencies?
- How does the General Plan address land uses planned for economic and other uses?
- Is there an Economic Element to the General Plan?
- What economic development efforts currently exist?
- What are their goals and how are they measuring them?

**UNDERSTAND UNDERLYING FACTORS**

With this basic economic information in hand, you are ready to assess other, less tangible factors:

- What widespread perceptions govern economic development and local governance?
- What is your history of community or regional collaboration?
- What are the bonds of trust that can be built on?
- What are the antagonisms that must be bridged?
- Who needs to be at the table, including those traditionally left out?

**IDENTIFY USEFUL MODELS**

There is also little sense in reinventing the wheel. Identify successful models of similar communities or regions and benchmark yourself against them:

- What did they do?
- How did they do it?
Getting Started

➢ How is it working?
➢ What did they learn from both their successes and mistakes?
➢ What advice do they have to offer?

But remember, no two places are alike. Learning from others is not the same as copying, so make sure you adapt lessons from other places to the distinctive situation in your community or region.

■ DEVISE A STRATEGY
Having done your homework on facts, perceptions and models, now you can devise a workable strategy for pulling together both the people and process. Again, you can hire outside consultants and often they bring useful experience and perspective. But beware of “solutions in a box.” Building your own community or regional capacity can be shortchanged by too much reliance on outside experts or models. Always make sure you adapt the advice of others to your local situation.

■ BE INCLUSIVE
Design your process to be inclusive. “Blue ribbon committees” don’t work in very many places anymore. An economic and community development strategy must reach out beyond “the usual suspects.” It’s important to have meaningful participation from key “stakeholders,” but not to the exclusion of other elements of the community, including:
➢ City, county and state governments, special districts
➢ Economic development entities
➢ Regional collaboratives
➢ Chambers of Commerce, business organizations, industry cluster associations
➢ Utilities, banks, developers, brokers, venture capitalists, and other business sectors
➢ Public and private schools, higher education, job training/placement agencies
➢ Labor unions, community, religious and environmental organizations
➢ Neighborhood, ethnic and social advocacy groups
➢ Media

Keep this in mind as you design and implement your efforts: too much emphasis on inclusion can bog down action, while too much impatience for action can lead to problems from those who didn’t participate in the process. So use your instincts and your leadership skills (as well as the support of your key allies) to find the right balance, creating an appropriate mix of participants depending on the purpose and stage of your efforts. Creating a coherent coordinating structure can help keep people involved without losing momentum.

■ IMPLEMENT YOUR STRATEGY
Many plans and strategies sit on the shelf. Your goal is to implement! Choose small steps that are nearly guaranteed to be successful and work diligently on them. Find ways around barriers, and continue to enlist help from your allies. Continue to educate the community about your efforts and keep them involved.

■ CELEBRATE VICTORIES
Remember that success depends on a balance between the big picture and small victories. All through this handbook, we’ve emphasized working from an overall vision and integrating a wide range of activities and concerns. Unfortunately, practical people often have difficulty staying focused on long-term, big picture strategies. And you need practical people to translate the vision into tangible successes. So strive for small and large victories and celebrate them.

Celebration can take the form of everything from thank you notes, to a small party, to a media event or article, to a public sign, or a community-wide bash. No matter what the size, successes will help people understand the big picture and continue to build support for your efforts over the longer run.
According to Bruce Liedstrand, a former city manager and change leader, “Every idea needs a champion on the city council.” New ideas will never be implemented unless someone takes it on as their mission.

While this guide provides a number of steps which will lead a community to prosper in the next century, the sheer volume of ideas may be overwhelming to a prospective champion. However, take it one step at a time.

A good first step is to update your own understanding of economic development for the next century by reading this book. Then share this knowledge with your fellow councilmembers. Ask your planning commission, city council, or board of supervisors to adopt the Ahwahnee Principles for Smart Economic Development through a resolution, as Mayor Pat Kuhn of Oakdale, California, already has. Remind them of these principles for prosperity every time a related issue arises on your agenda.

Your second step may be to actively pursue one or more of the economic development principles. Meet with fellow mayors from surrounding jurisdictions to begin to establish trust, the first step in working cooperatively at a regional level. Or call a joint meeting of your economic development staff and your planning staff to help them understand how the work of one affects the work of the other. Or begin to work on code changes to make sure your land use policies are consistent with the needs of the new economy.

Finally, take a new look at the role of government, a role in keeping with the need of industry to reexamine and reinvent.

As outlined in *Collaborating to Compete in the New Economy* by the California Economic Strategy Panel, the new economy will require government to be:

- **FACILITATIVE**
  Government must become a facilitator, informing itself of the trends, challenges, obstacles and opportunities of the new economic world, and serving to support the efforts of the workforce and businesses to succeed in it.

- **CUSTOMER-DRIVEN**
  Demand by industries and individuals should drive government response. This approach contrasts with programs that are driven by the budget process and often search for clients.

- **FLEXIBLE**
  One-size regulations and laws no longer fit all.

- **AGILE**
  Speed and agility are required for meeting rapidly changing marketing demands. Industry needs government to be as agile in responding to its needs.

- **DECENTRALIZED**
  Resources should be applied at the level closest to the customer.

What is required to get started are leaders who are willing to take the risks to challenge the status quo and begin a movement to create positive change for their communities. The rewards will be abundant. The results will be astonishing.
<table>
<thead>
<tr>
<th>Economic Development Resource</th>
<th>Address</th>
<th>Phone</th>
<th>Fax</th>
<th>Website</th>
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<tbody>
<tr>
<td>Alliance for Regional Stewardship</td>
<td>350 Cambridge Avenue, Suite 200 Palo Alto, CA 94306</td>
<td>☎ 630-614-0230</td>
<td></td>
<td>web: <a href="http://www.regionalstewardship.org">www.regionalstewardship.org</a></td>
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<td>American Economic Development Council</td>
<td>1030 Higgins Road, Suite 301 Park Ridge, IL 60068</td>
<td>☎ 847-692-9944</td>
<td>☏ 847-696-2990</td>
<td>web: <a href="http://www.AEDC.org">www.AEDC.org</a></td>
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<td>California Association for Local Economic Development</td>
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<td>☎ 916-448-8252</td>
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<tr>
<td>California Center for Regional Leadership</td>
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<td>web: <a href="http://www.calregions.org">www.calregions.org</a></td>
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<td>California Community Economic Development Association</td>
<td>1430 Franklin Street, Suite 101 Oakland, CA 94612</td>
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<td>☏ 510-231-8068</td>
<td>web: <a href="http://www.ccenda.com">www.ccenda.com</a></td>
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<td>California Downtown Association</td>
<td>P.O. Box 17637 Long Beach, CA 90807</td>
<td>☎ 1-888-429-1224</td>
<td>☏ 562-997-2844</td>
<td>web: <a href="http://www.caliiforniadowntown.com">www.caliiforniadowntown.com</a></td>
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<td>California Industrial Development Financing (IDFAC)</td>
<td>915 Capitol Mall, Room 457 Sacramento, CA 95814</td>
<td>☎ 916-653-3843</td>
<td>☏ 916-653-3241</td>
<td>web: <a href="http://www.treasure.ca.gov">www.treasure.ca.gov</a></td>
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<td>California Statewide CDC</td>
<td>426 D Street Davis, CA 95616</td>
<td>☎ 800-348-6258</td>
<td></td>
<td>web: <a href="http://www.californiastatewide.org">www.californiastatewide.org</a></td>
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<tr>
<td>California Statewide Community Development Authority</td>
<td>1470 Maria Lane, Suite 400 Walnut Creek, CA 94596-5339</td>
<td>☎ 1-800-635-3993</td>
<td>☏ 510-933-9229</td>
<td>☏ 510-933-8457</td>
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<tr>
<td>California State Department of Housing and Community Development</td>
<td>1800 3rd St., Room 260 Sacramento, CA 95814</td>
<td>☎ 916-445-9471</td>
<td></td>
<td>web: <a href="http://www.hcd.ca.gov">www.hcd.ca.gov</a></td>
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<td>City County Communications and Marketing Assoc. (3CMA)</td>
<td></td>
<td>☎ 703-707-0830</td>
<td>☏ 703-707-0867</td>
<td>web: <a href="http://www.3CMA.org">www.3CMA.org</a></td>
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California Association for Microenterprise Opportunity (CAMEO) | 653 13th Street, Suite 201 Oakland, CA 94612 | ☎ 510-238-8360 | ☏ 510-238-8361 | web: www.microbiz.org |

California Workforce Association | 1029 K St., Suite 24 Sacramento, CA 95814 | ☎ 916-325-1610 | ☏ 916-325-1618 | web: www.calworkforce.org |


Community Development Block Grant Program | 1800 3rd St. Sacramento, CA 95814 | ☎ 916-445-6000 | ☏ 916-322-2904 | web: www.hcd.ca.gov |

Community Economic Development Lending Initiative | 1333 Broadway, Suite 604 Oakland, CA 94612 | ☎ 510-763-1093 | ☏ 510-466-6306 | |
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web: www.DOC.gov/eda/

Employment Development Department
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web: www.caljobs.ca.gov

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web: http://cued.org

National League of Cities
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fax 202-626-3043
web: www.nlc.org

National Main Street Center
National Trust for Historic Preservation
1785 Massachusetts Ave. NW
Washington, DC 20036
☎ 202-588-6000
fax 202-588-6038
web: www.nthp.org

Rocky Mountain Institute
1739 Snowmass Creek Rd.
Snowmass, CO 81654-9199
☎ 970-927-3851
fax 970-927-3420
web: www.rmi.org

Small Business Administration
455 Market Street, 6th Floor
San Francisco, CA 94105
☎ 415-744-6801
fax 415-744-6812
web: www.sba.gov

Smart Growth Network
EPA Urban and Economic Development Division
777 North Capitol Street, NE, Suite 5
Washington, DC 20002-4201
☎ 202-260-2750
web: www.smartgrowth.org

USDA/Rural Development
430 G Street, Agency #4169
Davis, CA 95619
☎ 530-792-5800
fax 530-792-5837
web: www.rurdev.usda.gov
The Local Government Commission

The Local Government Commission is a non-profit, non-partisan membership organization of local elected officials, city and county staff and other interested individuals throughout California and other states. With almost 1,000 members, the LGC provides a diverse forum for exchanging ideas and inspiring local leaders to action. The LGC’s services are tailored to local government leaders. We provide practical, tested ideas and programs that foster a sustainable environment, strong economy, and social equity, as well as meaningful civic involvement.

The Center for Livable Communities

A national initiative of the Local Government Commission, the Center for Livable Communities helps local governments and community leaders be proactive in their land use and transportation planning, and adopt programs and policies that lead to more livable and resource-efficient land use patterns. Center programs can help jurisdictions expand transportation alternatives, reduce infrastructure costs, create more affordable housing, improve air quality, preserve natural resources, conserve agricultural land and open space, and restore local economic and social vitality.

In 1991, working with some of the country’s leading architects and urban designers, the LGC developed the Ahwahnee Principles for More Livable Communities which address resource-efficient local and regional land-use planning. The Center grew out of the LGC’s work helping local officials implement these principles.

CENTER SERVICES

Workshops and Conferences: The Center organizes a variety of conferences, workshops, and training sessions on land use and transportation-related issues.

Publications and Newsletters: The Center publishes a monthly newsletter, Livable Places Update, and has produced a variety of easy-to-read guidebooks that explore models and tools for improving land use and transportation planning.

Community Image Surveys: The Center distributes surveys for several areas, trains local agencies and organizations in how to use them properly, develops area-specific surveys, and helps communities develop their own surveys.

Hotline and Referral Help: The Center has a toll-free number, where qualified staff respond to requests for information and referrals.

Land Use Library: The Center maintains speakers lists, bibliographies, and an array of different information — including studies, reports and model codes — on outstanding examples of pedestrian- and transit-oriented land use planning from across the country. The Center also maintains a growing collection of articles under 120 subject areas — from “Adaptive Re-Use” to “Youth Planning.”

Slides and Videos: The Center’s resource library has a useful catalog of videos and slides to help introduce and implement the concepts of transit-and pedestrian-oriented land use planning.

Center Hotline – (800) 290-8202 ♦ Web site – www.lgc.org

LGc’s Center for Livable Communities

1303 J St., Suite 250 ♦ Sacramento, CA 95814
tel (916) 448-1198 ♦ fax (916) 448-8246
e-mail: center@lgc.org
“The Ahwahnee Principles for Smart Economic Development is a welcome guide to the new thinking on economic development that has been growing up from the grassroots of California regions during the 1990s. Here in one place is an encyclopedia of good ideas for building community for the 21st Century.”

— Doug Henton, President, Collaborative Economics

“At last, a handbook, thoughtfully organized, chock-full of real-life examples, of the new principles of community-based economic development, global ties, regional alliances and radically improved town design that have been bubbling up across California and America in the ’90s.”

— Neal Peirce, Co-author, Citistates and Syndicated Columnist, Washington Post Writers Group

“We have a three word mantra at the Manufacturing Group — Working Together Works. When it comes to building community partnerships, The Ahwahnee Principles for Smart Economic Development not only captures the spirit, but provides the flesh and bones needed for implementation. This guidebook reminds us that, when shaping the future of our communities, it is our destiny and our decision.”

— Carl Guardino, President and CEO, Silicon Manufacturing Group

“As communities are devising ways to balance economic development with neighborhood preservation, we are looking for models. This guidebook will be invaluable. Thanks LGC.”

— Mayor Rosemary Corbin, City of Richmond, CA

“The LGC has produced a resource for local governments, community leaders and businesses to collaborate and treat people, families and community as invaluable. Moving from vision to action can be difficult, but this resource illustrates that healthy and vital communities are possible.”

— Luis Arteaga, Latino Issues Forum

“Probably the biggest issue confronting communities and local governments today is how to work together for sustained growth and effective use of resources. The Ahwahnee Principles for Smart Economic Development provides a roadmap.”

— Jonathan Miller, Senior Vice President, Lend Lease Real Estate Investments, Inc.

“What an interesting and valuable resource. Any city or county using strategies and practices such as those in this guidebook will certainly foster a strong, fruitful business environment.”

— Candace Sklarlato, Vice President, Environmental Policies and Programs, Bank of America

“This guidebook will be a valuable addition to any economic development organization’s library.”

— Lewis R. Podolske, Director, Office of Program Operations, Economic Development Administration, U.S. Department of Commerce