CUES AT THIRTY

By Jim Bregy

The year in 1987. A tiny, fledgling organization has been formed by officials from 15 cities to promote the idea that city governments should take a lead role in working with their local allies in the business community to maintain and build their economies. The officials are concerned with their declining economies and job-losses as manufacturers and other companies move to the suburbs. Their communities are losing middle-class residents while a larger proportion of their populations are poor, unskilled and dependent on government support. Downtown areas are becoming disused with boarded up buildings and rundown office buildings, hotels and commercial spaces.

In 1987, the role of governments in economic development is essentially in negotiating deals for physical development projects and providing support and infrastructure for them. Private sector projects, or those assisted through federal urban renewal or local programs like tax increment financing, create new offices, commercial and residential developments. The job of recruiting companies or dealing with the problems and plans of existing companies is largely that of private sector organizations, the change of commerce or an industrial development entity if there is one.

Past fifteen to twenty years in the present. The current organization, the National Council for Urban Economic Development, has a staff of 35 and over 1,600 members. They represent communities of all sizes, urban counties, metropolitan regional agencies and private-public partner- among organizations, utility companies, consultants and academicians from non-urban development to small business development, technology transfer and exporting. The problems and issues have changed somewhat but in some respects they are not so different. Virtually all traditional manufacturing jobs have left the central cities and older industrial inner ring suburbs. Local and regional governments have become more diversified and jobs that remain "low wage" require more knowledge and higher skill levels. Urban competition, technology and changes brought by the end of the Cold War have affected many local and regional economies.

Local governments and regional entities have developed an important leadership role in economic development. The differences in economic development approaches between small towns and urban areas have interested substantial- ly through economic development agencies in public-private relationship matters, local governments have moved far beyond their previous physical development role. They have active ongoing programs in business attraction, business retention and expansion in new business development and work with specialized agencies and institutions on workforce training, technology applications and finding new markets for companies.

A CURD which celebrates its 30th anniversary this year has played a leadership role in the advances that have been made in economic development efforts over the last three decades of addressing these issues. Practitioners have found a home in CURD as a resource for the latest thinking in the field.

CURD has grown into an important service delivery center for the economic development community. The services include information and research—its newsletters, quarterly journals, technical reports and manuals, inform national and regional associations. CURD helps private companies, special interest groups and the too-often-forgotten small and medium-sized new small businesses. CURD’s expertise is managing, administering and marketing its own collections of marketing professionals’ association’s organizations and even tapped by other organizations. Finally, there is CURD role in education, driving to develop professionals in it.

On the Leading Edge of Economic Development While Maintaining Its Urban Commitment

Starting out with a group of local officials concerned with flight of businesses from cities, the National Council for Urban Economic Development (CURD) has grown over 30 years to become a wide-ranging organization offering a variety of services to economic development practitioners as well as other allied organizations as well. CURD provides technical assistance to localities and regions; convenes to build economic development professionalism; and publishes a quarterly journal, newsletters and a continuing series of technical reports. It also offers its highly regarded and administrative services, marketing, conference planning and newsletter publishing skills and contacts to other organizations. CURD’s conferences and the awards for outstanding achievements in several economic development areas are highly valued in the profession.

COMMENTS Fall 1997
practice of economic development. The organization now offers ten courses on economic development subjects including marketing, planning, finance, business incentives and organization, technology, entrepreneurial strategy, neighborhood development, real estate development and organizational management.

"Professional credentials have been critically important," says CUED President April Young, executive director of Potomac Knowledge Way in northern Virginia. "When an agency or organization hires someone for an economic development position it has to have confidence that the individual is bringing a community understood core set of tools to bear on the problems and issues to be dealt with. There also has to be a process for learning and growing in the profession. CUED, through its courses, and the other information it makes available is improving the core education of economic developers."

"The period since 1970 has seen a transition from economic development practice to economic development credentialing," says CUED Vice President Ron DeBoo, who joined the organization as a staff member in 1971. Now White's director of development, DeBoo says: "When we started out, virtually no city had any economic development department or agency. There was no public role in economic development. It was left to the forces of the marketplace. CUED defined the need for public intervention in economic development as well as the process in which such intervention would and does occur. Over the last 20 years, there have been very few distinctive voices in thinking, education and philosophy which have defined, redefined, adjusted and modified economic development. CUED has been the leader through all this and has been an important facilitator in creating partnerships between public and private sources."

"CUED is where I learned about economic development," says Wayne Scholl, executive director of the California Association for Local Economic Development (CALCED). "There is no place where you can go to school to become an economic developer. CUED has filled that need very well. CUED is a great resource for people learning the field and for those who hope to grow professionally in it. Information and training are the keys to professionalism in economic development and that is what CUED does very well."

"During the '90s, CUED grew into a strong member services organization and emerged as the best representative of the profession in Washington," says John Copping, CUED president, 1984-86, and president of Greater Philadelphia First. "The organization built a great portfolio of member services and regional alliances. Economic development continues to be the most important issue facing America's cities and CUED has expanded its capabilities to meet these needs and to satisfy the ever-increasing knowledge and skill requirements of today's economic development professionals."

CUED's experience as a well-managed Washington-based organization with a strong record in successful conferences and publishing, has drawn other organizations to contract for its services. CUED is providing administrative services, marketing, public-relation organization and newsletter services under contracts with the National Association of Installation Developers (NAID), an organization specializing in the conversion of former military bases for economic development, and began providing these services in the Association of University Related Research Parks (AURRP) in September 1997.

cUED's Origins — The HUB Council

CUED originated with the founding of the Helping Urban Businesses (HUB) Club, a loosely federated group of city development chiefs who were concerned with the flight of businesses from their cities and the decline of a climate that could retain or attract firms. The HUB Club came into existence informally in 1966 and it is important to understand the heightened awareness in the country at the time about the "urban crisis." In 1965 a riot exploded in the Watts section of Los Angeles which was to be the first in a series of riots in the minority neighborhoods of large cities during the sixties. Riots followed in 1967 and 1968 in Detroit, Newark, Washington, Tampa, Cincinnati, Rochester and other cities. These "civil disorders" spurred the creation of numerous task forces comprised of governors, government officials, the private sector, academic and philanthropic foundations in search of solutions to the problem of urban poverty and economic distress.

The raising, locating and assembling of neighborhood business areas and commercial strips exacerbated what was already a weakening position of urban economics as manufacturing and commercial basins had begun to move increas-
Ed deLacua
CURE President
1967-70
Cities need an organization to stand up and battle for them. Cities are where the action is, the contrast, the diversity, the appeal to every type of person, the excitement, the contacts, the services, the glamour spots, the markets, the top sports and educational facilities, the hustle and bustle, the bands, the lawyers, the engineers.

Paul Zimmerer 1970-73
We were joined together by our need to stop business from leaving the cities. We had to bond together because we had no one else to talk to. The Midwestermen among us deferred to our East Coast brethren, but we all believed in the same gospel. CURE made economic development a true profession in those days and we were rapidly being recognized as a force on urban areas.

What Is Urban?
In recent years, the first thought that comes to one's mind is that of large city centers and huge agglomerations of population, commerce, culture, fares and high-tech industry. Urban areas traditionally have been centers of trade, commerce, information, medical care, entertainment and art. During the 20th century, America evolved from a predominantly rural to an urbanized society, with about 80 percent of the U.S. population now living in urban areas. But not all of those urban residents live in one of the large metropolitan core centers. An analysis of city residents across various desirable living spaces in suburbs or adjacent nonmetropolitan areas is finding the urbanization of America. Although they have the cities to escape problems such as poverty, rising crime rates or high urban tax burdens, these residents still desire many of the economic and cultural advantages traditionally located in large cities.

Urbanization can be understood as a sociological process through which prosperous people from different cultural backgrounds move to urban areas, bringing with them their own attitudes, values, philosophies and goals. Developed through interaction and interdependence, relationships among individuals living in a shared geographic space. Urbanization can also be understood as an economic development process. Economic development policies have fundamentally changed during the last decade, with globalization and the changing structure of world economic competition among places and firms that help to transform and tax incentives are no longer the sole determining competitive parameter in the new economy. Communities must develop local and regional economic development programs and strategies with a high quality of leadership and funding research base.

The city of Farmers Branch, Texas, has a population of 14,351 and a very small number of 3,500. It is located in the heart of North Dallas, the city to home to its corporate headquarters and 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area.

The city of Farmers Branch, Texas, has a population of 14,351 and a very small number of 3,500. It is located in the heart of North Dallas, the city to home to its corporate headquarters and 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area.

The city of Farmers Branch, Texas, has a population of 14,351 and a very small number of 3,500. It is located in the heart of North Dallas, the city to home to its corporate headquarters and 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area.

The city of Farmers Branch, Texas, has a population of 14,351 and a very small number of 3,500. It is located in the heart of North Dallas, the city to home to its corporate headquarters and 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area. Farmers Branch, Texas, has 3,500 employees within a 125,000-square-mile area. The city is one of the largest in the urban area.
ingly to the suburbs and outlying areas. Local economic development professionals had been dealing with this problem throughout their cities not only in or near minority neighborhoods. Businesses seeking support for their decisions to leave the cities found an obvious reason in the violence and destruction of the riots.

On February 10, 1966, Ed deLuca, Baltimore’s director of economic development, met a letter to 20 large city mayors and their development chiefs inviting them to an initial meeting in Baltimore. The meeting succeeded in establishing a continuing relationship to work together in sharing information and techniques for improving the business climate of central cities. deLuca’s office financed and started the informal HUB Council during this startup period. Other meetings were held in Washington, Pittsburgh and Chicago.

The HUB Council was formally incorporated on April 20, 1967. The founding officers were deLuca, president; Ken Fry of Milwaukee, Paul Zimmerman of Chicago and Louis Thomson of Toledo, vice presidents; and Mel Reebrook, then with the Greater Cleveland Growth Association, treasurer. (For a more detailed history of this period, see Ronald C. Kynah, “A History of CUEA,” Commentary, Vol. 15, No. 4, Winter 1993. This article marked CUEA’s 25th anniversary.)

The Council’s original by-laws stated the first objective to be the establishment of an urban policy for economic development. Many cities in the 1960s still held a substantial manufacturing base which was reflected in the Council’s primary reason for existence, dealing with the “industrial and commercial problems of the central cities, with a major emphasis on industrial development.” Membership was restricted to cities with populations of over 200,000. This requirement was reduced over the next few years as smaller cities wanted to join. By 1968, 20 cities with populations of 100,000 had become HUB Council members.

The Council was getting started as the Johnson Administration, which had argued a number of significant urban programs, including Model Cities and the anti-poverty program, was coming to a close. With the end of the Vietnam War nowhere in sight, the anti-war demonstrations and the riots in the cities, Johnson decided not to run for re-election in 1968. It appeared that the Republicans would come back into power with the election of Richard Nixon in the fall and be far less friendly to the cities since their constituency was based largely in the suburbs and outlying areas.

If the HUB Council was to become a lasting institution that could impact an urban policy it needed to secure a base of continuing financial support. Andy Bennett, an official of the Economic Development Administration, suggested to the Council leadership that the organization submit a proposal for funding. The proposal, drafted in October 1967, laid out an agenda of issues to address, including mass transportation, tax incentives, preservation of industrial land, involving new industries, managements and “sage entrepreneurship.” In 1968, EDA made a grant to the Council of $101,500 over two years to provide technical assistance, information and research. With considerable difficulty, the Council was able to raise a match of $1,300 from its members. The federal grant enabled the Council to hire its first executive director, John Johnson, who had been director of the Delaware League of Local Government. His salary was $17,500. The Council was housed in an office next to deLuca’s in Baltimore.

EDA, which provided that first grant to the HUB Council, had been created by the Public Works and Economic Development Act (PWEDA) of 1965. EDA’s original mission was to target federal funds on rural areas with the greatest economic distress as identified by unemployment rates. CUEA’s history has been intertwined with EDA’s since the initial grant. “Since 1967, CUEA has been an eloquent proponent for public interventions in the development process,” says Jack Gergen, director of EDA’s northeast region in Philadelphia. “Since EDA made its first grant to CUEA we have been active partners in building professionalism in economic development over time.”

From HUB to CUEA

As more cities and extended counties began to join, the leadership of the HUB Council changed the organization’s name to better fit the wide range of new members. The HUB Council became the Council for Urban Economic Development (CUEA) on December 16, 1971. When spoken, the acronym CUEA comes out “Kuey,” which is how people have referred to the organization over time. In that same year, 1971, Congress passed an amendment to EDA’s

COMMENTARY Fall 1997 9
outmoding legislation, allowing the agency to fund projects in urban areas. "You have to understand that back in those days the term 'economic development' was widely interpreted to mean programs to help underserved areas which meant rural areas," said Ken Decker, CUED's vice-president who was then a staff member. CUED's leadership and staff had worked with members of Congress seeking funds, to rebuild urban economies. They played a role in finally getting an amendment through which allowed EPA to work in urban areas. After Carter took over, some CUED staff people went to important posts at EPA and other agencies.

Commentary Fall 1977

Ken Paxton 1972-75

We met, President Ford's nominee to head EPA. He was Voyager Brand Mussel, a former major league baseball player. He came from a rural background and didn't know a lot about cities. I told him it didn't make a difference if you were poor and out of a job in Houston or rural Georgia, it was the same thing. He became a strong supporter of CUED.

Tom Kelly 1975-76

We met, President Ford's nominee to head EPA. He was Voyager Brand Mussel, a former major league baseball player. He came from a rural background and didn't know a lot about cities. I told him it didn't make a difference if you were poor and out of a job in Houston or rural Georgia, it was the same thing. He became a strong supporter of CUED.
The Reagan Administration took office in 1981 calling for reductions in domestic spending and the elimination of EDA and other agencies, including the Small Business Administration. But federal tax policies generated significant development in the cities. Tax credits for investment in historic properties, part of the tax act of 1981, became a major tool of economic recovery in the early 1980s and led to numerous public/private partnership projects that restored and improved landmark railroad stations, hotels, office buildings, and other structures while creating new urban spaces and opportunities for entertainment, retail, and other uses. These tax credits worked well in concert with the UDAG program and were part of the financial package of many UDAG projects. The tax advantages were severely reduced by the Tax Reform Act of 1986 which eliminated a number of private development incentives.

The need for EDA was critically important to UDAG and while EDA heads appointed by the administration worked to reduce federal involvement in economic development, EDA testified and worked with Congressional appropriations committees in support of continued annual funding.

Shifting Away from Government Dependency

1986 might be called a watershed year for UDAG. Federal funding for economic development was shrinking; EDA struggled along with only maintenance grants and no hopes for new initiatives; the new tax reform cut back on revenue bonds and imposed severe controls on them. A lack of economic development activity began to be reflected in a fall of members to the organization. The UDAG board held a retreat and decided to place more emphasis on becoming a membership organization that would be less dependent on federal grants for its survival. In the years to come, two-thirds of UDAG's support came from the federal government but the organization was decreasing its staff and prospects dimmed for continued government support.

Jim Peterson left the executive director post that year to head up NCI Research at Northwestern University which undertook basic research in economic development with a more long-term view and provides information to practitioners. "It is like I think that the major achievement of the organization during my time was the establishment of UDAG's strong publications, especially the Commentary quarterly magazine, which really became the forum for the national debate over economic development issues," Peterson says. "We were able to draw some important policy analysts like Peter Drucker and David Birch, and others to contribute articles to Commentary. For instance, David Birch's widely acclaimed findings about the role of small businesses in creating jobs were first published in Commentary," Peterson recalls.

The UDAG board and officers, lead by the organization's new president, Tom Blanchard, executive director of the Greater Nordik Partnership, hired Jeff Pahle to replace Peterson. Pahle brought two strengths to the organization. First, he had been an official at HUD for over five years of the Reagan Administration and played an important role in the CDBG and UDAG programs. He thus had a strong background and expertise in marketing. The new executive director adopted a tight policy in UDAG expenditures to reduce costs and moved the organization into a strong marketing effort to promote its conferences as a source for new revenue. The next few years would see UDAG's financial base shift to become far less reliant on government support.

The Reagan Administration's major urban initiative was the enterprise zones, which it advocated consistently through two terms. In contrast to UDAG, which provided grants to cities to undertake specific projects, enterprise zones would give tax breaks in designated areas to encourage businesses to locate in them. Though Congress never enacted an enterprise zone program with tax breaks during the eight years of the Reagan presidency, the administration's push led many states to create their own programs in anticipation of a federal program. Many of these targeted state tax incentives generated significant amounts of private investment and employment in economically distressed parts of cities. UDAG through its conferences and workshops played an active role in promoting enterprise zones at both the state and federal levels.

The succeeding Bush Administration continued to support the termination of EDA, at least for the first two years. Under the aggressive leadership of HUD Secretary Jack Kemp, the administration also continued to press for an enterprise zone program. Funding for the UDAG program, which had been decreasing during the 1980s, was ended in

Walter D'Alessio 1978-80
The late 1970s was a time of innovation. There was an almost competitive situation between HUD and EDA as to who could deliver the best economic development programs to cities. UDAG's greatest value in those days was that it was a meeting place, its members were always willing to share information on how to get things done.


COMMENTARY Fall '97 11
Ron Kysiak 1980-82
CUEC went through a tough time in the early 1980s. Ronald Reagan was elected on a platform of reduced federal support for local economic development and—more important to CUEC—reduced support for public interest groups such as CUEC. The board took the tough question of whether to fight for EDA’s continued existence and earn the enmity of the new administration or to try to work with the new team. After a heated debate, the board decided to work with Reagan’s people, which was the right decision under the circumstances.

1988 by a budget agreement between the White House and Congress. During this period, CUEC worked with HUD officials in an effort to expand the regulations governing the CDBG program, to make the program more useful as an economic development tool.

In spring 1992—the last year of the Bush Administration—the eyes of the nation were turned again to the economic distress of the inner city by a riot which broke out in south central Los Angeles. This civil disorder was reminiscent of the urban riots of the late 1960s when CUEC was being created. The Los Angeles riot came two weeks after practitioners from 50 cities and nonprofit organizations had laid out an agenda for attacking the problems of economically distressed urban areas at an all-day session of CUEC’s federal policies working group during the 1992 annual conference. Isabella Morfis, CUEC president 1993-94, noted that “federal resources exist that could potentially help cities to improve their economies and create jobs for their people. It would, however, require a dramatic reorganization to better coordinate these resources.”

The CUEC federal policies working group was formed in response to a request from Senator Ben Nighthorse Campbell (D-MT), chairman of the Senate Banking Committee, who was also chairing a Senate task force on community and urban revitalities. The CUEC summation developed a set of recommendations for action that could be taken directly by government or through government-private sector-corporation partnerships. These recommendations fell in all areas of economic development and related programs. They were widely distributed to members of Congress and key staff, federal agencies and the White House. “In the Clinton Administration, CUEC was re-established itself as a major force in federal policy,” Morfis said. “It was a time of renewed interest in economic development and CUEC capitalized on this opportunity, achieving new momentum for its own development. In addition, we restructured membership categories and dues to bring in additional revenue and established the groundwork for CUEC’s educational and professional programs.”

The Clinton Administration came into office in 1993 with a broad economic development agenda which embraced a number of positions on issues such as technology development, manufacturing technology, workforce training and community reinvestment. CUEC’s leadership and staff met with new heads of the departments and agencies and became very much involved with the National Economic Council in the White House, which was developing a new enterprise zone program. Work began by the Bush Administration to develop an aggressive export policy was continued with the establishment of a national export strategy led by the Department of Commerce, the Export-Import Bank of the US and SBA. The administration also went on the attack by Congress of the North American Free Trade Agreement (NAFTA). Following up on the efforts of the Bush Administration, CUEC was very much involved in helping local and regional economic development agencies to develop export programs as a way to help area companies to find new markets for their products and services. Utility companies had a particular interest in the export potential of the companies located in their service areas. Under contract to the Edison Electric Institute (EEI), CUEC prepared two books designed to help utility companies and firms in their...
1974 HUD Community Development Block Grant program created to combat inflation of urban renewal and other categorical programs.

1975 Volkswagen became first foreign automobile to build plant in US at New Stanton, Pennsylvania. VW later closed the plants in the 1980s and moved operations to Mexico.

1976 HUD Urban Development Action Grant program expired. UDAAG became nation’s primary urban development program for the next ten years.

1977 Community Reinvestment Act enacted requiring lending institutions to invest in communities from which they draw deposits.

1980 Bank in Liberty City area of Miami loses situation again as economic depressed of lower city neighborhoods.

1982 Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) enacted creating the Superfund program with standards for environmentally contaminated sites. Standards not only apply to sites on Superfund National Priority List but thousands of sites in other areas of country. Liability will create barriers to clean up and redevelopment of these “brownfield” sites in cities.


1986 Reagan Administration establishes enterprise zone program as a major legislative gain.

1987 Economic Recovery Tax Act enacted providing 25% tax holiday for investment in distressed revitalization of lower property. Historic rehabilitation tax credit to be important tool for urban redevelopment, creating incentives for rehabilitation in cities where tax-exempt buildings are needed. In five years, private sector investments in 5,000 properties reached $40 billion in construction of rental housing.

1988 National Partnership (NP) Program created by President Reagan to generate public/private investment in joint government/private sector projects in livability development, conservation, and economic development. NP and similar programs in Mexico, Italy, and Canada were among the early 1980s样式 states that take initiatives toward using technology-driven economies. By 1989 all 20 states would adopt at least one experimental technology program.

1988 Joint Partnership Act (JPA) created reducing Comprehensive Employment and Training Act (CETA) program for unemployed people to two plus that meet the work-force needs of employers.

1989 General Motors closes plant at Spring Hill, Tennessee, for future plant after protesting help from 31 states in the “location event of the decade.”

1991 Secretary of Commerce Malcom Baldrige announces.


1993 Clinton Free Trade Agreement approved. Funding for HUD Urban Development Action Grants program ended by White House-Congressional budget agreement.

1994 Berlin Wall is now down symbolizing end of the Cold War which will mean many military bases leave Europe and development of defense-oriented industries.

1995 Bayerische Motoren Werke (BMW) closes its near Spartanburg, SC, to locate corporation’s first plant outside of Germany. State investment total $1.5 billion.

1996 Kentucky invests Kentucky Industrial Development Act (KIDA) and Kentucky Arts Development Act (KDA). Reduces tax state business facilities as friendly property. Legislation moves interest from neighboring states, Ohio and Indiana, which meet competing obligations.

1997 Mercedes-Benz closes site at Vance, Alabama, for entirely whole plant. State incentives impacted by local $5.5 billion.


1998 Ohio Tax Credit Authority (OTCA) as part of JobsOhio initiative.

1999 Forbes State Economic Development for a Strong Economy (SEDE) program allowing companies to earn tax credits for creating jobs for Indian residents.

2000 Secretary of Commerce Dan Brown and 34 others killed in plane crash in Brussels.

2001 National Telecommunications Act enacted.

Commentary Fall 1997

Jim Hankle 1983-84

As cities, we needed to become more self-sufficient. I was really going to do a lot more managementcities had all kinds of properties which could be leveraged to provide sources of funding and new development. UDA has not said the answer. It was a subsidy but not market driven.

Gary Conley 1984-94

We knew we had a huge problem on an organization. We were losing money on federal funds due to up. It was plain that we were going to have to move toward becoming much more of a membership driven organization.
NAID

Since September 1996 CUEC has managed the National Association of Installation Development (NAID). NAID was founded in 1974 and today is the nation’s leading organization for bringing together communities, utilities, private investors and military bases to develop economic partnerships. NAID is a membership organization that promotes community visibility and business opportunity through effective use of former military bases. The goal is to ensure that the best possible use of military bases that have been closed over the years is achieved. NAID provides the information to find ways to utilize and market these available sites. The bases are currently attractive to businesses, because they are able to locate in the existing buildings.

Members are public and private organizations that have interests in the use, leasing and transfers of federal and local government, community buildings and properties. The organization keeps records of all facilities that are available for utilization. The members of the organization can locate the properties and then purchase or lease them. The organization’s services are available to businesses and organizations that are interested in utilizing the properties.

In 1984-87 we made a major change in CUEC’s orientation away from the market driven organization. We convened a group of experts who wanted to involve more/more to what members wanted. Jeff Pufahl’s background in marketing helped a lot.

The Air Force for Management, Reserve Affairs, Installations and Environment, and Keston Moy as Director of Community Development Financial Institutions Fund the Treasury Department. Early in the new administration, HUD Secretary Alphonso Jackson told NAID that the administration planned to put the "CPP" back into HUD by creating a new kind of urban development program. The ex-U.S. Department of Housing and Urban Development (HUD) official was able to implement the new program. The program was called the "Community Development Financial Institutions Fund," and it provided funding for community development projects.

A federal economic development program was finally created in 1999 providing for six "empowerment zones" and 90 "empowerment areas."
prize communities," the latter being a lower tier of zones with less federal support. CEDC worked with federal off-
cials in disseminating information about the new program and holding roundtable meetings at its conferences. Over 650
cities competed for "improvement zones" or enterprise con-

sumption designation.

The "face lifted" in the first Republican Congress is 40 years. CEDC found in hands full in "steer-
ing an effort to deregulate the federal non-feder-
ated function into several regional, multi-state commit-
tees. While a multi-regional development organization
seemed to expand, along with the plan, CEDC was
condemned in defining the principal of a strong federal role
in economic development as represented by a central EDA
in Washington. Another proposal would have shrunk EDA
into a smaller unit to be placed in SBA or the Department of
Agriculture. EDA reviewed these proposals and the
agency appears to be well in the foreseeable future.

Market Forces and Economic Development Practice

While CEDC worked continually over four years to sup-
port federal programs for economic development, the orga-
nization's agenda has also been focused on helping local
and regional practitioners to develop strategies for coping
with market forces that impact on their communities. The
basic decisions of companies, corporations and govern-
ment agencies after all affect job creation and retention.
Since the 1970s, other factors came into play global com-
petition, which brought foreign competition into US
markets and no longer markets in American capacities of
all sizes; the emergence of technology and its availabil-
ty, and the changing nature of work and its implications
for the skill needs of companies. Another factor was the
increasing diversification of the population, which was placing
greater reliance on countryside, traditionally disadvantaged
people and women as workers and as creators and man-
gers of businesses. The end of Cool War at the end of
1990s was another factor as it would mean the closing
of more military installations and the downsizing of indus-
tries that were dependent, directly or indirectly, on defense
contracts. All of these factors were influencing economic
development activities in communities across the country.
In the 1980s, CEDC was very anxious to how these
trends were breaking the sphere of economic development
responsibilities and practitioners got the thinking of local and
regional practitioners at an all-year meeting in Chicago in
September 1992 in which presenters on each of these issues
offered feedback from members and other knowledgeable
and expert practitioners. The result was a 1993 report, "The
New Economy, which presented a new outlook on the
challenge economic development practice and realigned it
in the light of changes that many practitioners may not
have been aware of at the time. The report called for a more
innovative approach to economic development in which
practitioners could manage change (in an entrepreneurial
way by developing a set of institutional relationships and
partnerships. Economic development was recognized not as
a single discipline but as a multidisciplinary environment
that enjoys greater skills in economic development.

In the global marketplace, local and regional economies
were becoming more dependent on their ability to expand
capacity with projects and services that were competi-
tive in national and international markets. Economic
development agencies and allied organizations faced the
need to better deliver services to their clients. To re-

allow services delivery systems, economic development
organizations in some states began to move into collabora-
tive arrangements with other public and private special-
ization organizations. "Seamless" customer-driven systems were
being developed to better deliver services in exporting,
technology development and application, workforce train-
ing, capital access and other specialties.

CEDC was at the forefront in following this evolution
and held a series of practitioner exchanges in its metropol-
itan areas where these agents were evident in exporting
and technology Buffalo, Houston, St. Louis, Philadelphia,
San Diego and Santa Clara. CEDC issued a report on these
exchanges and how local economic development was being
"re-engineered." At the same time, the role of private sector
members in economic development strategies was recog-
nized in activities like marketing along sector lines and
mutually supportive networks of small companies. In many
places, technology importing and networks were part of
strategies to transition from defense-dependent economies.
If economic development and allied organizations were
to improve their delivery systems, how could they assure
their performance, identify strengths and weaknesses and be
sure they were making the best use of their budgets,
times and energy? Since the early 1980s, many businesses
in private sector organizations had institutional systems for
economic performance and setting benchmarks to mea-
sure progress. CEDC, in collaboration with Definite &
Successful Ventures Consulting, initiated an investigation of
benchmarking practices in various kinds of economic
development and related organizations. The first report,
published in 1998, covered benchmarking in several areas:
business attraction, business retention and expansion,
technology transfer, business incubators and research
parks, downsizing, development and export assistance.
Another report on the benchmarking of other activities is
planned for publication later this year.

The Incentives Issue

Many states and cities had responded to market forces
by using various government incentives to attract or retain
companies and jobs. CEDC had been concerned with incen-
tives since the 1970s when competition among states and
cities became to escalate. The issue gained much wider
attention during the 1980s when state governments activ-
ately sought the location of plants by foreign companies. All
the major Japanese automakers established plants in the
US during the decade, and regions and localities com-
peled them to do so as for domestic companies.

COMMENTARY Fall 1997 15

Marilyn Swartz-Lloyd 1986-99

We had grown up with CEDC's policy orientation but had to spend most of our time on marketing and conferences to generate operating revenue. The days were over when federal grants allowed us to evaluate policy issues without risking financial difficulties. We thought policy had died. Business. CEDC president are spoken because they are excited about ideas and the possibility of turning them into action. The board believed we should play a role in making the world a better place.

We had grown up with CEDC's policy orientation but had to spend most of our time on marketing and conferences to generate operating revenue. The days were over when federal grants allowed us to evaluate policy issues without risking financial difficulties. We thought policy had died. Business. CEDC president are spoken because they are excited about ideas and the possibility of turning them into action. The board believed we should play a role in making the world a better place.

We had grown up with CEDC's policy orientation but had to spend most of our time on marketing and conferences to generate operating revenue. The days were over when federal grants allowed us to evaluate policy issues without risking financial difficulties. We thought policy had died. Business. CEDC president are spoken because they are excited about ideas and the possibility of turning them into action. The board believed we should play a role in making the world a better place.

We had grown up with CEDC's policy orientation but had to spend most of our time on marketing and conferences to generate operating revenue. The days were over when federal grants allowed us to evaluate policy issues without risking financial difficulties. We thought policy had died. Business. CEDC president are spoken because they are excited about ideas and the possibility of turning them into action. The board believed we should play a role in making the world a better place.
publicized ownership was for the General Motors Saturn plant which involved jobs from 30 states. In the meantime, the problem became new interns with large incentive packages given to Marvin Breit by Arkansas and to Colfax Steel by Kentucky incentives, which had been a marginal factor or a "tie breaker" in corporate locational decisions, were becoming a major factor as some companies distributed a list of required incentive before actually constraining a location. In 1983, CUD agreed upon an incentive tax form which developed a set of resolutions. These were followed by the publication of a CUD report, "Organic and Equitable Policy," which recommended 10 policy principles along with case studies of effective state and local policies. The report called for the installation of systems for evaluating the fiscal, social, and economic benefits of projects, for calculating the return on the public investment, and for establishing benchmarks to measure the company's progress toward accomplishing set objectives.

CUD's research and evaluation programs have recently been examining the use of performance-based incentives in a number of states and how these states are monitoring their effectiveness. As part of a two-year study for the State of Ohio, CUD is surveying incentive practices in Ohio and tax other states to evaluate the benchmarking of incentives and techniques for monitoring their impact. Also in Ohio, CUD is evaluating the use of government funds for economic development initiatives as practiced by Montgomery County with its Economic Development Corporation Equity (EDC) program. CUD is assessing how successful the program has been in achieving results in job creation and tax revenues generated.

Impacts of Defense Downsizing
The closing of military installations impacted on a growing number of communities and regions, many of which were represented in the CUD membership. How base closures could be conveyed experimentally into the hands of local authorities and be used successfully for economic development became the subject of workshops at CUD conferences. CUD worked closely with the Office of Economic Adjustment of the Department of Defense organizing a conference of state, regional, and local agencies dealing with base conversions and transition programs for intrastate-oriented economies. In 1985, CUD published a resource-loaded best practices guide to successful strategies and programs with 20 articles contributed by 26 practitioners and other experts on defense conversion and diversification. In 1989, CUD entered into an alliance with the National Association of Installation Developers (NAID) in which CUD provides management and administrative staff time, organizes conferences and publishes NAID's monthly newsletter.

The strategic alliances we have formed with CUD work well for us because this relationship enables communities that are faced with the closing of a major asset to achieve a successful transition from the period during which the base passes through the federal property disposition stage to the next phase when it becomes a traditional economic development project. says Bud Arrin, former NAID president. "Our expertise at NAID is working through the community, creating, coordinating, and streamlining the disposal process. The CUD assistance, with the advice, seminars, and publications it provides, puts communities in a position to move smoothly into the economic development phase."
AURRP

Since September 1, 1997, CURED now manages the Association of University Related Research Parks, (AURRP), a non-profit international organization founded in 1984. AURRP seeks to achieve technology-based economic development by promoting university research parks and technology incubators and strengthening university-industry relations. AURRP’s mission is to expedite innovation and to support the transfer of technology from institutions of higher learning to the private sector. AURRP members are university, governmental, nonprofit, private organizations and individuals around the world that have a declared interest in the creation or promotion of research or science parks, technology incubators or technology programs. AURRP represents 75 percent of the research parks in North America and many others in 31 countries worldwide.

AURRP offers its members seminars and meetings that bring together research park officials and other experts from around the world to exchange expertise and experiences. Special sessions address the needs of those new to research parks or incubator planning. AURRP provides members with expertise on research park organization, technology commercialization, university-industry relations, technology incubators, infrastructure financing, seed capital, joint ventures, international marketing, real estate development, government relations, management issues, feasibility studies, site planning and construction.

The organization provides access to a variety of informational resources. AURRP’s Membership Directory allows the members to contact research park experts directly and to launch, the largest in the world, on research parks, contains books, periodicals, newsletters, newspapers and magazine articles, documentaries and press releases. BAVOLINK, an electronic networking and data base system, and AURRP’s Home Page (http://www.uce.com/AURRP) on the Internet provide the members with information on research parks, technology incubators and related issues.

The bi-monthly newsletter, The Research Park Forum, keeps members current of developments in the research park industry by providing feature articles, park news, research park statistics, upcoming conference announcements, association and member news. AURRP also publishes the unique Worldwide Research Park Directory, which lists statistical information on over 410 research parks worldwide. This information includes acreage, number of buildings, building square footage, number of companies and employees and was recently noted by 98 percent of AURRP members as extremely useful. The organization also offers the AURRP Consultant Listing providing members with available consultants on development of research parks. The AURRP Annual International Conference takes place at alternating locations. In addition to the Annual Conference AURRP organizes site visits to active parks and incubators to learn how they are constructed, implemented and managed. Conferences have been held in: Santa Clara, California (1997), Philadelphia, Pennsylvania (1996), and Scottsdale, Arizona (1995). The next Annual Conference is planned for May 22-25, 1998, in Baton Rouge, Louisiana.

For more information call (202) 623-4187 or fax (202) 233-4745 or (202) 623-8819 or e-mail aurrep@landev.develop.com.

AURRP President James Robertson and CURED President Andrea Young sign contractual agreement by which CURED will provide administrative services, conference planning and newsletter publishing for AURRP.

COMMENTARY

Fall 1997 17

In 1998, CURED reestablished itself as a major force in federal policy. It was a time of renewed attention to economic development and CURED capitalize on the opportunity for new momentum for its own development. As a result, CURED's financial position was substantially strengthened. In addition, an international membership was pursued, and due to bring in additional revenue and established the groundwork for CURED's educational and professional programs.
John Claypool 1984-86
During the nineties, CUDU grew into a strong member services organization and emerged as the best representative of the profession in Washington. The organization built a strong portfolio of member services and regional alliances. Economic development continues to be the most important issue facing America’s cities and CUDU has expanded its capability to meet these needs and to satisfy the ever-broadening knowledge and skill requirements of today’s economic development professionals.

Technical Assistance
CUDU’s site-to-site, peer-to-peer Technical Advisory Service continues to be one of its most potent and critically important services. Since CUDU’s early days, numerous members of the organization and the board of directors have served on teams traveling to communities to offer advice on every imaginable economic development project or issue. Many members have also been on the receiving end of this service. A CUDU team recently assisted the Philadelphia suburban community of Lower Merion Township, analyzing the area facing 10 commercial zonings in six districts of the Township. The team identified the needs of the districts for parking, streetscape improvements, retail mix and spin and made recommendations on the best practices, techniques and initiatives to address the needs. Another CUDU team assisted Charlotte, North Carolina, in developing a strategy to revitalize the North Tryon Street business corridor. Migration of businesses to more ornamental locations left the corridor with substantial vacant space. The team recommended an approach (including a high impact project, coordination of real estate information and improvement and retention of businesses in the corridor.

Geographic Areas
CUDU’s role in this service component, metropolitan areas, states and organizations on a fee basis. Technical advisory services have also been provided by CUDU under contracts with federal agencies such as EDA, HUD, DOT and DOD and more recently DOS.

Economic Information Sharing
The composition of almost had made CUDU increasingly aware of advances being made by other countries with economic development initiatives. Small business networks in Italy, weight loss programs in Germany and Japan, micro-enterprise loan programs in Third World countries, the role of research parks and technology, and urban revitalization in the United Kingdom were among the many initiatives that drew CUDU’s attention. To keep its members and other interested parties informed, CUDU in 1987 took over the publication of a bimonthly newsletter, Economic Development Around, in cooperation with the Academy for State and Local Government. Over the past ten years, CUDU has followed initiatives in other countries and has a list of contacts that goes far beyond CUDU members, especially those in music technology, immigration, a focus on economic development, ISO 9000 standards and total quality management, small business assistance, exporting, tourism, workforce training and defense concerns.

CUDU has made substantial progress in facilitating the international exchange of information. In 1990 on an ad hoc forums, "Renewing Ideas Around the Globe," was held with the support of EDA. CUDU has since continued contact with colleagues in Canada, the United Kingdom, Scotland, Australia, New Zealand, Japan and the European Union who have participated in CUDU conferences. In 1996, CUDU arranged the 13th International Network of Economic Developers (INED) representing 14 nations from North America, Europe and the Asia-Pacific Rim. CUDU is a charter member of INED along with the Economic Developers Association of Canada (EDAC), the European Association of Development Agencies (EURADA) and the Australia-New Zealand section of the Regional Science Association. INED represents an agreement of the participating organizations to work together on various means of sharing information on the practice of economic development. Thus, in April 1995, CUDU, in conjunction with EURADA and EURADA, participated in a conference in Brussels on the status of the economy of the European Union, including the economic development agencies.

CUDU Conferences
In 1983, the CUDU board decided to take the organization’s annual conference "on the road." While CUDU had always run some specific conference in various cities around the country, the annual conference had been at Washington, D.C. in 1954 and 1960, and Cleveland in 1966. The conference, held in the early 80s, moved to Kansas City, while the annual conference had moved to Kansas City and 1995, 1996 and 1997. Speakers at CUDU annual conferences have included Patrick Parker, chairman of PricewaterhouseCoopers, and Bob Gotham chairman of the Alliance Group; Robert Bajorek, president and chief operating officer of General Motors; Richard Bensel, president and chief executive officer of PNC Bank, Philadelphia; and Pat Clancy, a former CUDU board member who is now the chief executive officer of Federal Reserve Bank of Boston.

Beginning in 1985, CUDU began to hold an annual national conference in Washington. The annual brings num-
hers and other interested practitioners to the nation's capital to attend sessions with federal officials, members of Congress and key Congressional staff. The first two summits were held in the fall of 1998, which clearly indicated that the view of CURE members and others attending would have greater impact on the annual legislative agenda and budget deliberations if a summit was held early in the session. The summit was moved to spring and has become a popular annual event for the organization. In addition to governmental officials and members of Congress, speakers have included Jeffrey Cunningham, publisher of Forbes, and Jerry Ausnowski, president of the National Association of Manufacturers. These charges in CURE's conference scheduling were part of a new aggressive policy to build the organization's revenue. The annual winter conference held every January in Scottsdale, Arizona, focused on the development of sports stadiums and entertainment facilities. Conferences at Scottsdale have included the owners of major league sports franchises such as Jerry Colangelo, president and CEO of the Phoenix Suns and Arizona Diamondbacks. John McFerrin Jr., president and CEO of the Detroit Tigers, Jerry Reinsdorf, president of the Chicago Bulls and Chicago White Sox, and George Shinn, owner of the Charlotte Hornets. The conference, "If You Build It, Will They Come?" drew record attendance in 1995 and 1996. The effort of the past two years doubled CURE's conference revenues and placed the organization in a position where 80 percent of its support came from non-federal resources. Consultation CURE is entering its fourth decade on a strong footing with a more widespread appeal than ever before. In the early years of its existence, CURE made an important impact in helping cities to initiate public, private and non-profit programs to help themselves. Since then, it has developed a wider range of services to build the economic development profession with the tools and techniques it will need to deal with the issues of the 21st century.

COMMENTS

Fall 1997 19