Mr. Gary Conley

Interview Conducted with Nancy Moorman

Can you give an overview of how you've seen the economic development profession evolve over the course of your career?

Going back to the 1960s, much of the profession really centered on the development of infrastructure and the support industry or on the restoration of cities, and the implementation of urban renewal programs. So it was very much about building roadways, ports, [and] that type of thing or eliminating slum and blight…usually by acquiring the properties and tearing them down.

Then, in the 1970s, much more attention was [given to] financing and how to go about financing real estate development. So a number of financing tools were developed at that time, some of them using Community Development Block Grant funding. There were several new SBA programs initiated in that period…the SBA 504 program, for example. And there was also a move toward the broad usage of Tax Increment Financing. This was also the period in which states began to adopt legislation that provided for various forms of tax abatement.

By the time you got to the mid-1970s you had the Urban Development Action Grant Program, which fundamentally was a Gap Financing Program. So I would say most of the 1970s were really focused on those types of innovations [in] the economic development profession. That type of work continued well into the mid-1980s.

I think the next wave of innovation related to new business startups and the beginning of tech-based economic development. I think we saw the seeds of that in the early 80's.. We began to develop Centers of Manufacturing Excellence in many of the communities such as the Edison Program in Ohio and the Ben Franklin program in Pennsylvania. We [also] began to develop a set of techniques that extended our financing capability into working with capital, seed capital, and venture capital. At the same time we began to explore how we might promote technology transfer into the private sector [in order] to address more urban problems.

Then as you moved into the 1990s and "the aughts," the initial emphasis on new business startups turned into much more of a focus on technology itself…and using technology as a driver of the economy. [There was] also a new notion, or subtle variation on innovation, which recognized that innovation can occur in a number of different ways, and [that] it's not always on a technology-related path. So today, some of the cutting edge issues [involve] how we [can] go about promoting new product development and innovation—and [how we can] do that in some kind of institutional way—utilizing both state and local and federal resources.

Can you describe your personal career path and how it evolved as the profession evolved?

It pretty much followed that path. I was very much involved with the Community Block Grant Program in the 1970s, and then [with] the development and popularization of the new financing techniques. I wrote a number of articles on what were then relatively new financing techniques that were published by CUED. They later became part of the manuals that HUD, the U.S. Conference of Mayors, and the National League of Cities made available [during] the implementation of the Block Grant Programs. They called for a Housing Assistance Plan and an Economic Development Plan. So much of what we were doing was directed at that.

Then in the 1980s, I was the Economic Development Director for Cleveland. Towards the end of the Urban Development Action Grant (UDAG)Program, we were probably the major recipient of UDAG funding in the country.

From there I moved out to Los Angeles in the early-1990s. At that point I became very much involved in tech-based economic development. At the time in Los Angeles the issue was the end of the Cold War and the drawdown of defense funding. It was having a very diverse impact on what had formerly been aerospace and defense contractors in southern California. Much of that work really revolved around taking the capabilities and technologies of these former defense contractors and enter[ing] commercial markets and leveraging that technology and knowhow. It also led to a lot of interaction with the major academic institutions…UCLA and USC and Cal Tech…the whole University System of California.

A number of projects catalyzed technology for alternative fuel vehicles. I left there in the mid-1990s and came to Cincinnati to run one of Ohio's Edison centers, which was a tech-based economic development initiative.

So I've pretty much followed the transition of the profession over those years.

Did you find that you needed the same skills throughout your career? Did certain skills become more important as the profession evolved?

Some of the fundamentals applied at all stages. Most of the time you're working on collaborative projects, so [it's important to have] an understanding of group process, how to work on teams, and how to manage projects…[whether they are] real estate development projects, strategic planning projects, or some specific technology initiative. [The] ability to work in teams, facilitate groups, [and] think strategically [is also important]. [Having] strong project management [is] pretty much [necessary] across the board. [It is also important to have] communication skills and savvy, as it relates to the media, community groups, elected officials, and public agencies. Those types of skills still very much apply. Fund-raising skills [are necessary], whether it be [through] securing grants from state and federal agencies…or [through] going to foundations, private investors, and companies that support economic development activity. Those skills apply fairly well across the board.

In the technology world, networking people together becomes even more important than it is [in other economic development fields]. A lot of the technological breakthroughs and product breakthroughs come about through very unpredictable interactions among people. The ability to cultivate networks and cultivate highly-variable groups of [people] becomes much more important in the tech-based economic development world. The results of day-to-day activity tend to be less tangible. When you're working on a hotel or office building it's very clear what you're doing and where you're going. It's not always as clear what the fruits of your labor are going to be in the tech world. That would be the one major difference I would call out.

What was your first job [in the field]?

It was working with the City Plan Board in Dayton, Ohio, where I spent most of my time helping to create the City Wide Development Corporation. Once the City Wide Corporation was established, about nine months after I started with the City Plan Board, I left the Plan Board and became the first employee of City Wide. At the time the City Wide Development Corporation was considered a highly innovative model. As a result of that work, myself and the Director of the organization, Bill Schneider, were hired independently of CityWide to work with HUD, the National League of Cities, and the U.S. Conference of Mayors. We were tasked with developing handbooks for the Housing Assistance Plans and the Community Development Plans that were mandated by legislation. We also included in those works fairly detailed descriptions of some of the new financing techniques that CityWide and other similar organizations were developing. Those subsequently became coursework for both CUED and HUD. We had some separate contracts with EDA to do similar work. I wrote the original Revolving Loan Fund manual for the EDA along with Ross Boyle. So I have a fairly large body of published work along those lines.

How did you get involved in economic development in the first place?

I decided when I was in high school that it was basically the area I wanted to work in. I was in high school during the riots in the mid-60s, and it was somewhat traumatizing to see the National Guard come down the street within jeeps with 50 caliber machine guns mounted on top. That made quite an impression. At the time I was studying economics, so in my mind we needed to take the economics methodologies and thinking and apply themt to urban problems. I decided at that point that applying economics to solving urban problems was what I wanted to do. So I got my undergraduate degree in economics and then my Master's degree in city planning. I have another graduate degree in economics as well.

I've been working in the field since 1967 when I had my first summer job with the Urban Renewal Department of the City of Norwood. Since then, every job I've had has been in the field.

Do you have any specific instances of challenges you've had to overcome? Were there reoccurring challenges you had to face through your career?

Well, there've been many. But I guess the biggest challenge we've all faced is that so many of the problems of poverty and urban deterioration really reflect the decline of manufacturing employment in the country. We've been unable to develop substitute sources of employment that are as lucrative for lower-income people as the manufacturing economy of the 1940s and 1950s was. That's one of the things that has drawn me into the tech world, because many of the jobs in the tech world wind up resulting in new manufacturing employment of some kind. And these do tend to be higher-wage jobs. That's been the fundamental problem we've been battling.

You also have problems along the line. Some of my projects, unfortunately, did go into bankruptcy at one point. Or they didn't have the impact on the communities that we thought they would have. I was very much involved in the development of the Rock & Roll Hall of Fame, the Cleveland Lake Front, the Great Lakes Museum, Tower City, and some of the major developments that occurred in Cleveland in the 1980s. Yet, Cleveland continues to suffer dramatic economic decline despite our best efforts. The same is true of Dayton. Dayton has really been through the ringer.

On one hand, all those projects made great contributions to those communities. But, in and of themselves, they were insufficient to overcome the economic forces that were tearing away at these cities.

We also had office buildings that we were [very] proud of…and we had major banks and corporations that filled them. [But] some of those corporations don't exist anymore. Others have consolidated and headed for suburban locations or for more rapidly developing parts of the country. So, those types of things, when you look back on them, do kind of give you pause. Along the way you do meet, from time to time, some unsavory characters and [you do have] unsavory situations. [But,] you have to hold tight to your own personal integrity in order to work through.

I've been, on more than one occasion, pilloried in the press in ways which I certainly thought were unfair and undeserved. But nonetheless, [that] go[es] with the territory. So yea, lots of those types of [things] <laughs>. What can one say? More than I can remember…

Is your prospective more of trial and error for economic development? Or were there places that you could look at and find best practices?

Definitely best practices…and also lots of experimentation. I continue to look at everything we do as an experiment in which I'm a participant observer. What we're trying to do is invent best practice through a trial and error process. Out of that have emerged some contributions in the area of financing. Certainly I think we played an important role in the development of many of the financing and incentive tools. And I think the work [on] the Housing Assistance Plans, Community Development Plans, and the various manuals [was] very worthwhile. One of the reasons I left Dayton, and went to Cleveland, was to demonstrate that these techniques could work in more difficult political

environments. Dayton is a City Manager's city, and Cleveland, at the time, [had] an elected mayor and [had] just gone through default. So, I think those were valuable demonstrations. And I think that some of the work, particularly as it relates to various forms of open innovation, may ultimately demonstrate best practice. But we'll see how those things go.

What was your role in CUED? How did your involvement with CUED affect your own career development?

I became involved in CUED virtually from the first day that I got a permanent full-time job in economic development. [That] would've been in 1971. Even at that date, I learned a lot from the publications, and I used them in my work in Dayton. At the same time, I began developing, writing, and submitting proposals to CUED. Then I'd go to conferences and network with the members, and we would share our learning. That was enormously influential, inspiring, and helpful. Many of the early founders of CUED were heroes [of mine]. They had fought the urban wars, particularly in the 1960s. They'd been through several riots, and all kinds of upheavals, and [they] had come through it. That was very inspiring. Towards the mid-to-late-1970s, I became a Board Member of CUED. I was President—now it's called Chairman—for a 2 year period around 1985-1986. I continued to be involved on the Board and [in] the Meetings of Past Presidents. That was their process for a number of years.

I also made an attempt to work with Dave Sweet. At the time, I was president [of] CUED and he was president of AEDC. We had some discussions and tried to see if we could promote the merger of the two organizations. But the time was not right. Eventually, the merger did occur; and, I think that's been a good thing for the profession.

I continue to be involved, mostly [through] attending the annual meetings and some of the events that occur. I continue to learn a lot and be refreshed by spending time with my colleagues in the profession.

What brought about initial discussions of the merger?

At that time, Dave Sweet was the president of the College of Urban Affairs at Cleveland State University, and I was the Economic Development Director for the City of Cleveland. Dave and I had a long and positive relationship, and we both felt that while each of our respective organizations was valuable, we could be more impactful and do a better job for the profession if we were able to merge. That was the basis of the thinking. We just didn't really feel that there was a whole lot being served by having two major national economic development organizations, particularly when so many of us were members of both. [We believed that] a more effective job could be done for the profession if they were united and merged.

Why didn't the initial discussions between the organizations work?

At the time there were some very strong cultural differences. With prejudice towards no one, CUED was very passionately urban in its orientation, and AEDC was far more regional in its orientation. Those cultural differences probably at that time were the main reason we weren't able to bring those groups together.

Where do you see IEDC moving into the future?

We've succeeded at creating a single, strong organization to support the profession. I would see it continuing to do that. But obviously the needs are changing over time. So IEDC needs to stay abreast of those changes. So, as long as it stays as close to its membership as it has, I don't think there's any danger that it won't [stay abreast of those changes]. I do think that, as our economy becomes even more global, IEDC [will] become even more global in its scope and its membership.

Where do you see the economic development profession going into the future? Do you see any emerging trends? Do you have any predictions?

It's hard to see past the current phase that it's in. We're going from a period in which we are describing a lot of what [has been] happening as tech-based economic development; and, I think that we're morphing that into something that's going to be described more as innovation. [This is with] "innovation" defined as being broader in its components than just innovation via technology. I think it's going to be a lot more about the networking of people, the more rapid exchange of ideas, and improvements in how we assist companies in commercializing new products and services. [There will be] continued improvements in how we incentivize those types of activities and how we finance them.

I think there could be an impending challenge. We have unfortunately educated companies to feel somewhat entitled to receive various forms of incentives, almost as a matter of right, as opposed to the way they were initially proposed and thought of, which was a return on investment. I think we may be headed for some period of reexamination of that, particularly as cities and communities become more strapped for cash as the result of the economic decline we've seen.

I think it's also going to be harder to avoid greater consolidation of political jurisdiction. I think there's likely to be an even stronger movement towards the regionalization of government services and a consolidation of government units. And, I think that's likely to result in the consolidation of economic development organizations [where] there'd be a tendency to operate across greater territories. I'm seeing a lot more, not just regional collaboration, but multi-regional and multi-state collaboration I think that's going to be a whole new and emerging trend.

Information technology is going to continue to have a dramatic impact on how we do business. Search engines [are] becoming more intelligent and more data is becoming accessible over the internet. I think that the new variations and improvements that we're seeing on the internet itself [is a] pretty important trend.

The economy is becoming so global. Everybody is necessarily participating in the economy on a global level. I don't know what the ultimate implications of that are, but I know there's going to be even more than what we've seen.

Would you say that the incentives came about because of globalization? Why would you say that they began?

If you go back to the settlement of the U.S., to the original colonies, most of those were, in effect, either private for-profit or nonprofit development corporations <laughs>. [This can be said of both] the Plymouth Colony and the Jamestown Company. Usually the consideration was that, "We'll give you a grant of land provided you'll go develop it."

That course continued to be the basis of homesteading regulations, and it resulted in the settlement of the trans-Appalachian areas in the late 1700s. Later on, that became the basis for how we incentivized the development of the inter-continental railroad. So incentives have been around…I think even Chris Columbus on his 2nd voyage was in consideration of some commercial rights to the new world.

But in my lifetime, what's happened differently is that we began incentivizing individual building projects and investing projects through [the] use of tax abatement. Originally these things were highly limited to areas that had demonstrated some degree of urban deterioration such as slum and blighting conditions. Over time those limitations have been broken down, and now virtually anyone proposing to build in a state is potentially eligible for many different forms of incentives. Whereas incentives used to be the exception…now they're the norm. More than that, they're expected. How long can we continue to do that, given that companies that are not expanding are carrying more of the burden? At some point [it seems] that the loss of government revenue will be so severe that there will be a backlash. Or there could be a backlash on the part of existing businesses as they conclude that they are being forced to carry the tax burden on behalf of those companies that are receiving these benefits. And at some point, the practice of giving incentives becomes so widespread they're equivalent to a universal rollback of the tax rate. I think all of that is going to be up for discussion in the future. I'm not sure how we'll deal with it. But I don't think the current situation is one that we can long endure.

Do you have any other stories or anecdotes you'd like to share?

No, not that I'd like to share.

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