

Transforming Blight into a Community Asset  
*The Story of Market Creek Plaza*

Pursuing the Best and Brightest  
*Talent Attraction as an Economic Driver*

Amenity-driven Economic Growth  
*Is It Worth Betting On?*

Building Sustainable Communities for  
America's Military Families  
*The Story of Army Hawaii Family Housing*

Quantitative Marketing  
*Why Business Responds to Location Comparison Studies*

Place-based Economy  
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William E. Best, FM  
IEDC Chair

## LETTER FROM THE CHAIR

# dear colleague

I am excited and honored to become IEDC's newly elected chair. It is a distinct privilege to serve as chair of this great organization. My responsibilities will be challenging and simultaneously rewarding in helping to maintain the organization as the premier association for economic developers. I am especially enthusiastic about working with IEDC's outstanding staff and all of the Board members.

Our Governance Committee members will serve along with me as the organization's leadership team for 2010. The members are: *Dennis G. Coleman, CEcD, FM* (Vice Chair of the Board); *Ian Bromley, MA, MBA, FM, FRSA* (Immediate Past Chair); *Lynn Martin Haskin, Ph.D.* (Performance Oversight and Monitoring); *Paul Krutko, FM* (Planning and Business Development); and *William C. Sproull* (External Member Relations). *Jay C. Moon, CEcD, FM*, is the new Secretary/Treasurer. All of these individuals are providing their special strengths to the Board and guiding IEDC into the future.

It is with great sadness that I note here the death of Don Hunter, FM, an IEDC Board member who contributed greatly to the economic development profession. Throughout his 30-year career, Don was involved in development projects totaling more than \$700 million. He improved the quality of life in countless communities – creating new jobs and wealth opportunities for the people who live in those communities. In addition, he was a friend and mentor to many of us in the profession. He will be sorely missed.

Over the past year we have read and experienced the news about job losses, companies closing, and major budget cuts, so we know that our jobs as economic developers have become increasingly challenging. Through conferences, professional development courses, clearinghouse service, newsletter, journal, and other resources, it is my goal for IEDC to be the go-to organization to support you in today's economy.

Throughout the year, we will continue to help our members, their communities and their local businesses better understand and manage their recovery from the recession. I am committed to keeping IEDC ahead of the curve on emerging issues in today's continually changing economy. Additionally, it is my hope during my year as chair to increase international, educational, federal, and organizational partnerships.

Another of our initiatives which continues this year is IEDC's Accredited Economic Development Organization, or AEDO program, which recognizes the professional excellence of economic development entities throughout North America. The program's goals are recognition of excellence in economic development organizations, heightened visibility of EDOs in their community, and independent feedback to EDOs on their operations.

IEDC understands that in the current economy it can be challenging to continue the professional development of your staff and board members. In response, IEDC will continue to offer a web seminar every month. The 2010 Web Seminar Series is a cost-effective professional development program that allows economic developers to learn about cutting-edge research, techniques, and tools in an online environment.

I look forward this year to assisting IEDC with its mission of providing leadership and excellence in economic development for our communities, members, and partners. We will all be working together to turn today's obstacles into tomorrow's opportunities.

A handwritten signature in black ink that reads "William Best". The signature is fluid and cursive, with "William" on the top line and "Best" on the bottom line.

William E. Best, FM  
IEDC Chair

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INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

# transforming blight

## INTO A COMMUNITY ASSET

By Tracey Bryan

In the Diamond Neighborhoods of southeastern San Diego, the “pilot plant” in a new approach to community development is changing the conversation about how to revitalize underinvested urban communities. Market Creek Plaza, a 10-acre, \$23.5-million commercial and cultural center, is proving that sustainable community change is possible when residents lead and drive community change. The Plaza illustrates the value and potential of blighted land when it’s put to work for the direct benefit of community residents.

Market Creek Plaza is a high-impact anchor project in an area of severe blight developed through a partnership between the non-profit Jacobs Center for Neighborhood Innovation and teams of more than 3,000 culturally diverse community residents. Resident ownership of the planning, process, and assets of change transformed a vacant brownfield into a vibrant, thriving commercial and cultural hub.

The Plaza and its 11 businesses are reinvigorating a long-underinvested urban marketplace and demonstrating the impact social enterprise can have on improving the quality of life of individuals, families, and neighborhoods that surround it.

The Plaza harnesses the local economy to support sustainable community change far more effectively than a grant or government program. In 2008, one of the toughest economic years in decades, Market Creek Plaza generated \$42 million in gross economic impact, up five percent from 2007. Most of the Plaza’s 206 jobs (up seven percent over the previous year) are held by resi-



Portraits of “unsung heroes” in the community were painted by teams of local artists and are part of Market Creek Plaza’s multicultural public art collection planned by residents.

dents. It also paid out a full return on investment to resident investors who participated in a groundbreaking public offering and to an innovative community foundation using those dividends to support neighborhood strengthening work.

The creativity and innovation that made Market Creek Plaza possible came from residents who rolled up their sleeves and a foundation partner forging a new approach to philanthropy. The Plaza’s success lies in taking risks together and creating new pathways for sustainable community change. It began with community listening and resident involvement that guided the planning and design, was implemented through the creativity and innovation of the resident-led working teams, and is sustaining community impact by recycling the Plaza’s profits back into the community. The public and private partners that came together to finance the project have made resident ownership of change possible.

People from across the country are coming to Market Creek to study this community’s journey to

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Tracey Bryan is a member of the Strategic Partnerships Team at the Jacobs Center for Neighborhood Innovation in San Diego, CA. (tbryan@jacobscenter.org)

## THE STORY OF MARKET CREEK PLAZA

An innovative partnership between a neighborhood-strengthening organization and the residents of an under-invested community turned a long-abandoned brownfield into an economic engine harnessing the local economy for the direct benefit of residents: meeting community needs, creating jobs and opportunity, and recycling profits back into the neighborhood. The Market Creek Plaza project was recently named a winner in the International Economic Development Council’s Excellence in Economic Development awards in the Real Estate Development and Reuse Category. The lessons learned through this unique project illustrate that catalytic and sustainable change is possible when residents own and drive community change.

revitalization, and they're learning from residents who have become extraordinary leaders of change. What they discover is that the story of Market Creek Plaza is about a community that dared to dream and people learning how to work together.

## THE JOURNEY TO RESIDENT OWNERSHIP OF NEIGHBORHOOD CHANGE

The partnership that created Market Creek Plaza began with a family foundation desiring a greater, more sustainable impact for its philanthropy. The Jacobs Family Foundation (JFF), and its sister organization, the Jacobs Center for Neighborhood Innovation (JCNI), were founded by the family of Joseph Jacobs, Jr., who built Jacobs Engineering Group from his garage into a now \$11-billion, Fortune 500 company. Joe and his wife, Vi, were economically conservative with a strong belief in the free market system and the power of unleashing the entrepreneurial spirit. Their three liberal daughters were committed to social justice causes that strengthened women and families. With these opposing viewpoints, they wrestled to find an approach to philanthropy that bridged their differences, represented them all, and created significant sustainable outcomes.

Two defining moments on two different continents helped the family solidify their values and what they wanted to accomplish. The first occurred during a trip to the Middle East in the 1990's. The foundation's leadership saw large-scale U.S. Agency for International Development projects in the middle of villages that had been abandoned. When they asked villagers why, the villagers said they hadn't wanted the projects in the first place. They had been given someone else's vision of what economic success looked like.

The second happened after the Los Angeles riots in 1992. Joe was deeply touched by the site of residents burning businesses in their own community and was asked to comment by the *Los Angeles Times*. He said that it was their way of reacting to a system from which the rioters felt excluded. "People don't burn businesses that they own," he said. That conviction ultimately played a key role in shaping the family's philanthropic commitment to the resident ownership of change.

Those experiences helped shape the foundations' values: working together in learning relationships with those they sought to help, doing *with not for* people, respecting the gifts each person brings to the table, and being willing to take risks in their work.

The foundations' mission became the resident ownership of neighborhood change – the philosophy that residents must own the plans, process, and assets of community change for it to be meaningful and sustainable. Resident ownership of the plans builds vision and hope. Resident ownership of the process builds skills and capacity. Ownership of the assets gives residents the ability to leverage future change.

The foundations' staff and leadership transitioned from working with the non-profits that serve a commu-



*Joe Jacobs and other members of the foundation's board met with community members. He was thrilled that they wanted to invest their own money in the Plaza project.*

nity to working directly with the people who live there and are the beneficiaries of change. In time, the family also determined to focus their philanthropy in one geographic area and work comprehensively across physical, economic, social, and civic strategies in order to address the interconnected issues that affect a community.

## FINDING OPPORTUNITIES IN BLIGHT

The Diamond Neighborhoods of southeastern San Diego get their name from the area's diamond-shaped business district. Ten contiguous neighborhoods a few miles east of San Diego's bustling downtown area had endured decades of disinvestment. The once close and connected community had been carved up by freeways and abandoned during a time of urban flight.

By the 1990's, the community suffered many of the ills of a neglected inner-city area:

- Insufficient goods and services, like a grocery store to support those who lived there,
- Barriers to employment,
- Little economic activity,
- Widespread blight,
- Target area for "dumping" unwanted land use,
- Toxic environmental risks,
- Failed housing policy,
- No political influence, and
- Gang activity and violence.

But the community also had assets:

- Residents with a rich sense of cultural history and tradition,
- Long-time homeowners,
- Community resource providers, and
- People working to create change, but working in silos.

In 1997, the foundations' leadership was meeting with a non-profit partner in the Diamond Neighborhoods, and they were discussing their desire to focus their philanthropy in one community. The partner said that was exactly the kind of help her community needed.

Joe Jacobs looked across the street and saw an abandoned factory site, surrounded by barbed wire. The out-of-production Langley Aerospace Factory was a testament to the thriving economy that had long-since left the community. The 20-acre site was in the heart of the community. It was considered to be undevelopable, due to a dry creekbed that ran down the center of the property.

The Jacobs Family Foundation purchased the site for \$2.1 million and over the next eight years sought to answer the question, "Could we take blighted land, turn it into something of value, through a process that builds community capacity, and then harness that value for community benefit?"

### **LISTENING TO THE COMMUNITY**

The Jacobs foundations began work on the site not by moving dirt, but by going to the community to see what residents needed. A study conducted by the University of San Diego's School of Business Administration revealed that the area's 88,000 residents were spending \$60 million outside the community for necessary goods and services that simply weren't available in the Diamond.

Roque Barros, JCNI's director of community building, went into living rooms across the community to listen to what residents said the community needed. He encouraged several residents to invite 10 of their neighbors to attend meetings in their homes, and JCNI would pay them \$100 to cover the cost of providing refreshments and essentially "renting out" their living rooms for the evening.



Resident working teams planned, designed, built, leased, and now own and operate the Plaza.

Residents were asked what they liked about the neighborhood, what they would change, and what kinds of businesses were needed in the community.

Eventually, Barros invited some of those who had hosted or attended the living room meetings to be part of a team conducting surveys with individuals and businesses in the community to continue the "listening." This resident Outreach Team became the first of seven resident working teams.

The team surveyed a total of 600 residents and 200 businesses and developed a thorough understanding of

### **BRINGING CULTURES TOGETHER**

Partnering with residents to create a shared vision for change in their community began with the need to break down barriers among cultural groups. During the process of holding living room meetings throughout the community, JCNI staff found that, even though different cultural groups lived near one another, sometimes just across the street from one another, they seldom connected across cultures.

To help bring these groups together, JCNI worked with residents from several cultural groups to organize and host "Ethnic Nights," in which members of a specific cultural group would share the history, traditions, and food of their cultures with others from the community. These events culminated in a "Unity Night" in which all cultures were celebrated in one event.

Connecting people across cultures set the stage for the multicultural resident working teams to plan, design, build, lease, and operate all aspects of Market Creek Plaza together.



Market Creek Plaza has become a magnet for multicultural arts and entertainment.

The power of this cross-cultural sharing had a dramatic impact during the early work of the Art and Design Team. Victor Ochoa, a well-known Chicano muralist, asked participants to bring in samples of items from their cultures. One table was full of textiles – clothing

and fabrics traditional to a cultural group. As team members looked at the different pieces, they realized it was difficult to tell which textile came from which culture. It was on that table that the cultural unity of the neighborhood became apparent, and it gave an insight into the richness and depth of what would become the Plaza's unique architecture and multicultural public art collection.

With cultural barriers removed, the resident working team members were able to embrace each other's differences, creating a network of people who know how to work and learn together. The teams succeeded in creating a unique place where people from different cultures can see themselves and that has become a magnet for multicultural arts and entertainment in San Diego.

what the community said it needed. By far the top request was a grocery store. There hadn't been a major chain grocery store in 30 years. They also wanted businesses other communities had: a bank, sit-down restaurant, and coffee shop. They wanted a place to gather with their families for entertainment. They wanted living-wage jobs that were close to home. With this thorough understanding of the community's needs, planning for a commercial and cultural center began with residents in the lead.

### RESIDENT-LED WORKING TEAMS

As residents shared their opinions about what they'd like to see on the site, Barros invited them to join focused working teams that would guide all aspects of the center's development. People joined teams that matched areas of interest or in which they had experience: Arts and Design, Construction, Business and Leasing, Employment Development, Community Ownership Design, and Resource Development.

Each team started out with larger meetings of 50 to 100 people that met together over several weeks to develop a vision for their piece of work. Team members represented the community's diversity in age, culture, education, income, neighborhood, and faith. Each team met for a few hours each month and was facilitated by a JCNI staff member. All voices at the table were equal.

Throughout the Plaza's construction and business recruitment, there was a focus on maximizing the social impacts in the neighborhood alongside the economic activity generated by a new commercial and cultural center.

Participants were encouraged to speak their minds, and collectively, the group would identify issues, define their vision and goals for the work, determine a course of action, and suggest solutions to challenges that arose.

After plans were established, a few members of the original team were asked to join a smaller, core team to guide the work and make sure it stayed accountable to the larger group's goals. These teams were made up of paid resident consultants who implemented the work, grappled with issues, and learned new skills.

### THE BUSINESS OF SOCIAL ENTERPRISE

Throughout the Plaza's construction and business recruitment, there was a focus on maximizing the social impacts in the neighborhood alongside the economic activity generated by a new commercial and cultural center. Joe Jacobs saw the potential of blending business with philanthropy long before the term "social enterprise" had been coined. The foundations wanted to harness

the economic engine of the community to spur investment, jobs, capacity-building, youth development, and entrepreneurship in the community – keeping residents' dollars circulating within their own community.

During construction, the Construction Team surpassed its goal to award 65 percent of the contracts to local minority and women-owned businesses, reaching 79 percent and \$7.9 million in construction contracts.

Many of these community contractors were small mom-and-pop-type firms who lacked the resources and capacity to grow their businesses and take on larger contracts. The Construction Team built a continuum of support around those contractors while they performed the work. Emerging contractors partnered in mentor relationships with larger firms to help them complete what was for many, the largest contract they'd ever done. JFF



Resident working teams guided all aspects of the Plaza's development.



Community residents identified a major chain grocery store as the top need for the community. Food4Less shared the community's vision and became the Plaza's anchor tenant in 2001.

used a \$1-million program-related investment to ensure working lines of credit for the contractors. The team also helped the contractors build relationships with insurance and bonding companies that helped them grow their businesses after the work on the Plaza was completed. The team encouraged the firms working on the project to use community vendors and hire local residents and youth whenever possible.

The Business Development & Leasing Team developed an effective strategy for opening opportunity for local businesses while meeting the economic goals for the Plaza. It found balance in a mix of national and local tenants.

When Market Creek Plaza was fully leased in 2005, selected tenants met almost all of the community's stated needs: a Food 4 Less grocery store, Wells Fargo Bank, Starbucks Coffee, restaurants Magnolia's Authentic Southern Dining and El Pollo Grill, a locally-owned fast

food restaurant, Cold Stone Creamery, Where the World Meets multicultural gift shop, a women's exercise facility, Business Matters business services center, and a utility bill-paying center which drew 20,000 people to the Plaza each month.

The four national tenants attracted higher foot traffic to the Plaza (which brought business to the local tenants) and paid market rate leases. In fact, rent from Food 4 Less covers the debt service on the Plaza's loans.

The seven local tenants signed below-market leases and were able to access working capital through a new loan product called "Patient Debt Capital." With this tool, local entrepreneurs made interest-only payments on their loans for the first two years, giving them time to develop their cash flow.

All businesses signed a "Spirit of Partnership" agreement in which they committed to hiring locally and using local vendors whenever possible. The Employment Development Team focused on identifying potential job candidates, including youth, and helped the businesses hire from the community.

### PUBLIC-PRIVATE PARTNERING TO FINANCE CHANGE

The total cost for land and construction of Market Creek Plaza was \$23.5 million. In the beginning, JFF used its portfolio as collateral for construction loans in order to reduce the interest rate for a project in a high-risk, emerging market. However, this tied up foundation funds that could have been used to support other community-building work.

The need for low-cost financing was imperative: it kept more money circulating in the community, freed up funds for further community development, and, most importantly, was critical to the ultimate goal of transferring physical ownership of Market Creek Plaza to the community. JCNI's leadership worked with its sister foundation and residents on the Resource Development Team to cre-

ate an innovative public-private partnership to refinance the bulk of the debt.

JFF and JCNI led the way with \$4.25 million in program-related investments (PRIs) at a three percent interest rate. PRIs allow a foundation to go beyond traditional grant-making by investing a portion of its asset base in projects that reflect its mission, rather than investing in a traditional vehicle like the stock market.

Residents on the Resource Development Team traveled with JCNI staff to meet with the leaders of a handful of foundations whose missions and innovative spirit mirrored the work taking place in the Diamond. The team successfully recruited four foundations to make additional PRIs in the Plaza for a total investment of \$3.25 million at a three percent interest rate. These foundations became more than investors, they became learning partners in the ground-breaking community development work.

Finally, the greatest portion of the debt was refinanced through a \$15-million New Markets Tax Credit (NMTC) loan. A program of the U.S. Department of Treasury, NMTC investments encourage low-cost financing for projects in underinvested urban and rural areas in exchange for tax credits. Market Creek Plaza received the \$15-million loan at a three percent interest rate from Clearinghouse CDFI with an investment by Wells Fargo. At the time, it was the largest NMTC investment made on a commercial project in Southern California and the first for a resident-led project. Donna Gambrell, director of the Treasury's CDFI Fund, called Market Creek Plaza,

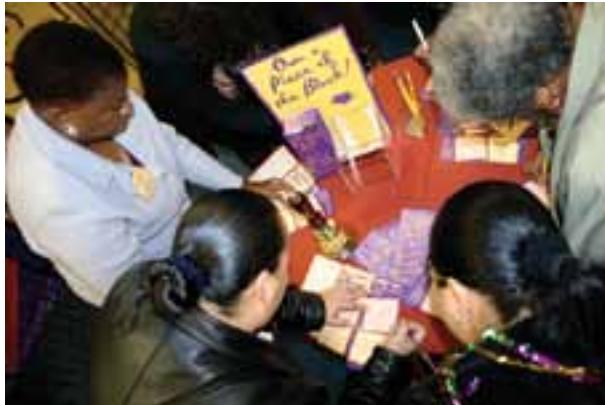


*Doug Bystry, president of Clearinghouse CDFI, signs a check for \$15 million at the event celebrating the New Markets Tax Credit investment in the Plaza. At the time, it was the largest NMTC loan made on a commercial project in southern California.*

### MARKET CREEK PLAZA FINANCING

	Amount
<b>Program Related Investments (PRI)</b>	
Jacobs Family Foundation	\$2,000,000
F.B. Heron Foundation	500,000
Rockefeller Foundation	1,000,000
The Legler Benbough Foundation	500,000
Jacobs Center for Neighborhood Innovation	2,250,000
Annie E. Casey Foundation	1,250,000
<b>Community Investment</b>	
Diamond Community Investors	500,000
Neighborhood Unity Foundation	500,000
<b>New Markets Tax Credit Loan</b>	
Clearinghouse CDFI - Wells Fargo & Company	15,000,000
<b>Total</b>	<b>\$23,500,000</b>

The need for low-cost financing was imperative: it kept more money circulating in the community, freed up funds for further community development, and, most importantly, was critical to the ultimate goal of transferring physical ownership of Market Creek Plaza to the community. JCNI's leadership worked with its sister foundation and residents on the Resource Development Team to create an innovative public-private partnership to refinance the bulk of the debt.



*At a celebration announcing the launch of the Community Development Initial Public Offering, residents signed up to attend offering presentations to learn more about investing in the CD-IPO*

“One of the best examples of effective use of New Markets Tax Credit funding in the nation, because its resident-led process became a catalyst for broader community change.”

The final piece of financing was key to the long-term sustainability of resident-led change. The last \$1 million came from direct community investment. Half came from a resident-planned and run foundation. The other half came through a ground-breaking public offering that overcomes a traditional hurdle in effective urban revitalization: the disconnect between capital investment financial goals and social goals that build strong communities. With this new offering, the source of capital is the community.

### **A NEW KIND OF IPO**

As residents took ownership of the planning and process of creating Market Creek Plaza, some asked if they could invest their own hard-earned dollars in the project. Joe Jacobs, founder of JCNI and an entrepreneur who built the Jacobs Engineering Group from his garage into a Fortune 500 company, was thrilled. However, at that time, no pathway existed for transferring ownership specifically to the residents of the community served by a commercial center.

The resident-led Community Ownership Design Team led the work to find a way to transfer the economic benefits of the Plaza to the community based on the Native American Theory of Thirds – one-third for individual benefit, one-third for community benefit, and one-third for on-going sustainability through financial literacy. The team divided into three sub-teams to implement the plan.

The team focused on individual benefit worked for six years and through three submissions to the California Department of Corporations to pioneer a first-of-its-kind public offering – the Community-Development Initial Public Offering (CD-IPO).

The team wanted to develop an offering that would be open specifically to community residents and to as many residents as possible. Team members determined that qualified investors should demonstrate a commitment to the betterment of the community, as well as live, work, or volunteer in the community. They sought to reach a large number of first-time investors and set the minimum investment level at \$200 (a minimum of 20 ownership units at \$10 each). No one could invest more than 10 percent of his or her net worth or net income or more than \$10,000.

This group of resident investors, called the Diamond Community Investors, would be first in line to receive dividends when profits were available and be paid a return on investment of up to 10 percent. To create equity among investors, the team also determined that regardless of the size of investment, each investor had one vote.

The offering period opened in July, 2006 and closed on October 31, 2006 with investment and participation goals met. The 416 investors had purchased all 50,000 units, or \$500,000, for a 20 percent ownership stake in Market Creek Partners, LLC.

Community benefit came through development of a resident-planned and led foundation that would use the benefits of ownership in the Plaza to support good works going on in the community. The Neighborhood Unity Foundation (NUF) raised \$500,000 over two years to invest in the project. NUF now owns 20 percent of the company and is second in line to receive dividends when profits are available

In each year since the close of the CD-IPO and founding of NUF, community investors have received a full return on their investment. In fact, 158 Diamond Community Investors have reinvested their dividends in a Community Investment Fund intended for reinvestment in a future community development project.

The remaining 60 percent ownership share is currently held by JCNI to ensure the project's social and economic goals continue to be met. However, in 2018, community investors will have the option to buy out all of JCNI's ownership units. This is JCNI's ultimate goal, as the Jacobs foundations will sunset, or go out of business, by 2030. When they do, assets developed through the foundations' partnership with the community will be community owned.

### **THE IMPACT OF RESIDENT-LED DEVELOPMENT**

Before 1997, the Market Creek Plaza site was home to seven jobs, had virtually no economic activity, and was a safety hazard to the community. Since then, the Plaza's revenue has increased each year, generating a net



*Resident investors have received a full return on their investment every year since the close of the CD-IPO.*

income last year of more than \$110,000 – most of that paid to community investors. The Plaza paid \$143,567 in property tax in 2008. Of the 206 jobs at Market Creek Plaza, 86 percent are held by people of color, and 69 percent by community residents. The Plaza's amphitheater drew 42,000 to a host of multicultural events, and the collection of multicultural public art is valued at almost \$600,000.

More importantly, Market Creek Plaza has inspired a broader vision for resident-led change. Building on their work to transform blight in the heart of their community,



*The Plaza's site had been a blighted brownfield, home to an abandoned aerospace factory.*

More importantly, Market Creek Plaza has inspired a broader vision for resident-led change. Building on their work to transform blight in the heart of their community, residents created a new vision for the 45 acres surrounding and including the Plaza.

residents created a new vision for the 45 acres surrounding and including the Plaza. Their vision became a community development plan and was approved by the city of San Diego as a transit-oriented, cultural village called The Village at Market Creek. Plans for the Village include 1.9-million square feet of new commercial, cultural, and residential projects planned, designed, built, managed, serviced, and owned by the community. There will be 350,000 square feet of new commercial space, 800 new homes, 800 new jobs, and a connected network of community resources.

### CENTER FOR NEIGHBORHOOD INNOVATION

The Plaza and JCNI have become platforms for learning, and hundreds of people come each year to visit and to learn strategies, structures, principles, and practices, and to be inspired by what is possible. The model embedded in Market Creek Plaza – *resident ownership of neighborhood change* – is helping people grapple with the

issues of equitable development in their own communities, and it is expanding the limits of how residents can benefit broadly from revitalization efforts.

Market Creek has become a gathering place for those who want to undertake large-scale cross-cultural organizing and design creative financing partnerships. To date, JCNI has hosted site visits with foundations, public policy advocates, asset and wealth building groups, social enterprise groups, smart growth groups, legal advocates, public health professionals, and community building groups from across the U.S. and 13 foreign countries.

JCNI has become a learning hub and an R&D partner for community development practitioners, foundations, and researchers trying to understand the dynamics of supporting, implementing, and sustaining community revitalization efforts. For those interested in public policy, it is becoming a place to see up-close-and-personal the tools, laws, and regulations that either facilitate or stand in the way of change.



*Aerial view of the 10-acre Market Creek Plaza site.*

### PUTTING THE LESSONS LEARNED TO WORK

The lessons of Market Creek Plaza are guiding new approaches to building stronger, more connected communities. The most significant lessons are about working comprehensively and partnering broadly.

The Plaza's development illustrates that independent action around isolated issues can't get at the underlying conditions that require change. Those working to revitalize communities must understand the interconnectedness of issues and work at the intersection of physical, economic, social, and civic development.

Working across disciplines and sectors, and thinking creatively about who to listen to and partner with will create sustainable change. Tools that engage a broad combination of partners – public entities, private investors, charitable foundations seeking social impacts, community investors building local ownership, and resident



*By 2008, the Plaza opened 206 new jobs in the community, most held by local community residents.*

guide teams for planning and implementing of the work – lead to deeper impact.

Land planning improves when mothers who walk their children to school are in the room. Neighborhoods are safer when residents connect. Goals for employment and equitable contracting are easier to meet when community-based organizations are at the table. Tax credits get greater leverage and the double-bottom-line gets stronger when a foundation is in the mix with for-profit investors. Social change increases when residents own a piece of their block as a collective investment.

#### ***To Go Far, Go Together...“***

The economic development field has a tremendous opportunity to create change and make residents direct beneficiaries of development in their community simply by focusing on the assets that do exist in underinvested communities: blighted land and residents who want a brighter future for their communities. Blight is an opportunity for people to develop individual and community assets while rebuilding their own neighborhoods. Brownfields and abandoned parcels of land are platforms for resident engagement in planning and taking action to address the issues that affect their neighborhoods. Construction projects can be platforms for capacity-building and training for emerging minority contractors. Local entrepreneurs who know their market and understand the community's needs can launch businesses that open jobs close to home and get

youth into the workforce. Resident ownership of what is built together can stimulate a community-wide discussion about asset-building and the power of collective investment among a group of people diverse in ethnicity, income, age, and background.

Sustainability for neighborhood revitalization lies in the people: their stake in the vision, their capacity to do the work long-term, and their ability to own and benefit from the change in their neighborhoods.

**It's time to build bridges and partnerships that are not just about building buildings but about developing dynamic networks, eliminating unwanted land use, creating greater regional equity, expanding community service, and cultivating higher expectations for change.**

The lessons of Market Creek Plaza can be summed up in an African proverb, “To go fast, go alone. To go far, go together.” For the economic development field, now is the perfect time to think differently about development. It's time to build bridges and partnerships that are not just about building buildings but about developing dynamic networks, eliminating unwanted land use, creating greater regional equity, expanding community service, and cultivating higher expectations for change. ☺

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# pursuing the

## BEST AND BRIGHTEST

By Iain Watt

### INTRODUCTION

abor costs are the most expensive part of running a business. Corporations looking to expand and relocate are first and foremost interested to know that their labor needs will be met with a pool of eligible and talented individuals to move their organization forward. It is no coincidence that Boston, New York, and Silicon Valley serve as the gold standard in economic development: home-grown resources and cultural appeal have made these cities talent magnets, hot beds for innovative thought and a trusted workforce supply.

Economic development organizations are finding themselves stretched in more directions than ever – and on tighter budgets. While attracting companies (and the jobs that they bring) remains a key goal of most economic developers, even more pressing for many states, cities, and regions is the added need to bring in high-skill, high-demand workers to fill their labor markets. Even with unemployment levels approaching – and even exceeding – double digits, many communities are still struggling with the need to draw in the *right* people.

In response, many communities around the nation have already launched aggressive programs to bring in new workforce, from Alabama to Nevada to North Dakota, and the competition for top talent is getting steeper. Last August, *The New York Times* reported that American graduates are increasingly seeking opportunities abroad, especially in China, where unemployment remains low in skilled labor markets and entrepreneur-friendly legislation is luring people seeking opportunity in the downturn<sup>1</sup>.



Cities like New York remain talent hotbeds thanks to cultural attractions and professional opportunity, but the competition for skilled workers is rising.

The professions in highest demand are not news to veteran economic developers: America suffers from ongoing deficits for experienced engineers, IT professionals, and healthcare workers (are there any nurses out there? anyone at all???). With healthcare reform presenting further strains on a stretched labor system and immigration legislation limiting the number of IT workers recruited internationally, the problems in tight labor markets are just beginning.

And it's not just PhDs that are needed. Other skilled labor also faces deficits including heavy equipment mechanics, truck drivers, and welders. The economic downturn has stalled the need for new talent in many communities, but top companies have not stopped their search for communities positioned with the people that they need. In fact, this criterion has become more important than ever.

Before beginning proactive outreach, communities must first be honest and thorough in assessing existing workforce assets and establishing their de-

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### TALENT ATTRACTION AS AN ECONOMIC DRIVER

*In spite of high unemployment, cities and regions continue to pour resources into stocking their workforce with the right individuals to service existing industry and promote growth. Companies remain focused on locating in communities equipped with high-skill workers – trained in professional and technical tasks – perhaps more acutely than ever. In response, talent attraction and retention has become a focal point for many economic development organizations as communities engage in proactive recruiting efforts for in-demand workers. A deep, talented workforce is an essential differentiator in any stage of the economic cycle, and communities around the country are being aggressive and creative in their efforts to attract and retain skilled people.*

velopment targets. Many economic development groups call in outside consultants to conduct a broad analysis of workforce needs, focused on maximizing existing resources and establishing shortfalls based on industry attraction goals. Based on these specific goals – whether they require engineers, financial professionals, lab scientists, and so forth – it will be evident, in part, where a local workforce must expand its resources. But in addition to the workers needed to service corporate expansion, communities need to assess what additional services projected population growth will require. These may include health and child care professionals, teachers, police and firefighters, and more. A clear and accurate assessment of what talent resources already exist and what deficits must be overcome is an essential foundation for a targeted and effective talent attraction campaign.

### SEARCHING FOR A SILVER BULLET

But what attracts today's skilled workforce? Surprisingly, job opportunities alone are not the only answer. In her recent book, "Live First, Work Second," consultant Rebecca Ryan notes just how important lifestyle is to next generation workers: three out of four surveyed said that finding a "cool city" was more important to them than finding a "good job<sup>2</sup>." The current economic crisis is certainly making prospective workers less empowered than they were just a year ago. But as labor markets normalize and talented young graduates get back to work, making a community's living assets well-known will drive the reputations that shape America's next talent hotbeds.

Recently, Development Counsellors International, a New York-based economic development marketing firm, conducted a survey of more than 400 profession-

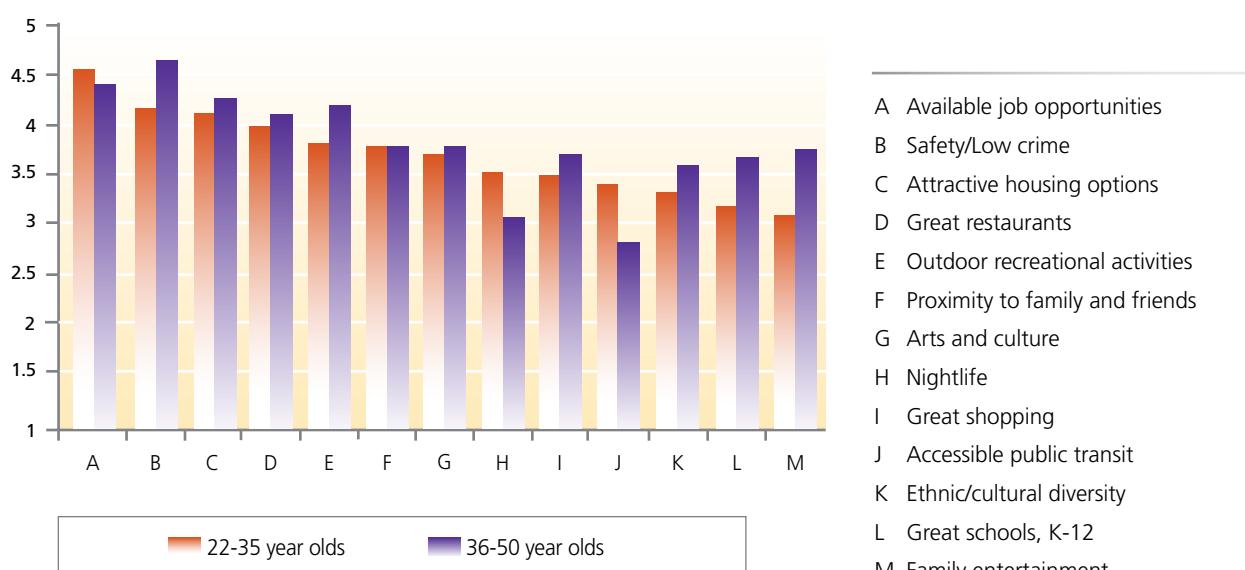
als around the country, age 22-50, regarding how they selected a place to live and work. With 77 percent of respondents holding a college degree or higher, the survey offers insight into what is driving America's skilled workforce to select a destination.

In assessing what factors served to have the greatest influence in selecting a community, the results showed that tried and true social factors – low crime rates, good housing, and local culture and recreation – remain the driving forces behind recruiting talented individuals. As noted in Table 1, discrepancies also exist between what drives younger workers and older ones to select a destination. While a community can only do so much to alter its natural setting or social offerings, accentuating top attributes must be a focus for any economic developer looking to attract a talented workforce to their community.

Naturally, what attracts the world's most talented individuals will vary by age, profession, and interest. But a community cannot simply overlook the need to find its niche and attract the necessary people. As Richard Florida noted in 2005, "In terms of both sheer economic horsepower and cutting-edge innovation, surprisingly few regions truly matter in today's global economy<sup>3</sup>." In realizing that the 21st century workforce is both mobile, and discriminating in its tastes, it can be deduced that the regions that best position themselves to attract these talent spikes will stay most relevant in an evolving global economy. This is where we now turn our attention, to examine what is already being done around the country to overcome natural spikes and promote various communities as places of opportunity for a talented workforce.

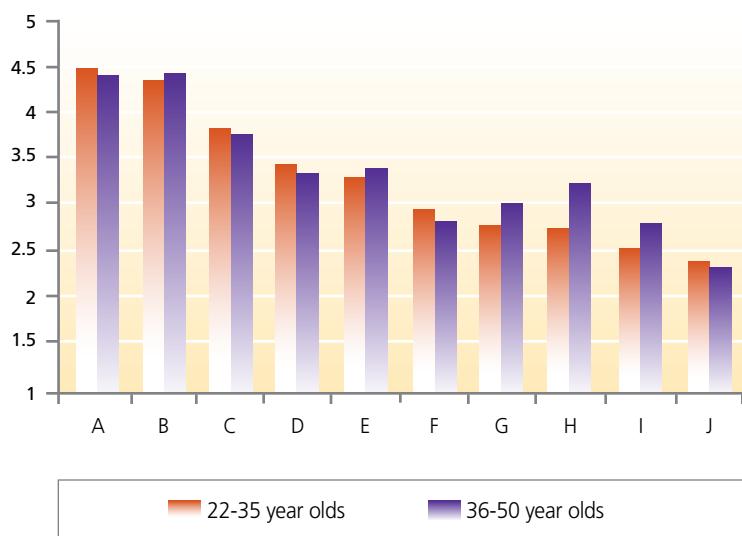
**TABLE 1**

On a 1-5 scale, with 5 being "highly desirable," rate the following attributes of a community according to your personal needs.



**TABLE 2**

On a 1-5 scale, with 5 being "Very much," and 1 being "Not at all" please rate these sources of information that may influence your perceptions of a community.



- A Previous travel experience to the region
- B Word of mouth commentary from family and friends
- C Internet searches for housing or jobs
- D Online news sites (e.g. cnn.com, msnbc.com, etc.)
- E Articles in newspapers and magazines
- F Popular culture references (including TV shows and movies)
- G Social Networking Sites (e.g. Facebook, MySpace, Twitter)
- H City/community websites (e.g. Chamber of Commerce, Tourist Board)
- I TV or print advertisements
- J Blogs

### CASE STUDIES

While the economic downturn has impacted various parts of the country differently, so too have different regions taken varied approaches to addressing their labor shortages. Dozens of communities have taken to talent attraction marketing, a shift in resources from labeling their community as a place to do business to one that provides a unique social experience and one-of-a-kind professional opportunities.

As noted in Table 2, the audience for a talent attraction campaign receives their message in an increasingly diverse number of ways, from traditional sources such as personal travel and print media to evolving outlets like social networking sites and blogs. A variety of approaches are slowly proving that when done properly, talent attraction marketing can work to effectively address labor deficits that stop economic growth cold.

#### Have Oil, Need Workers

In 2006, a boom in the state's energy industry sent Wyoming scrambling to find the workers needed to capitalize on the state's natural resources. While low unemployment reigned, oil and gas companies looking to profit from the spike in energy costs found the state lacking in the electricians, welders, and mechanics needed to expand their local presence.

In response, local economic development groups in conjunction with the Wyoming Business Council (WBC), shifted focus from company attraction to the more pressing need for talent attraction. As with corporate recruitment, state and regional officials sought to find a natural target for their unique value proposition: with Michigan's unemployment rising as the automo-

tive industry floundered, Wyoming set out to the Great Lakes state to recruit talented blue collar workers looking for new prospects for already developed skills.

Regional economic development partners and the WBC implemented a multi-faceted marketing program to raise awareness of the job opportunities in Wyoming with Michiganans. Among their tactics were ventures into paid media; earned media; job fairs in struggling cities including Flint, Lansing, and Grand Rapids; and a website developed specifically to promote the state's vast job openings.

The launch of a dedicated jobs website (which can range in development costs from \$4,000-12,000), WyomingJobs.net, provided a strong boost to the reach of the state's marketing campaign, as well as a resource for tracking interest in the state's job opportunities. After three job fairs, a series of billboards on Michigan's highways, and advertisements and media results in outlets ranging from *USA Today* to *The New York Times*, the site had received more than 8,000 resumes from people looking to relocate for the thousands of available positions.

To date, more than 300 workers have been identified who relocated from Michigan to seek new opportunities in Wyoming, and that's only amongst those who have



Wyoming officials had a 14' X 48' billboard displayed on the side of I-75 near Flint, Michigan, touting job opportunities in their state and promoting their web resources.

reported back to the state. One important note regarding talent attraction is that the numbers cannot always be tracked one-for-one, as with job creation. However, the impact will be seen in the community through economic growth and steady prospect inquiries.

### The Hybrid Life Seeks Takers

Unlike Wyoming, which faced an immediate workforce shortage, the Economic Development Authority of Western Nevada (EDAWN), serving the Reno-Tahoe region, faced what some economic developers might consider an even more pressing task: a demand by local companies to increase the pool of skilled workers for their needs in fields including hi-technology, IT and gaming, and health services. As retention can often be an even more effective form of economic development than recruitment, EDAWN launched into the role as the local leader in talent attraction, zeroing in on the powerful regional market of San Francisco.

As one of the nation's natural talent magnets, San Francisco presented a unique challenge. Simply saying, "Come to Nevada...it's um...cheaper!?" did not have the right ring for local officials' goals. Instead, EDAWN developed a comprehensive brand for the lifestyle proposition in Reno-Tahoe: "Live the Hybrid Life." Capitalizing on its unique mix of outdoor activities and corporate presence, EDAWN, in partnership with 16 local companies, established the "Hybrid Life" message and took to innovative new social media channels, as well as traditional methods, to deliver its message to San Franciscans.

The organization created a landing page (a website created specifically for the recruitment effort to provide further information, serve as a call to action on marketing materials, and to help the organization track and engage job seekers), MYNVDreamJob.com, that highlighted available jobs and invited participation and testimonials from people seeking a new experience in Reno-Tahoe. In addition, it staged a contest through YouTube, pairing with the local young professionals' network to invite members to showcase their "Hybrid Life" to a prospective workforce. Enthusiastic local feedback resulted in a series of videos that served as video blogs of the professional and personal stories of Reno-Tahoe's young residents. As in most marketing efforts, few tools prove as powerful as first-hand accounts that eliminate the "first in the pool" mentality that may scare off interested parties.

Additionally, EDAWN launched an efficient social media push by placing pay-per-click ads for its job fair event in San Francisco on outlets such as Facebook. The final touch was put on by a live street team promoting the event on the streets of San Francisco in hybrid attire – life vests and mountain climbing helmets on top and business suits on the bottom – to attract additional attendees.



A street team decked out in "hybrid"-themed attire canvassed the streets of San Francisco to bolster attendance at Reno-Tahoe's professional recruitment event by the bay.



The event, hosted in partnership with more than a dozen local companies and costing in the range of \$25,000 (including travel, street team event, venue rental, invitations, and other on-site costs), attracted more than 110 workers from San Francisco, exceeding the goals set forth by the companies who funded the event. While the raw numbers may not seem overwhelming, the importance of engaging and attracting individuals that fit their targeted professional profile made the attendance a strong success. In addition, and perhaps more importantly, the landing page had almost 2,000 unique visitors in advance of the event from interested individuals and serves as an ongoing resource. While not every community can offer the proposition of the "Hybrid Life," developing a clear message that does capitalize on a community's unique assets is a marketing tool that can work anywhere.

### Anyone Need a Job? How about 10,000?

Back on the northern Plains, another example rises from a rural state that saw great growth from the commodities boom of the past several years, as well as economic diversification from a state government-led drive at economic development. North Dakota's diverse energy and agriculture economy, as well as a growing presence from companies including Microsoft and Global Electric Motorcars, put the state in need of skilled workers. Or stated more accurately, 10,000 of them!

In response, North Dakota leaders approached the labor deficit by targeting areas that were proximate to the state or common destinations for former North Dakota residents and graduates (as well as those with depressed economies, as practiced in Wyoming). The strategy is fairly intuitive: a move to a nearby location is easier to digest than a move across the country. *The Economist* recently reported that an analysis by the Public Policy

Institute of California of outward migration patterns found proximity to be one of the greatest factors for the state's emigrants in choosing a destination<sup>4</sup>.

The North Dakota Department of Commerce identified several markets – Denver, Chicago, and Minneapolis – which host a concentration of native North Dakotans. As people who have connections (either to family, friends, or a university) to an area are the most likely to relocate, North Dakota's approach serves as a valuable example of using competitive advantages in the competition for talent. While people may be skeptical of marketing influence alone, the first-hand experience of having lived or attended college in a region is a huge asset to leverage when recruiting a talented workforce.

The targeted approach reaped great rewards. Over the course of three years, the North Dakota Department of Commerce hosted a handful of "Experience North Dakota" events in the three target cities, featuring local companies, economic development groups, and cultural representatives (local authors, chefs, and musicians) showcasing what makes the state a unique destination in which to live and work. State representatives also attended major job fairs in large markets throughout the Midwest, staging an aggressive presence to put themselves at the forefront of job seekers' plans. The events attracted a steady stream of job seekers in fields like energy, IT, manufacturing, and healthcare, producing a vast pool of potential workers for in-need companies.

To market these events, the state used aggressive local media relations – scoring articles in *Chicago Sun-Times*, *Rocky Mountain News*, and *St. Paul Pioneer-Press* – as well as paid advertising and viral marketing through its Ambassador program: sending e-newsletters, promotional materials, and news articles to the state's advocates so that they could re-market the message to their personal networks.

The North Dakota Ambassador program, which consists of more than 2,000 members around the country who receive regular news updates and communication about what's going on in the state, served as an essential conduit, attracting Ambassador attendees and increasing word-of-mouth buzz for the events. Their influence helped send the attendee numbers from less than 75 in 2006, to several hundred per event by 2007. The state's unemployment remains around 5 percent and continued economic growth (among the largest gains in state GDP per capita in 2008) point to the value of growing the talent supply at the base of a community's economic pyramid.

## CONCLUSION

The experience of communities around the country sheds light on the leading truths in talent attraction marketing. First, a community must know its talent needs and go after targeted markets. Not only is it essential to identify where industry deficits exist and regions that may have surpluses in these fields, it is even more necessary to realize that lifestyle drastically affects people's decision to relocate. North Dakota's decision to go to Minnesota and not, say, Florida, wasn't motivated sim-

ply by the transferable skills of Minnesota's workforce assets alone. Florida has a vast pool of talented workforce. However, Floridians are a lot less likely to leave the sunny beaches of the Gulf Coast for the prairie of the Midwest. Lifestyle matters and it's important to realize natural targets – places where a community may send lots of graduates or host many people with connections to the region – before launching any talent attraction marketing program.

As importantly, economic developers need to recognize that talent attraction marketing, even more so than marketing to the businesses community, must have a local *esprit de corps*. Companies, citizens, and local economic development groups should be working in lock-step to promote the community and welcome in those who relocate. This may take a variety of forms, from including top companies in talent attraction events to an ambassador program that calls on former residents to serve as advocates for the community around the country. But regardless of the tactics, community buy-in is essential to presenting a community as an enviable place for job seekers to live and work and into which they'll be willingly assimilated.



To supplement career fairs, the North Dakota Department of Commerce encouraged families to attend and incorporated local culture like this cowboy into its Experience North Dakota events, showcasing the state's unique culture to potential workers.

At the final step, once talented people have made the decision and relocated, it is necessary for a community to be prepared to accept new residents with open arms. This step – overlooked by most communities – includes being open culturally and socially and having resources in place to make finding schools, doctors, local nightlife, and everything else one needs to thrive right at hand. The best way to accomplish a one-stop shop for new residents is often with a comprehensive web resource (see sidebar), something that benefits new transplants and has value for those who may have been residents their whole lives and are just seeking a better way to access their community. Economic developers cannot overlook the need to assimilate new workers, or they may just as quickly see them moving on to more welcoming pastures.

The Ambassador site for North Dakota, [www.experience.nd.gov](http://www.experience.nd.gov), developed by the state Department of Commerce, serves as a strong example of the necessary breadth and impact that a one-stop web resource should have for potential job seekers. The site features three main links that highlight the important themes that affect people that are considering a move to North Dakota: "Live," "Work," and "Play." Collectively, the links provide background on nearly every community asset that one would need to learn more about and, ultimately, efficiently relocate to the state.

Resources range widely: a Cost of Living Calculator that allows recruits to assess their relative financial standing given the state's low cost of living; a link to the state's tax website, noting individual income and property taxes in North Dakota; inclusive links of every major school district in the state, which provide insight into which community may be the best fit for individuals' personal needs; and vast resources on the state's climate, transportation, motor vehicle registries, health insurance plans, realtors, and beyond.

In providing these resources in one accessible location, economic development organizations can take away much of the legwork and anxiety that often hinders talented people from relocating themselves and their families. By clearing this obstacle with them, regional recruiters will greatly enhance their chances of converting interested job seekers into new residents.

The past year has proven that in the 21st century, economic tides are not only shifting, but shifting quickly. So too must economic development groups shift their thinking and adapt to the changing tasks that they face in creating jobs and wealth in their communities. As companies look to stretch each dollar further than ever before, having the strongest human resources available will be the key driver in attracting new companies and keeping current tenants secure in their locations. By developing a targeted plan, adapting to the new realities of marketing, and working as hard to bring in the right people as to bring in the right companies, economic developers too can show themselves to be some of the most necessary talent of all. ☐

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# amenity-driven

## ECONOMIC GROWTH

By Lawrence Houstoun

In a paper published last year by the Federal Reserve Bank of Philadelphia, economists Gerald A. Carlino and Albert Saiz (Wharton/Penn) reported on their analysis of growth determinants in 150 metropolitan areas. They found that places rich in what they call "consumptive amenities"—the things that make a city or town delightful such as parks, historic sites, museums and beaches—disproportionately attracted highly educated individuals and experienced faster housing price appreciation. "Cities offering more leisure opportunities—like an attractive waterfront or museums—gained an additional 2% in population over less attractive counterparts. Leisure amenities help stabilize cities that don't necessarily have the advantage of great weather, immigration or low taxes," Saiz says. Faced with a deep and prolonged recession, elected officials, planners, and development leaders should consider carefully what strategies offer the best prospects for economic growth. The report provides fresh and convincing evidence on this subject.

As urban America began to adapt to the post World War II economic changes, various strategies were attempted to counter the losses of jobs, businesses, population, and revenues in the older cities outside the Sun Belt. None succeeded.

The first strategy sought to recreate the successful industrial cities of the predepression 1920s when manufacturing was clustered near its workforces. The post war cities were left with obsolete plants unsuited to contemporary mass production. New federal housing policies incented mass movements of the working class to suburban locations where



Central Philadelphia offers more than 3,000 outdoor dining seats and a regional reputation for quality food in family owned restaurants a block or two from homes.

jobs were abundant and family cars increasingly affordable and necessary. Levittowns, for example, provided spanking new homes and US Steel and other manufacturers in new plants provided drive-to work sites.

By the 1960s, central business districts were losing retail market share to suburban competition, sometimes to malls anchored by branches of the traditional downtown department stores. Saving large department stores like Hudson's in Detroit became the new goal. But much of the middle class consumer market had also dispersed. Disdaining trams, buses, and trains, the highly mobile middle class favored retail concentrations with highway access and parking lots capable of handling the busiest holiday shopping days.

As the economy offered more service sector jobs, metropolitan locations outside central cities spawned office parks and well-to-do suburban

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### IS IT WORTH BETTING ON?

Two economists, analyzing 150 metropolitan areas, have identified the factors that had the greatest influence on urban growth and real estate values. Suggesting a fresh look at traditional economic development emphasis on incentives for business attraction, the research found that the places that had gained the most were those with amenities that appealed to people with the greatest choice of locations.



A reception between acts at Philadelphia's Academy of Music, America's oldest opera house.

commuters added a second family car or a third for high school age drivers. Soon there were more white collar jobs outside cities than within them. Downtown hotels, heavily dependent on weekday business guests, gave way to small highway oriented motels offering no frills bedrooms for business travelers. Older commercial centers, such as Newark, NJ, emptied and became famous as centers of crime, personal and property. Bad news fed bad news.

States created their own equivalents of the US Economic Development Administration and cities and counties formed economic development offices. Commonly, they offered beggar-thy-neighbor subsidies, producing bidding wars in which the suburban locations with the most money generally won out. Recently, new theories emerged.

### BRAINY PEOPLE

In recent years, professor Richard Florida has promoted the idea that the key to becoming an economically successful city is to become a "Creative City," one that is appealing to predominantly young tech types such as those that helped spawn the dot com boom on the west coast. Cities must, in his view, be viewed as "cool" to this educated work force. The constructive legacy of his books was to underscore the importance of smart, well educated people to local economies. They secure patents, for example, and form small businesses not far from home. A 2007 Yankelovitch study reported that the age group 25-34 preferred to pick their place of residence before seeking employment.

In the 1970s, B. Joseph Pine II and James H. Gilmore wrote of the "experience economy" predicted to follow the service economy. Their concept that people assign the highest value to "memorable experiences," especially those that are interesting or educational, has contemporary value. This idea was picked up by business improvement districts such as Downtown Washington, which enlivened and marketed the district that had been notoriously empty at the end of the office workers' day and on weekends.

Even in hard times, somehow the cities favored by cultural assets managed to keep them functioning. No matter how poor a city's overall reputation, good presentations in old theatres continued to attract respectable audiences. Treasured by a few well-to-do residents, cultural institution fundraising was generally still successful. Cities still had the museums. Parks and plazas still drew parades and crowds. Even where hotel concierges advised guests not to venture outside after dark, some of the region's wealthiest still lived near their favorite theatre and restaurants in residences whose architecture remained popular. The amenities suited them and they had the luxury of locational choice. Thirty years ago, the famed developer James Rouse was quoted on the cover of TIME saying, "Cities must be fun," although few then envisioned that eventuality in the face of urban crime and blight.

### A REVOLUTION IN TASTES

Cities that were the historic regional centers for arts and entertainment caught a following wind in the 1990s as increasingly better educated Americans, many of whom attended city based universities, began to reorder their life priorities. With only a third of American households including a single school age child, that impetus for suburban living affected fewer people. Some, in their fifties, wanted a retirement rich in favored activities and an end to highway commuting. A nice place to live increasingly was defined by what was outside the home, activities – experience opportunities – that appealed to educated adults. Philadelphia, PA, provides an example.

A nice place to live increasingly was defined by what was outside the home, activities – experience opportunities – that appealed to educated adults. Philadelphia, PA, provides an example.

The city's population declined from 2 million to 1.5 million from 1950 to 2000. The central business district continued to lose office and retail employment, from 41 percent of the metro area in 1993 to 28 percent in 2008. Only the Liberty Bell and the zoo drew out-of-towners and the typical visitor spent only two hours per visit.

About ten years ago, counter measures designed to draw visitors proved successful. A well financed business improvement district (BID) had already erased the reputation for litter, reduced the fear of crime, and generated a new reputation for fun that Rouse would have applauded. The state financed a large, centrally located convention center which supported thousands of additional hotel rooms within walking distance. Brighter pedestrian lights drew crowds to the sidewalks after dark, and the BID sold the city on tax incentives that stimulated residential construction.

The Philadelphia Museum of Art scheduled a special exhibit of Cézanne's paintings, one of only three in the world. The tourism agency head famously had earlier opined that "culture doesn't pay." That exhibit, however, produced the highest weekend hotel occupancy rates in Philadelphia's modern history. A well financed marketing campaign said, "Philly's more fun when you spend the night." Hotels enjoyed a boom in weekend occupancy.

Crime rates dropped, the place looked a lot better and, most important, there was a growing recognition that, as a proven success for visitors, Center City and adjacent neighborhoods were also attractive places to live. Residential construction there put modern apartments selling for millions of dollars overlooking popular parks and near where the orchestras and the opera performed. The population boom made Center City, downtown for the sixth largest city, the nation's third most populous CBD. Young people continued to live there years after a previous generation had long since moved to suburbs.

Surveyed office workers reported in 2008 that the most attractive reason for moving to Center City was the opportunity to walk to work. A decade ago, mature householders began abandoning their suburban lawnmowers and walked from their new Center City residences to the world's largest annual flower show. Five cinema screens devoted to foreign and art films expanded to 13 and boosted an annual film festival. Restaurants grew from 65 in 1992 to more than 200 with 3000 sidewalk seats. Surveyed

people to the concentrations of amenities (these often coincide with Central Business Districts).

In Philadelphia, these amenities include the Pennsylvania Academy for the Fine Arts and the recently expanded Philadelphia Art Museum; the country's oldest legitimate theatre (with the largest subscription list); the National Constitution Center; and crew racing competitions and an expanded waterside trail along the Schuylkill River. Other amenities include the performance hall for the two principal orchestras; a half dozen local theatre companies and other venues for theatrical road companies; parks within ten minute walks of almost everyone; and a large, award winning playground with a carousel used by visitors and residents.



*The Philadelphia Art Museum has added a building to the one pictured at the top of the photo. Below is America's first waterworks, now a popular museum.*

### If not job growth, what made the difference?

Four factors contributed:  
amenities, convenience, security, and price.

visitors listed dining and arts and culture as the most popular reasons for coming. Broad Street was renamed The Avenue of the Arts and a non profit corporation was formed to market the theatres and museums there.

About 100,000 people, equal to the population of the state's fourth largest city, presently live in or adjacent to the CBD, an area of about two square miles. Although it is an economic development truism that residential development follows jobs, Center City's employment remained weak. If not job growth, what made the difference? Four factors contributed: amenities, convenience, security, and price.

**1. Amenities** – Carlino and Saiz noted in their research report that as Americans with the highest levels of education became wealthier, their tastes ran increasingly to luxury goods and influenced how they allocated their time. Weekend vacations were popular, offering time spent at a new exhibit plus overnight at a nearby hotel and stops at favorite restaurants. What the authors call Central Recreation Districts (CRDs) are the magnets drawing moneyed

The longstanding requirement that, in city assisted projects, one percent of construction costs must be devoted to art has produced hundreds of outdoor sculptures. There are also more than 2000 outdoor murals. The constantly changing scene for urban walkers and sidewalk diners is widely enjoyed. In 2009, Pew Research in a survey of visitors reported that 86 percent said Philadelphia was a "good" or "excellent" place to enjoy arts and culture.

**2. Convenience** – The ultimate convenience is to reside within walking distance of jobs and preferred amenities (40 percent of employed Center City residents walk to work). Urban walking has probably never been so popular as it is in the US today. Partly a product of the fitness movement, in cities it is benefitted by the abundance of things to see and do, experience opportunities. Walking to work is highly popular. Within a ten- or 15-minute walk there exists the densest concentration of employment anywhere in the seven-county region. Walkers also include university students whose classrooms and residences are within and adjacent to Center City.

**3. Security** – Jane Jacobs and William H. (Holly) White preached that lots of other people nearby offer greater reassurance than walking police. How to attract crowds? Part of the Philadelphia strategy involved a substantial in-

vestment in increased illumination, substituting brighter lights on 16-foot standards on sidewalks replacing the towering street lights common in many centers. The explosion of sidewalk dining referenced earlier was among the reassuring factors generating more pedestrians. Sidewalks are busy day and night because work places, recreation places, and residential places, each with different pedestrian cycles, are mixed.

**4. Price** – Although Center City has multi-million dollar luxury flats and duplexes, rents and prices have remained relatively moderate there and in adjacent, walkable neighborhoods. Middle class empty nesters can pick up a pied-à-terre or trade in the suburban home at a reasonable exchange. Many of the large, nineteenth century homes are now collections of rental flats, so there remains ample accommodation for students and others of modest means.

“A city like Philadelphia with so many low indicators in 1970...would have declined further were it not an attractive city,” Saiz says. Overall, Philadelphia’s population seems to have stabilized and the growth has been closest to the amenity concentrations.

### A GREAT PLACE TO VISIT IS A GREAT PLACE TO LIVE

Many have suggested that attractive conditions probably boost growth. This study, however, tested what had been speculation, quantifying their conclusions. Carlino and Saiz examined leisure trips – places where people spent discretionary time and money – in 150 metropolitan areas between 1992 and 2002 as well as the concentrations of amenities in each. As reported in the *Boston Globe* (December 28, 2008), they found that “beautiful and charming cities draw a crowd, while the featureless and unattractive wilt like wallflowers... (T)he things that make cities delightful, such as parks, historic sites, museums and beaches disproportionately attracted highly educated individuals and experienced faster housing price appreciation.” Philadelphia ranked 20 of the 150 studied places.

The authors observed that “While the American city generally did not come back in the 1990s, the beautiful city within flourished.” The concentrations of amenities in Central Recreation Districts outperformed Central Business Districts (where they are not the same) as well as whole cities. The lesson is that culture, attractive vistas and buildings, and opportunities for recreation and entertainment are vital economic assets, not frills as they are often treated. While office employee and visitor spending are important gains, resident households spend many times as much in central business districts as the other consumer groups.

Reviewing the Saiz-Carlino report, the *Boston Globe* asks rhetorically whether it makes sense to continue the long standing practice of “investing in places that will never be attractive” rather than those that have good



In addition to attracting residents age 50 and older, Philadelphia is retaining young families which in decades past would typically have moved to suburban communities.



Central Philadelphia’s recreation resources include a canal berm open to cyclists, the Delaware river for sailors, and the Schuylkill River trail with 25 miles of hiking and biking opportunities.

The lesson is that culture, attractive vistas and buildings, and opportunities for recreation and entertainment are vital economic assets, not frills as they are often treated. While office employee and visitor spending are important gains, resident households spend many times as much in central business districts as the other consumer groups.

prospects and in many cases can accommodate far more residents than they have housed in generations.

The report’s authors found a high correlation between the amounts of money local governments invested in recreation projects and related amenities and their relative attractiveness for leisure visitors. In Philadelphia’s case, the connection between people seeking places with lots of pleasing experience opportunities and Center City’s assets proved serendipitous; few anticipated that the future would be in residential development and, save for the improvement districts, few associated improved quality of life with economic gain. While assuming cause is always risky, Center City’s experience seems to support the authors’ conclusions. Is the Philadelphia experience unique? Far from it. Population changes in central business districts published by the University of Pennsylvania over the last decade trace a national trend toward residential growth in downtowns.

Will this last? The prospects for amenity based growth seem favorable. In the mid term, central places will be increasingly valuable as energy costs inevitably rise and some places will be more attractive than others on that basis alone. Can the benefits of amenity concentrations be extended beyond the CRDs? As distance increases from these concentrated benefits, the effect

will doubtless diminish. But cities that preserve, expand, and improve popular amenities, including parks, bike trails, little theatres, and libraries, will have a competitive advantage over those that do not. Well run neighborhood amenities are more important to the educated and well-to-do households attracted to urban centers than are the taxes required to support them. Further, it is a growth strategy more likely to please voters than subsidizing a factory.

In the near term, the most likely policy change in a prolonged recession will be reduced government investments in, as the *Boston Globe* writers described it, "the things that make a city delightful." Still, urban recreational and cultural centers had the momentum to survive earlier downturns and may be expected to do so again, if only because of a greater recognition that amenities add economic value. ☀



The century old Reading Terminal Market consists of two acres of food within walking distance of thousands of Philadelphia residents, adjacent to the Pennsylvania Convention Center and connected to subway and trolley lines.

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# building sustainable

## COMMUNITIES FOR AMERICA'S MILITARY FAMILIES

By Claire Ridding-Johnston

*Designing for people, delivering in partnership*

### INTRODUCTION

In the early 1990s, the Department of Defense (DOD) came to the recognition that housing under its ownership and management, some 180,000 units across the United States, was in a state of significant disrepair. If the problem was to be addressed using a traditional military construction approach to replacement, the estimated costs were likely to be in excess of \$20 billion, and the housing would take 30 years to replace, accounting for the expected levels of appropriated funding that would be made available. (*Adapted from the Office of the Under Secretary of Defense, Installations and Environment, Military Housing Privatization Initiative – MHPI 101 presentation, September 2006*). Providing high quality housing was however identified as not only necessary, but a key factor in attracting and retaining high quality people to military service.

As housing is not a core competency of the DOD, it was decided to have the renewal of on post military housing delivered in partnership with private real estate professionals. A 1996 act of Congress ratified this intent, and became known as the Military Housing Privatization Initiative (MHPI).

Under MHPI, the government and military work in partnership with the private sector to improve both the quality of housing for and overall lifestyle



*Improving the quality of life for soldiers and their families is a priority of the AHFH partnership, which supports the Army's desire to retain and recruit a volunteer defense force.*

experience of families who choose to live on military installations in a manner that is innovative and more efficient than a traditional military construction approach affords. Essentially, the government provides private real estate companies, usually developers, with 50-year ground leases over land that contains previously government run housing. Developers, within a short period of time (generally 10 years), sequentially demolish old housing and replace it with new, architecturally designed and sustainably engineered modern housing, then manage the new housing for the 50-year duration of the ground lease, after which time, the management reverts back to the DOD (or other arrangements can be negotiated). Today, there are some 93 privatization projects totaling over 183,000 family

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### THE STORY OF ARMY HAWAII FAMILY HOUSING

Army Hawaii Family Housing (AHFH, the Project) is a model of a successful public-private partnership that develops, builds, and manages new housing for United States military families in Hawaii. In 2009, AHFH received the Most Innovative Community Project of the Year Award from the Association of Defense Communities. The award has recognized the unconventional approach that the leadership team has taken in providing residents with modern and interactive community experiences that foster participation and belonging, as well as embodying sustainable living principles. The strength of the Project's success is found in: a common, shared vision; a commitment to innovation in design; excellence in execution; and a belief in the capacity of a partnership approach to deliver the best outcomes for soldiers and their families who choose to live on military posts in Hawaii.

What makes AHFH special is the combination of a strong vision to 'do what is right' for military families, and the commitment to create and maintain leading edge sustainable living experiences that are delivered in an environment of open and honest partnership.

housing units across the United States. (*Office of the Deputy Under Secretary of Defense, Installations and Environment website; Dec. 2008*).

Army Hawaii Family Housing is the largest of these privatization projects, with no other matching its complexity and scale, and is delivered in partnership with the Department of the Army by Actus Lend Lease, whose core business is developing, delivering, and managing military housing, with 33,000 houses currently under management across the United States. Actus Lend Lease is a division of the Lend Lease Corporation, a listed, fully integrated, global real estate organization with more than 50 years of experience. With over \$10 billion (Australian dollars) in funds under management; a market capitalization of \$3.5 billion (Australian dollars) as of July 20, 2009; over 10,000 employees worldwide operating in over 50 countries; as well as expertise across all aspects of the Property Value Chain (financing, development, design, construction, asset management), Lend Lease has the unique ability to develop and manage a project the scale of AHFH.

Spread across the island of Oahu, Hawaii (seven sites, 21 communities), the Project has a 50-year timeframe and has a value in excess of \$2 billion. The Project is funded mostly by debt (and interest earned on this borrowing) that is secured by lenders at the time that the Project is closed, a small amount of equity contributed by Actus Lend Lease, and soldiers' Basic Allowance for Housing (BAH), the contribution that the government makes to the housing costs of soldiers and their families.

In the first 10 years, old, run down homes will be demolished and replaced with over 5,000 new homes as well as undertaking significant renovations to 2,500 homes. New masterplanned communities include centrally located community centers that feature cinemas, multipurpose rooms and gyms, as well as a range of amenities that include swimming pools, spray parks, BBQ facilities, pavilions, basketball courts, and skateboard parks. The Project is currently five years into its initial 10-year period, and to date has built 2,692 new homes and renovated 618 homes.

What makes AHFH special is the combination of a strong vision to "do what is right" for military families, and the commitment to create and maintain leading



AHFH has applied Smart Growth principles, which is demonstrated by incorporating the news concept into its urban plan as shown at the Kalakaua Community at Schofield Barracks. Preserving the environment's natural beauty and creating interconnecting green open spaces with consistent landscaping has helped with visual integration of the site into home design, which provides a unifying character to communities. It also draws families outdoors and encourages interaction among neighbors.

edge sustainable living experiences that are delivered in an environment of open and honest partnership.

## AN INTEGRATED MODEL

AHFH is structured as a limited liability company (LLC), in which Actus Lend Lease is the majority owner (the "Managing Member") and the United States government, represented by the Department of Defense, Residential Communities Initiative is the minority participant (the non managing member). Actus Lend Lease is responsible for providing financing, development and design, and asset management services for AHFH. Construction activities are undertaken also by Actus Lend Lease under a separate contractual arrangement. Performing these functions, Lend Lease delivers its "integrated delivery model".

Additionally, a complex, formal and binding series of relationships identify the specific roles and responsibilities of each partnership participant. While Actus Lend Lease has overall management oversight for AHFH and construction delivery, all major decisions require the consent of both Actus Lend Lease and the Army. This is achieved by the mutual consent of the project director (Actus Lend Lease) and the garrison commander (Army), and at times with the consent of the Office of the Deputy Under Secretary of Defense, Installations and Environment.

Both construction and operational management financing is generated through a combination of equity contribution, debt, and the Basic Allowance for Housing (BAH), the government contribution, all of which is arranged by Actus Lend Lease financing experts. The Actus Lend Lease development team sets the design vi-

sion, provides the overall project leadership, and is responsible for community planning and architecture. The asset management function, managed also by Actus Lend Lease, protects and promotes the financial interests of AHFH for the life of the Project and manages the day-to-day operations of the business. The Actus Lend Lease design.builder is responsible for design and construction management as well as safety and quality control.

## PROJECT GOALS AND AMBITIONS

*"You may recruit individuals, but you retain families. That's what has to be taken into account, the quality of life. The principal aspect of quality of life is family housing."*

*U.S. Representative Neil Abercrombie*

While it is a beautiful place and a wonderful holiday destination for many people, Hawaii may seem foreign, unknown and uncertain, especially for military families who are moving so far away with little family support. This, coupled with the increased burden that multiple deployments are placing on military families, can make a posting on the island of Oahu especially tough. Providing safe, welcoming and inclusive communities as well as comfortable, high quality homes are more important now than ever. In delivering this at AHFH, the leadership team is guided simply by "doing what is right for soldiers and their families." The goals to achieve this are:

- In partnership, to develop thriving communities that stand the test of time,
- To regenerate our environment and enrich people's lives and
- To provide our military families with communities that feature attractive streetscapes and healthy indoor environments.

## SUSTAINABILITY

*"You can be out for the maximum amount of profit you can possibly squeeze from your efforts, or you can aim at a reasonable profit and have the feeling that when you retire that you leave something behind."*

*Dick Dusseldorp, founder of Lend Lease*

Communities that withstand the test of time embody the principles of sustainable development. They:

- Balance and integrate the social, economic, and environmental components;
- Meet the needs of existing and future generations; and
- Respect the needs of other communities in the wider region.

Just as the Project adopts a vertically integrated model, so too the sustainability effort is woven into each element of the business, employing innovative programs, designs, methods, and technologies. Following are some examples, across the real estate chain, that demonstrate the sustainable effort at AHFH.

## DEVELOPMENT PLANNING, SETTING THE STAGE

On existing military installations, development activity is mostly "brownfield". In Hawaii, communities undergoing redevelopment have existing housing that is being demolished and soil that generally needs remediating, the result of many years of herbicide and pesticide use, as well as other military activities. These sites also have the legacy of well thought out street and road networks as well as numerous mature trees that provide shady canopies and a sense of place and establishment. The original planning of the installations also considered centrally located and easily accessible shared places and spaces such as parks and playgrounds.



*AHFH will be one of the largest solar-powered communities in the world as a result of its progressive integration of renewable technologies. Photovoltaic systems on homes will produce up to six megawatts for power, supplying nearly 30 percent of the community's energy needs.*

In developing the new housing, the existing layouts have, where possible, been retained. This is not only efficient, but also preserves many hundreds of significant trees. The sense of place, the feeling of an established, yet fresh community is the result. Trees that are not kept are recycled as mulch or given to local artists and wood turners to be used in artistic endeavors.

Electricity prices are volatile, especially in Hawaii, a state that is almost 85 percent reliant on imported fossil fuels. An onsite renewable energy system has been developed which, when construction is complete in all 21 communities, will make the Project one of, if not the biggest solar powered communities in the world. As well as supplying solar generated domestic hot water systems to all homes, a six megawatt photovoltaic



*An extensive tree preservation program was achieved by designing neighborhoods, streetscapes, community centers, jogging and biking trails, and parks around them. The effort garnered The Outdoor Circle's most prestigious award in Hawaii.*

(PV) system responds to Hawaii's scarce energy resources and consequent high cost of power.

The PV program will provide up to 30 percent of AHFH's power needs. A meter calculates the power that is produced, the value of which is rebated against the Project's utility charges. With over 50 percent of the PV system completed to date, indications show that around 9000 KWH will be contributed back to the local grid annually.

## DESIGN, THE TECHNICAL APPLICATION

All new homes in the AHFH inventory have been designed for certification in the LEED (Leadership in Energy and Environmental Design) program, an ecology-oriented building certification program run under the auspices of the U.S. Green Building Council. To meet the program's criteria, AHFH homes include compact fluorescent light bulbs (CFL), energy star appliances, double glazed windows, pre fabricated framing, low flow shower heads and toilets, ceiling fans, and building designs and orientations that maximize natural light and ventilation.

To further enhance home design, teams are exploring the delivery of Zero Energy Homes (ZEH) through a pilot program. A ZEH home, on an annual basis, consumes no more energy than it generates. By considering load reduction and power generation collectively, solar attic fans, reflective paints, and radiant barriers have been installed to reduce the heat gain on the homes, thus reducing the overall load requirement which will in turn deliver further utility cost savings.

## CONSTRUCTION, BEING CONSCIOUS OF THE POTENTIAL

The construction team recycles no less than 90 percent of the concrete and asphalt that is removed from old homes, roads, and sidewalks. An onsite crusher breaks down the materials which are then used as road base for new communities, reducing the burden on limited landfill space in Hawaii as well as generating savings to the project. At this time, over 200,000 tons of debris have been kept out of landfills and expectations are that this number will reach over 1 million tons by the end of the new construction program. Additionally, recyclable items such as gutters, louvers, and pipe work are stripped from old homes and locally reused.

This deconstruction and salvage approach coupled with a sustainable approach to strategic procurement (achieving bulk savings on the purchase of new, environmentally appropriate raw materials and household fixtures such as bathtubs and carpets) not only creates substantial efficiencies, but also contributes to reducing the Project's environmental footprint more broadly.

With a commitment to supporting the local economy through job creation (91 percent of construction contracts are with locally owned businesses), a Construction Academy established in partnership with local high schools in the surrounding areas provides practical training and skills opportunities for local teenagers, with a defined pathway to trade and construction employment. Seven participants graduated from the program this year, four of whom went on to construction apprenticeship programs, one has commenced an engineering degree, and one has joined the military.

*"The Construction Academy has been an excellent enhancement to our shop program. It truly focuses our kids on the merits and opportunities in the construction industry. We are grateful to Actus for the partnership they provided. They have been more than mentors to our kids. They have been our Ohana, part of our family."*

*Curtis Goya, Leilehua High School, teacher and construction academy supervisor*

## ASSET MANAGEMENT, CONSIDERING THE FUTURE

Designing and building sustainably is only part of the picture. Equally as important is ensuring that people who live in AHFH homes know what their homes are intended to do, why they are unique, and how to use them efficiently and effectively. This can range from examples of providing instruction on the use of low flow shower heads or controlling house temperatures to maximize air conditioning efficiency, to providing kids' programs on composting.



*Families new to the Simpson Wisser neighborhood participate in an extensive resident orientation that showcases the sustainable features of their home and community; residents also learn what role and responsibilities they have as a member of the community.*



*The AHFH partnership is helping lead the way in new sustainable development practices. One of a select group of private and public sector developers, AHFH's Simpson Wisser neighborhood is participating in a U.S. Green Building Council pilot that will establish standards for neighborhood development where none currently exist.*



*An existing golf course was the site of AHFH's first community at Schofield Barracks. The Kalakaua Community was completed ahead of schedule and served as a platform for sustainable development throughout the initial 10-year development plan.*

sustaining a healthy community. Programs, such as SYNERGY (Saving Your Nation's Energy), create awareness about sustainable practices and teach residents how they can contribute to Department of Defense goals and goals in the communities where they live and work.

The best energy reduction efforts throughout the development and design phases of a project can be erased by residents who do not know how or do not have the right tools to make the small changes that lead to more sustainable living. The Saving Your Nation's Energy (SYNERGY) program is a strategic approach to resident education that concentrates on energy conservation by increasing awareness of how to create tangible outcomes. Through regular, interactive educational programs for adults and children alike, early efforts are reaping substantial rewards.

Operationally focused initiatives are also in place to further contribute to the asset management sustainability effort, including weekly curbside pickup of green waste - glass, paper, cardboard, aluminum and can recycling; an approach to maintenance that repairs first, then replaces; and a community fund directed towards providing additional educational activities for residents, for example classes on starting a small business or tutoring for children.

There are 380 historic homes in the AHFH portfolio. Most of the homes were built between 1919 and 1923, with the exception of stately homes on Palm Circle, Fort Shafter (currently home to the senior leadership of the Pacific Command) which are more than 100 years old. As well as Fort Shafter (one of the AHFH housing locations) being the center of military operations in the Pacific region for over 100 years, Schofield Barracks, another location of historic homes under AHFH management, played a huge part in the Second World War, with its military base acting as a defensive back-up for the American Army's naval site on Pearl Harbor.

To preserve the historical significance of these homes, a significant effort is made in attending to their rehabilitation in a manner that returns them as close to their original state as possible.

Creative approaches to this work include the reuse of existing and integration of modern materials as homes undergo their transformation. Honoring the legacies of those who have designed and lived in these homes, while at the same time incorporating progressive thinking, is an important consideration in any complete sustainability effort.

### THE COMMERCE OF BEING SUSTAINABLE

*"When you have a garrison energy bill that's in the tens of millions of dollars a year, like we do, we simply can't afford not to look for ways to save money and conserve resources."*

Colonel Matthew Margotta, USAG - HI Commander

With a 50-year responsibility for the financial and operational performance of AHFH, the partnership is interested in the long term. The approach to decision making reflects this. The partnership has also made a commitment to delivering innovative new approaches to development, design, construction, and asset management activities. Combined, these factors have enabled AHFH to demonstrate that taking a sustainable approach is the right thing to do, as well as providing tangible, financial benefits to the Project and the military families that it serves.

A long-term approach to cost-benefit decision making enables the payback periods for the extra investment in sustainability initiatives to be extended, in an acceptable manner.

Examples of commercial sustainability in action include:

- The photovoltaic programs' early estimates indicate that, over 50 years, up to \$100 million in utility costs will be saved.
- In 2008, more than 80,000 compact fluorescent lights (CFL) were retrofitted in existing housing. Adding to the more than 160,000 CFLs that are being installed in new construction, this will reduce the energy required to light AHFH homes by up to 75 percent. Projections estimate that between \$800,000 and \$2.1 million per year in utility cost savings will be realized. An additional rebate on the purchase price for each bulb further enhances the savings potential.

- All new homes have solar hot water heaters. It is projected that the utility cost-savings will be between \$1.5 and \$2.55 million annually.
- Crushing and reusing concrete and asphalt on site benefits the project in the order of \$3 million.

## SUCCESS FACTORS

The project is a clear success and with over 2,600 new homes already built, military families in Hawaii are enjoying living experiences that reflect the partnership's original goals. Four conditions have been critical to AHFH's success to date, which are applicable to any public-private partnership project, regardless of its location, size, and complexity.

### 1. An agreed and executed shared vision

AHFH has a fiduciary responsibility to the American public because the project is largely funded by their taxes, but just as important is the social responsibility of providing military families with safe, known, and positive environments while their soldiers are at war. "Doing what is right for soldiers and their families" is easy to say, but ensuring delivery requires constant attention.

Agreeing on the vision and goals was done very early in the project. Partners were aligned in their desire to provide communities that were designed sustainably. This was interpreted differently for each partner, so reconciling differences towards a common definition was important early on. Setting the course early has been the Project's foundation as every aspect now responds to it.

Executing the vision then becomes the responsibility of all participants. All decisions, regardless of their size and complexity, must consider the outcome in the context of the vision. Leadership demonstrates this continually, reinforcing the message. Additionally, everyone involved must not be afraid to challenge a decision if it is contrary to the vision, and the partnership does not hesitate to make corrections where goals and objectives may have been compromised.

### 2. A culture of mutual trust and transparency

Within the AHFH partnership, removing a perceived veil of secrecy has been critical to the Project's success. Achieving this has taken a considerable amount of consistent effort on the part of the key Project leadership to



*Engaging families and giving them ownership in their communities is achieved through a robust resident activities program. Community-based activities at each community center are planned each month, and community-wide activities such as Arbor Day and Earth Day give AHFH an opportunity to partner with military and community organizations to showcase important initiatives like sustainability.*

build a framework in which all can work together with trust. Decisions are made in partnership and always with prior consultation among key stakeholders. Debates on matters, while often heated, are conducted respectfully and honestly. Over time, an environment has developed in which everyone's opinion is equally valid and considered, which is a new way of approaching decision making for Actus Lend Lease, the Army, and the government.

Additionally, a culture of trust has been established between AHFH and the military families that it works with. Together, neighborhood issues that can range from safety and parking management to event organization are discussed, planned for, and enacted. Interactive resident advisory boards and town hall meetings are examples of formalized methods of collaboration, but the informal interactions that occur every day are just as critical. Although AHFH provides management services, residents are participatory and responsible tenants, and take ownership for their neighborhoods. The result of this is a heightened sense of community, in which everyone is accountable for creating a high quality living experience.

### 3. Timely and collaborative decision making

In a challenging economic climate coupled with concurrent wars in two countries, resources are constrained at unprecedented levels. In the current situation, there is



*The AHFH partnership is building more than just homes, it is building communities. Community centers serve as a gathering place for families, giving them an opportunity to develop new friendships and expand their network of support, which is especially important for families that move to a new Duty Station every two to three years.*

less room for mistakes and less tolerance for inefficiency than ever before. The AHFH team has significant decision making autonomy, which more effectively aligns needs with resources and streamlines the bureaucracy that can sometimes stall innovative decision making. In doing this, an effective example of accountability and responsibility has been demonstrated, that propels forward and sets a benchmark for other privatization projects, be they military or otherwise.

#### 4. Education, education, education

In new and different endeavors, a key success ingredient is the willingness of everyone involved to learn. Learning is a journey that spans the life of projects such as AHFH and requires self reflection and a commitment to trying new ways of thinking and doing. There was (and still is) much to learn and all stakeholders are committed to continuing this investment as it has proven to enable much of the innovation that has occurred to date.

AHFH in many ways has made the mistakes that others can learn from. Its size, scale, and unique environmental characteristics make it conducive to trying new innovations and approaches. Not every idea is a great one, and some ideas are great but need adjustment. AHFH has been proactive in correcting mistakes when they are made, moving on, and then sharing the lessons learned with a broad audience.

As well as at home, those in other parts of the world are looking towards AHFH as a successful model of a public-private partnership and are visiting the Project to determine what can be achieved and replicated in their own environments. Delegations from Japan, Guam, Australia, and South Korea have visited Hawaii to tour the Project and exchange information with the AHFH teams.

Military families are also benefiting from the education that the Project is providing in both direct and indirect ways. Directly, residents are learning how to live more sustainably, and indirectly they are learning about the changes as a result of privatized housing. Residents do have to adapt to the increased responsibilities that they assume in the care of their homes and participation in their communities. At the same time, a range of interactive leisure and learning opportunities facilitates the ongoing education of residents, particularly in living sustainably.

Perhaps the most profound experience has been the education of ourselves about each other. Governments, armies, and corporate real estate developers have little in common. In terms of organizational and operational cultures, there could hardly be a more unlikely combination. Motivated by different principles, policies, and practices, it is inevitable that frictions will occur. By taking the time to understand what each needs and reconcile differences, an environment of trust has been created, and timely and collaborative decision making occurs.

#### IN THE END.....

AHFH will continue to deliver new homes and communities until at least 2015. The foundations were set early on and, through strong leadership and an absolute commitment to realizing the promise with integrity, over 2,000 sustainable homes have been delivered into communities that are safe, participatory, and inclusive. AHFH is clearly sending the message to military families that the American public cares and is committed to providing the best possible living, learning, and lifestyle experiences for those who put their life on the line for their country and their families. ☽



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EDC would like to **give special thanks** to sponsors of the **2010 Leadership Summit in The Woodlands, TX** for demonstrating their commitment to the important work of economic developers. Their generous support enabled IEDC to bring economic development leaders together for peer-networking, informative sessions and valuable insight into how we can better connect leadership and communities. The 2010 Leadership Summit was a tremendous success that would not have been possible without the contributions of our valued sponsors. We proudly recognize the following sponsors as partners in helping economic developers to build strong, more vibrant communities:

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# NEWS FROM IEDC

## HOW YOU BUILD IT: CREATING CUTTING-EDGE DEVELOPMENTS

In difficult economic times, public developments and public-private ventures can be the drivers that help communities stay afloat. In addition to the jobs provided by the development of new projects, they also contribute to the community's attractive built environment, global competitiveness, and the attraction and retention of talented workers.



On June 6-8 in Oklahoma City, IEDC will showcase a new technical conference that teaches how to complete projects that contribute to local economic development and community competitiveness. It covers traditional topics such as convention and conference centers, sports facilities, and performing arts centers, as well as new topics such as distressed neighborhood redevelopment, transit-oriented development, and sustainable buildings. Attendees will learn from industry experts, representatives from communities of all sizes, and the development community on how to make their project happen!

## IEDC RELEASES RESEARCH REPORT ON QUALITY JOBS

In response to large job losses and economic adjustments, the formerly well defined and relatively straightforward profession of economic development has become more complex. The way business is done, and therefore the way jobs are created, has changed at its core, and economic developers have been challenged both to understand these fundamental landscape changes and to devise new tools to respond to them.

With strong support from the Ford Foundation, IEDC is releasing a multi-faceted report on economic development strategies that help lead to quality job creation. Specifically, the report uses case studies and conclusions to highlight the role of economic development organizations in rebuilding the middle class.

## MIAMI-DADE BEACON COUNCIL EARNS AEDO REACCREDITATION

IEDC proudly announces that the Miami-Dade Beacon Council has been successfully reaccredited by the AEDO program. The council is one of 25 organizations that display



the professionalism, commitment to economic development, and technical expertise deserving of the distinction. For more information on AEDO, contact Liz Thorstensen at [ethorstensen@iedc.org](mailto:ethorstensen@iedc.org).

## IEDC REPORT FOCUSES ON IMPROVED FEDERAL RESPONSE TO POST-DISASTER ECONOMIC RECOVERY

Last December, approximately 27 post-disaster economic recovery representatives from across the U.S. convened for a three-day workshop at the invitation of IEDC, the U.S. Chamber of Commerce's Business Civic Leadership Center, and the National Association of Development Organizations. This working group developed a series of recommendations for improving the federal response and assistance to disaster-impacted communities as it relates specifically to economic recovery.

From these recommendations, IEDC developed the report, "An Improved Federal Response to Post-Disaster Economic Recovery," which addresses capacity, resource and regulatory constraints; recommends improved communication and cooperation among federal agencies; and presents a series of recommendations on how federal partners can better assist local communities in the economic recovery effort. The report has been submitted to the Long-Term Disaster Recovery Working Group, convened at President Obama's request by the secretaries of Homeland Security and Housing and Urban Development.

## 2010 FEDERAL REVIEW

Each year, IEDC provides a comprehensive review of federal action in economic development. The 2010 Federal Review provides a look back at 2009, details fiscal year 2010 appropriations, as well as delivers an observation of the president's fiscal year 2011 budget. From a new administration to the landmark American Recovery and Reinvestment Act, the federal government experienced significant changes the past year.

Learn which programs are being cut, boosted, or face reauthorization. See what the president's plans are for economic development. Compare funding allocations with previous appropriations. The 2010 Federal Review will be available at the 2010 Federal Economic Development Forum, April 18-20.

# CALENDAR OF EVENTS

## RECERTIFICATION FOR CERTIFIED ECONOMIC DEVELOPERS

Fulfill a recertification requirement without tapping into your budget!

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This is one of a number of ways that you can pursue recertification credits. Submissions are accepted throughout the year. The Journal Editorial Board reviews all articles and determines which articles are accepted for publication.

For more information contact Jenny Murphy, editor, at murp@erols.com (703-715-0147).



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IEDC sponsors an annual conference and a series of technical conferences each year to bring economic development professionals together to network with their peers and learn about the latest tools and trends from public and private experts.

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### CONFERENCES

#### 2010 Federal Forum

April 18-20, 2010  
Alexandria, VA

#### 2010 How You Build It Conference

June 6-8, 2010  
Oklahoma City, OK

#### 2010 Annual Conference

September 26-29, 2010  
Columbus, OH

### TRAINING COURSES

#### Economic Development Strategic Planning

March 18-19, 2010  
Springfield, MO

#### Real Estate Development & Reuse

April 1-2, 2010  
Atlanta, GA

#### Business Retention & Expansion

April 15-16, 2010  
Alexandria, VA

#### Economic Development Credit Analysis

May 5-7, 2010  
Lansing, MI

#### Business Retention & Expansion

May 27-28, 2010  
Baltimore, MD

#### Real Estate Development & Reuse

June 3-4, 2010  
Oklahoma City, OK

#### Economic Development Marketing & Attraction

June 17-18, 2010  
Lansing, MI

#### Neighborhood Development Strategies

June 28-29, 2010  
Baltimore, MD

#### Business Retention & Expansion

July 15-16, 2010  
Minneapolis, MN

#### Economic Development Strategic Planning

August 5-6, 2010  
San Francisco, CA

#### Technology-led Economic Development

August 26-27, 2010  
Lansing, MI

#### Workforce Development

September 23-24, 2010  
Columbus, OH

#### Entrepreneurial & Small Business Development Strategies

October 7-8, 2010  
Atlanta, GA

#### Economic Development Marketing & Attraction

October 14-15, 2010  
Baltimore, MD

#### Real Estate Development & Reuse

November 4-5, 2010  
Tampa, FL

#### Business Retention & Expansion

November 18-19, 2010  
Kansas City, MO

#### Technology-led Economic Development

December 2-3, 2010  
Atlanta, GA

### CERTIFIED ECONOMIC DEVELOPER EXAMS

#### April 17-18, 2010

Alexandria, VA

#### June 5-6, 2010

Oklahoma City, OK  
(Appl. Deadline: April 5, 2010)

#### September 25-26, 2010

Columbus, OH  
(Appl. Deadline: July 26, 2010)

### 2010 WEB SEMINAR SERIES

#### March 25

Carbon Cap and Trade and Economic Development

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# quantitative marketing

By Jonas Peterson, CEcD

## INTRODUCTION

Rising taxes, high input costs, and overwhelming regulation have left many businesses searching for a lower cost operating environment. Many regions legitimately meet this need but have generally failed to market themselves to businesses in a language that is specific, understandable, and motivates action. By embracing quantitative marketing techniques, economic developers can show business leaders exactly what relocation means to their bottom line, build ongoing relationships, and influence location decisions.

## WHAT IS QUANTITATIVE MARKETING?

Quantitative marketing is about data, facts, information, and knowledge.<sup>1</sup> Within the context of economic development, quantitative marketing focuses on business attraction strategies, processes and competencies that quantify and communicate a region's comparative advantage to individual firms. In short, quantitative marketing is the process of analyzing and communicating location specific facts and figures in order to influence individual business location decisions.

## QUANTITATIVE VS. QUALITATIVE (TRADITIONAL) MARKETING

Traditional economic development marketing focuses on the qualitative (semi-generic) attributes of a particular place. Typically, a community or region develops a marketing campaign around its most positive attributes. Some qualitative attributes, such as quality of life and business climate, are generic and difficult to measure. Others, such as incentive programs or general tax comparisons, can be measured broadly but difficult to apply to specific firms. The target audience of traditional qualitative marketing may be a geographic area or a



Quantitative marketing helped Mohave County, Arizona, attract eight commercial-scale solar power plants in 2009.

particular industry but is rarely company specific. Thus, the goal is to communicate a positive, yet generic message to a fairly large audience.

Quantitative marketing on the other hand is designed to be a company specific endeavor. The marketing campaign is replaced by a location comparison study for a specific business. The study analyzes and compares location factors such as site cost, building construction cost, tax rates, infrastructure costs, incentives, regulation expense, utilities, market access, and workforce rates. Although both positive and negative factors are included, the benefits of a specific area are highlighted. Typically, the study will compare two or more locations and focus on factors that are of greatest importance to each specific business.

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Jonas R. Peterson, CEcD, is the director of economic development for Mohave County, AZ. He recently published *"Minding Our Own Businesses: a Practitioner's Guide to Regional Business Retention and Expansion"* and has conducted considerable research on comparative advantage and quantitative marketing. (Jonas.Peterson@co.mohave.az.us)

## MARKETING TECHNIQUE COMPARISON

Technique	Quantitative	Qualitative (traditional)
Target Market	Individual Firms	Industry or Geographic Area
Marketing Message	Company Specific	Generic or Semi-Generic
Relationship Builder	Yes	No
Example	Location Comparison Study	Advertising

## WHY BUSINESS RESPONDS TO LOCATION COMPARISON STUDIES

In Arizona and Nevada quantitative marketing is fast becoming the technique of choice for business recruitment. When implemented correctly, quantitative marketing can enable economic developers to increase the effectiveness of their business recruitment programs while generating valuable insights about target industries and local communities. This article focuses on the benefits of quantitative marketing, best practices for implementation, and an overview of the current marketing activities in both Arizona and Nevada.

## QUANTITATIVE MARKETING

Common Site Location Study Variables		
Site	Construction	Taxes
Regulation	Infrastructure	Market Access
Workforce	Incentives	Utilities

Since no two operations are exactly alike, quantitative marketing is an individualized, highly targeted process. In order to identify and incorporate the unique attributes of each business, a relationship with ongoing communication is necessary. Thus, the goal of quantitative marketing is to quantify and compare the attributes of different locations for a specific firm's operation.

## WHY QUANTITATIVE MARKETING WORKS

Today, economic developers have a wide variety of marketing techniques at their disposal. Each technique has its own unique advantages and limitations. For instance, advertising is very high profile and can be reproduced, but it is also quite expensive and difficult to target.<sup>2</sup> Alternatively, publicity may be inexpensive but it is difficult to control the message.<sup>2</sup> According to the International Economic Development Council (IEDC), there are five main (traditional) marketing techniques used to reach a target audience and attract potential investors.<sup>3</sup>

1. Advertising
2. Publicity
3. Promotional materials
4. Direct mail
5. Personal selling

Quantitative marketing is not included in this list but is arguably the most effective method to recruit companies from a high cost location. Also, the technique becomes even more potent when the recruiting, lower-cost area can provide access to the client's higher cost marketplace.

There are four main reasons why quantitative marketing is extremely effective. First, it requires a highly targeted approach. Creating custom business location studies requires a highly skilled staff that is willing to devote a considerable amount of time to client relationship building, research, presentation, and follow-up. Since the process is labor intensive, it is absolutely imperative that resources are directed toward high probability clients. (See Target Clients)

Second, quantitative marketing builds relationships with clients. In order to be successful, recruiting agencies need inside information about the target client's buildings, key products, market, distribution method, labor force, and operating costs. While some estimates can be made, accurate information can only be gathered from willing senior level employees. Fortunately, recruiting agencies have a valuable product to offer – free, confidential, company specific location analysis. Business leaders who are truly considering relocation will likely find this type of analysis appealing and be willing to

share the necessary information. This win-win type relationship positions economic development agencies as valued partners in the relocation process.

Third, it enables economic developers to exert a tremendous amount of influence on the location decision making process. Many of the most effective marketing techniques such as publicity and word of mouth are inherently difficult to control.<sup>4</sup> However, through quantitative marketing economic developers gain multiple advantages. They control or at least influence how information is collected, calculated, weighted, and presented. Also, they have a captive, pre-screened audience of firms where a known competitive advantage (cost savings) exists. Other entities, such as site selectors or competing communities, are outside of the process. Together, these advantages give economic developers more influence on individual firms than any other marketing technique.

Fourth, quantitative marketing results in a company decision. The end result of quantitative marketing is a presentation of a company specific, business location comparison study – almost always showing a significant cost savings which can be achieved through relocation. The analysis becomes inherently credible because the firm's own leadership was involved in the process. Also, the business is shown *exactly* how much money it could save through relocation. The message is not semi-generic like traditional messages. Instead, it is personal, specific, credible, and inherently difficult to ignore.

## QUANTITATIVE MARKETING

Key Advantages
1. Highly Targeted
2. Relationship Builder
3. Influential
4. Decision Oriented

## TARGET INDUSTRY / CLIENTS

The process of identifying target clients for a quantitative marketing campaign begins like any traditional economic development campaign. Tools such as location quotients and economic base analysis are combined with local industry preferences to create a list of target industries. However, in a quantitative marketing campaign the target industry list is further refined based upon a firm's location, size, product, price sensitivity, and desire to participate.

Fortunately, ideal quantitative marketing targets share some similar characteristics. First, they tend to be small or medium in size (less than 500 employees).<sup>5</sup> It has been estimated that at least 20 percent of all facilities' decisions involve site selectors. More importantly, 50 percent of all fortune-type blue chip expansions/relocations/consolidations utilize site consultants along the line.<sup>6</sup> Therefore, the smaller the firm, the less likely it is to involve a third party site selector. Also, case studies for small/ medium businesses are often quite simple

to generate and highly valued by company management. Thus, economic developers often get the most bang for their marketing buck by targeting small/medium firms.

Second, ideal targets tend to have a well-defined, regional marketplace. If the firm serves a global market, then the comparative advantage of locating within a specific region often decreases. On the other hand, if the firm serves a very small, location-specific audience, relocating may not be an option.

Third, prime targets for quantitative marketing produce homogeneous, price sensitive products. Industries which require high quantities of labor, standard inputs or utilities often benefit greatly from low cost operating environments. Also, firms with large tax expenses tend to be good targets because comparisons are easy to calculate and benefits to the firm are apparent.

Finally, the best targets are those that are excited and willing to participate in a quantitative marketing program. Individual firms know their own operation better than anyone else. If relocation could be advantageous, they will likely jump at the chance to receive a free location analysis. Thus, a simple phone call to firms within a target industry will often identify the best prospects.

## QUANTITATIVE MARKETING

### Ideal Prospect Characteristics

1. Small / Medium Size
2. Well Defined / Regional Market
3. Price Sensitive / Homogeneous Product
4. Open / Willing to Participate

## IMPLEMENTATION

Quantitative marketing is a highly flexible and cost effective method of business recruitment. It can be delivered as a stand-alone product or used to support a traditional marketing campaign. Location comparison studies can be conducted for one business or many and may contain one comparison variable or a complete analysis. Regardless of the intended use, the quality of a quantitative marketing program will ultimately be determined by organizational talent, use of technology, and data availability.

Talent is critical. In order to be successful, quantitative marketing requires staff with a high level of competency in research, local tax application, finance, geographic information systems (GIS), market analysis, workforce, construction, and general marketing. Given the broad knowledge requirements, a team approach is often appropriate. Also, many traditional economic development organizations may need to hire additional staff and / or consultants in order to address non-traditional areas such as tax application, finance, and GIS database development.

Technology can elevate a quantitative marketing program from good to great. Technically, you could create a quantitative marketing program simply with a pencil,

paper, and local market knowledge. However, recent technology advances such as integrated databases, analysis systems, GIS, spreadsheets, and customer relationship management (CRM) tools can all be used to strengthen data generation and reporting processes. In particular, analysis systems – such as Dealtek, LEAP, and Policy Insight – provide a strong foundation for creating detailed site comparisons.<sup>7</sup> Also, CRM tools such as ACT, GoldMine and CONNECTED by Microsoft enable practitioners to organize, manage, and report data to clients efficiently. Together, these tools have taken much of the guess work and labor out of quantitative marketing. They reduce the time required to retrieve data, increase accuracy, and help standardize/simplify the location comparison process.

In the end, location comparisons are built upon local data. In areas where local data is not readily available, additional data sources may need to be purchased through third party vendors or created through local studies. The ability to cite data sources – other than the local economic development organization – adds credibility to location comparison studies.

## CURRENT MARKETING ACTIVITIES IN ARIZONA AND NEVADA

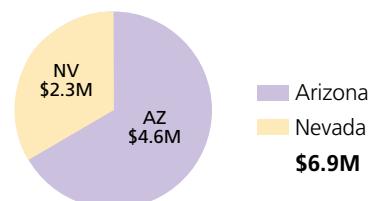
In order to better understand current marketing activities in Arizona and Nevada, the Mohave County Economic Development Division surveyed 60 of the most active local, regional, and state-wide economic development organizations (EDOs). The survey identified each organization's general marketing budget, preferred business recruitment techniques, use of quantitative marketing techniques, and focus on recruiting from higher cost areas such as California. The following are some of our key findings:

### 1. Significant Marketing Resources Are Available

Although many survey participants perform multiple functions, marketing for business recruitment is considered by EDOs to be a core function. With a combined marketing budget of approximately \$4.6M, Arizona spends almost twice as much as Nevada on business recruitment. However, on a per-capita basis Arizona only spends 71¢/ person while Nevada spends 88¢/ person. Together, Arizona and Nevada EDOs have a marketing budget for business recruitment of approximately \$6.9M.

### 1. Overall Marketing Budgets for Business Recruitment

#### Arizona and Nevada Economic Development Organizations (2009)



## 2. Marketing Is Primarily a Regional Activity

Although most local, regional, and state EDOs identify marketing as a core program, regional organizations enjoy 71 percent of all marketing dollars. Local economic development organizations account for almost 2/3 of the survey participants, yet they only control 14 percent of all marketing dollars. Together, regional and state EDOs conduct 86 percent of all marketing activity for business recruitment.

## 3. Most Organizations Do Not Utilize Quantitative Marketing Techniques

Of the 60 economic development organizations surveyed, only 20 (33 percent) generated operating cost comparison studies for business recruitment. Regional groups generated the most at 25 studies per organization, per year. Local EDOs, on the other hand, averaged only two operating comparisons per organization, per year.

## 4. Personal Selling Is the Most Common and Effective Marketing Technique

Of the five marketing techniques recognized by IEDC, personal selling is the most commonly used and effective according to our survey. In fact, personal selling makes up almost 50 percent of all marketing activity and 80 percent of those surveyed believe that it is the most effective marketing technique. State-wide EDOs categorize almost 60 percent of their marketing activities as personal selling.

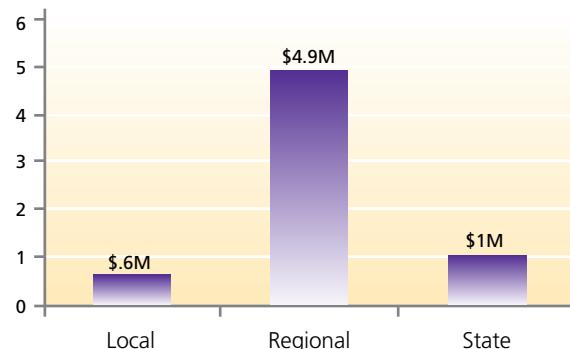
### MOHAVE COUNTY, AZ

Mohave County is a geographically large, rapidly growing county located in northwestern Arizona adjacent to California and Nevada. Our annual domestic net migration rate of 34 percent is the second highest in the United States and approximately 30 percent of all our new small businesses are directly or indirectly related to California.<sup>8-9</sup> According to internal client surveys, most of our relocations are driven by cost savings. Together, these factors make Mohave County an ideal location for quantitative marketing.



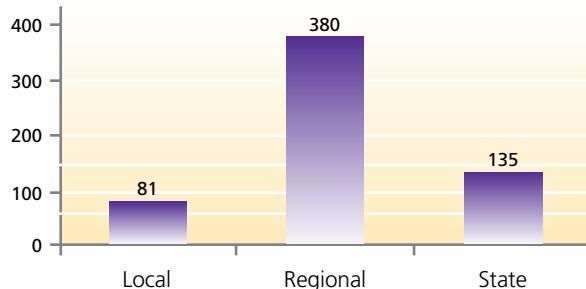
## 2. Marketing Budgets by Organization Type

Arizona and Nevada Economic Development Organizations (2009)



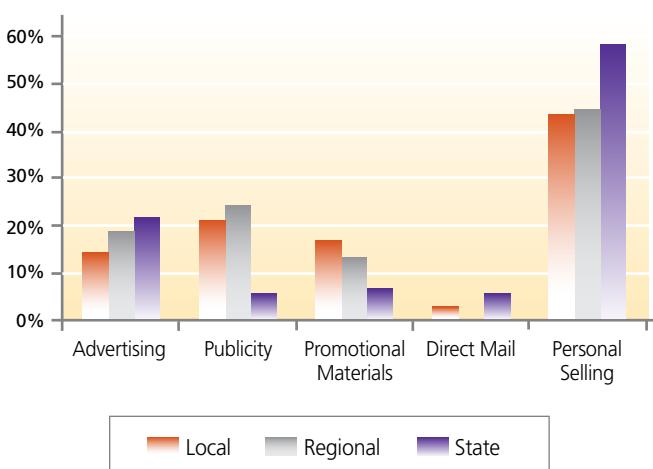
## 3. Operating Cost Comparisons Generated by Organization Type

Arizona and Nevada Economic Development Organizations (2009)



## 4. Marketing Technique Utilization by Organization Type

Arizona and Nevada Economic Development Organizations (2009)





*Quantitative marketing is ideal for recruiting standardized material manufacturing operations. In Mohave County, Arizona, a cluster of pipe manufacturers is growing: North American Pipe Corporation, CANTEX, J.M. Eagle and Contech.*

In order to capitalize on our regional operating cost advantages, we direct approximately 90 percent of all marketing resources to quantitative marketing. Small/medium businesses represent over 70 percent of our target clients.

To carry out our quantitative marketing efforts, we integrated our CRM software, operating cost analysis programs, county tax overlays, internal socio-economic databases, and our GIS application into one seamless operating structure. After a thorough targeting process, we simply contact prospective clients, provide them with a general overview of our program, and offer to conduct a thorough operating cost comparison study for their business. Then, company specific information is used to create a detailed location comparison study. The study is presented to clients along with traditional promotional materials and a virtual tour of our county.

The process has worked. Approximately 40 percent of our target clients allow us to conduct comparison studies on their behalf and about 25 percent of those clients conduct formal site visits in Mohave County. Quantitative marketing has enabled us to build many relationships with new clients in ways that qualitative marketing simply could not. Also, our quantitative expertise has enabled us to better identify local cost savings for large corporate clients (Ford Motor, Chrysler, Wal-Mart and NUCOR Steel) and remind our current businesses about our local strengths.

## **WHY QUANTITATIVE MARKETING IS NOT USED MORE**

Quantitative marketing is just plain difficult to do well. Key variables such as tax rates, construction costs, and average wages are constantly changing, vary by location, and can be difficult to find for smaller areas. Local government and utility providers often want to consider each project on a case-by-case basis instead of committing to formal (quantifiable) incentive programs.

And, perhaps most importantly, quantitative marketing requires a talented staff that can create influential case studies and present them to clients in an effective manner. According to Alan Montgomery, marketing professor – Carnegie Mellon University, “We know information is critical to identifying, differentiating, and interacting with customers. The problem is extracting insights from huge databases.” Together, these difficulties have led many in the economic development industry to simply ignore quantitative marketing.

## **ADDITIONAL BENEFITS**

The quantitative marketing process can generate a wealth of information about target clients, community weaknesses/strengths, and overall comparative advantage. This data can be used to refine marketing activities, establish community goals, and support existing industry.

Today's customer relationship management (CRM) databases provide an easy framework for tracking and reporting target client response rates, characteristics, recruitment success rates, and key areas of comparative advantage. This information enables practitioners to better understand and target clients which will benefit from relocation and local attributes.

Community leaders generally believe they have a great product to sell. Often, when a business chooses another location, local leaders simply don't understand why and place blame on the economic development director. Quantitative marketing enables economic developers to better understand and communicate the comparative advantage of their community and take some of the mystery out of site selection.

*The quantitative marketing process can generate a wealth of information about target clients, community weaknesses/strengths, and overall comparative advantage. This data can be used to refine marketing activities, establish community goals, and support existing industry.*

Better informed decisions are possible when specific variables of competitive advantage – workforce, utility rates, taxes, etc. – are quantified and communicated to community leadership. Each of these variables impacts the relative attractiveness of a community and needs to be considered in context. For instance, if a community is considering increasing property taxes and wants to recruit large solar projects, it should be shown how the decision will impact its competitive advantage / disadvantage. An established quantitative marketing program should be able to reference active clients and project these scenarios.

Business retention and expansion (BR&E) efforts also benefit from quantitative marketing. Although business recruitment often receives the lion's share of marketing resources, existing industry needs to be aware – or at

least reminded – of communities' positive attributes. Location comparison studies may be appropriate for local firms considering relocation. Also, existing businesses can often provide referrals – buyers/suppliers – that are good candidates for recruitment because of an existing business relationship.

## THE FUTURE

In a certain sense, development targeting, appealing to those economic activities where one has a comparative advantage, is as old as civilization.<sup>10</sup> However, the techniques / technologies we use to exploit comparative advantage are changing rapidly.

In the 1990's, web-sites seldom provided the ingredient of comparability; they often supplied information, but not the same information as neighboring regions, states or communities. Also, centralized databases were seldom used. In all, they provided the comparable satisfaction of comparing apples to oranges. In the future, the following advancements in data standardization, input methods, and GIS connectivity will continue to revolutionize the quantitative marketing and site selection processes.

## QUANTITATIVE MARKETING

### Future Developments

1. Data Standards Will Be Embraced
2. GIS Databases Will Become More Sophisticated
3. Universal Database Platforms or Bridges Will Emerge
4. Additional Participants Will Provide Data Directly to Clients

First, data standards will eventually be fully utilized and embraced. IEDC has already identified over 1,200 data elements known as the "Site Selection Data Standards" that are necessary to make apples to apples site comparisons. These "data standards" are not perfect – there are still data source and timing issues. However, they do provide a framework for creating meaningful, universal site comparisons. According to Don A. Holbrook of The Vercitas Group, "Site location and economic development technology practices have been slow to develop and realize the vast potential of an agreed upon open platform for comparison of economic development data, but it is evolving now more rapidly out of sheer necessity." As client demand for "data standards" continues to increase, they will eventually be fully adopted by those involved in site selection activities.

Second, GIS databases will become much more sophisticated, data intense, and accurate. Current GIS technology has made the tracking, reporting, and comparison of data by geographic area possible through platforms such as GIS Planning's ZoomProspector ([www.zoomprospector.com](http://www.zoomprospector.com)). In the future, clients will continue

Business retention and expansion (BR&E) efforts also benefit from quantitative marketing. Although business recruitment often receives the lion's share of marketing resources, existing industry needs to be aware – or at least reminded – of communities' positive attributes.

to desire more comparison variables, greater detail, and better accuracy. "Fundamentally, economic development organizations are marketing their geographic advantages. The most quantitative way to compare locations is by using GIS analysis and the most effective way to communicate the advantage is using the Internet," according to Pablo Monzon, co-founder of GIS Planning Inc. and ZoomProspector.com, which has implemented Internet GIS site selection websites serving over 7,500 US cities.

Third, universal database platforms or bridges will emerge. Today, there are many unique database platforms including Windows, Solaris, HP-UX, AIX, Linux, FreeBSD, SCO OpenServer and Unixware, Sinix, OS X, tru64/OSF, QNX, Irix, OpenVMS and Interix.<sup>11</sup> Traditionally, each program has had its own strengths and weaknesses and communicating between platforms has been difficult. Recently, bridge software programs such as Open Database Connectivity (ODBC) have made tremendous progress toward universal connectivity, yet issues particularly with GIS connectivity remain.<sup>12</sup>

Fourth, additional participants will provide local customized data directly to clients. In a typical site selection project, customized data such as local utility rates and building construction estimates are collected by economic developers and then presented to clients. However, recent advancement in online data entry has rendered this function obsolete. In the future, contractors, utility providers, and others will likely be able to enter their "bids" directly into site selection and quantitative marketing databases.



A conceptual drawing of one of America's largest planned solar power plants – Hualapai Valley Solar, one of eight to be built in Mohave County, AZ.

Together, these advancements will likely lead to a new way of doing business. Quantitative marketing will rise to the top of economic development marketing strategies. Eventually, as technology evolves and data becomes more universal, companies will be able to conduct deeper, more accurate site comparisons online without the need for economic developers or professional site selectors.

In the long run, the operating cost gap within regions will narrow. However, in the short run, economic development organizations will continue to target firms in higher cost areas for relocation. Those which fully embrace quantitative marketing techniques will simply be able to better communicate their message and ultimately influence more location decisions. ☺

In the long run, the operating cost gap within regions will narrow. However, in the short run, economic development organizations will continue to target firms in higher cost areas for relocation. Those which fully embrace quantitative marketing techniques will simply be able to better communicate their message and ultimately influence more location decisions.

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The poster features a collage of images and text. At the top left is the IEDC logo with the tagline "The Power of Knowledge and Leadership". To the right is a photo of the Oklahoma State Capitol. Below the capitol is a photo of a bridge over water. In the bottom right corner is the IEDC logo with the text "INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL" and "HOW YOU BUILD IT 2010 CONFERENCE". Below that is the date "June 6-8, 2010 | Oklahoma City, OK". To the left of the conference text is a photo of a city skyline. The bottom left contains the text "Register Online at [www.iedconline.org](http://www.iedconline.org)". The text "CREATING CUTTING-EDGE DEVELOPMENTS" is written diagonally across the bottom left. The text "A Better Living. A Better Life." is inside a green circle. The text "GREATER OKLAHOMA CITY" is also inside a green circle.

# place-based economy

By Kaizer Rangwala, AICP, CEcD, CNU-A

In a global economy, "the only way to retain talent is to offer a place that provides emotional attachment," notes Richard Florida, author of *Who's Your City?*. Business location decisions are increasingly being based on the quality of place. Talented people crave the vitality of urban areas and are interested in locating in distinctive cities and neighborhoods. As do businesses and people, communities must have a distinctive identity to compete in a place-based economy.

In his book *Man in Full*, Tom Wolfe describes that the only way you know you have left a city and entered another one is when the fast food establishments start repeating. In an environment where one place is no different from another, communities that celebrate all things local; create destinations; and preserve the sense of uniqueness, history, culture, and social diversity, will have a distinctive advantage in attracting and retaining the best talent and businesses.

## WHAT IS A PLACE-BASED ECONOMY?

Authentic and memorable experience is intrinsically tied to the unique local history, environment, and culture of a particular place. The physical setting, events, and image all contribute to enhancing the experience of a place. Physical setting and image is reinforced by the design of the streets, open spaces, and buildings that provide the stage for local events such as festivals, farmers market, street entertainment, public art, and exhibits.

Place-based economic development is based on the premise that a local economy must be developed as an appropriate response to the opportunities and limitations of that particular place. Place-based economy is a participatory bottom-up



Photo credit: Ventura Cultural Affairs Division.

The Ventura, CA, Artwalk is a self guided walking tour of over 80 galleries and studios in the Downtown Cultural District.

economy where the individual community building efforts of local businesses and residents create a collective unique identity and sense of place. Place-based economy's local focus also responds to the larger challenges of energy and global warming crises, and promotes socially responsible businesses. Unlike financial incentives, a unique place has a distinctive advantage that cannot be copied by competitors.

"Most places have something that makes them unique and if given the right cultivation it can bloom into a magnet to attract not only visitors but also new inward investment into business development. The development of a well conceptualized place based development strategy tied to the unique needs and expectations of local markets can be a compelling tool for redevelopment, market diversification and expanding local economies," says Don A. Holbrook, CEcD, FM, author of *"Who Moved My Smokestack?"*

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## GROWING SMARTER WITH A RESTORATIVE LOCAL AND GREEN ECONOMY

The young and talented labor force and retiring boomers prefer the vitality of compact, connected, and complete cities over the sterile environments of business parks, shopping centers, and residential subdivisions. Changing unhealthy suburban patterns and behaviors and restoring urban areas offer an unprecedented opportunity for a restorative and green economy. The synergy of smart growth and a focus on the local, restorative, and green economy create memorable and lasting places that allow communities to retain and attract talent and reduce energy consumption and greenhouse gases. An economy based on creation of place is local, participatory, sustainable, and enduring.

"Place-based economy builds on local assets and cultivates entrepreneurial leadership by focusing on the community's 'triple bottom line' of economic, environmental, and social returns on investment," says Judy Francis, AICP, of the North Carolina Department of Environment and Natural Resources. Initiatives typically include eco/cultural/heritage tourism and recreation, alternative energy, and "green" industry pursuits. "In North Carolina, place-based economic strategies have provided over \$2.1 billion in revenues, over \$1 billion in investments (much of it in rural areas), and provide over 20,000 jobs that cannot be exported to other places," notes Francis.

An example of place-based economic strategy is "Kitchen incubators" such as Blue Ridge Food Ventures (BRFV) in Asheville, NC. The incubators have a shared-use commercial kitchen for creating "value-added" food products and assist local growers to market their crops and locally produced food products. Since 2005, BRFV has assisted more than 100 food businesses whose sales exceed \$1.8 million and who employ 20 full-time and 50 part-time employees. The incubator keeps agriculture profitable in the region and keeps farm acreage in production instead of converting to suburban sprawl.

The creative industries, comprised of nonprofit art organizations, commercial enterprises such as art galleries and music stores, and creative professionals or artists,



Herbalist Tara Lee uses space and equipment at Blue Ridge Food Ventures to prepare spice and tea blends she has developed and sells through her company, Blessed Botanicals.

Photo credit: Judy Francis.

contribute to the place-based economy by providing a unique sense of authentic local culture and identity. "The arts and cultural sector drives local economic impact and the global creative economy, influencing design, place and innovation. The creative sector attracts the talent of the 21st century work force. In San Jose, CA, the \$103 million nonprofit arts industry is a key component of the city's economic development strategy, employing over 2,300 people and creating an urban core for the capital of Silicon Valley," says City of San Jose Cultural Affairs Director Kerry Adams Hapner.

Ventura's nonprofit arts sector alone drives \$18 million in economic impact. Every spring and fall, Ventura's *ArtWalk* offers free, self guided walking tours focusing on 200 established and emerging artists at over 80 galleries, studios, and eclectic gallery-for-a-day venues in Ventura's Downtown Cultural District.

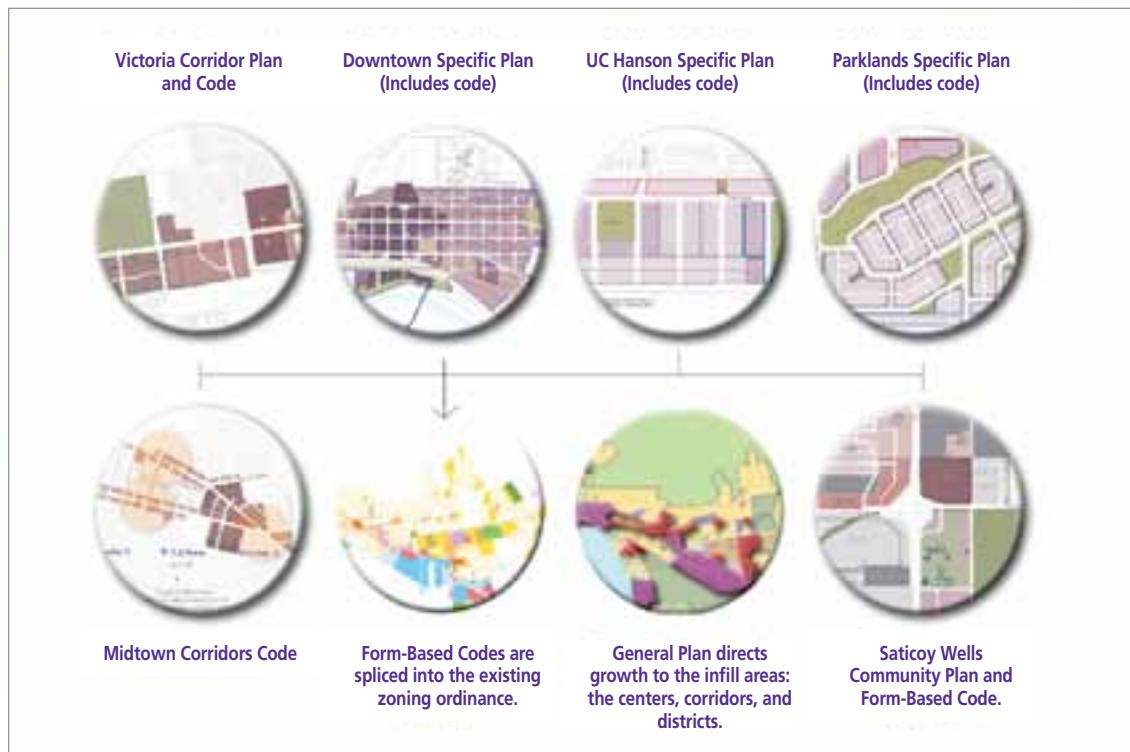


Photo credit: Ventura Cultural Affairs Division.

The Working Artists Ventura project provides affordable living and working accommodations for artists.

The arts and cultural sector is huge business in the small coastal town of Ventura, CA. Ventura's nonprofit arts sector alone drives \$18 million in economic impact. Every spring and fall, Ventura's *ArtWalk* offers free, self guided walking tours focusing on 200 established and emerging artists at over 80 galleries, studios, and eclectic gallery-for-a-day venues in Ventura's Downtown Cultural District. Participating art venues include antique and coffee shops, restaurants, boutique stores, and salons. The event attracts over 20,000 patrons to downtown retail and restaurant businesses and promotes Ventura's image as California's New Art City.

Ventura, CA, aspires to be California's New Art City, a leading destination for art and culture on the West coast. The high cost of housing in Ventura is a deterrent to attracting and retaining artists. A solution has been the Working Artists Ventura project. The city partnered with Projects Linking Arts, Community, and Environment Inc. (PLACE), the project's developer committed to promoting the arts, environment, and social fairness, to provide affordable living and working areas for artists with high ceilings with roll-up-doors. The project is dubbed "The WAV" (Working Artists Ventura) and is located in Ventura's cultural district.



*The Ventura General Plan called for overhauling the conventional zoning regulations and adopting Form-Based Codes. Over the past three years, the city has prepared six Form-Based Codes within the infill areas.*

The project meets several place-making objectives: it provides affordable housing and working space for hundreds of artists, performance and exhibition space, and units for homeless families; serves as a cultural destination; is built to the highest standards of green building technology; un-bundles parking spaces from the price of units and provides shared vehicles for residents; and is expected to generate economic benefits of \$8 for every \$1 of public investment. The project opened in December 2009 to rave reviews from the artist community.

A place-based economy is a tailored response to the local opportunities and challenges of the place. Each city, region, and state must develop its own place-based economic development strategy. A place-based economic development strategy:

1. Is rooted in smart growth that builds on unique features of a particular history, culture, and ecology;
2. Focuses on a locally driven restorative economy; and
3. Capitalizes on green economy.

## SMART GROWTH

*“The days where we’re just building sprawl forever, those days are over.”*

*President Obama at a town hall meeting in Fort Myers, FL.*

There is widespread consensus that as the world's largest economy and one of the biggest CO<sub>2</sub> emitters, the US has a responsibility to take the lead in reducing greenhouse gasses 80 percent lower than the 1990 levels. The challenge is to accomplish this while we add another 100 million people by 2050.

Growing well is a choice that affects our economy, quality of place, health, and the air we breathe. In some places, explosive sprawl development in the past five decades has left an allergic reaction to any growth. Smart growth, as an antidote to sprawl, directs growth to infill areas away from hillsides, farmlands, and open spaces. Compact, diverse, and connected communities encourage walking, biking, and transit use, thus reducing trips and air pollution. People who live in walkable communities are also more physically active and healthy. Contextual infill development enhances historic and cultural resources and reinvests in older areas of our community.

A place-based smart growth strategy should start by adopting a shared vision – this typically occurs in the form of a general or comprehensive plan update. The shared vision is implemented by adopting a culture that removes barriers and provides incentives to attracting investment.

Smart growth is best suited for existing neighborhoods, but local government typically has a variety of restrictions and the “no growth” advocates. The restrictions range from limits on density, building height, parking requirements, and other development codes. The prospect of having to share strained services and infrastructure with more people has given rise to many contentious public hearings. Unclear development standards, neighborhood opposition, and an uncertain development review process keep developers out of existing neighborhoods.

A key barrier to protecting and creating distinctive places is conventional zoning codes that often prohibit the construction of mixed-use, pedestrian friendly places

within the community. An alternative to conventional zoning is Form-Based Codes that offer clear and precise place-based standards together with a streamlined development review process.<sup>1</sup> An authentic civic engagement and education to raise public awareness, frame and analyze alternatives, and incorporate public ideas and address concerns early on in the process, make it easier for smart growth projects to gain approval. Form-Based Codes are drafted to achieve a community vision based on time-tested forms of compact, diverse, and complete urbanism that draws in the connections between land use and transportation.

Linking land use with transportation produces a system of integrated choices that allow mobility by foot, bike, car, bus, and transit. The energy and climate crisis has shifted the mobility discussion from individual ownership of vehicles to non-ownership options such as transit, rental, carpool, taxi, and car sharing (e.g. zip car). In small communities with limited transit options, automobile dependence can be reduced through shared or common ownership vehicles such as electric bicycles, segways, motorcycles, electric cars, and trucks that are provided as amenities and in exchange for reduced off-street parking spaces and traffic mitigation fees.<sup>2</sup> A traffic mitigation fee is the cost of all of the necessary and needed street improvements to accommodate future traffic growth identified on a per unit basis. For example: a 78-unit apartment project in Ventura would save \$75,000 in traffic mitigation fees (a 30 percent reduction) and can provide 12 fewer required off-street parking spaces in exchange for providing the following shared amenities within the project: two cars, an electric vehicle, two segways, and four electric bicycles.

Sprawl is the default growth model because it is easy to build and costs less.

Local governments can level the playing field by imposing discounted impact fees for smart growth projects. Making cities absorb the true external costs of sprawling projects will also generate increased revenue to support smart growth projects.<sup>3</sup>

A LEED platinum building in a sprawling office park and regional shopping centers that are primarily accessible by car fail to reduce vehicle miles traveled (VMT) and CO2 emissions. Increased efficiency resulting from high performance buildings and infrastructure must carefully integrate mixed-use, diverse, and pedestrian friendly urbanism.<sup>4</sup> Transportation accounts for a third of greenhouse gasses, including CO2. Our attempts are largely focused on developing efficient fuel or fuel-efficient cars. The offset in CO2 is wiped out by the increase in vehicle miles traveled between the separated land uses. Recent studies have shown that compact, pedestrian-friendly mixed-use developments have the potential to reduce VMT by 20 to 40 percent and CO2 emissions by 7 to 10 percent.<sup>5</sup>

## RESTORATIVE ECONOMY

Traditionally, economic development has focused on “new” growth and development. The typical performance metrics monitor the number of new permits, new jobs, or new development square footage. The operative business model is: “new” growth brings “new” wealth to the community.

The new economy will favor “re”development over new “de”velopment. We must plan to build physical and organizational environments that promote economic systems to last over a period of time by shifting measures of prosperity from quantity to quality indicators. Rather than measuring the number of housing starts and jobs, the metrics should consider the extent to which the community’s houses and jobs are organized around principles of smart growth. Qualitative rating systems such as Leadership in Energy and Environmental Design for Neighborhood Development (LEED ND) offer metrics that integrate the principles of smart growth and green development that help promote our new economy, and create a distinctive sense of place.<sup>6</sup>

The new economy will favor “re”development over new “de”velopment. We must plan to build physical and organizational environments that promote economic systems to last over a period of time by shifting measures of prosperity from quantity to quality indicators. Rather than measuring the number of housing starts and jobs, the metrics should consider the extent to which the community’s houses and jobs are organized around principles of smart growth.

Construction of new buildings expends a large amount of energy. Buildings that people dislike are easy to tear down as they age. However, not having to tear down and rebuild a new building conserves resources and energy. Redevelopment and renewal of existing historic buildings and landscapes saves embodied energy while contributing to the local sense of place, which is necessary for expanding a place-based economy.

## GREEN ECONOMY

In a sustainable economy we use less, keep resources from getting worse, and reduce waste or pollution – essentially, what we can continue doing without causing severe damage. In his book *reWealth*, Storm Cunningham raises the bar and calls for a shift from doing less damage to doing no damage and perhaps restoration of our natural, built and socioeconomic assets. He points out that there are more jobs per dollar of budget in a restorative economy (\$100 trillion) than in the presently damaging economy or even a sustainable economy. For

example: there are more jobs in planting trees and restoring an existing building than cutting the trees or building new standardized buildings.

Shifting jobs from industries that harm the earth to ones that sustain and in some cases heal the earth is a worthwhile economic goal. A report by Global Insight prepared for the US Conference of Mayors predicts that green employment could be the fastest growing segment of the US economy, providing up to 10 percent of new job growth over the next 30 years.<sup>7</sup>

### Shifting jobs from industries that harm the earth to ones that sustain and in some cases heal the earth is a worthwhile economic goal.

In the United States, buildings consume 76 percent of electricity generated by burning coal. Buildings are responsible for 50 percent of all energy consumed and production of all CO<sub>2</sub>.<sup>8</sup> Smart growth and green buildings can collectively reduce 83 percent of all CO<sub>2</sub> emissions.

A community's distinctiveness comes from making sure that the new buildings are rooted and evolve from adaptations to local history, climate, materials, and landscape. The glass towers in Anchorage look the same as Austin. The infusion of fossil fuel energy has allowed the climate of the building to be controlled, which has resulted in look alike, placeless architecture that is not grounded in the local place. Every locality has different building materials that are available for different climates, supported by a distinctive architecture. Linking the form, function, and material to the natural environment reduces energy consumption while creating or preserving a sense of place.

### CONCLUSION

Over \$100 million in tax and training incentives were offered by the state of Georgia to lure NCR from Dayton, Ohio, where the company has been for over a century.<sup>9</sup> The loss of 1,300 jobs in Dayton is a business attraction success story for Duluth, GA, in suburban Atlanta. However, attracting companies from one area to another is a zero sum game. Bill Nutti, NCR's chairman and CEO, says the decision to move was to align the company for future growth and drive the lowest cost structure in his industry. Corporate relocation decisions are focused on the bottom line with little regard to commitment to an area or its quality of life. In times when large corporations are shrinking and some even fading away, focusing on existing small businesses in the community and helping them grow and expand makes

good economic sense. The success and viability of a place grows with the development and growth of existing businesses.

We must prioritize redevelopment over new growth and business retention/expansion/ re-creation over business attraction. In addition, we need to support small businesses that are already within our communities and have more growth potential, rather than chasing large shrinking corporations; foster an authentic and creative culture; and revitalize and redevelop existing neighborhoods over creating new ones on greenfield sites. Retail development should be pursued within the context of these priorities. Retail will come once there are residents and employees to sustain it. Pursuing retail without a customer base can be disastrous for the retailer, weaken confidence in the area, and hurt the existing retailers there, particularly at a time when households are paying down debt, saving more of their income, rebuilding their nest eggs, and not spending.

In the past century, we have grown and established a fairly large footprint. A considerable amount of this development is now brownfields or greyfields such as empty commercial strips, office parks, foreclosed homes, and struggling malls. Further loss of farms and open spaces need not happen. Greenfield development should strive to rebuild the existing communities by introducing elements that complete the community such as connecting the street network, offering diverse housing choices, and new open spaces, to name a few benefits. The combined constraints of a growing population and running out of greenfield sites to devour will increase the pressures to rebuild, redevelop, and restore.

Every locality has different building materials that are available for different climates, supported by a distinctive architecture. Linking the form, function, and material to the natural environment reduces energy consumption while creating or preserving a sense of place.

As we recover from the current recession, "Baby Boomers" in large numbers will be empty nesters looking to trade in their large suburban homes for urban convenience and "Generation Ys", born from the mid 1980s to early 1990s, will be ready to enter the housing market with a strong bias towards urban living. Todd Zimmerman, a noted market analyst, is optimistic that these two trends will create a huge market demand for urban places.<sup>10</sup> In the economic downturn, communities that

have implemented smart growth principles and support a renewed and sustainable urbanism, are those that have held or even increased their value while development that separates land uses, promotes wide streets, low density, and extensive parking has decreased in value.

Given good information and a choice, most communities embrace a place-based economy. The local, smart growth based, renewal economy will be resilient and less vulnerable to economic cycles of decline. The primary goal of smart growth and a restorative and green economy is to create desirable and lasting places rather than disposable and transient places, thereby reducing the demand to build into greenfield areas. A place-based economy reinforces community pride; builds long-term physical, social, economic, and cultural benefits; links local people to local opportunities resulting in good jobs within the community; decreases VMT and CO2 emissions; and makes the community a better place to live and work. ☺

The primary goal of smart growth and a restorative and green economy is to create desirable and lasting places rather than disposable and transient places, thereby reducing the demand to build into greenfield areas.

## ENDNOTES

1. See [www.formbasedcodes.org](http://www.formbasedcodes.org) for more information on Form-Based Coding.
2. Residents would choose the appropriate vehicle for the required trip and pay a nominal monthly charge for membership and an additional charge based on quantity and duration of usage. Individual development projects with common transportation amenities when linked together provide a common pool of resources that can then be used by other residents and visitors in a community. The shared vehicles approach is a more efficient and less costly way to enhance mobility and is more likely to be embraced by consumers than the costly investment of public dollars necessary to provide or improve transit service.
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8. See [www.architecture2030.org](http://www.architecture2030.org). Ed Mazria, AIA, is the founder of Architecture 2030, an independent organization focused on protecting the global environment that calls for buildings to be carbon neutral by 2030.
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