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The IEDC
Economic Development Journal

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A Model-Setting Approach for Putting High Barrier Individuals to Work in Metro Atlanta
Fostering Economic Development at the Most Personal Level

Labor Economics Information and Data
Removing the Fear of Locating Rural

Public Spaces Community Places – A Crowdfunding Initiative
Adding "Human Touch" Is Transforming Michigan Communities

Make It. MSP. – Creating a Talent Start-up
Using the Lean Start-up Method to Launch a New Talent Retention and Attraction Initiative in Minneapolis-Saint Paul

Columbus Commons
The Evolution from a Desolate Mall to a Premier Park

The Importance of Affordable Housing to Economic Competitiveness
Thinking Critically About the Challenges

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ABOUT IEDC

The International Economic Development Council (IEDC) is the premier international association dedicated to leadership and excellence in economic development. IEDC can equip you with the tools and resources that are helping to shape economic development throughout the country and around the world. Our services include:

- *ED Now*, a twice-monthly newsletter
- *Economic Development Journal*, a quarterly publication
- Improved access to resources and information
- Enhanced educational choices
- Stronger advocacy and access at the Federal level
- Expanded networks and alliances
- Industry-leader publications
- Expanded research and technical assistance
- An international presence

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Barry Matherly, CEcD, FM
IEDC Chair

dear colleague

It is a great honor to be IEDC's newly-elected Chair. I look forward to contributing to this vital organization and upholding its standards of excellence in this seminal year.

I have an amazing team of dedicated and skilled professionals at my side on the IEDC Governance Committee. Serving alongside me are: *Michael Langley, FM*, Vice Chair of the Board from Saint Paul, Minnesota; *Craig Richard, CEcD*, Secretary/Treasurer of the Board from Atlanta, Georgia; *Tracye McDaniel*, Chair of External Member Relations from Austin, Texas; *Kenny McDonald, CEcD*, Chair of Performance Oversight Monitoring from Columbus, Ohio; and *Todd Greene, CEcD*, Chair of Planning and Business Development from Atlanta, Georgia. I also welcome our board's newest members, all of whom I know will make outstanding, insightful contributions to our team.

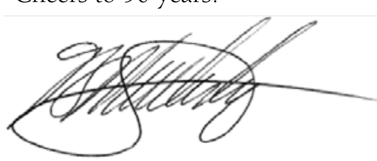
This is a special year for IEDC. The year 2016 marks IEDC's 90th anniversary as the premier organization of economic development professionals. In 1926, 23 individuals came together on the eve of the Great Depression. Today, IEDC has reached more than 4,800 members.

But this anniversary is not about the history of IEDC; it's about you, the economic developer. It's about the monumental and often thankless task we all continue to do to keep jobs plentiful in every community where people are looking for ways to apply their skills and talents. And it is about the task in front of us, which in 2016 is more dynamic and challenging than ever before. With this anniversary we will mark your achievements and contributions to the economic development profession. Just as those 23 individuals came together in 1926 because they recognized that the task before them was greater than what they could tackle alone, so too must we come together to reflect on our collective achievements and the challenges ahead as we look to the future.

To mark this anniversary we have launched a campaign to mark 2016 as the "Year of the Economic Developer." We hope you will support and increase awareness for three activities, which include: 52 Weeks of Economic Developers, a weekly campaign of stories in IEDC publications featuring members and past employees answering questions about their experiences in the field. We will also mark Economic Development Week from May 8 – 14, a week-long awareness-raising campaign for the profession and the professional. And we will have a Celebration Reception at IEDC's 2016 Annual Conference in Cleveland, which is sure to be an event like none other. We hope you will all participate and support this year of commemorating events and activities!

I look forward to a fantastic year with you. Together, and with your help, we will continue to provide leadership and excellence in economic development for our communities, members and partners.

Cheers to 90 years!



Barry Matherly, CEcD, FM
IEDC Chair

The IEDC
Economic Development Journal

PAGE *5*

PAGE *18*

PAGE 34

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TABLE OF CONTENTS

a model-setting approach

FOR PUTTING HIGH BARRIER INDIVIDUALS TO WORK IN METRO ATLANTA

By Joy Wilkins, CEcD

People with seemingly impossible-to-overcome barriers can be found in every community, large and small, urban and rural. Oftentimes, these individuals may see themselves as unemployable, or find that the world around them deems them to be so. As a result, regardless of the level of job creation and business growth generated within a community, these individuals are at risk for being further and further left-behind.

An increasingly important question facing the economic development profession today and into the future is as follows: what can be done to help high-barrier individuals – those facing major obstacles from participating in the workforce and economy – rise above their challenges and become productive members of society? To help answer this question, following is a case study on one high-performing and model-setting program that took place in Georgia. This program involved dynamic partnerships among workforce developers, human services providers, employment specialists, business connectors, employers, and mission-driven funders.

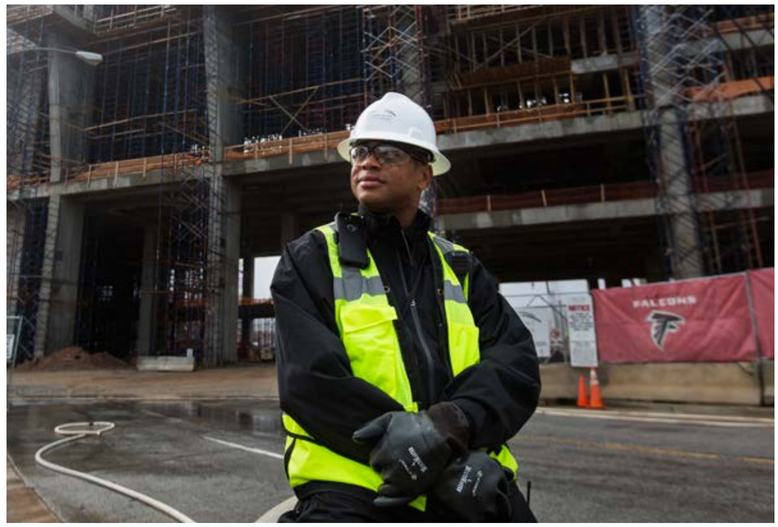

Photo courtesy of Goodwill of North Georgia, Inc.

GoodTransitions program participant Lloyd Foster had a very clear career goal, working on the new Atlanta Falcon's stadium. Goodwill helped him get the construction training and credentials he needed to get started on that career path.

INTRODUCTION

It was through a four-year demonstration grant awarded by the U.S. Department of Labor in 2011 that Goodwill of North Georgia, Inc. and partners launched what they referred to as the *GoodTransitions* program, an intensive suite of services that moved the needle with respect to helping people rise above significant barriers to become gainfully employed. Helping individuals overcome significant barriers to employment is nothing new for this Goodwill, an organization that recently celebrated its 90th anniversary and has long had a highly successful track record in serving individuals and employers throughout north Georgia. With this said, individuals served through the *GoodTransitions* program collectively represented above average challenges to overcome.

The purpose of the grant was to see if providing transitional training jobs – along with training in job readiness skills, soft skills, life skills and occupational skills – actually helps high barrier individuals to obtain and retain employment. In addition to training and placement, this grant sought to provide participants with intensive wrap-around, supportive human services for long-term impacts – an approach that has long been modus operandi for Goodwill. By design, those served through this particular program were low-income, non-custodi-

FOSTERING ECONOMIC DEVELOPMENT AT THE MOST PERSONAL LEVEL

In 2011, Goodwill of North Georgia, Inc. and partners launched an intensive suite of services to help individuals overcome significant barriers to employment. These services were delivered through a program known as GoodTransitions that took place from July 2011 to June 2015 through funding provided by the U.S. Department of Labor. GoodTransitions helped 387 individuals attain the competitive employment needed for transitioning to a better life. Participants included low-income, non-custodial parents who were not paying their child support obligations. The Goodwill team helped participants rise above these challenges not only to take better care of themselves but also, in many cases, their children. In doing so, they fostered economic development at the most personal level.

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ACKNOWLEDGMENTS
Special thanks to Marylee Putnam, former Goodwill program director for *GoodTransitions* and Reuben Lawrence, former Goodwill case manager, for providing extensive information on the program's operations and outcomes. Views expressed herein do not necessarily represent those of Goodwill, its current or former staff, or anyone affiliated with the agency.

Goodwill served as the lead organization for the *GoodTransitions* program, which the agency did throughout the program's duration. The program was led by a member of the senior management team within Goodwill and, at its peak, included a collaborative and multidisciplinary partnership among 17 staff members within the agency.

al parents with open child support orders, and helping these individuals meet their child support obligations was also a desire for both grant administrators and program leaders.

By its conclusion in June 2015, the *GoodTransitions* program had exceeded the performance goals set forth by grant administrators – putting a total of 387 individuals to work with area employers. Individuals served through the program hailed from six counties in metro Atlanta – Clayton, Cobb, DeKalb, Fulton, Gwinnett, and Henry counties. With the assistance received, program participants were hired for good jobs that enabled them not only to take better care of themselves but also, in many cases, their children. In doing so, the Goodwill team fostered economic development at the most personal level.

A COLLABORATIVE INITIATIVE FROM THE START

GoodTransitions would not have been possible without outstanding partnerships from the very onset and throughout the course of the program. The $5.7 million demonstration grant from the U.S. Department of Labor was designed in consultation with the U.S. Department of Health and Human Services and U.S. Department of Justice. The Georgia Department of Human Services' Division of Child Support's Fatherhood Program invited Goodwill to partner in applying for the grant. After Goodwill was awarded the grant, the two would later partner in launching the *GoodTransitions* program and recruiting potential participants.

The program's success was also made possible with the collaborative efforts of a number of other external partners in the Atlanta area. Beyond the Georgia Department of Human Services, other key partners included:

- **The United Way of Greater Atlanta**: provided $250,000 in start-up funds to cover needed expenses not covered by the grant, such as transportation costs for the participants.
- **Area Workforce Investment Boards**: provided referrals for the program.
- **The Urban League of Greater Atlanta and The Center for Working Families, Inc.** (nonprofits that offer workforce development services): provided training in soft skills and job readiness for program participants.
- **Families First** (a nonprofit that focuses on connecting, strengthening and sustaining families): visited with program participants to help them deal with access and visitation and to develop better communication with their children and the custodial parent.
- **Atlanta Regional Commission**: helped with forming partnerships with businesses to provide transitional and permanent jobs.
- **Morehouse College** and **Georgia State University**: served as program evaluators. Evaluations by these institutions of higher learning yielded insights that not only informed Goodwill's efforts during the *GoodTransitions* program but future efforts as well.

Goodwill served as the lead organization for the *GoodTransitions* program, which the agency did throughout the program's duration. The program was led by a member of the senior management team within Goodwill and, at its peak, included a collaborative and multidisciplinary partnership among 17 staff members within the agency.

AIMS OF THE PROGRAM

To meet the directive of the demonstration grant, the *GoodTransitions* program aimed to serve men and women, age 18 years old or older, who were low-income, non-custodial parents with open child support orders. Beyond these qualifying characteristics, participants could also be unemployed or underemployed individuals, dislocated workers, people with disabilities, high school dropouts, people with criminal records and other disadvantaged individuals.

Also, while Goodwill provides training and job placement services to numerous populations, through *GoodTransitions*, the agency focused on serving a specific targeted population. This resulted in an exciting opportunity to learn how to serve a specific cohort and consider which approaches work best given their unique needs and interests. It also revealed some insights into common needs shared by these individuals.

In order to receive grant funds, Goodwill committed to the following performance goals:

- Enroll 500 non-custodial parents into the *GoodTransitions* program.
- Provide transitional training jobs and supportive services, such as assessments, case management and help with transportation for program participants.

Photo courtesy of Goodwill of North Georgia, Inc.

Goodwill Employment Specialist Quandarious Brinkley works with GoodTransitions participant Anthony Davis on his résumé.

- Assist with placing 60 percent of the program participants into competitive employment.

Goodwill's performance was also measured according to goals set for the participants after they were placed in a permanent job. For example, grant administrators wanted to see an average wage of $9.00 per hour earned by program participants placed in a permanent job. The majority of placed individuals were also expected to retain their jobs for a measurable period of time. Last but not least, program leaders hoped to see at least half of the participants meet their child support obligations upon being gainfully employed.

RECRUITING PARTICIPANTS

Goodwill and partners recruited more than 3,000 candidates through a variety of outlets. In order to determine who should be enrolled in the program, Goodwill implemented Assessment Week, a boot camp of sorts that proved to be a successful process for screening and qualifying program candidates.

The *GoodTransitions* team worked through a number of important details in order to launch Assessment Week. For example, where were the sessions going to be held, and what tools would be used to assess the participants? Who was going to lead the sessions, and what additional materials would they need? After a significant amount of upfront planning, the team held the first Assessment Week in November 2011.

On average, Assessment Weeks were conducted twice a month for two years until program participation goals were met. During these weeks, the team reviewed each candidate to assess eligibility for grant services. They weighed considerations such as whether a candidate could get a job on his or her own, needed help in vocational rehabilitation beyond what Goodwill could provide, and whether the person could be truly helped through this program. Candidates also had to meet certain financial guidelines, and, if male, they had to comply with selective service registration requirements.

According to program leaders, at least 30 percent of those attending the first day of Assessment Week sessions did not return. While some individuals did not meet income or selective service requirements, it was understood that several individuals did not return because they did not want to submit to a drug test.

Photo courtesy of Goodwill of North Georgia, Inc.

Goodwill Employment Specialist Ameedah Williams assists GoodTransitions program participant Ronald Clark in one of Goodwill's Career Centers.

Photo courtesy of Goodwill of North Georgia, Inc.

GoodTransitions program participant Robert Felder shows Goodwill Director of Information and Training Jonathan Wilson some of the products he merchandises daily at his new job at BJ's Wholesale Club.

Once eligibility was determined, evidence of motivation, reliability, and dependability was most important for selecting participants for the program. The attendees would do group exercises led by a vocational evaluator. Case managers, job coaches, and employment specialists were in the room to observe, assess and assist as needed.

The team used a specific rubric for recommending whether participants were appropriate for the program and could move on to random assignment. Some participants were referred to vocational rehabilitation or provided other help if they were deemed to be not a good fit for the grant program. Rubric considerations included:

- *Punctuality and attendance*: Did the participant attend course sessions on time and work productively?
- *Curiosity (ability to ask appropriate questions)*: Did the participant make an effort to understand and clarify concepts?
- *Motivation*: Did the participant demonstrate interest in course material and participate in skills training?
- *Critical thinking, reasoning and problem solving*: Did the participant resolve assigned or encountered problems with/without help?
- *Writing sample*: Did the participant's writings demonstrate an understanding of concepts?
- *Employment history*: Did the participant work in the last three months to two years, and was this work consistent or moderately consistent?
- *Criminal background*: Did the participant not have a serious criminal background?

For each rubric area, participants received a score of "2" for having an above average performance, "1" for average and "0" for below average. Those individuals who

GoodTransitions program participants received a full array of services available through Goodwill. As an early step and before they were placed in a transitional job, participants received training on sexual harassment prevention because program leaders identified this as a leading and essential educational need.

received all "2s" did not qualify for *GoodTransitions*; they did not appear to have significant barriers to obtaining competitive employment on their own. Those individuals who received a cumulative score of less than "6" were deemed to need assistance beyond *GoodTransitions* and referred to an appropriate resource.

After a three-month ramp-up, the grant allowed two years to enroll all participants in the program. From November 2011 to November 2013, a total of 1004 individuals were deemed to qualify for the program and assistance. Of these, a total of 504 participants were randomly selected to be served through *GoodTransitions*.

What surprised program leaders was the largely homogenous nature of the group beyond the common characteristics of being low-income, non-custodial parents with open child support orders. For example, most of the participants were male and had a criminal background.

PUTTING PEOPLE TO WORK

GoodTransitions program participants received a full array of services available through Goodwill. As an early step and before they were placed in a transitional job, participants received training on sexual harassment prevention because program leaders identified this as a leading and essential educational need. Next, they were introduced to the concept of creating their Individual Employment Plan (IEP), a plan they would continue to work on with Goodwill staff throughout their participation in the program.

Photo courtesy of Goodwill of North Georgia, Inc.

Goodwill partnered with Atlanta Toyota to deliver training for participants to become Certified Forklift Operators.

The participants also took a Test of Adult Basic Education (TABE) assessment with a vocational evaluator. Case managers helped participants review their career and financial goals, assess whether their goals were realistic, and consider their talents, what they could do to support their families, and what additional training was needed to help them reach their goals.

HOW ECONOMIC DEVELOPERS CAN GET INVOLVED

Economic developers are usually the main conveners, connectors, and facilitators of dynamic collaborations among multiple stakeholder groups within the communities they serve. Ever so importantly, they are the main connectors to area business owners and other employers. In many cases, they are also able to stay in tune with other community-based organizations that are focused on helping high-barrier individuals develop the skills needed by businesses and other employers and participate in the workforce and economy.

From a big picture standpoint, economic developers can provide the macro view with respect to industry trends and needs in order to strategically inform workforce developers, employers, and individuals alike. In addition, given they are usually uniquely positioned to know who is doing what, where, and for whom in their respective communities, economic developers can serve as the *bridge* between the workforce developers, employers, and individuals. Facilitating connections and fostering regular communication among and between these three parties so that workforce development efforts best align with employer needs is an essential role economic developers can play in serving their local constituencies.

Indeed, economic developers have the potential to serve as the "marriage counselor" between people and the economy.

While many grants are designed to have participants partake in upfront training for some length of time and then be placed into competitive employment, this grant was different. *GoodTransitions* participants started working in their transitional training job during the week immediately following Assessment Week, enabling them to earn money right away. To make this happen, participants were placed in jobs at Goodwill stores so they could work while receiving training and supportive services. Upon arrival, the participants were given a clothing card to buy clothes from the store so they could meet the dress code.

Regarding the training, beyond basic job-readiness training, staff considered whether there was any specific occupational skills training that Goodwill could offer during the course of the program that would help improve the participants' chances at employment. The training provided was highly individualized to fit participant needs. Examples of training arranged by staff to help participants included Occupational Safety and Health Administration certification, commercial drivers' licenses, CPR and first aid certification, forklift certification, floor tech certification or apartment maintenance certification.

Program participants were assigned a job coach who evaluated their work habits (punctuality, general attitude and demeanor, dealing with co-workers and supervisors, serving customers, handling work flow processes, managing conflict, etc.) at the stores and provided feedback to participants on a daily basis. The participants continued to receive training every day on job readiness while earning a paycheck at their transitional job site.

ABOUT THE JOB CLUB

On Fridays, instead of working at their transitional jobs (whether at Goodwill or a community site), participants were required to attend a job club. Initially, individual clubs were held at each Goodwill store that served as a transitional job site. The program would vary week to week and was customized to meet participant needs as determined by the job coaches.

Participants received coaching on preparing their resume, preparing for an interview, and calling on employers. They learned from employment specialists about job searching techniques and specific behaviors that would improve their chances for getting a job. They also received further guidance from their job coach and case manager on how they could become more ready for the workforce. The participants were paid to attend the job clubs.

In April 2013, the clubs at each store were combined into one larger Job Club for all participants. While the clubs were a helpful experience for participants beforehand, the combined Job Club reached new heights in terms of value and impact. Program leaders see it as one of the best things to come out of *GoodTransitions*. They noticed a different level of creativity and freshness among participants as they came together from various transitional job sites.

Participants were able to interact with and learn from peers and Goodwill staff they did not work with or see regularly. The unified club was observed to bring new energy to the participants' experiences, as well as provide more channels for encouragement and reinforcement.

Over time, the Job Club training became more in-depth. Sometimes the training was provided by Goodwill staff and other times it was provided by partners. Job coaches, case managers and employment specialists were all on site so that participants could benefit from multiple perspectives. Participants received training on topics such as:

- Anger management,
- Balancing work and home,
- Basic computer skills,
- Building a positive relationship with your boss,
- Career planning and salary negotiation,
- Conflict resolution,
- Customer service,
- Diversity in the workplace,
- Effective communication skills,
- Financial management,
- Getting along with co-workers,
- Goals and motivation,
- How to keep a job,
- Interviewing skills,
- Problem solving and decision making,
- Resumes and cover letters,
- Sexual harassment prevention,
- Stress management,
- Succeeding at job fairs, and
- Workplace safety and health.

In addition to this training, the Job Clubs provided a venue for other learning activities. Program participants eventually developed and led some of these activities. They started a book club, led discussion groups, and invented new group activities. As an example of the latter, they created a financial literacy game for participants to take home and play with their children.

What impressed program leaders most was how Job Club participants bonded and developed a genuine camaraderie and concern for each other. They assisted staff with identifying and addressing participant needs. As one example, one participant delayed his start date for a competitive employment position for three weeks until he researched the new health insurance laws and made sure everyone in the club understood the laws and signed up for coverage.

Even after graduating to competitive employment, program alumni often returned to the Job Club to offer words of encouragement and share their real-life experiences and stories with participants. They talked about how they had to pull themselves together and accept help to find employment, and their stories resonated with the participants. Their words of advisement about the importance of listening to the case managers, job coaches, and employment specialists also provided impactful reinforcement. The alumni experienced firsthand that the program worked, and they were eager to let others know about it.

Throughout the time of their assignment, their job coach advised them on their tasks at hand, how to carry out directions, and how to get the job done. Job coaches provided ongoing feedback and guidance on what participants needed to change in order to be employable. They also provided daily encouragement to them. Case managers were on site periodically and as needed to meet with and provide individual counseling and support to participants, as well.

As participants improved at their Goodwill store jobs, their job coach and case manager determined when they were ready to move on to a community site. This was a transitional job with an employer contracted by Goodwill. Community site employment provided participants with greater autonomy than their previous transitional jobs. Job coaches were not on site and there were typically not many (if any) other program participants on site, either.

Case managers checked in on participants regularly, and continually monitored and assessed their progress. This was an important precursor and step toward moving into competitive employment, that is, a permanent job provided by a regular employer. Participants received assistance with purchasing tools, clothes, glasses and anything else needed for the job.

Once a participant was deemed ready for competitive employment, the case manager completed a Participant Employment Profile (PEP) and the individual was matched with an employment specialist. Prior to this point, the employment specialists visited job club meetings to provide job-seeking tips to participants. They also met approximately every two weeks with case managers to provide advisement about individual cases and situations.

Once an employment specialist was matched with a participant, he or she would search for possible jobs based on the participant's PEP and IEP. The specialist would look for a job that matched participant goals, skills and geography, and worked in tandem with the case manager and job coach to find a suitable placement.

Ultimately, each participant had three individuals – the case manager, job coach, and employment specialist – who served as an integrated team to help him or her be successful in transitioning from the program to the gainfully employed. Staff kept and shared meticulous case notes on their involvement with participants to ensure that everyone was "in the know" on important information for best serving them. They worked together to help participants to become job-ready, prepare for interviews, and become successful members of the workforce.

In addition to helping participants develop appropriate workplace behavior, the *GoodTransitions* team also helped them with developing realistic expectations. For example, some participants thought they could go to work immediately. Others were unaware of their barriers. Through the care and attention provided by the case managers, job coaches, and employment specialists, the participants were able to gain a better understanding about their limitations and their opportunities for gainful employment.

Goodwill case managers also helped participants with developing a better relationship with their children, when possible. They worked with the participants to tap into their innate desire to connect with their children, and provided counseling in this regard. Indeed, the key motive for many participants to stay in the program was the understanding that their participation could have a long-term impact on their children.

Throughout the course of their participation in the program, participants attended weekly "job club" meetings. The job club ultimately became a dynamic vessel for mentoring and peer-to-peer support which program leaders point to as a critical success factor. Once participants moved into competitive employment, they were considered graduates of the program.

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Photo courtesy of Goodwill of North Georgia, Inc.

Large employer partnerships allowed for many different kinds of training opportunities, including the automotive center at BJ's Wholesale Club.

ABOUT THE PATH TO EMPLOYMENT

Dealing with a criminal background was viewed by participants as their most challenging barrier to employment. Staff saw the lack of transportation also as a lead barrier. Other challenging barriers identified by a team with Georgia State University included poor mental health and self-esteem, substance abuse and addiction, lack of job-seeking skills, computer illiteracy, reading illiteracy, poor communication skills, and lack of housing. The *GoodTransitions* team worked with each participant individually to overcome these barriers.

Despite these barriers, some participants did well in rising above them during the course of the program. Not surprisingly, however, others did not do so well and had to repeat some steps. For example, some participants did not transition to their community site well and had to return to a Goodwill store for further training. Likewise, some participants struggled in competitive employment and had to be re-assigned to a transitional job at a Goodwill store or a community site. Several participants had to be placed in competitive employment jobs more than once. Program leaders indicated that a lack of impulse control was a leading cause.

When a participant exhibited certain negative behavior (poor attitude, frequent lateness, conflict with others, trouble following direction), job coaches would address it immediately and the case manager would make a note of it. After the first instance, the participant received a verbal warning. After the second instance, the participant had a conversation with their case managers about the negative behavior (what shouldn't have been done) and explored ways to stop such behavior (what can be done better in the future). After the third instance, a written "behavioral contract" was developed with the participant, with specific action steps for preventing the negative behavior.

The decision on how to proceed with difficult situations depended upon the severity and specifics of the case. With the goal of helping participants go back to work and keep their jobs, Goodwill staff did not seek to dismiss participants from the program but sought earnestly for corrective ways to address the challenge. In some cases, participants were placed on “interrupt” status (that is, a hiatus from the program) to take care of personal situations. They were allowed to return once they could again meet the program requirements.

Goodwill staff also determined if the participants needed more one-on-one coaching. For example, if participants did not show the same type of misbehavior until working outside a Goodwill store, staff would return them to the store to work with a job coach on addressing the problem.

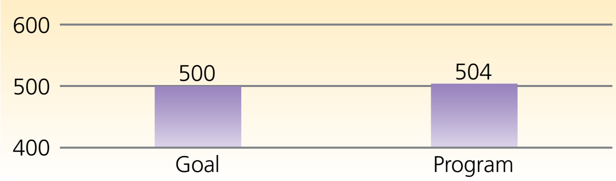
OUTCOMES

From the onset, Goodwill had agreed to meet certain performance goals with respect to:

- Number of program participants,
- Percentage of participants who entered work,
- Those who stayed working for three consecutive quarters,
- Those who were paying child support, and
- Average salaries earned by participants when employed.

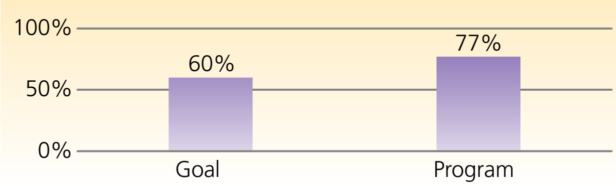
Goodwill exceeded each of these goals through the *GoodTransitions* program.

PROGRAM GROUP PARTICIPANTS



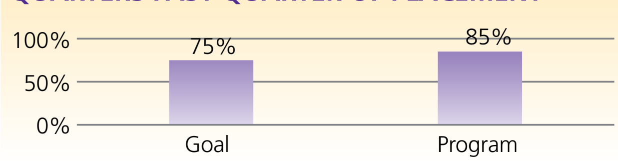
A total of 387 participants (77 percent of the 504 program participants) went to work through the program, largely in jobs with business employers. Staff made a total of 625 placements, as some participants were placed more than once.

PEOPLE PUT TO WORK



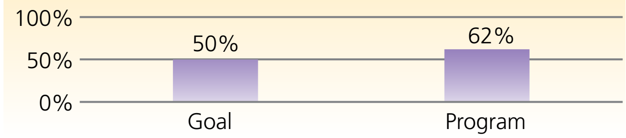
The following chart illustrates that the vast majority (85 percent) of the participants worked for three consecutive quarters after graduating from the program.

PEOPLE WORKING FOR 3 CONSECUTIVE QUARTERS PAST QUARTER OF PLACEMENT



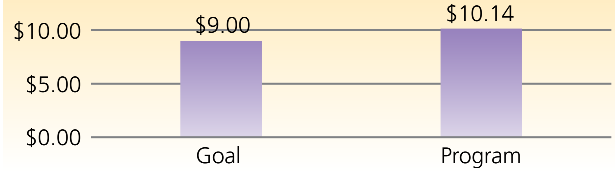
Nearly two-thirds of the participants made child support payments for three quarters past their quarter of placement, regardless of whether they kept their jobs.

CHILD SUPPORT PAYMENTS MADE THREE QUARTERS PAST QUARTER OF PLACEMENT



While the average wage per hour earned by participants was $10.14, more than 40 participants earned hourly wages at $14 and above. The highest wage earned was $30 per hour.

AVERAGE WAGE PER HOUR



Ultimately, individuals with some of the highest barriers to employment – people with a criminal background – received life changing help. While this was not the intended focus of the grant, it became the focus given so many of the participants served through the program had a background for offenses beyond having an open child support order.

Goodwill staff successfully worked with participants to help them talk about and overcome their backgrounds and earn respect from their employers. Staff also leveraged trusted relationships in place with employers who agreed to provide job placements for the participants. Many participants were able to be reunited with their children and heal broken relationships with their loved ones. Participants also received essential help for dealing with mental health problems, substance abuse issues, and other obstacles holding them back. Goodwill exceeded expectations in helping these returning citizens rebuild their lives.

CONCLUSION

Four years and 387 changed lives later, Goodwill can look back at the *GoodTransitions* program with a feeling of great accomplishment. Experiences with the program confirm that it does take a multifaceted team (of workforce developers, human services providers, employment specialists, business connectors, employers and mission-driven funders) to help individuals with significant barriers overcome them and become gainfully employed members of our society. Such interventions not only help these individuals but also employers who repeatedly point to workforce issues as a leading concern with respect to maintaining or strengthening their competitiveness. What Goodwill accomplished through *GoodTransitions* is nothing short of economic development at the most personal level – helping individuals improve their productive potential to take care of themselves and their loved ones, and contribute to the world around them.

LESSONS LEARNED

During the course of *GoodTransitions*, program leaders had the opportunity to develop, test and pilot a variety of approaches. Following are examples of some lessons learned as revealed from their experiences.

- **Assessment Week**: Including a team process for recruiting, assessing and vetting potential program participants was clearly the difference maker for ensuring that the right people were served through the program.
- **Transportation Assistance**: The lack of transportation is a leading barrier for participants who are struggling to make ends meet. Had assistance to take public transit not been available, several participants would not have been served through the program.
- **Holistic Approach**: Case managers, job coaches, and employment specialists working as a team to serve each individual participant provided a holistic, customized approach. Participants not only attained essential occupational skills but also the supportive human services to overcome job readiness and life management barriers.
- **Job Club**: The Job Club provided a valuable way for participants to stay connected and engaged with each other. Gathering regularly provided opportunities for valuable peer-to-peer learning and mentoring. In addition to receiving job search support, participants received help in developing essential life skills.
- **Dealing with Substance Abuse**: The high level of substance abuse among participants was beyond expectation by Goodwill staff. Program leaders identified intense training on substance abuse and its impacts as a core and mandatory component to ideally incorporate in similar programs offered in the future.
- **Partnering with Business**: Through building, maintaining and strengthening trusted relationships with businesses in the region, employment specialists were able to exceed program goals in placing participants in permanent jobs.
- **Importance of Credentials**: Many of the participants received an industry preferred certificate. Given that industry-preferred credentials are a major hiring criterion among employers, program leaders suggest that it become mandatory for all participants in such programs to earn at least one certificate.
- **Sustainability Planning**: Goodwill was not interested in simply executing a one-time program. Instead, the team followed a plan to apply the learning from this program in other efforts to serve through current and future programs, and also to sustain some of the momentum achieved during the program.

labor economics

INFORMATION AND DATA

By Christine Chmura, Ph.D.

IDENTIFYING THE APPROPRIATE LABOR SHED

Finding the skills and labor needed to run a successful business is at the top of most expanding firms' checklists as they consider new locations. For many economic developers, providing evidence that their region has the number of workers with particular skills needed for the expanding firms is a challenge. It is particularly challenging in rural or remote areas where the labor force is relatively small. In these cases, it is important for economic developers to identify the appropriate labor shed and a full count of workers who could fill positions needed from the pipeline of incumbent workers, the unemployed, and students being trained for the needed skills.

Identifying an appropriate labor shed, which is defined as where a firm will be drawing its workers, is crucial information for expanding firms to ensure that their labor force needs are available and sustainable. Underestimating the size of the labor shed could mean a deal is lost because the prospect won't be confident they can hire enough people.[1] Overestimating the size of the labor force could lead to shortages in staffing the new business and leave the region with the reputation of over promising.

Typically, using the geographic borders of counties or a specified mile radius around a location to identify the labor shed is inaccurate and leads to costly worker shortages or excluding a location in a rural area that may be ideal.

Economic developers in rural areas face unique challenges in demonstrating that their area has a sufficient supply of workers with the skills needed to support an expanding firm. If the labor shed is defined too narrowly, a deal could be lost because the prospect is uncertain that they can hire the people needed to expand successfully. A labor shed defined too broadly, however, could result in the expanding firm being unable to appropriately staff its new operations and the region's economic developers earning a reputation for overpromising and underdelivering.

Typically, using the geographic borders of counties or a specified mile radius around a location to identify the labor shed is inaccurate and leads to costly worker shortages or excluding a location in a rural area that may be ideal. As shown in the examples here, drive-time analysis is needed to prevent such problems.

Consider a computer system design firm that is contemplating an expansion of 87 workers in Lebanon, Virginia, that has a population of 3,386 and is the county seat of Russell County – population nearly 29,000 based on Census 2010 over an area of 477 square miles.

Russell County is an obvious starting point for the labor shed but it is clearly too narrow so adding in the contiguous counties makes sense. The larger region of eight counties and one city has a population of nearly 270,000 based on Census 2010 over an area of 3,802.5 square miles.

Based on the typical computer system design firm, the new firm will hire 12 applications software developers, eight computer systems analysts,

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REMOVING THE FEAR OF LOCATING RURAL

Finding the skills and labor needed to run a successful business is at the top of most expanding firms' checklists as they consider new locations. For many economic developers, providing evidence that their region has the number of workers with particular skills needed for the expanding firms is a challenge. It is particularly challenging in rural or remote areas where the labor force is relatively small. In these cases, it is important for economic developers to identify the appropriate labor shed and a full count of workers who could fill positions needed from the pipeline of incumbent workers, the unemployed, and students being trained for the needed skills.

TABLE 1: OCCUPATION REQUIREMENT FOR COMPUTER SYSTEMS DESIGN AND RELATED SERVICES

Title		Russell County			Russell Contiguous Counties		
	New Employer Demand	Current Employed	Current Unemployed	Potential Candidate/ Opening Ratio	Current Employed	Current Unemployed	Potential Candidate/ Opening Ratio
Software Developers, Applications	12	63	2	5	274	9	24
Computer Systems Analysts	8	45	2	6	228	10	30
Computer Programmers	6	30	2	5	120	6	21
Computer User Support Specialists	6	46	4	8	269	20	48
Software Developers, Systems Software	6	30	1	5	132	4	23
Computer and Information Systems Managers	4	25	1	6	145	5	38
Network and Computer Systems Administrators	3	27	1	9	176	6	61
Sales Representatives, Services, All Other	3	64	7	24	400	39	147
Computer Network Architects	2	12	0	6	61	1	31
Computer Network Support Specialists	2	16	1	8	83	6	45

Source: JobsEQ®

TABLE 2: 60-MINUTE DRIVE TIME LABOR SHED FOR COMPUTER SYSTEMS DESIGN AND RELATED SERVICES

Title	New Employer Demand	Current Employed	Current Unemployed	Potential Candidate/ Opening Ratio
Software Developers, Applications	12	460	14	40
Computer Systems Analysts	8	458	19	60
Computer Programmers	6	213	11	37
Computer User Support Specialists	6	529	37	94
Software Developers, Systems Software	6	238	7	41
Computer and Information Systems Managers	4	280	9	72
Network and Computer Systems Administrators	3	356	12	123
Sales Representatives, Services, All Other	3	845	80	309
Computer Network Architects	2	117	2	59
Computer Network Support Specialists	2	172	12	92

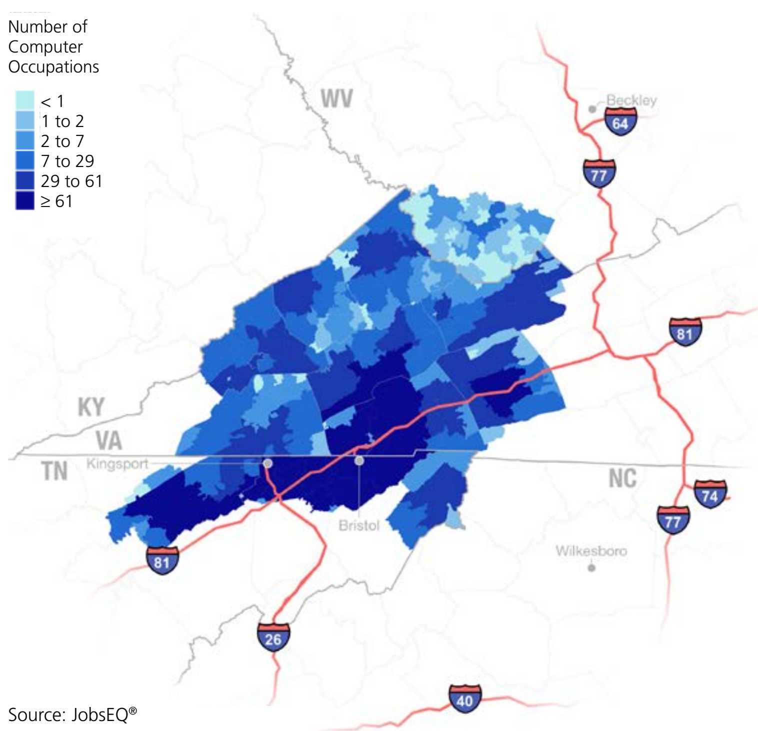
Source: JobsEQ®

and six computer programmers. Table 1 shows additional occupations that fill out the top ten skills needed as well as the number of people in the region who are either employed or unemployed with the necessary skills.

Firms or site selectors that we have worked with say they like to see at least 50 people, on average,[2] either working or unemployed, in the occupations they will need to fill to ensure success. The potential candidate-to-opening ratio[3] in Table 1 is green when the ratio meets or exceeds what is required and is shaded from yellow to orange to red when the ratio is so low that an expansion to the region is predicted to result in the inability to hire enough workers with the needed skills. Not surprisingly, expanding the labor shed from Russell County to the Russell + Contiguous Counties region shows more promise that enough workers will be available. However, the potential candidate-to-opening ratio remains orange for most of the top ten occupations needed.

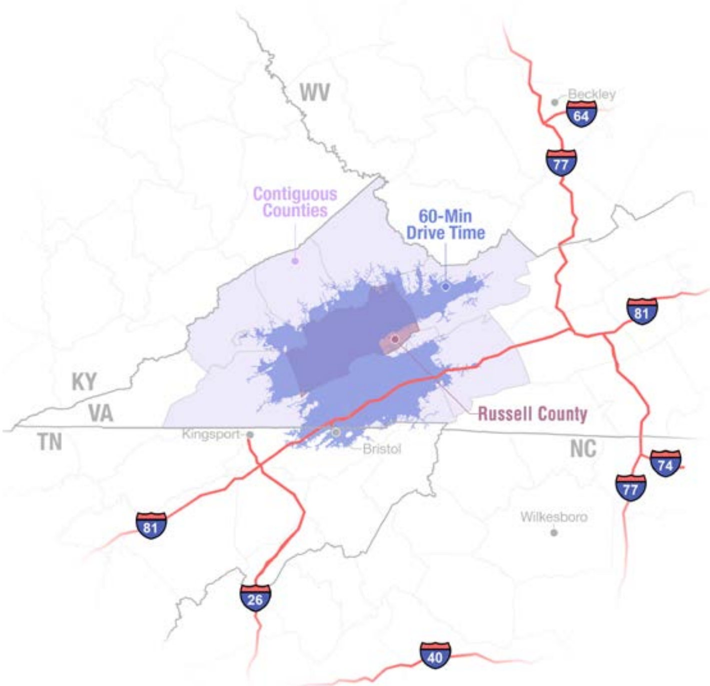
Labor sheds do not stop at state or county lines. This is particularly relevant for Lebanon that is located in the southwest corner of Virginia with interstate access to Tennessee and West Virginia. Although the willingness of workers to travel a long distance is dependent to some

TECHNOLOGY PARK DRIVE 60-MINUTE DRIVE TIME, COMPUTER OCCUPATIONS BY PLACE OF RESIDENCE



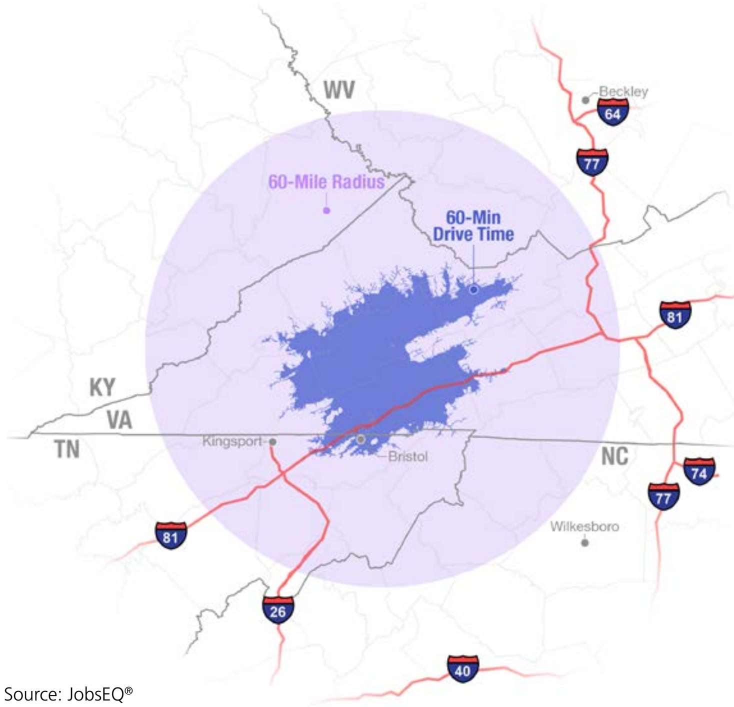
Source: JobsEQ®

COMPARING TECHNOLOGY PARK DRIVE 60-MINUTE DRIVE TIME TO CONTIGUOUS COUNTIES



Source: JobsEQ®

COMPARING TECHNOLOGY PARK DRIVE 60-MINUTE DRIVE TIME TO A 60-MILE RADIUS



Source: JobsEQ®

degree on the wages and salaries earned as well as gasoline prices, a 60-minute drive time is a good starting point to estimate a labor shed because some people will drive that distance to work.

A map showing the residence by zip code tabulation area (ZCTA)[4] of people with computer occupations indicates some promising concentrations of people with the skills needed by the expanding firm just across the border in Tennessee. Drilling down to the detailed occupations shown in Table 2 indicates a sufficient number of candidates for most but not all of the occupations. The second part of this article deals with how rural areas can measure the pipeline of potential candidates that will fill out the number of workers needed by the expanding firm.

It is also important not to overestimate the size of the labor shed because it could lead to a failed expansion. Using a 60-mile radius instead of a drive time puts rural areas at risk of overestimating the potential labor force especially if nearby mountains, lakes, or rivers slow down travel time. As shown in the map of the radius versus drive time from Lebanon, the mountains limit the driving distance in some directions from Lebanon, which suggests the labor force shown in Table 3 will not materialize.

TABLE 3: 60-MILE RADIUS LABOR SHED FOR COMPUTER SYSTEMS DESIGN AND RELATED SERVICES

Title	New Employer Demand	Current Employed	Current Unemployed	Potential Candidate/ Opening Ratio
Software Developers, Applications	12	1,124	36	97
Computer Systems Analysts	8	1,170	50	153
Computer Programmers	6	549	28	96
Computer User Support Specialists	6	1,466	105	262
Software Developers, Systems Software	6	569	18	98
Computer and Information Systems Managers	4	754	26	195
Network and Computer Systems Administrators	3	979	35	338
Sales Representatives, Services, All Other	3	2,332	232	855
Computer Network Architects	2	311	5	158
Computer Network Support Specialists	2	463	34	249

Source: JobsEQ®

TABLE 4: NUMBER OF PEOPLE WITH RELATED OCCUPATIONS FOR SOFTWARE DEVELOPERS, APPLICATIONS (SOC CODE 15-1132)

SOC Code	Occ Description	Employed	Unemployed	Regional Average Wage
15-1121	Computer Systems Analysts	474	19	$74,700
15-1142	Network and Computer Systems Administrators	364	13	$68,900
15-1133	Software Developers, Systems Software	238	7	$84,100
15-1131	Computer Programmers	226	11	$53,800
15-1199	Computer Occupations, All Other	160	7	$70,600
15-1134	Web Developers	113	4	$57,700
15-1141	Database Administrators	106	3	$81,000
17-2061	Computer Hardware Engineers	34	1	$101,400
15-1111	Computer and Information Research Scientists	12	0	$89,000
	-Total-	**1,728**	**67**	

Numbers do not sum to total due to rounding.
Source: JobsEQ

TABLE 5: REGIONAL POSTSECONDARY PROGRAMS, TECHNOLOGY PARK 60-MINUTE DRIVE TIME

	Annual Awards		
Title/School	**Certificates and 2-Year Degrees**	**4-Year Degrees**	**Postgraduate Degrees**
11.0101 Computer and Information Sciences, General			
Mountain Empire Community College	9	0	0
Northeast State Community College	35	0	0
Southwest Virginia Community College	26	0	0
The University of Virginia's College at Wise	0	3	0
Virginia Highlands Community College	23	0	0
11.0103 Information Technology			
King University	0	36	0
Virginia Highlands Community College	0	0	0
52.1201 Management Information Systems, General			
Bluefield College	0	0	0
The University of Virginia's College at Wise	0	2	0
Total	**93**	**41**	**0**

Data as of the 2013-2014 academic year
Source: JobsEQ and National Center for Education Statistics

MEASURING THE PIPELINE OF WORKERS

When the potential candidate-to-opening ratio falls short of the needed workers, measuring the pipeline of potential workers in a rural area becomes very important to win a prospect firm. In this case, rural areas can point to the number of people who have similar skills and can be upskilled, or are currently in school and will be graduating with the skills needed by the prospect.

The 60-minute drive time potential candidate-to-opening ratio for "software developers, applications" with a Standard Occupation Classification (SOC) system code of 15-1132 is somewhat below the threshold of 50 that would make a prospect comfortable with an expansion (Table 2). However, as shown in Table 4, there are 1,728 individuals within a 60-minute drive time that are in occupations with alternative SOC codes that could be upskilled for the software developer job.

In addition to upskilling workers, rural areas can point to the number of graduates that typically enter the workforce on an annual basis as part of the ongoing future pipeline to support the prospect firm's workforce. Table 5, for example, identifies 93 graduates with a certificate or two-year degree and 41 with four-year degrees that graduated within the labor shed of the Technology Park 60-minute drive time in the 2013-2014 academic year.

CONCLUSION

Economic developers in rural areas face unique challenges in demonstrating that their area has a sufficient supply of workers with the skills needed to support an expanding firm. If the labor shed is defined too narrowly, a deal could be lost because the prospect is uncertain that they can hire the people needed to expand successfully. A labor shed defined too broadly, however, could result in the expanding firm being unable to appropriately staff its new operations and the region's economic developers earning a reputation for overpromising and underdelivering. Identifying an area's labor shed using drive time analysis, as opposed to a labor shed defined by a specific radius from the firm's potential location, will help a prospect gain an accurate picture of its potential labor supply. Once the labor shed is properly defined, the pipeline of potential workers should be identified; this may include workers who have similar skills and can be upskilled, or are currently in school and will be graduating with the skills needed by the prospect. With a sound understanding of how to define the local labor shed and identify the pipeline of potential workers, economic developers in rural areas will be properly equipped to provide critical labor market data to prospects.

Identifying an area's labor shed using drive time analysis, as opposed to a labor shed defined by a specific radius from the firm's potential location, will help a prospect gain an accurate picture of its potential labor supply.

ENDNOTES

[1] Another issue that rural areas often face is nondisclosed data because one firm makes up 80 percent or more of the area's employment or there are fewer than three firms in an industry grouping. In these cases, it is important to obtain estimates of the number of employees in those firms as well as their occupations. Commercially available labor data software tools, such as JobsEQ, provide such estimates.

[2] The number of workers required often varies by occupation.

[3] The candidate-to-opening ratio is derived by summing the number of people currently employed or unemployed in a particular occupation and dividing it by the new employer demand.

[4] ZCTAs is a trademark of the U.S. Census Bureau. Additional information can be found here: https://www.census.gov/geo/maps-data/data/zcta_rel_download.html

public spaces community

PLACES – A CROWDFUNDING INITIATIVE

By Katharine Czarnecki

It might not show up in the bottom line, but developing bike trails, parks, alleyways and commissioning public sculptures can be as integral to economic development as a timely and enticing financial or tax incentive. Across Michigan, businesses are looking for communities with a distinctive sense of place that attracts people, builds community, and brings people together to create a strong local identity.

The Midtown Green Alley project in Detroit

The Michigan Economic Development Corporation serves as the state's marketing arm and lead advocate for business growth, jobs, and opportunity with a focus on helping grow Michigan's economy. In response to the need for creating a sense of place in Michigan communities, MEDC has developed Public Spaces Community Places, a crowdfunding initiative, which aims to enhance community spaces with cultural, communal, and recreational amenities that offer a compelling reason – among other economic considerations – for businesses to remain or locate to a community.

Crowdfunding is a process of raising money to finance a project or venture through many individual contributors using an online platform, in this case Patronicity, a Michigan-based crowdfunding platform. Public Spaces Community Places provides matching grants for public space projects through the Patronicity website, https://www.patronicity.com/. The plan is based on a collaboration among MEDC, Michigan State Housing Development Authority (MSHDA), and the Michigan Municipal League (MML).

Launched by MEDC, Patronicity, and MML in June 2014, PSCP is the first program of its kind in the country in which local residents can be part of the development of transformational projects in their communities and be backed by the state, dollar for dollar, up to $50,000. MSHDA joined the program in fall 2014, providing financial and staff resources. A total of $1.8 million in funding – a combination of MEDC and MSHDA funds – has been made available for the program for FY2016.

The grant program is available to municipalities or nonprofits with projects that focus on "activation of public spaces and community places." These are projects that make tangible improvements to a downtown or neighborhood space, and already have established public awareness and local momentum. Examples include outdoor plazas, nature trails, public art, community centers and other enhancements that engage and draw residents to that space.

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ADDING "HUMAN TOUCH" IS TRANSFORMING MICHIGAN COMMUNITIES

In 2015, IEDC recognized the Michigan Economic Development Corporation's Public Spaces Community Places program with the gold Public Private Partnership Award for populations greater than 500,000. The award recognizes outstanding and innovative development projects that have significantly enhanced the economic revitalization of distressed communities, states, or regions. The first program of its kind in the country, PSCP is a crowdfunding initiative that helps communities, non-profit organizations, and other business entities raise money for various projects with the common goal of activating public spaces. Through the program, local residents are part of the development of transformational projects in their communities with their donations backed by the state, dollar for dollar, up to $50,000.

Before and after shots of the Midtown Green Alley project in Detroit

Projects are approved on an ongoing basis and come about in a couple of ways: MEDC field staff works with communities to identify potential projects, or communities can go directly to Patronicity to develop an application. Once a project has been chosen and the funding gap has been identified, the community or nonprofit can apply to conduct a crowdfunding campaign of up to $50,000 generated in part by donations from community residents and stakeholders. The applications are reviewed by a team of MEDC, MSHDA, and MML staff. Approved projects are awarded matching grant funds from MEDC and MSHDA once the crowdfunding goal has been met.

Interested individuals can learn about specific projects, view their progress and make donations by visiting the Patronicity website. Patronicity, a reward-based crowdfunding platform headquartered in Detroit, enables residents to make a difference in their very own communities by supporting local businesses, organizations and events, while simultaneously rewarding them for doing so.

Patronicity uses donation crowdfunding exclusively within Michigan's vibrant communities. Projects in Michigan's traditional downtowns are aided by Public Spaces Community Places, which assists the fundraising efforts of patrons. With the incentive of a funding match from MEDC/MSHDA if the financial goal is reached, the creative funding mechanism mobilizes community members to make individual contributions.

Michigan's ability to attract and retain young, knowledge based talent is greatly increased by taking advantage of unique, downtown placemaking assets in each of our communities, making this funding mechanism even more valuable.

"This is the best program the state has put together in terms of creating a sense of place in Michigan communities," said Dan Gilmartin, CEO and executive director of the Michigan Municipal League. "MEDC's Public Spaces Community Places program is having a tangible impact on Michigan communities. The overwhelming success of the many crowdfunding campaigns also shows we've struck a chord with the public and they are recognizing the importance of creating desirable places in their communities."

As these projects affect the lives and well-being of entire communities, it is important that they have established public awareness and local momentum. For more information on the Public Spaces Community Places initiative, visit https://www.patronicity.com/puremichigan.

EXAMPLES OF PROJECTS

Midtown Green Alley, Detroit

One major focus with all of our Public Spaces Community Places projects is the aspect of placemaking. Placemaking is how a community shapes its public spaces to maximize shared value, based on the participation of its inhabitants. The city of Detroit has been going through a resurgence over the past few years, and many of its once abandoned buildings and public spaces are now being restored with a modern twist. One section of Detroit in particular, the Midtown Detroit area, has been

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going through a significant cultural renaissance as of late. The area has been focusing on placemaking and turning its community into one where people enjoy living, working and playing.

With this focus in mind, Midtown Detroit Inc. (a nonprofit planning and development organization that supports the physical maintenance and revitalization of Midtown Detroit) partnered with Shinola, a Midtown-based manufacturer and retailer of watches, bicycles, leather goods, and journals. They turned to MEDC for support in revitalizing an unused, unattractive alleyway into a source of life by making it a green alley. The project's goal was to transform a 415-foot long alley into a walkspace that promotes future development and community connectivity.

To make a grant from MEDC possible, the project was submitted through an application process for review. Once the project was approved and the fundraising goals were set at $50,000, it was added to Patronicity's website where donations were collected from patrons interested in making the project possible. After the funds were raised by the project's deadline, MEDC matched dollar for dollar in the amount that was allocated to go toward the alley.

Updates to the deteriorated cluttered alley included a cleanup job to strip the alley of garbage and broken pavement. Then features were added such as rain gardens, permeable pavers, historic brick, LED lighting, storm drains, and other landscaping improvements. The alley was not only improved just based on its basic condition, but was given an aesthetic upgrade that reflects the look and feel of the community around it. The alleyway now allows pedestrians to walk down the pathway from block to block with enjoyment and also allows them to do so safely.

The Midtown Green Alley project raised $52,290 from 136 patrons, and MEDC matched $50,000 that all went into the revitalization of this now vibrant public space.

Expanding Our REACH – Lansing

REACH Studio Art Center, located in the heart of Lansing, was founded in November 2003 by textile artist Alice Brinkman. REACH is a nonprofit corporation that offers free drop-in art programs and summer camps for kids, along with various free and scholarship based art classes for children and adults taught by local artists and educators.

When REACH realized it had outgrown its small space, it began expanding out to neighboring buildings on the block. This presented it with new possibilities as well as the chance to give Lansing a true community arts center, but also uncovered some new challenges. Faced with unforeseen building costs and necessary renovations, REACH turned to the Public Spaces Community Places program for financial assistance.

MEDC offered REACH a $48,000 matching grant if it could raise the same funds. REACH and 289 generous patrons raised $49,365, and MEDC approved a grant to go toward the art center's goal of expanding.

With the financial support of MEDC and REACH's patrons, construction has already begun. The plans for expansion include an outdoor courtyard, a new youth art gallery, larger main classroom, a reception area, and office. This will allow room for REACH to offer more classes for children and adults, along with art galleries for community members to enjoy.

REACH's long history in the city of Lansing and the backing from its local community clearly show just how important this community place is to the city and its children. Once this city block is complete it will be a place of pride among its community and will draw in people. This project is a true example of placemaking and will give Lansing a cultural lift it needs. The Lansing REACH Community Arts Center will surely bring people together to form a local bond, as well as attract new businesses and talent into the area.

To learn more about the Lansing REACH program, visit their website at http://www.reachstudioart.org/.

Top: Photograph of the block as it was when REACH purchased the property.
Middle: Architectural plans for four of the five storefronts.
Bottom: Artist rendering of the proposed block of renovated buildings.

REACH Studio Art Center in Lansing

Rendering of the Portland Pavilion

The small community of Portland raised over its $50,000 goal, with 749 patrons donating to the pavilion, and MEDC providing a matching grant of $50,000. Donations came from all over. Whether it was the local VFW hall or the quilt shop in town, everyone chipped in to raise the funds for this community space.

The Red Mill Pavilion Project – Portland

While many of our Public Spaces Community Places projects succeed with flying colors in larger communities, some of the program's projects in Michigan's smaller communities take a little more work to get the fundraising they need for a matching grant. These projects wouldn't be possible without the hard work of their dedicated volunteers in each community. Portland, a city with a population just under 4,000, is one of these special communities that has very dedicated patrons.

The Red Mill Pavilion Project came to fruition two years ago when Boy Scout Troop 58 disbanded. The troop had been around for 80 years and wanted to give the community it had been longstanding members of a thank you gift with its funds. The troop settled on a community pavilion across from the Red Mill which serves as Portland's Farmer's Market.

Upon its completion, the Red Mill Pavilion will be used for a multitude of activities including family reunions, class reunions, weddings, anniversary parties, flea markets, car shows, school dances, graduation parties, and an ice skating rink. With the already strong support Portland's Farmer's Market gets, this made the pavilion a solid candidate to become a popular community gathering place. The Red Mill Pavilion and Farmer's Market offer Portland the chance to have a great placemaking location that will create an identity for this small town and bring people together at a centralized location for years to come.

The small community of Portland raised over its $50,000 goal, with 749 patrons donating to the pavilion, and MEDC providing a matching grant of $50,000. Donations came from all over. Whether it was the local VFW hall or the quilt shop in town, everyone chipped in to raise the funds for this community space.

These donations would not have been possible without Noreen Logel, who works with Friends of the Red Mill as a volunteer. She took it upon herself to get a solicitation license in order to raise funds properly, as well as allocate them for the pavilion.

While construction is not yet finished for the Red Mill Pavilion, Logel says they are already receiving calls to reserve the spot for graduation parties and wedding receptions. The groundbreaking for the pavilion will be spring 2016 once construction is complete.

"The Red Mill Pavilion project started out as a building that would help provide protection for our farmer's market. It has developed into so much more. This community pavilion will be used for family gatherings, class reunions, weddings, graduation parties, flea markets – anything where people will want to gather. This project has brought the community together in ways I never imagined," Logel said. "Citizens of Portland and the surrounding communities have helped with the timber-framing, provided food for the workers, thought of fundraisers and helped with them, contributed money and helped in even the smallest ways such as providing encouragement. I get calls and stopped on the street on a regular basis to be told what a wonderful and beautiful pavilion/project this is. I cannot say enough about all of our volunteers – they are the best!"

View a time lapse video of the pavilion's construction by visiting: https://www.youtube.com/watch?v=CslwJnBqtHY.

THE RESULTS

When MEDC started this program, we expected it to make a difference in the state of Michigan's communities, but the results have far exceeded our initial expectations. MEDC has sponsored more than 50 projects and our success rate is 97 percent. Projects range throughout large and small communities across the state's lower and upper peninsulas.

The support from volunteers and patrons in each of these communities raised a total of $1,736,563 from 6,954 patrons through the Public Spaces Community Places program and our partners at Patronicity. MEDC has matched funds totaling $1,468,500 covering 2,312,422 total square feet as of January 1, 2016. This support is encouraging as MEDC moves forward with the program. There are four projects currently underway as we move into 2016, and many more are to come throughout the year.

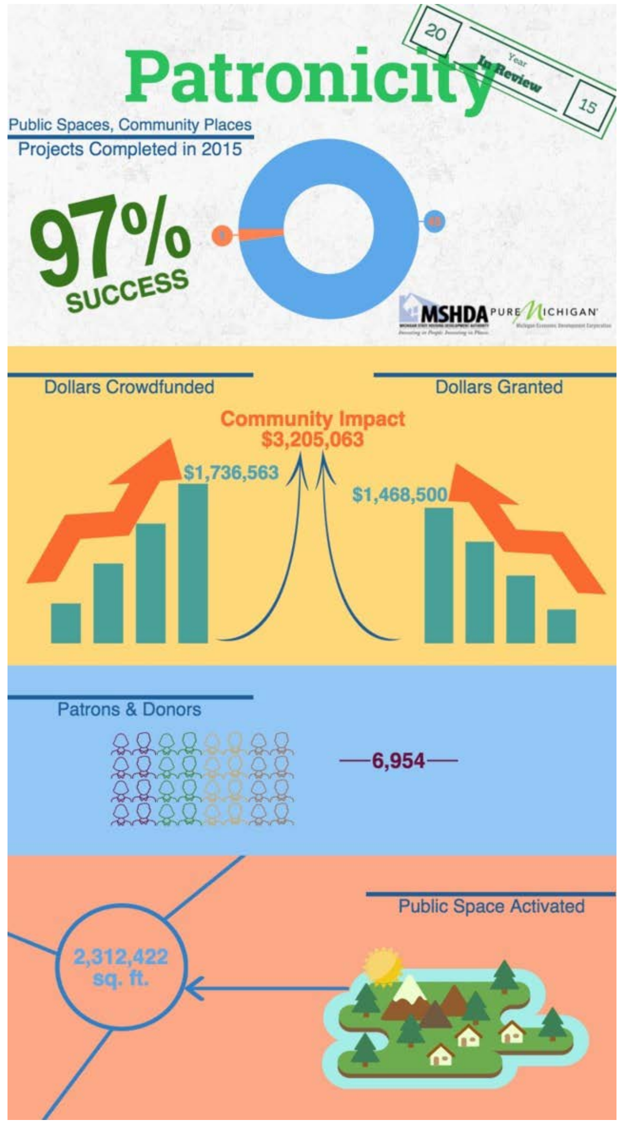
Striving to give people a place to gather or improve the look and feel of their community is the focus of the PSCP initiative. Knowing that talent stays in a community or is drawn in due to these successful projects is what the Michigan Economic Development Corporation strives to see.

LESSONS LEARNED

The creation of vibrant communities across the state of Michigan is the goal we set out to accomplish with this initiative, and it is rewarding to see such great results. Stressing the idea of placemaking to bring communities together is a major key when funding a project. This idea of placemaking stems from members of a community willing to make a difference in the culture of their community.

We have learned that when a project has a core following, the idea of placemaking values is set in place and community members already looking forward to the benefits of a space make the success of these crowdfunding projects possible. The efficiency of Public Spaces Community Places starts from within the community and its members. We would not be so successful if it weren't for the dedication and hard work of community members and patrons with the desire to make their community a more vibrant and connected place. We have seen the results of successful projects and the kind of impact they can have on a community – whether that is keeping talent in a community, attracting talent, or giving a community an identity.

With Patronicity as our online crowdfunding platform, we are allowing people from all over to donate easily and directly see just how impactful their donations become. This speaks to the crowdfunding success the campaigns have had and allows MEDC to continue allocating funds to communities that are willing to put in hard work to create a vibrant space that will change the face and feel of a community.



2016 LEADERSHIP SUMMIT SPONSORS & EXHIBITORS

IEDC would like to thank the sponsors and exhibitors of the 2016 Leadership Summit for demonstrating their commitment to the important work of economic developers. It is through their generous support that IEDC has brought leaders of the profession together for this forum of professional development, peer networking, and discussions of the most imperative issues facing economic developers today. We proudly recognize the following sponsors and exhibitors as partners in helping economic developers to build strong, more vibrant communities.

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International Council of Shopping Centers

BNSF RAILWAY

resource development group – innovative economic development fundraising

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BRONZE SPONSORS:

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emsi – a careerbuilder company

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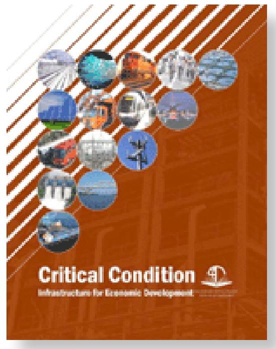
Next Move Group – We Are Jobs

HARVARD Kennedy School Executive Education

NEWS FROM IEDC

EDRP RELEASES PAPER ON INFRASTRUCTURE; TWO NEW PAPERS COMING THIS SPRING



Quality infrastructure is a necessary factor for economic development. Yet today, our infrastructure system faces a host of financial, demographic, environmental, and technological challenges.

The Economic Development Research Partners' (EDRP) latest report, *Critical Condition: Infrastructure for Economic Development*, discusses how economic developers can take the lead in educating policymakers on the importance of infrastructure, ensuring that business concerns are heard in planning processes, and initiating new funding arrangements, such as value capture finance and public-private partnerships.

Download your copy today—and look for new EDRP papers this spring on revitalizing distressed neighborhoods and presenting accurate, meaningful data.

RESHORING DISCUSSIONS HELD AT LEADERSHIP SUMMIT

Over 50 economic development leaders participated in a series of interactive discussions on the topic of reshoring at the Leadership Summit in New Orleans. The discussions explored four reshoring themes: *Preparing a Manufacturing Labor Supply*, *Incorporating Reshoring into Business Retention and Expansion Efforts*, *Attracting the Attention of Reshoring Companies*, and *Reshoring Opportunities for Smaller Communities*.

Harry Moser, founder and president of the Reshoring Initiative in Kildeer, IL, facilitated the first three discussions. Tim Chase, CEcD, FM, president & CEO of Hutto Economic Development Corporation in Texas, facilitated the final discussion. ED Now published a summary of the discussions.

WORKSHOPS PRESENTED IN THE DELTA REGION

The Delta Regional Authority (DRA) and IEDC and partners are presenting a series of intensive, free two-day courses to enhance the effectiveness of elected leaders and economic development practitioners and to protect businesses and families in the Delta region.

Thirty-two workshops are being held over a 10-month period – 16 economic development courses and 16 disaster recovery and resilience courses – in the Delta region's eight states (AL, AR, IL, KY, LA, MO, MS, TN). Participants can attend either or both of the economic development and resilience courses.

Course content is especially designed for mayors, county leaders, other elected officials, policy makers, and economic development leadership.

ECONOMIC DEVELOPERS ASSOCIATION OF CANADA SIGNS MOU

IEDC and the Economic Developers Association of Canada (EDAC) signed a memorandum of understanding at IEDC's Leadership Summit in New Orleans. By way of the MOU, the organizations agree to work together to better serve the economic development profession in North America.

The partnership will share information, products, and services, including professional development and certification opportunities. This includes accrediting each organization's courses for respective members' professional development recertification.

The MOU allows those seeking the Ec.D. or CEcD certification to take EDAC or IEDC courses interchangeably. For those pursuing an Ec.D. designation, 70 percent of courses are required to be from EDAC's professional development program.

AEDO PROGRAM REACCREDITS THE HUNTINGTON AREA DEVELOPMENT COUNCIL

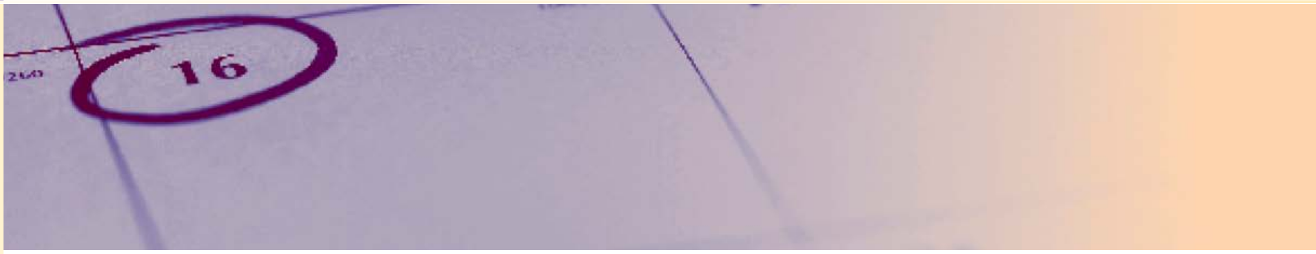
The Accredited Economic Development Organization (AEDO) program is a means of recognizing the professional excellence of economic development entities.

IEDC has recently reaccredited the Huntington Area Development Council (HADCO). Located in Huntington, West Virginia, HADCO has been led by President & CEO David Lieving since July 2015. HADCO is the second longest tenured AEDO, having been first accredited in 1998. The organization embodies the commitment to excellence that the designation requires.

To learn more about becoming one of the 46 members, contact Program Manager Tye Libby at tlibby@iedconline.org.

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

CALENDAR OF EVENTS



RECERTIFICATION FOR CERTIFIED ECONOMIC DEVELOPERS

Fulfill a recertification requirement without tapping into your budget!

Earn two credits towards your next recertification by having an article published in the *Economic Development Journal*, IEDC's quarterly publication.

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).

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

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.

IEDC also provides training courses and webinars throughout the year for professional development, a core value of the IEDC. It is essential for enhancing your leadership skills, advancing your career, and, most importantly, plays an invaluable role in furthering your efforts in your community.

For more information about these upcoming conferences, webinars, and professional development training courses, please visit our website at www.iedconline.org.

CONFERENCES

2016 Federal Forum
April 3-5
Arlington, VA

Economic Future Forum
June 12-14
Tulsa, OK

2016 Annual Conference
September 25-28
Cleveland, OH

2016 TRAINING COURSES

Economic Development Marketing & Attraction
March 22-23
Toronto, ON

Foreign Direct Investment & Exporting
(advanced course)
March 31-April 1
Arlington, VA

Business Retention & Expansion
April 14-15
Lansing, MI

Economic Development Strategic Planning
April 28-29
Albuquerque, NM

Workforce Development Strategies
May 12-13
Atlanta, GA

Real Estate Development & Reuse
May 19-20
Minneapolis, MN

Economic Development Credit Analysis
June 8-10
Tulsa, OK

Business Retention & Expansion
June 15-16
Vancouver, BC

Entrepreneurial and Small Business Development Strategies
June 23-24
Baltimore, MD

Economic Development Marketing & Attraction
July 14-15
Orlando, FL

Entrepreneurial & Small Business Development Strategies
July 21-22
Denver, CO

Foreign Direct Investment & Exporting
(advanced course)
July 28-29
San Diego, CA

Managing Economic Development Organizations
August 11-12
Atlanta, GA

Workforce Development Strategies
September 15-16
Baltimore, MD

Neighborhood Development Strategies
September 22-23
Cleveland, OH

Business Retention & Expansion
October 13-14
Madison, WI

Technology-Led Economic Development
October 13-14
Calgary, AB

Technology-Led Economic Development
October 20-21
Atlanta, GA

Economic Development Credit Analysis
October 26-28
Chapel Hill, NC

Economic Development Marketing & Attraction
November 3-4
Phoenix, AZ

Neighborhood Development Strategies
November 17-18
Toronto, ON

Real Estate Development & Reuse
December 8-9
Atlanta, GA

2016 CERTIFIED ECONOMIC DEVELOPER EXAMS

April 2-3
Arlington, VA

June 11-12
Tulsa, OK
(Appl. Deadline: April 12)

September 24-25
Cleveland, OH
(Appl. Deadline: July 26)

2016 WEBINARS

Rural Growth with New Markets Tax Credits (NMTC)
March 23

Strengthen Your Manufacturing Workforce (Free)
April 6

Demonstrating the Cost Benefits of Sustainable Developments
April 13

Ethics & Economic Development (Free)
May 11

Attracting Foreign Direct Investment to Your Community
May 25

make it. msp. –
CREATING A TALENT START-UP

By Peter Frosch

INTRODUCTION

Uber has never made a car and AirBnB owns no hotel rooms, yet they are valued at $62 billion and $25 billion respectively. These rapidly-growing companies are disrupting their industries by creating enormous value with platforms that facilitate efficient exchange. GREATER MSP, the regional economic development partnership for the 16-county Minneapolis-Saint Paul MSA, is taking a lesson from the leading edge of the economy to find a scalable solution to a critical workforce challenge. Using a methodology borrowed from the tech community, the region created Make It. MSP., a new fast-growing talent retention and attraction initiative that embodies the focused, nimble, and ambitious spirit of a start-up.

Godson Sowah, National Association of Black Accountants, highlights opportunities to improve social inclusion at the Make It. MSP. launch event.

MAINTAINING OUR EDGE

In response to economic growth, demographic shifts and the rapidly changing needs of industry, workforce issues are becoming a priority for every U.S. state and region. Minnesota committed to building a world-class human capital base more than a generation ago, and the results of this people-first strategy can be seen today. Based on the most recent data, the MSP region enjoys:

- One of the lowest unemployment rates of any major U.S. metro: 3.1 percent,
- Highest labor force participation rate: 72 percent, and
- Highest percentage of residents with high school degree or more among largest U.S. metros: 93.2 percent.

A highly-educated, productive workforce is MSP's top competitive advantage. We are winning economic development projects around the world on the strength of our human capital. However, the formula Minnesota used to create this success – high-performance in our educational pipeline and strong resident retention – threatens to come undone within the decade due to demographic shifts and increasing competition for talented workers.

In 2013, GREATER MSP led a process involving dozens of partners to create a five-year regional economic development strategy. The strategy analysis included a deep examination of our human capital system, which determined the following trends could create a shortage of up to 100,000 skilled workers in our MSA by 2020:

- Minnesota's labor force growth is slowing to less than 1 percent at the same time as the state's large cohort of Baby Boomers will retire.

Peter Frosch is vice president of Strategic Partnerships at GREATER MSP, the Minneapolis-Saint Paul regional economic development partnership. (Peter.Frosch@greatermsp.org)

GREATER MSP is a private non-profit organization (501C3) dedicated to providing public and private sector leadership, coordination and engagement to grow the economy of the 16-county Minneapolis-Saint Paul region. With a team of investors and economic development partners throughout the region, GREATER MSP is advancing a regional economic development strategy, a regional brand to promote the region's assets and a coordinated regional business retention, expansion, and recruitment program to stimulate capital investment and job creation in the region.

USING THE LEAN START-UP METHOD TO LAUNCH A NEW TALENT RETENTION AND ATTRACTION INITIATIVE IN MINNEAPOLIS-SAINT PAUL

Workforce issues are climbing the priority list of every U.S. state and region in response to economic growth, demographic shifts, and the rapidly changing needs of industry. In Minneapolis-Saint Paul, leaders are working to strengthen performance at each stage of the human capital pipeline: development, retention and attraction. With one of the lowest unemployment rates of any major U.S. metro, the MSP region is working to build on a tradition of successfully developing workers with a new talent retention and attraction initiative. GREATER MSP, the regional economic development partnership, built a new initiative called Make It. MSP. by taking a lesson from the tech sector.

- The fastest growing segments of MSP's population are minority communities where educational attainment and labor force participation gaps persist.
- Demand for creative and degreed talent will increase in MSP due to accelerating economic growth in multiple sectors, including technology, health and life sciences, food solutions, headquarters and business services, financial services, and advanced manufacturing.
- Other states and regions are executing strategies to retain and attract talent, intensifying competition for the knowledge-workers MSP needs to fuel its growth.

In response to these findings, the 2013 strategy analysis made "Prioritizing Talent" one of three pillars of the new regional strategy. The CEO-led Executive Steering Committee agreed that improving performance at every stage of the talent *development* pipeline is critical to our region's future success, from early childhood education to worker training and retraining. The group committed to increasing regional support to the dozens of institutions and cross-sector collaborations working to meet these needs. The strategy analysis also elevated the importance of talent retention and attraction for our region, and revealed no coordinated effort existed to focus on this expansive set of challenges. The Executive Steering Committee directed GREATER MSP to move aggressively to fill the gap on talent retention and attraction as one of the first initiatives of the new regional strategy.

THE LEAN START-UP METHOD

GREATER MSP emerged from the regional strategy effort in late 2013 with a comprehensive view of the coming workforce challenge and a mandate to build and execute a new talent retention and attraction initiative. The question we faced was how best to approach the work. How could we better define the problem with data, build the partnerships necessary to execute and create a structure that could create and sustain impact at the scale of the problem?

We recognized this was a disruptive moment in MSP's human capital system. Traditional approaches and pilot projects would not drive the significant change we need in only a few short years. A fundamentally different approach was required. We made an early decision to meet disruption with disruption by turning to the tech community for a model called the *lean start-up method* to develop the new talent retention and attraction initiative.

The first principle of the lean start-up approach is to avoid codifying a highly-speculative view of the future by writing a traditional business plan.

MSPortraits at Northern Spark allowed residents to highlight what they think makes the region great.

Lean start-up is a methodology for increasing the chance of success when creating a new product or enterprise. Steve Blank outlined this method in a May 2013 article in the *Harvard Business Review* titled, "Why the Lean Start-up model changes everything." Blank summarizes lean start-ups by saying they "favor experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional 'big design up front' development." While still relatively new, the practice is spreading quickly, Blank explains, with "new ventures of all kinds attempting to improve their chances of success by following its principles of failing fast and continually learning."

GREATER MSP adopted the lean approach to develop our region's new talent initiative because its three main principles provided the guidance we needed to create a "product" that would be private-sector led, scalable to the point of impact, and sustainable over time.

LEAN PRINCIPLE 1: SKIP THE BUSINESS PLAN

Every decision made at the beginning of a major project is deterministic. Early choices either create opportunity and accelerate success or they move you off-course, cause delay and create barriers to achieving your objectives. Yet, at the beginning of a venture, it is difficult if not impossible to fully understand the problem you are attempting to solve, the needs of your potential customers or the ultimate size of the market opportunity. The first principle of the lean start-up approach is to avoid codifying a highly-speculative view of the future by writing a traditional business plan. Blank dismisses the value of business planning based on his experience building and watching start-ups, saying: "No one besides venture capitalists and the late Soviet Union requires five-year plans to forecast complete unknowns."

Some partners expected GREATER MSP to launch the talent effort quickly with an approach commonly seen across the U.S. – a national marketing campaign targeting young professionals. A marketing campaign would be in scope for us as a regional economic development partnership, and developing a business plan for that approach would be simple. Yet, we quickly dismissed the idea. We questioned whether we knew enough about the audience to effectively shape messages and target specific geographies. We doubted whether a marketing effort could be financially sustained for the number of years required to create real impact on the problem. Moreover, we were skeptical about raising capital to develop a solution to a problem – talent retention and attraction – that few regional leaders understood or embraced.

GREATER MSP was committed to a private-sector approach to developing the new talent initiative but not at the cost of assuming the answers to fundamental questions about customers, market, and competitors. The alternative offered by the lean start-up method is to begin with what every good entrepreneur does have – a set of untested hypotheses. Instead of writing a business plan in relative isolation from customers, *lean* encourages founders to summarize their hypotheses into a framework then systematically test those hypotheses to learn how their product could create value for specific markets.

Based on insights gained from the regional strategy analysis, GREATER MSP drafted a set of assumptions about how our region needed to approach talent retention and attraction (see sidebar).

At the end of 2013 we had a set of theories about how to build an effective talent initiative in Minneapolis-Saint Paul but no evidence to prove we were on the right track.

STARTING ASSUMPTIONS

- **We need to build the case for action**: Unlike workforce development, which was widely embraced across the region as a priority, talent retention and attraction was a relatively new topic outside of the private sector. Data on the subject was limited and no analysis demonstrated how improved performance on retention and attraction was critical to the future of our region. The first step was not to develop solutions to serve the needs of a "market" but instead, foster the creation of a market with a solid fact-base and coherent story.
- **We should focus on connecting over creating**: The MSP region is rich with assets that attract and retain world-class talent. Rather than focus on building a new ecosystem of events, organizations and activities, we should find ways to discover, connect and share what exists. The secret to getting to scale quickly may be a set of common platforms to connect and focus the best of what we have, which could include a new brand, shared goals, and a structure that enabled cross-sector collaboration at a greater scale.
- **Customers must also be creators**: After benchmarking other U.S. regions we knew the "customers" for a new talent initiative would be cross-sector and cross-generational. Talent retention and attraction is a team sport involving companies and community, both young and established leaders. If done right, each group had insight and resources to contribute to the effort and the opportunity to create collaborative solutions to meet their specific needs. We would seek out a diverse range of stakeholders and encourage them to engage as co-creators, rather than simply consumers.

Members of the Makers Community strategize on talent platform and how to accelerate impact.

LEAN PRINCIPLE 2: GET OUT OF THE BUILDING

The second principle of the lean method directed us to "get out of the building" and put our ideas to the test. In this *customer development* phase, founders go out and ask potential users, purchasers, and partners for feedback about all elements of their model, including product features, pricing, distribution channels and affordable customer acquisition strategies. The goal is to elicit customer feedback quickly and at minimal cost. The feedback helps founders revise their assumptions and redesign offerings.

To accomplish all this, GREATER MSP created a team called the "Talent Task Force." This 12-member group was no study committee; it was charged with using data to define the challenge, identify potential solutions, and engage partners. To lead the effort, we recruited Ecolab CEO Doug Baker and Pohlad Company CEO Bert Colianni. Leadership from these GREATER MSP Board Members guaranteed the output of the Task Force would have visibility. We brought philanthropic, university, and academic leaders onto the team to ensure a broad community perspective. And we recruited young talent – a leader in new media, a tech entrepreneur, and a diversity expert from higher education – to infuse this group with insight from the market our new talent initiative needed to reach.

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"THE BIG ASK" SURVEY

(Minneapolis-Saint Paul region, survey period February 2014)

- 78 percent of respondents plan to remain in the region over the coming 3-5 years
- Career opportunities are the most important factor among those surveyed when making decisions about where to live and work, with outdoor recreation opportunities ranking second most important, ahead of education, professional sports, food culture, and all other factors
- Weather was a location consideration but among the least important
- Sorting the data by race and ethnicity revealed important distinctions regarding the value proposition MSP offers different residents and prospective residents

The Big Ask

As GREATER MSP prepared to initiate the Task Force, critical gaps in our region's insight about talent quickly emerged. There was no data set indicating how many of the young professionals living and working in MSP planned to stay. No comprehensive analysis described what really motivates people to come or stay in a region. Before moving forward with "product development," we needed better data on our potential customer base.

By necessity, we pulled our solution from the start-up playbook. In the early months of 2014, a scientific survey was out of the question because we had few financial resources dedicated to developing the talent initiative. However, we did have a growing network of young professional contacts and a relationship with a University of Minnesota graduate student group looking for a short-term, pro-bono project. Working with that graduate student team, GREATER MSP created a comprehensive survey we branded "The Big Ask." We reached out to our network of 40 young professional leaders in the region and asked for their help in circulating the survey through social media, primarily Facebook and Twitter.

It was a no-cost experiment that worked better than we could have expected. In 12 days, we received 1,139 survey responses from 18-39 year olds in the MSP region. The survey sample was highly educated and equally split between individuals native to the state and in-migrants. Some of the results were surprising. Others confirmed long-held assumptions. In every case, this original data provided essential insight we used to set our direction and sharpen our focus over the next 24 months.

The Design Team

While the Task Force included several young leaders, the group was intentionally weighted toward established leaders – CEOs, a foundation executive, university president, and business school professor. GREATER MSP did this to ensure the conclusions of the Task Force had sufficient credibility and visibility to motivate change within the community. However, solving one problem created another. A group comprised primarily of Baby Boomers and Gen Xers could not credibly craft a talent initiative targeting Millennials.

To keep our focus on the customer, we created a second structure called the "Design Team." This group of 40 creative young leaders represented organizations including the YWCA, Teach for America, the City of Minneapolis, trade associations, and arts organizations. Design Team participants reflected a wide range of personal, professional, racial, and ethnic backgrounds, which provided much-needed diversity to the nascent initiative.

This Team met at critical stages of the process to provide a generational "reality-check" to Task Force assumptions and conclusions. The Design Team validated the importance of "Improving Social Inclusion" and "Supporting Innovative Talent" as goals for the talent initiative and elevated these aims to the top of the list. The strong focus the initiative has today on diversity and innovation is rooted in early Design Team feedback. Design Team members also provided the language and messengers we needed to make the case that improving talent retention and attraction was central to the future quality of life of all the region's residents, and not just an issue relevant to economic developers. Multiple iterations between the Task Force and Design Team refined the direction, priorities and assumptions of the talent initiative. This intergenerational back-and-forth transformed the initiative's scope from a narrow marketing effort into a broader and deeper project that we started to view as a regional movement for change.

Human Resources Outreach

All this input surfaced another key "market" for the talent initiative: human resource leaders from the region's major employers. If young professionals were an important part of the "supply" in our region's evolving talent equation, HR groups represented "demand." Task Force members hypothesized large employers may be willing to invest time and finances into the initiative if it produced tools that increased the effectiveness of HR teams. It was exciting to imagine MSP's legion of corporate recruiters becoming an organized, national distribution system for new messages and materials aimed at prospective residents. Armed with our learning from *The Big Ask*, we

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The author leads ideation session to develop strategies for Make It. MSP. talent initiative.

assembled a comprehensive survey for senior talent professionals in our region's employers that asked questions including:

- Are you having increased difficulty finding the talent you need? If so, is your organization willing to collaborate with other employers to compete more effectively in a tighter talent environment?
- What occupations are in greatest demand? Where do you go to recruit?
- Based on their experience, what are the strengths and weaknesses of MSP when recruiting talent?

We distributed the survey to GREATER MSP investors. Within two weeks, we had responses from over 75 small, medium and large sized companies that collectively employ tens of thousands of people across the MSP region. Respondents included a mix of senior talent leaders and c-suite executives. The data was rich and insightful. Survey respondents told us they were interested in working together on several specific issues, with the greatest interest in collaborating to improve the retention and attraction of professionals of color (85 percent). Importantly, 87 percent of all respondents said their organization was ready to collaborate in new and innovative ways to retain and attract professional talent. This validated a fundamental premise of the approach we hoped to take with the initiative.

Using a simple data collection tool and GREATER MSP's investor base of 150 regional employers, the Talent Task Force gained access to an original, comprehensive data set on employers' needs in three weeks at almost no cost. There is nothing ground-breaking about Survey Monkey – but that is the point. Lean start-up is about finding ways to get exactly the feedback you need, quickly and cheaply to ensure your decision-making is based on data.

Results

Between June and December of 2014, the Talent Task Force employed multiple strategies to "get out of the building" and fulfill its objectives. In partnership with hundreds of other individuals, the Task Force:

The lean method suggests that as soon as something stops working, stop doing it. After eight intense months and hundreds of hours of relationship building and careful management, the Talent Task Force had become a high-functioning team. Just when the Task Force was at peak performance, we shut it down.

- Identified young professionals and corporate talent leaders as key customers for a new regional retention and attraction initiative.
- Developed a new talent brand– Make It. MSP. – working with Olson, an internationally acclaimed creative agency based in Minneapolis.
- Created a case for regional action using a trove of original data describing the state of talent retention and attraction in MSP, including an analysis that revealed MSP is best among the largest 25 U.S. regions in retaining professional talent but ranks 19th at attracting professionals (*source: Myles Shaver, University of Minnesota, IMPUS analysis*).
- Defined our region's value proposition to prospective talent: MSP is one of the few places in the world where you and your partner will find so many career opportunities combined with a world-class quality of life you can afford. That's why MSP leads the nation in retaining professional talent.
- Consolidated its learning into a set of five goals that provide scope and substance for Make It. MSP.

In addition to these outputs, the Task Force phase of the effort created a set of informal, but distinct working principles that continue to guide Make It. MSP. These include keeping data at the center of the work, embracing the productive tensions at the intersection of sectors and generations, and a dogged focus on defining success based on outcomes, not activity.

THE GOALS OF MAKE IT. MSP.

- Improve Social Inclusion
- Support Innovative Talent
- Connect Talent to Community
- Connect Talent to Employers
- Close Near-Term Talent Gaps

LEAN PRINCIPLE 3: AGILE DEVELOPMENT

The lean method suggests that as soon as something stops working, stop doing it. After eight intense months and hundreds of hours of relationship building and careful management, the Talent Task Force had become a high-functioning team. Just when the Task Force was at peak performance, we shut it down.

At the end of 2014, the central question became how to use the work products of the Task Force – case for action, goals, talent brand – to create a fully operational regional talent initiative. There was no dedicated budget to sustain the initiative, no long-term structure to support implementation, and no set of individuals or organizations who saw it as their job to do this work. The Task Force process was not designed to provide answers to this new set of questions. It was time to pivot – the question was, in which direction? At this moment of uncertainty, the discipline of lean start-up provided critical guidance.

The third and final principle of lean start-up is called *agile development*. This concept works in concert with customer development. Agile development encourages entrepreneurs to make rapid "pivots" or changes to their approach based on experience in the field. Agile development is how start-ups create the "minimum viable product" or "MVP" they test. An MVP represents a basic version of the product that can be deployed quickly with the least possible effort and expense.

Finding an MVP

In January 2015, we started reorganizing the effort around the two key "markets" identified by the Task Force: talent leaders within large corporations and the region's young professional community.

The senior talent leaders of GREATER MSP's 25 largest investor companies became a new team called *The Corporate Collaborative*. The purpose of the group was to demonstrate that a collaborative approach to talent retention and attraction could create solutions to real business problems they faced faster, better, and at less cost than doing it alone. To identify our Minimum Viable Product for Make It. MSP. we asked the group to identify three specific, shared needs we could tackle together. In one 90 minute session, they defined the MVP (see sidebar).

SHARED NEEDS OF CORPORATE COLLABORATIVE

- A digital platform to help sell the region to prospective talent.
- Strategies to quickly connect new employees to the broader community.
- Ideas for improving the retention and attraction of professionals of color.

None of the talent leaders felt they had sufficient time or budget to address these needs. In fact, their companies often lacked access to the stories, relationships or insights needed to understand the issues well enough to develop effective responses. To our surprise, the largest companies in the room – those with the greatest resource base to draw from – were fastest to articulate their limitations and see the potential benefits of collaboration.

Based on the "customer" feedback, GREATER MSP initiated a new phase of Make It. MSP. called "early im-

Performance artist Sha' Cage performs a spoken word piece to inspire attendees at Make It. MSP. launch.

plementation" in the spring of 2015. Six working teams were given an October deadline – five months – to deliver the MVP. Two of the six teams were designed to provide strategic-level thinking to shape and guide the early implementation phase: the Corporate Collaborative, and another team we created called the "Makers Community."

The Makers Community rallied over 40 organizations around the five goals of Make It. MSP. This group included large institutions such as the University of Minnesota and the cities of Minneapolis and Saint Paul as well as small, grassroots entities such as Meet Up groups and start-up firms. Like the Design Team, the Makers Community was extremely diverse and weighted heavily toward young professionals. Organizations opted into the Makers Community to build an initiative that would facilitate collaboration and help them scale their impact. GREATER MSP positioned the Makers Community as leaders of this stage of the initiative, equal to the Corporate Collaborative since community institutions held many of the answers to employers' top talent retention and attraction challenges.

The six team structure of the early implementation phase was designed to test our hypothesis that connecting and focusing existing regional assets could significantly reduce the cost and accelerate the pace and scale of Make It. MSP. implementation. Within months of starting the work, it was clear how significant the leverage would be. Companies brought marketing specialists and diversity & inclusion experts to the table. Universities and young professional groups opened up their networks and events. The clarity of the MVP quickly attracted partners, and those partners engaged with a motivation to find solutions to their organization's problems, rather than coming to the table with a charitable or civic mindset.

This collaborative approach to implementation saved the project tens of thousands of dollars in avoided costs. Still, even with this leverage, additional financial resources were needed to cover the costs of building the digital platform and other elements of the MVP. In keeping with the start-up spirit of the effort, GREATER MSP created a "Prospectus" outlining the scope of work and distributed to the members of the Corporate Collaborative. This document articulated the demand we heard from the companies, described the products to be built, and demonstrated how companies would reap a 45x return on their investment. Within six months we raised $130,000 from more than a dozen companies. These funds combined with a commitment from GREATER MSP covered the total cost of the MVP.

In five months, Make It. MSP. partner organizations far exceeded the Minimum Viable Product identified by the Corporate Collaborative. The early implementation phase developed four main products (see sidebar).

PRODUCTS OF EARLY IMPLEMENTATION

- **Makeitmsp.org**: a next-generation digital platform telling our region's stories to prospective residents and helping new residents get connected to their new home
- An **online job** portal with 95 percent of the region's open positions freely accessible to current and prospective residents of the region
- A **recruiter toolkit** with 36 hour tours, videos, news stories, facts and more, all free and regularly updated
- A **growing network** of over 100 organizations and thousands of individuals who are aligning resources and energy around the new initiative, enabling Make It. MSP. to become our region's hub for events and information and supplying the digital platform with user-generated content and social media activation

On October 13, 2015, GREATER MSP and its partners officially launched the region's new talent retention and attraction initiative, Make It. MSP. A morning press conference featured Task Force Co-chair and Ecolab CEO Doug Baker standing alongside Danielle Steer, the twenty-something "curator" of Impact Hub MSP. The media roll-out received wide and positive coverage in the state's largest newspapers and local television evening news. That night, a Make It. MSP. launch party brought together over 400 community leaders in the trendy North Loop neighborhood of Minneapolis for a celebration featuring spoken-word poetry, regional calls-to-action from young leaders, and the opportunity to participate in hands-on demonstrations of the new Make It. MSP. tools.

Transition to Implementation

Using the lean start-up method, GREATER MSP succeeded in creating something more than a program of a nonprofit. Make It. MSP. is a platform for regional action that connects hundreds of leaders and organizations in a focused, measured effort to retain and attract the people we most need to grow, innovate, and prosper. Rather than a stand-alone organization, it is a network designed to unite the region and unleash collective action at an entirely new scale.

As of January 1, 2016, Make It. MSP. implementation is underway. Dozens of partners will host co-branded Make It. MSP events within and outside of Minneapolis-Saint Paul this year to tell our story to prospective talent

Ecolab CEO Doug Baker and Impact Hub Director Danielle Steer lead a press conference to announce Make It. MSP. to the media.

and connect new residents to our community. The six teams from early implementation are being replaced with new teams focused on producing measurable results in four strategic areas.

A new pool of resources called the *MSP Talent Fund* is available to support the work of these implementation teams, which will leverage hundreds of thousands of additional dollars from private, public, and philanthropic partners.

STRATEGIC FOCUS AREAS FOR 2016

- Supporting corporate recruiters,
- Welcoming newcomers to the region,
- Attracting tech talent, and
- Retaining professionals of color.

A system for tracking performance of the initiative is nearing completion. In this first year of implementation we will be tracking: utilization of the new tools by our partners; activation of in-person and social networks; results of digital and in-person outreach "tests" targeting prospective residents outside the region; and the output of the strategy teams. The newcomer team, for example, is working towards a goal of meaningfully welcoming 10,000 newcomers to Minneapolis-Saint Paul.

While GREATER MSP continues to provide strategic leadership to Make It. MSP. in implementation, we are transitioning away from our role as the sole owner of the initiative. GREATER MSP had the cross-sector credibility to define the problem and convene disparate partners. As a regional economic development partnership we have a private-sector orientation that enabled us to enforce discipline and focus by making tough, sometimes politically sensitive choices. Yet, the diversity of issues and partners related to Make It. MSP. do not always neatly overlap with economic development. During the coming year, GREATER MSP will work toward a more sustainable and inclusive shared ownership model where our organization can stand shoulder-to-shoulder with a select group of the companies, universities, cities, and young professional groups most committed to Make It. MSP.

Harnessing the methods, expectations, and sense of urgency of the technology sector is one strategy for meeting the changing demands on regional economic development partnerships. The lean method, rapid-prototyping, disruptive innovation, and networked platforms offer promise to those of us trying to learn quickly and achieve solutions at faster speed, with less cost and broader scale. If we are going to be a part of shaping the future, our approaches should evolve to match those individuals and organizations at the leading edge of the economy.

CONCLUSIONS

Economic developers are working to leverage market forces to the benefit of our communities. Across the U.S., we see communities of all kinds struggling to keep pace with market transformations brought on by the dual forces of technology and globalization. Due to our position at the intersection of the private, public, and nonprofit sectors, economic development organizations will be increasingly tasked with developing meaningful solutions to systematic challenges. However, some of these challenges including talent retention and attraction and equitable growth exist at the frontier of the discipline's experience and solution set.

Harnessing the methods, expectations, and sense of urgency of the technology sector is one strategy for meeting the changing demands on regional economic development partnerships. The lean method, rapid-prototyping, disruptive innovation, and networked platforms offer promise to those of us trying to learn quickly and achieve solutions at faster speed, with less cost and broader scale. If we are going to be a part of shaping the future, our approaches should evolve to match those individuals and organizations at the leading edge of the economy.

A suite of tools for corporate recruiters resides online to help them present the region's assets.

columbus commons

By Amy Taylor

Photo credit: Randall Lee Scieber Photography

Columbus Commons – June 2014 Stone Soul Picnic

the leadership in Columbus, Ohio, faced an important question in 2007…what to do with an underutilized enclosed mall that took up nine acres in the heart of downtown. Could this site be repurposed? How could it be re-engaged in the neighborhood that had developed around it?

The transformation from City Center Mall to Columbus Commons is an urban success story, which began when the mall developer failed to meet their obligations and Capitol South Community Urban Redevelopment Corporation was granted control of the site. Capitol South undertook a year-long planning effort to determine the best use for the site – one that was both economically feasible and possible to construct. After many iterations and concepts were considered, the plan to create a mixed-use development, anchored by a large green space, was announced in February 2009. Two years later in May 2011, the first phase of Columbus Commons – a greenspace featuring formal gardens, a carousel, cafes, and a large grand lawn to host hundreds of annual events – officially opened to the community. The Columbus Bicentennial Pavilion, a permanent stage and pavilion, opened a year later.

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THE EVOLUTION FROM A DESOLATE MALL TO A PREMIER PARK

During a 2002 planning process, the community identified a desire to focus on and prioritize the renaissance of downtown Columbus. Non-profit development organizations, the Columbus Downtown Development and Capitol South, were tapped to help achieve this goal. After careful consideration, plans were made to develop a new park – Columbus Commons – in place of a deserted mall. The Commons opened in 2011, and alongside other carefully crafted developments in the area, is often credited with spurring downtown Columbus's rebirth. At six acres, Columbus Commons features beautiful gardens, a hand-carved carousel, two cafés with plentiful seating, manicured lawns, and a performing arts pavilion. The park is home to almost 250 events annually and has truly become "Downtown's Playground". In addition, Columbus Commons has served as a catalyst for redevelopment in the neighborhood, as almost $300 million of private investment has been completed, is under construction or has been announced. It took bold leadership to see the vision for downtown and thanks to strong public-private partnerships, Columbus Commons is a crowning jewel in downtown's crown.

A snapshot of what Columbus Commons looked like when the City Center Mall was still standing

Demolition of the City Center Mall

But that was just the beginning. When the Columbus Commons mixed-use development is complete, the site will be ringed with residential and commercial buildings, all anchored by a six-acre greenspace.

The Columbus Downtown Development Corporation (CDDC) and Capitol South operate Columbus Commons, and with nearly 250 events each year it lives up to its name of being "Downtown's Playground." CDDC and Capitol South are private, non-profit development organizations led by a single Board of Directors comprised of senior business and institutional leaders. Together, both organizations are strongly committed to downtown revitalization.

THE EVOLUTION

At the time of its opening in 1989, City Center was Central Ohio's largest and most upscale shopping mall, featuring 1.2 million square feet and three levels of premier shopping with more than 200 stores – it was truly a destination. More than 5 million people walked through the doors during its first three months of operation and people from 31 states visited in the first year.

City Center connected to the Lazarus Department Store but never connected or engaged with the rest of downtown. People would park in a covered garage, walk through a covered walkway to a windowless mall, and never set foot on a downtown street. So while City Center thrived, the rest of downtown Columbus died.

City Center's decline occurred for multiple reasons. The mall transitioned from the original mall developer to other, less involved mall developers, who looked at this property simply as one small piece of their portfolio. Suburban malls were built in the surrounding areas, so City Center was no longer the only shopping option.

In 2002, the city of Columbus identified the need to attract and retain residents and businesses downtown. The city tapped CDDC and Capitol South to help achieve this goal, and encouraging a strong use for the City Center site was at the top of the list. Fast-forward to 2007. The mall was basically vacant, except for some small eateries. At this point, City Center Mall was transferred to a new owner, as part of their purchase of a large mall property portfolio. The new mall owner decided that City Center wasn't a critical part of their portfolio and they defaulted on their lease. Their default allowed Capitol South to regain possession of the mall.

Be careful what you wish for…Capitol South had a lot to learn about the site. We engaged engineering and architectural experts. We reviewed multiple concepts. We had to determine if it was better to keep the mall and adapt its use or to tear it down and start with a clean, green slate.

We gathered public input, and we heard all kinds of ideas, from the traditional view of creating a neighborhood to the more creative suggestions, such as an indoor ski slope or building a replica of Christopher Columbus's Genoa, Italy.

While the community was hoping for a solution and development plan immediately, we decided it was more important to be right than quick. We did our due diligence and once we put all the pieces of the puzzle together, we decided a mixed-use development, anchored by a

BASIC COLUMBUS FACTS:

Location: Columbus is located near the center of the state of Ohio and is the county seat of Franklin County.

Population: Columbus is the capital and largest city in Ohio. It is the 15th largest city in the U.S., with a population of 835,957 according to the US Census Bureau.

Industries: The city has a diverse economy and is home to The Ohio State University, one of the largest universities in the U.S.; the Battelle Memorial Institute, the world's largest private research and development foundation; Chemical Abstracts Service, the world's largest clearinghouse of chemical information; and NetJets, the world's largest fractional ownership jet aircraft fleet.

park, was the best option. Based on all of the knowledge we had gained and opinions that had been shared, we created a set of guiding principles:

- High Street. Prime Importance of High Street Frontage for Residential (High Street is the main thoroughfare running North/South through downtown).
- Public Spaces. Establish "Gathering Center(s)" as Anchor Element(s) of Redevelopment.
- Density. Create buildings with "Bulk and Height" consistent with market economics.
- Retail. Strive to establish retail/restaurant concentration along High Street centered upon new "Columbus Commons construction" and Lazarus Building frontage.
- Phased Development. Recognize that redevelopment is likely to be a 5-10 year undertaking, and possibly longer, with the most likely initial phase being High Street residential development.

Creating Columbus Commons was a team effort led by Capitol South, an organization with a proud tradition of creating spaces that draw people downtown. Other team members include: the Georgetown Company, the site's development manager; and a design/build team composed of construction manager Corna-Kokosing, architects Moody Nolan, and landscape architects EDGE Group.

Like most of the changes that have been made as part of downtown Columbus's rebirth, Columbus Commons was funded through a combination of public and private partnerships. The mall was demolished, and the site was prepared for development through funds coordinated by Capitol South. Franklin County Commissioners and the Franklin County Metro Parks financially supported the creation of the park, which included six acres of greenspace, 12 garden beds, a bosque of trees, and two café buildings. A world-class pavilion, which has hosted the likes of Ben Folds, Gladys Knight, Idina Menzel, and Michael McDonald, was similarly funded, with the City of Columbus making the lead gift of $2 million and the private sector providing an additional $3 million in contributions. The annual operating expenses of Columbus Commons are provided through Capitol South, via parking revenues. This supports more than 180 internal events that are free to the public, and the coordination of an additional 60 external events, as well as the annual maintenance and care of the park and pavilion.

The newest development, Two25, stands just southeast of Columbus Commons

PAVILION SPONSORS

City of Columbus	$2,000,000
AEP	$1,000,000
Nationwide	$1,000,000
Huntington	$250,000
Cardinal Health	$100,000
Limited Brands Foundation	$100,000
State Auto	$100,000
Robert F. Wolfe and Edgar T. Wolfe Foundation	$100,000
Big Lots	$75,000
Columbia Gas	$50,000
Crane Group	$25,000
Momentive Specialty Chemicals	$25,000
Motorist Insurance Group	$25,000
PNC	$25,000
Joseph A. Jeffrey Endowment Fund	$20,000
Grange Insurance	$10,000

PARK SPONSORS

Capitol South	$15,000,000
Franklin County Commissioners	$3,000,000
Franklin County Metro Parks	$2,000,000

A DOWNTOWN REVIVAL

Columbus Commons is a key component of a transformation envisioned nearly ten years ago for downtown Columbus in the Downtown Strategic Business Plan. The goal was to bring economic, cultural, and aesthetic benefits to the area; increase private investment in the downtown housing market; and catalyze the resurgence of the downtown office market. The Commons has not only helped achieve these goals, but the impact of its

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TIMELINE FOR DEVELOPMENT OF COLUMBUS COMMONS

2007 CDDC & Capitol South reacquired the failing City Center Mall.

2008 Capitol South worked with multiple national and local consultants to determine the best use of the site. Multiple plans were considered.

2009 CDDC & Capitol South announced the creation of the Columbus Commons development where City Center Mall stood. Columbus Commons is a mixed-use development, filled with privately developed residential, retail and commercial space, all anchored by a public greenspace.

2011 The park opened to the public.

2012 The pavilion opened to the public.

2013 Highpoint on Columbus Commons opened on the west side of the park, featuring 5 stories with 302 apartments and street-level retail.

2015 Plans were announced for the final phase of the Commons, called Two25 Commons. The development will be a 12-story, mixed-use building on the southeast corner of the park.

development has exceeded expectations. We've known from national case studies, including Bryant Park in New York and Millennium Park in Chicago, that greenspace serves as a catalyst for economic development and private investment. We no longer have to look far for proof. Columbus Commons, paired with the Scioto Mile (another Capitol South project along the riverfront, just two blocks west of the Commons), serves as a critical component that's led to almost $300 million in private investment in the RiverSouth District, the micro-neighborhood that encompasses both parks.

Nationally-renowned development company Carter completed 302 new residential units with 23,000 square feet of ground-level retail space at Highpoint on Columbus Commons in 2013. The project is on a portion of the Commons site originally allocated for market-driven development. As of January 2016, the apartment complex is 95 percent leased.

Capitalizing on the development boom downtown, in July 2015 the 250 South High building came online at High and Main/Rich streets, directly southwest of Columbus Commons. Capitol South owned the lot and decided it was the right investment to make in the RiverSouth neighborhood. Seattle- and Columbus-based architecture firm NBBJ teamed up with Daimler and Kaufman Development to create 250 High – a 12-story mixed-use development featuring ground floor retail space, five floors of commercial office space, and six floors of 156 residential units.

Lifestyle Communities, a locally-owned residential development company, got into the downtown housing market early, completing over 200 market rate residential units as construction began on the Commons. Lifestyle Communities is now working on two new residential buildings with ground-floor retail flanking the southwest corner of Columbus Commons: The Annex II is an eight-story building with ground-floor retail, featuring 106 apartments, and the Annex III is projected to be a ten-story building, featuring 137 apartments. Both projects are currently under construction.

The final piece for completing development around Columbus Commons is in place, as plans were announced in May 2015 for a 12-story, mixed-use building on the southeast corner of the park. This will be an important piece for the continued revitalization of downtown. The Daimler Group and Kaufman Development will build Two25 Commons, a $60 million project similar to their nearby 12-story 250 High project under construction (mentioned earlier). Two25 will feature retail space on the first floor, office space on the next five floors, and 170 residential units on the top six floors.

With the residential housing market in downtown Columbus expanding rapidly and experiencing very low vacancy rates (see chart), the downtown office market has also expanded, despite the recent recession and tough competition from suburban markets. And perhaps most rewarding of all is that downtown Columbus once again feels like a thriving and unique neighborhood; area bars and restaurants overflow on weekends; visitors enjoy diverse and free events at downtown's cultural institutions and parks; and the population continues to grow – all as a result of the public-private investment in the area, including Columbus Commons.

DOWNTOWN AT A GLANCE:

- Current number of residents that live downtown: 7,471
- Number of workers/daytime population: 81,731 (2011 US Census estimate)
- Office vacancy rates:
  - 13.6% (Class A&B only)
- Residential vacancy rates: approximately 5%
- Downtown population in 2005, 2010, and 2015
  - 2005: 4,400
  - 2010: 6,000
  - 2015: 7,471

Source: Capital Crossroads & Discovery Special Improvement Districts Mid-Year 2015 Downtown Columbus Economic Development Report

Photo credit: Randall Lee Scieber Photography

May 2014 Family Funday event

BUILDING A BRAND

This year marks our sixth season at Columbus Commons. There has been a transition in real-time from skepticism to success. The apprehension stemmed from a perception that a downtown park in Columbus, Ohio, would fail – whether it was because of safety or programming or funding. The community wasn't sure there would be an audience who desired a downtown park. Would people show up? Would people feel safe? Would families come back downtown? The resounding answer to all of these questions is yes!

Our park patrons are as wide and varied as our downtown. We've developed a space that is safe, fun, and active. More so, we've created a sense of place, where there wasn't one. We produce events for the entire community and people have taken notice. Our events are strongly attended and often times, people will just stop by the park to see what's going on, without prior knowledge of the specific programming. The park is helping our community create memories.

Columbus Commons is utilized by both passive and active users, although the design of the park creates unique challenges. For instance, Columbus Commons is actually a green roof. The design and use of the park is, in large part, dictated by this unusual engineering feat. The formal gardens that line the central lawns are designed and maintained by Columbus's own Franklin Park Conservatory and Botanical Gardens. Each winter the gardens are redesigned for the coming spring, highlighting new plants and dynamic combinations of greenery and flowers.

At the southern end of the Commons near the carousel are tables and chairs for the casual visitor; families taking advantage of the outdoor reading room open during the late spring, summer, and early fall; as well as customers of the local eateries featured in the park's two cafés – Jeni's Splendid Ice Creams and Tortilla Street Food. There are also permanently affixed benches throughout the park; and during the spring, summer, and fall, the café tables and chairs are augmented with weather-proof rocking chairs.

Large LED video screens on either side of the Columbus Bicentennial Pavilion stage at the northern end of the Commons provide passive recreationalists information about upcoming events in the park and ways to get involved. The pavilion offers a signature architectural element to the Commons and provides a professional-caliber performance space for local, regional, and national musical acts.

The park is intensively used throughout the summer, connecting to a larger network of green spaces in the area, and is programmed for maximum appeal. Programming is central, and the large, flexible space allows for many types of events ranging in size from a small birthday party to a large half marathon finish-line celebration. With more than 250 events annually, it is filled with people, enjoying a green oasis surrounded by skyscrapers.

The Commons meets its billing as "Downtown's Playground" by providing opportunities for the community to see national musical performances, like Bastille, Ben Folds, Blues Traveler, Gin Blossoms, and Lynyrd Skynyrd, and serves as the summer home of the Columbus Symphony Orchestra. In October 2013, the park hosted the Opening Ceremony of the Presidents Cup – an international golf tournament. For the first time in Presidents Cup's history, the Opening Ceremony was held at a location separate from the golf tournament. Golf Network viewers around the globe were able to watch the Opening Ceremonies at the Commons. Engaging long-term residents and new visitors to downtown is a key goal of the park.

Daily, from late spring through early fall, the Columbus Commons Reading Room – an outdoor space featuring reading materials for all ages, from novels to picture books – draws adults and children alike. All are welcome to peruse the collection, and the space is attended by a Commons staff member. Free fitness classes are offered five days a week; and weekly summer events include a Food Truck Food Court at lunchtime, a series of local

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Photo credit: Randall Lee Scieber Photography

July 2015 free Pepsi Concert, featuring Bastille

bands in July, kickball, and special days for kids. In the fall, the Commons hosts the Harvest Fair – featuring a pumpkin patch, bands, and games galore for children. The event feels different than suburban fairs, as visitors "pick" pumpkins while surrounded by skyscrapers. During the holiday season, Columbus Commons is lit by more than 200,000 colorful lights. A hand-carved carousel, bocce courts, life-size chess set, and a NEOS 360 electronic playground add to the permanent features of the park.

Capitol South has tried a lot of new programming ideas – some are wildly successful and some are less so. We encourage event experimentation because that's how we learn what fits in our community. As our neighborhood evolves with more residential and office neighbors, we are strategically choosing events that are a right fit. Our fans email and comment often about ideas they have or elements that they would like to see changed, and we take that feedback seriously.

Columbus Commons represents change for the better, a safe place for families to enjoy our wonderful downtown, and for the opportunity for residential neighbors to enjoy their new backyard.

the importance of
AFFORDABLE HOUSING TO ECONOMIC COMPETITIVENESS

By David Schwartz

HOUSING AFFORDABILITY CHALLENGES AND ITS CONSEQUENCES

The availability of housing, meeting need and demand for the full spectrum of household affordability, should be viewed as an integral part of any successful region conferring economic, social, and environmental benefits that underpin sustainable growth and stable communities.

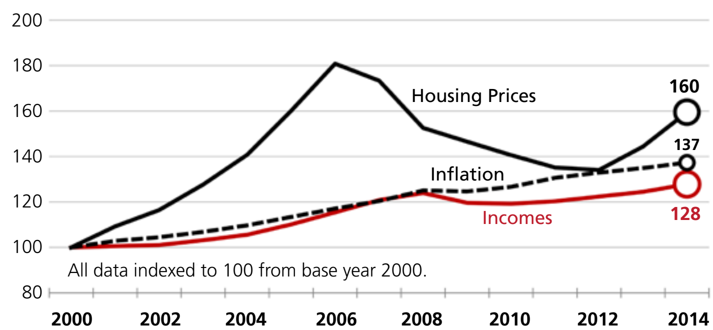
It is commonly recognized that home ownership is important for local political and social stability, as well as for wealth generation. But it is often overlooked that housing affordability, in general, is critical for the development and expansion of a local workforce. Although housing affordability can mean different things to different people, this discussion spans a wider spectrum, intended to characterize a problem experienced by everyone, not just the lowest incomes. The objective of this article is to identify how communities can craft policy and strategies that more effectively address the complexity and uniqueness of local issues. The article first discusses housing affordability challenges, its consequences, and which supply and demand factors contribute to or exacerbate them. The article continues with a discussion of how this affects a community's economic competitiveness and strategies that are typically used to address the situation. Finally, the discussion ends with case study examples and questions that communities should answer in creating locally-tailored strategies that do not deteriorate their economic competitiveness.

Challenges

In recent years, many communities have seen increased demand push rents and home prices beyond levels considered affordable to households earning median income. This situation can present challenges to cities, such as overcrowding and financial cost-burdening, or force households to move away from their traditional homes and places of employment.

On one hand, incomes have not risen with the general cost of living, a sign of decreased purchasing power. **Figure 1** illustrates that U.S. household median income in 2014 was 28 percent higher than it was in 2000, but the cost of living in 2014, measured by the Consumer Price Index (CPI) for urban consumers, was 37 percent higher. On the other hand, though the CPI includes housing expenditures, the average price of housing in 2014, even after the market corrected following the recession, stands 60 percent higher than average prices in 2000. This means that new owner and renter households face an environment in which a greater portion of their income will be consumed by housing costs.

FIGURE 1.
Trends in U.S. Housing Prices, Inflation and Incomes



[Note 1]: Historical household median income data collected from: https://www.census.gov/hhes/www/income/data/historical/household/

[Note 2]: Case-Shiller indexes collected from: http://us.spindices.com/indices/real-estate/sp-case-shiller-us-national-home-price-index

[Note 3]: CPI data collected from: http://www.bls.gov/cpi/#data

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THINKING CRITICALLY ABOUT THE CHALLENGES

Nationally, housing costs continue to escalate faster than incomes, creating a wide spectrum of affordability and quality-of-life problems. Not only are there challenges in dealing with the problem and its supply and demand circumstances, but there are challenges in avoiding the consequences that exacerbate problems and deteriorate a community's economic competitiveness. While many communities react with due urgency, the strategies and tools adopted under such circumstances can often overlook the complexity and uniqueness of local issues and resources. Without localized strategies, the economic opportunities and quality-of-life aspects that originally led to high housing demand and high property values will be lost.

How does a growing gap between housing costs and incomes arise? While it may be expedient (and true) to say that working households simply are not paid enough, the situation is more complex, because neither housing costs nor incomes are isolated variables.

A lack of affordable housing is not an isolated problem; it can affect all aspects of our economic and social lives, and is a problem for a wide range of workers including those in service sector jobs and government employees. The availability of a range of housing options affordable to a range of income levels is essential to sustaining our communities and must be addressed at both the regional and local levels. Without localized strategies to maintain housing options and affordability, the economic opportunities and quality-of-life aspects that originally led to high housing demand and high property values will be lost.

It's often a presumption of housing affordability studies or policies that the free market is not providing for the affordability needs of communities. The motivation behind any assessment of housing market and economic conditions should be to assess to what extent the private market should be called to do something about it and whether or not it can be leveraged in the context of regulatory and/or financing strategies.

Circumstances

There are not only challenges in dealing with the problem itself but also challenges in dealing with the circumstances that led to the problem. Most apparent is the expanding gap between incomes and housing costs, as illustrated in **Figure 1**. This presents an almost insurmountable challenge that has few political or economic solutions under a city's purview. Some communities have attempted to address the challenge by entering the debate over higher minimum wage, and many have passed ordinances (e.g. recently Seattle (WA), Los Angeles, and numerous other cities in California). Aside from the lawsuits contending the legality of such ordinances in several cities, it also remains to be seen whether the intended consequences (higher incomes) will outweigh the unintended consequences feared by some (lost jobs).

How does a growing gap between housing costs and incomes arise? While it may be expedient (and true) to say that working households simply are not paid enough, the situation is more complex, because neither housing costs nor incomes are isolated variables. On one hand, there are positive circumstances (of supply and demand) that can alone or in combination result in housing affordability challenges. On the other, there are negative circumstances that can lead to and exacerbate affordability challenges.

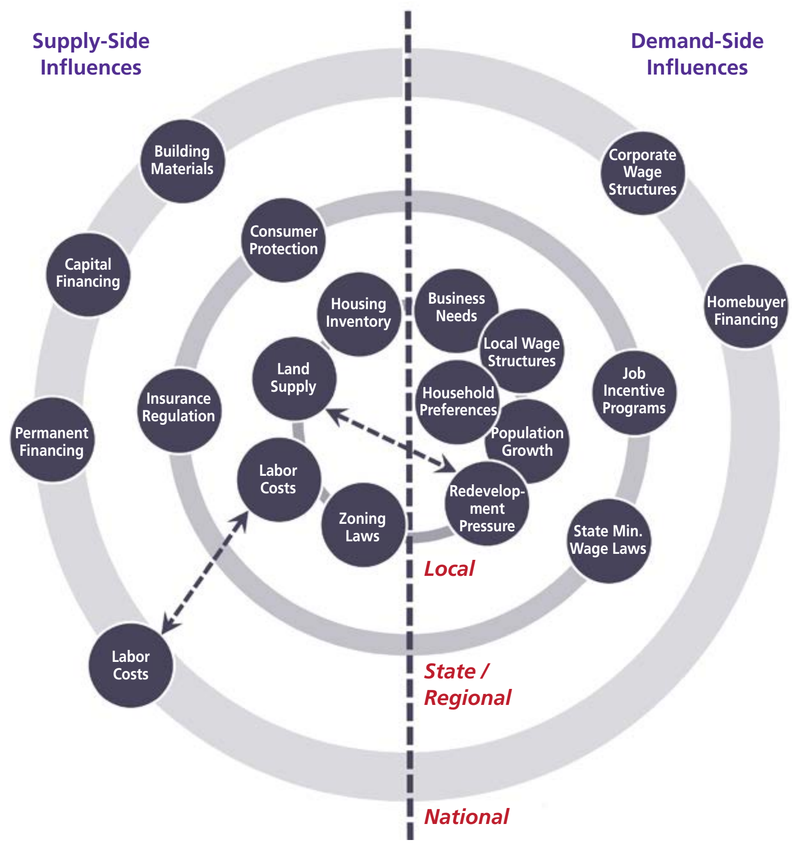
This situation can be a part of an otherwise positive economic cycle – i.e. markets experiencing a product of their own success. Strong employment growth can drive up costs. Strong population growth stimulated by quality of life factors can also contribute to rising costs. Strong investment, reinvestment, and redevelopment of community infrastructure and amenities can also be positively impacting values. Also complicating matters in an otherwise positive set of circumstances are supply-side conditions. For example, problems arise if: regulatory structures (i.e. zoning laws) are inadequate or onerous or legal structures create risks that impact the cost of construction.

For example, a few states such as California and Colorado have experienced an evolution in homebuyer protections laws. While positive for homebuyers, giving them recourse in the event of defective construction, unintended consequences can arise. The abuse and risk of costly litigation in these markets can translate into higher general liability insurance costs for developers, a cost which is passed directly on to the buyer or renter. Problems also arise where infrastructure (i.e. roadway and transportation networks) may be deficient, the existing supply and pipeline of housing is deficient, and where land is a scarce resource.

Other Factors

There are also numerous supply and demand conditions at the local, state, and national level that complicate the situation. As illustrated on the left side of **Figure 2** depicting some additional supply side factors, the cost of housing is affected at the national level by trends in the cost of building materials, capital lending and permanent financing terms, as well as labor costs or shortages. At

FIGURE 2.
Additional Housing Cost Influences



the state or regional level, consumer protections and insurance regulations can impact the availability of inventory. At the local level, housing inventory, availability of land, local labor costs and availability, as well as land use regulation can all impact the cost of housing.

On the right side of **Figure 2**, depicting additional demand side factors, corporate wage structures and homebuyer financing terms at the national level can affect housing costs. At the state level, economic development and job incentive programs, as well as state minimum wage laws can have an impact on the cost of housing. And at the local level, business labor needs, local wage structures, household preferences, population and employment growth, as well as redevelopment pressures that result can have substantial impacts on the cost of housing.

In terms of taking action, however, what is actually in a community's purview to address? Taking time to understand some of these influences is helpful in airing concerns and fleshing out what really can be done. On the supply side, can you open up land for development? Can you increase your zoning densities? Can you change the cost of construction? On the demand side, can you control population or employment growth? Can you increase incomes? Can you change household preferences? Can you influence development pressures? Can you change general labor needs? Can you change homebuyer financing terms?

Consequences

In the process of identifying what the challenges are and where a community has purview, most find that documenting housing and economic conditions and magnitudes of need suffices for policy formation. But while important in the overall scope, it frequently understates the breadth of the challenges and leads to strategies that aren't fully integrated.

One of the more overlooked elements of housing policy is the role it plays in the broader economic competitiveness context. Before looking at how to define economic competitiveness, let's look at some of the overlooked or underestimated consequences of affordability challenges.

First, when housing costs in a preferred location are too high, households look elsewhere. A longer commute, with or without lower housing costs, means households spend more on transportation than other things leading

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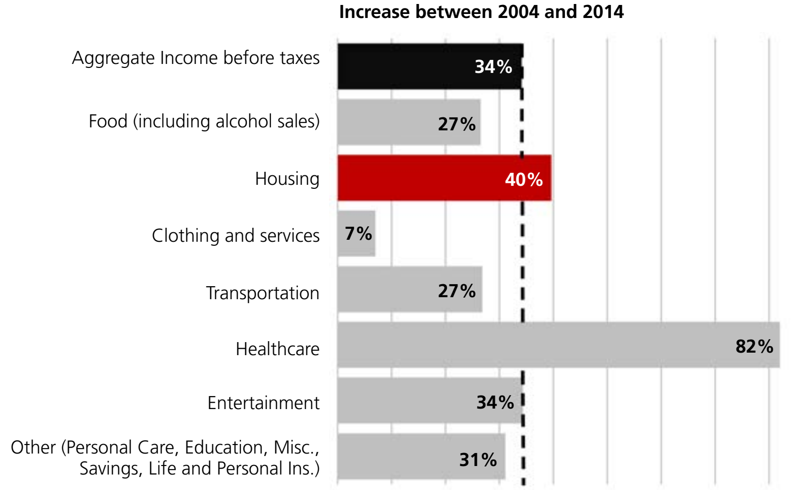
FIGURE 3.
Increases in Aggregate Income and Consumer Expenditure



to diminished quality of life measures. According to urban economics literature (Angel and Blei, 2015; Clark, Huang and Withers, 2003), commuters seem to have a tolerable commute distance of 30 to 45 minutes each way. In 2014, according to the U.S. Census, 37 percent (51.4 million people in a working population of 139.3 million) of the working population commuted 30 minutes or more each way, 6.5 million more than a decade earlier.

Second, and aside from the subjectivity of quality of life, when household budgets are squeezed (with or without higher transportation costs), people have less money for other things. **Figure 3** illustrates an analysis of data collected from the Bureau of Labor Statistics Consumer Expenditure Survey for 2004 and 2014. The top column of the graphic shows that aggregate U.S. household incomes increased 34 percent during this 10-year period, but that aggregate spending on housing increased 40 percent. In high-growth cities, data show greater disparity between these two measures. The graphic also shows that spending in more elastic categories such as food, clothing and services, personal care, and even savings has declined.

While the causality of these shifts is debatable, it is reasonable to say that in terms of behavior households do make trade-offs. Some choose a larger house farther away from work, and some choose a smaller house closer to amenities and work. But because people rarely have the resources to buy the perfect house in the perfect location, multiple trade-offs are made. Quality of life and economic competitiveness problems arise when households spend so much more of their income on housing (and transportation) that they make trade-offs with expenditures in other categories, a pattern that ripples further afield.

Third, as these conditions persist, businesses increasingly struggle to find, keep, or expand their workforce. This is a common struggle for the service sectors, especially retail, accommodations, hospitality, healthcare,

The blend of high housing (and transportation) costs, lower discretionary spending, and increasing business labor force struggles are challenges that communities can endure only so long before other social problems arise. Neighborhood and community instability can occur when housing and land appreciation lead to displacement caused by redevelopment pressures.

banking, government, and emergency services. Typical wage structures may be ineffective at keeping workers, and businesses may endure high turnover rates. Even for communities luring new industries, top among a prospective business' concerns, along with a skilled labor force, is the cost of housing. Among the reasons the Dallas/Fort Worth area has been so successful attracting business relocations and attractions is the relatively low cost of housing compared to other western and southwestern metro areas.

The blend of high housing (and transportation) costs, lower discretionary spending, and increasing business labor force struggles are challenges that communities can endure only so long before other social problems arise. Neighborhood and community instability can occur when housing and land appreciation lead to displacement caused by redevelopment pressures. Property owners in desirable locations approached with redevelopment offers often impact lower-income, minority, or elderly households. Any number of outcomes can occur, such as households that move in with family (displacement and over-crowding) or continue to live in costly housing nearby (cost-burden) to stay close to their jobs. They might move farther away to find similar housing costs (a mere shift in budget expenses). Whatever the situation, it results in greater quality of life challenges and discretionary spending being traded off for the sake of housing costs, which can lead to greater community unrest.

IMPACTS ON ECONOMIC COMPETITIVENESS AND WHAT TO DO

In the process of identifying strategies and tools, some communities react quickly and take action with what may appear to be good policy tools. But such efforts can be more effective if communities take time to understand how policies interact with and affect competitiveness.

From a governance perspective, economic competitiveness might mean balancing public revenues with the cost of investing in and providing public goods and services, such as: emergency services, water, utilities, etc.; transportation (roadway networks, public transportation, etc.); and strengthening and improving schools, among others. From a regulatory perspective, it might mean having appropriate land use development and zoning regulations.

From an economic development perspective, it might mean being able to attract, retain, and expand employment opportunities. That means having the resources (for incentives) and the type of desirable environment (educated and skilled workforce, high quality of life, good investment in infrastructure, etc.) to sell your community to prospective employers. It also means keeping an eye on the cost of doing business.

From a civic perspective, it might mean having a vibrant living environment where a community's residents can enjoy dining out, shopping, finding entertainment, and where they generally feel safe. If large sectors of the workforce leave an area in search of more affordable housing, a combination of outcomes can occur: a palpable shortage of labor; increased traffic and air quality problems as workers commute long distances to their jobs; and as quality-of-life measures decline, new industries may be deterred from moving to the area and existing businesses may decide to relocate, recognizing that they are not able to attract the labor they need.

As mentioned earlier, without locally-tailored strategies to maintain housing options and affordability, the economic opportunities and quality-of-life aspects that originally led to high housing demand and high property values will be lost.

Conventional Strategies

Understanding how to deal with this situation and remain competitive isn't easy. Behind adoption of many of these policies is often the objective to build more housing, especially for lower-income households who are usually disproportionately affected, but the techniques by which those are accomplished are basically variations on a few themes. A handful of approaches are in practice today, but application of uniform techniques can and often do overlook the complexities of local issues.

The first are conventional funding techniques that address very low and low income needs. The most common source of funding has been Department of Housing and Urban Development entitlement funds, i.e. Community Development Block Grant (CDBG) and HOME funds. While critical to communities' strategies for addressing affordability challenges, these programs are restricted for the most part to assisting households under 60 percent

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of median income. And apart from funding services through CDBG dollars, only HOME funds are used directly for predominantly rental construction. This is not to say that the federal funding is a problem, although it is a problem that funding for these programs continues to decline as **Figure 4** illustrates. On the contrary, they are essential. The point is that insufficient as this source is even to remedy the problems faced by low income and special needs populations, it is not at all capable of addressing broader, more complicated local issues.

Another conventional tool used is the federal Low Income Housing Tax Credit (LIHTC) program administered by state housing finance agencies. Equity is placed through these agencies as capital for new, rehabilitated, or preserved affordable rental projects (including homeless shelters and transitional housing) that meet specific income targets, i.e. under 60 percent of median income. Like CDBG and HOME funding, LIHTC meets an important need but only addresses a fraction of the broader problems being experienced by many communities.

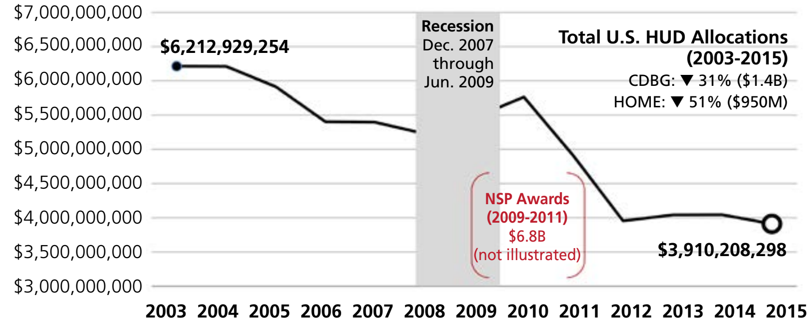
There are also a handful of regulatory approaches intended to leverage the momentum of development. One of these approaches, inclusionary zoning, seeks to remedy supply-side issues through mandates or voluntary compliance, i.e. the use of incentives. Either way, such regulation looks to increase the supply of affordable housing by compelling the development community to reserve some portion of their residential project as affordable to lower income households, usually 60 percent of median income if applied to a rental development and 80 percent of median income if applied to a for-sale development.

There is considerable debate about the effectiveness of these programs, not to mention ongoing legal challenges. Because they add a "cost" to construction, questions arise over the extent to which they are passed on to the "non-affordable" housing buyers, and whether this ultimately exacerbates broader challenges.

Commercial linkage, another approach intended to increase the affordable housing supply, is motivated by the recognition of the jobs-housing linkage, i.e. that non-residential development creates demand for affordable housing through creation of low-paying jobs. Commercial linkage programs require new non-residential developments to pay a fee that mitigates a portion of demand for affordable housing from a development's lower income jobs, quantified as the difference between the price of market-rate housing and the price of affordable housing for those lower income jobs.

The fees are then used to build or offset the cost of building affordable housing in the community. These fee-based programs take their cue from development exactions jurisprudence stemming from two U.S. Supreme Court cases, Nollan (1987) and Dolan (1994), often referenced together, which established the rational nexus and rough proportionality tests, respectively. While state courts interpret and further clarify these precedents, linkage fees are established through "nexus" studies (reflecting their origins in Nollan) to document the connection between the scale and type of development and the

FIGURE 4.
Trends in Total U.S. HUD Allocations



Source: HUD; NBER; Economic & Planning Systems

magnitude of affordable housing demand created. While there are not as many legal challenges to these policies, there is still considerable opposition from the business and development communities because they add a cost.

The limitations of these tools can be characterized by the reality that they are not structured to address the breadth and complexity of a community's challenges. In terms of the regulatory approaches, in addition to the question of the extent that this becomes an additional "cost" passed on to the end user, exacerbating affordability conditions and the "cost of doing business," a primary criticism from the development community centers around the notion of being burdened with a problem whose solution should be shared by the whole community. Moreover, the uniformity of these policies around the country suggests they are not the product of individual (local) grassroots processes to develop locally-tailored approaches.

A Need for Locally-Tailored Approaches

Conventional federal funding sources are inadequate and quickly diminishing, and because conventional regulatory approaches are ill-equipped to address the complexity of local issues, there is an urgency to craft locally-tailored approaches.

Communities that center their attention on creating a common vision and answering some key questions are better positioned not only toward generating consensus, but toward setting better goals and achieving more meaningful results.

1. Assess the extent of the problem (causes and consequences);
2. Set the collective vision on goals that everyone (especially elected leadership) can buy into; and
3. Take inventory of a community's challenges and points of leverage.

At that point, the process of evaluating strategies should involve gauging their potential for effectiveness, their ability to respond directly to the challenges, avoid unintended consequences, leverage unique local or regional resources, leverage partnerships, and their ability to allow for local flexibility and control.

Communities need to approach such a process openly and cautiously, not placing too great an emphasis on the effectiveness of any one approach. That is, addressing affordable housing challenges requires multiple solutions that will vary by jurisdiction and region, such as:

1. Increasing the supply of new market rate housing in appropriate locations (in some cases, affordable by design);
2. Regulatory support for and multiple funding sources to support workforce housing development;
3. Complementary funding for low-income housing development; and
4. In select cases, the revitalization of existing public housing using state and federal funding sources in combination with public/private partnerships.

Reflecting on some of the techniques presented above, it is helpful to think of them under two broader categories: those that seek to harness the momentum of development activity (i.e. development-based approaches); and those that seek to harness the power of the many (i.e. community-based approaches).

In the first category, a community often needs an increase to the supply of housing (there are really few options for communities to manipulate the demand side of housing.). Such approaches stem from the view that because the development community builds housing (and thus, whose housing prices are a part of the problem), they are equipped and should be responsible. Such is the case with the inclusionary zoning and linkage programs discussed previously.

Economic leverage is an essential part of ensuring compliance. Broadly, economic leverage is something that a community has to offer that the development community finds value in, such as:

1. Financial resources, like one-time general fund allocations for capital or assistance programs;
2. General obligation bonds, dedicated funding sources, use of tax abatements; and
3. Publicly-owned land and entitlements, such as density.

These mechanisms need strong leadership and political will to succeed.

In the second category, for a growing number of communities, strong leadership and political will are translating into the recognition that a policy that broadens the responsibility of addressing complicated challenges across the community not only lowers the financial burden placed on any one portion of the community, but, because it is locally generated, results in greater flexibility of its use.

A frequently-cited success story in the adoption of a local funding source is Seattle. Since 1981, city voters have passed one housing bond and four housing levies, which have collectively produced more than 10,000 affordable apartments, provided first-time homebuyer loans and rental assistance to more than 4,000 households. In 2009, the most recent seven-year levy, a dedicated property tax (limited to $0.17 per $1,000 of assessed valuation) was adopted to generate $145 million

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for a variety of affordable housing goals, including supportive services. According to the city's 2014 Housing Levy Annual Report, this levy has produced nearly 2,000 rental units (exceeding its 1,700-unit goal), provided funding for acquisition, operations and maintenance, and homebuyer assistance affecting nearly 600 households, and provided rental assistance and homelessness prevention to approximately 1,900 households. As for its cost to the city's property tax payers, the levy is estimated to cost the typical homeowner with a house of median value ($473,000 in 2014) approximately $80 per year.

Another example of voter and elected official buy-in is Cambridge, where with the support of a state tool, the Community Preservation Act (CPA), the Cambridge Affordable Housing Trust (CAHT) uses a combination of local and state matching funds. The CPA was established as a financing tool for Massachusetts communities to expand the supply of affordable housing, protect historic sites, and preserve open space using a small voluntarily adopted property tax. In fiscal year 2014, the CAHT received $8.2 million through the CPA appropriation.

A different sort of one-time funds is the use of General Obligation bonds. The city of Austin, for example, has issued several general obligation bonds to support affordable housing. In 2006, the city issued an affordable housing bond for $55 million, all of which was utilized by 2011, producing more than 2,400 affordable units. Also funded through a time-limited property tax, this GO bond was estimated to have cost the average homeowner less than $9 annually. Austin passed its most recent bond in 2013, a $65 million bond to address a broader variety of production and service needs.

Some communities have even leveraged institutional partners to address affordability challenges. In Durham (NC), the Duke-Durham Neighborhood Partnership was founded in 1996 and has raised more than $12 million to invest in partner neighborhoods, including a $4 million investment in Self-Help, a community development lender to support development of affordable housing. In Chicago, the University of Chicago subsidizes housing for low-income residents in surrounding neighborhoods with projects in Woodlawn and Jackson Park Terrace. It owns and maintains 2,000 rental units on the south side of Chicago for student and faculty housing, and it estimates that 65 percent of the university's faculty and 3,000 staff members live in these neighborhoods. Harvard University also launched an initiative in 2000 that committed $20 million of low-interest financing to support affordable housing in both Cambridge and Boston. It also administers a $6 million revolving loan fund.

Another tool used to generally lower the cost of housing for people is the community land trust (CLT). There are more than 250 CLTs nationally. They can purchase, acquire, develop, own, and operate housing, but their most common function is developing and selling housing with a leasehold interest in the land. In Montana, a number of CLTs existed throughout the state with small inventories and were struggling to stay in operation. In 2014, after a study process considered what the problems were and available options, Trust Montana was established and now functions as an umbrella organization over the state's land trusts. By centralizing some of the administration and operational costs, the state's land trusts were able to continue their function of providing lower-cost housing.

Where to Go from Here

There is a great need for communities to develop unique approaches to local problems. Not only are most of the uniform tools in practice blunt instruments that don't respond flexibly enough to local challenges, they also don't address the complexity of those issues. Because we always like to know what our peers are doing, here are some tips that might serve communities well in looking at best practices.

- Don't overlook the basics – local and regional economic trends;
- Look closely at whether land use regulations may be creating unintended consequences (e.g. restrictions on lot sizes, dwelling unit sizes; parking requirements, setbacks; maximum densities, etc.);
- Think about the balance or imbalance between the location of your housing supply and the location of your jobs or amenity centers;
- Assess whether and how much development can be encouraged along transit corridors;
- Assess the legal and regulatory structure to understand where obstacles lie;
- Identify where there might be opportunities to leverage public finance resources (and political will); and
- Look at the capacity, capability, and interests of providers, as well as private or institutional partnerships.

When discussing and crafting policy, make sure that it leverages the community's unique resources and structures. Ensure that where resources are leveraged, they provide value at least equal to or greater than the alternative (i.e. opportunity cost) of not complying. Ensure that structures are facilitating, not inhibiting positive outcomes, and estimate the extent to which such strategies could have unintended consequences, weighing them against a strategy's presumed benefits. With good leadership and smart planning, such strategies should enable communities to become their own best practices.