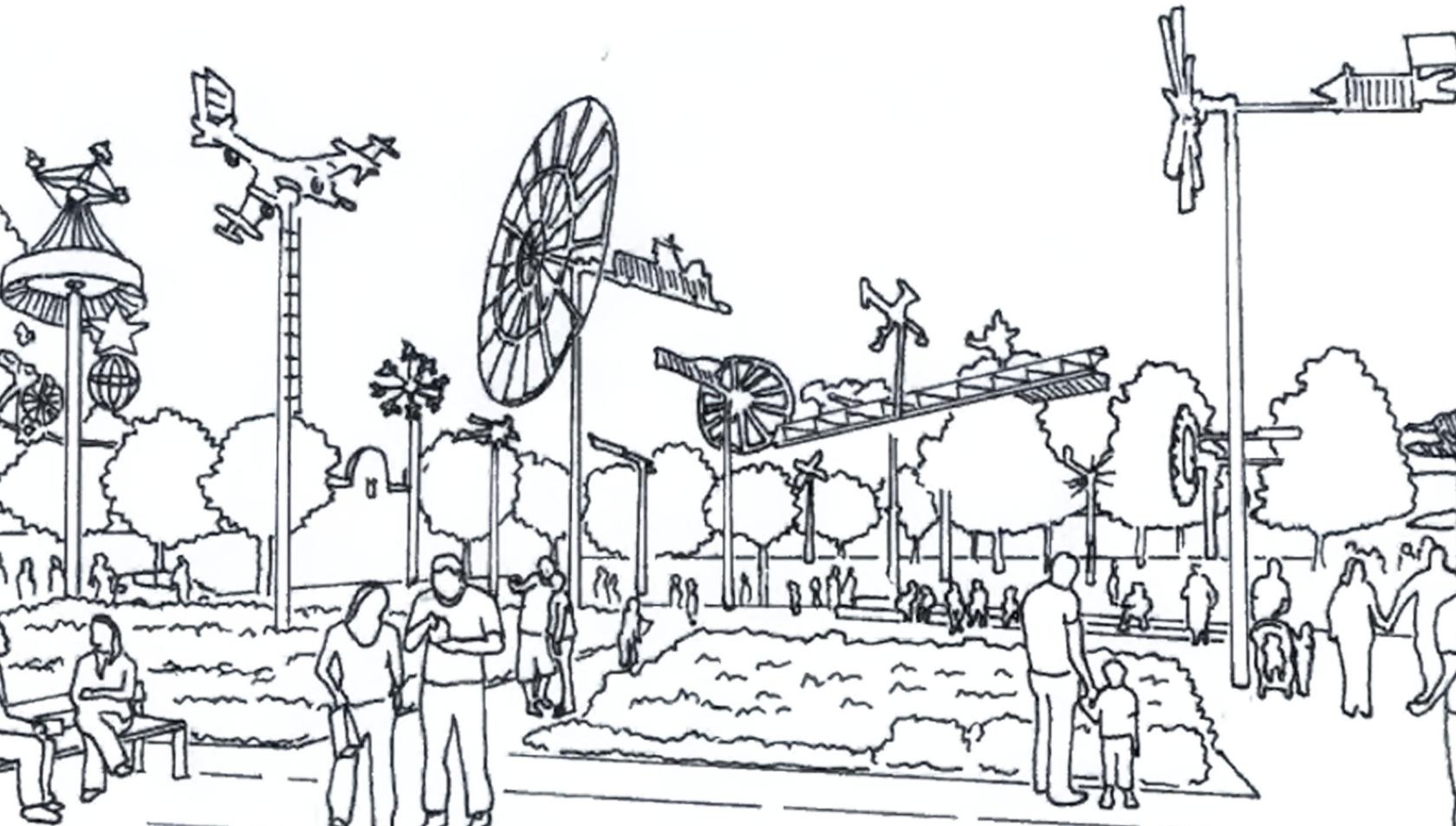


# Carolina Planning

Volume 40 | 2015



## Planning for the New Economy



**Annual Subscription Rates:**

Individuals: \$15

Current Students: \$10

Libraries/Institutions: \$35

*Carolina Planning*

The University of North Carolina at Chapel Hill

CB #3140, New East Building

Chapel Hill, NC 27599-3140

For back issues and subscriptions see:

<http://carolinaplanning.unc.edu/>

[carolinaplanningjournal@gmail.com](mailto:carolinaplanningjournal@gmail.com)

*Carolina Planning* is published on an annual basis.

# Carolina Planning

Volume 40 | 2015

---

From the Editors .....	2
About our Cover .....	4
Carolina Planning Journal News .....	5

## Features

Planning for Inclusive Prosperity: Lessons from the North Carolina Experience.....	6
<i>Nichola Lowe, Meenu Tewari, &amp; T. William Lester</i>	
From Concentrated Poverty to Community Wealth Building: A Report from the Field on Richmond's Comprehensive Poverty Reduction and Wealth Building Initiative .....	14
<i>Thad Williamson</i>	
Bay Area Blueprint: Worker Cooperatives as a Community Economic Development Strategy .....	19
<i>Alison Lingane</i>	
Planning the City in the New Economy: Comprehensive Planning in Austin, Texas .....	29
<i>Gregory Claxton, Matthew Dugan, and Larry Schooler</i>	
Planning the City in the New Economy: Plan Cincinnati.....	35
<i>William S. Fischer, Katherine Keough-Jurs, and James Weaver</i>	
Economic Innovation in North Carolina	
Introduction, <i>John Morck</i> .....	39
Planning for Prosperity: Understanding the Millennial Generation, <i>Ben Hitchings</i> .....	40
Planning for Arts and Innovation in Wilson, <i>Rodger Lentz</i> .....	43
Honoring Tradition, Supporting Innovation: Redevelopment of Conover Station, <i>Lance Hight</i> .....	45
Long-Term Economic Development Strategies for a Growing Triangle Town, <i>Jenny Mizelle</i> .....	48
UNC-Chapel Hill DCRP Master's Project Titles 2013 .....	51
Best Master's Project .....	53
<i>Kyle Onda</i>	
Student Connection.....	56
<i>Sophie Kelmenson</i>	
Book Reviews .....	58
<i>Amanda Martin, Julianne Stern, Adam Levin, and Rachel Eberhard</i>	
Final Thoughts .....	63
<i>Emil Malizia</i>	

# From the Editors

Julia Barnard  
Cara Wittekind

As we started recruiting authors for this year's issue of *Carolina Planning*, the most common question we heard was "What *is* the new economy?" To which we would say, "Exactly!" We present this issue of the *Carolina Planning Journal* as a conversation about what planners need to know about our changing economy and how we can work proactively to prepare communities to be economically sound and prosperous in the new economy.

As a way of starting this conversation, we look to the Brookings Institution's 2010 "State of Metropolitan America" report, which characterizes the New Economy according to five primary "new realities:" growth and outward expansion, population diversification, aging of the population, uneven higher educational attainment, and income polarization. The authors in this volume of the *Carolina Planning Journal* are hard at work facing these new realities and working to imagine and re-imagine strategies with which to look forward.

Several key themes emerge from the authors featured in this issue. First, the necessity of long-range planning is echoed again and again. Planning is inherently forward-looking, and economic development planning in particular requires both forethought and flexibility. Planners must not only imagine what the next economy will be and start to prepare for it, but we must also constantly evaluate the changing economic tides and be ready to recalibrate strategies when our forecasts are incorrect.

We also heard many cases of cities and regions stretching the boundaries of traditional jobs- and revenue-focused economic development to include placemaking, transportation, culture, and livability. This growing understanding of what makes a place prosperous is exciting news in the field of planning, and we hope that the articles in this issue encourage readers to think broadly and creatively about the new economic development strategies that might serve their communities.

Finally, readers will notice that many of the authors conceive of equity as a primary goal of economic development, rather than an optional and inferior item on the development checklist. Many of the articles featured

talk about sharing prosperity, creating more and better jobs, and building wealth and opportunity across our communities. We are inspired by the work being done to improve quality of life for all, and hope that readers take away some strategies for incorporating equity as a key feature of their own economic development plans.

*In this issue of Carolina Planning, we are pleased to feature the following articles:*

- UNC Chapel Hill Department of City and Regional Planning Professors **Nichola Lowe, Meenu Tewari, and T. William Lester** set the stage by presenting the concept of *inclusive prosperity* as the economic development goal of the new economy.
- Professor **Thad Williamson** from the University of Richmond shares lessons from ongoing comprehensive poverty reduction and community wealth building work taking place in Richmond, Va.
- Continuing the theme of equity and inclusivity, **Alison Lingane**, co-founder of Project Equity in Oakland, Calif. makes an argument for worker cooperatives as a key economic development strategy and offers a case from the Bay Area and an action plan for scaling up worker cooperatives.
- Finally, we feature two studies of comprehensive planning in the new economy within very different contexts. **Gregory Claxon, Matthew Dugan, and Larry Schooler** discuss the planning process in Austin, Texas in the context of a booming population and growing economic inequality. This is contrasted with the case of Plan Cincinnati, in which authors Bill Fischer, Katherine Keough-Jurs, and James Weaver describe a Rust Belt city's efforts to re-urbanize using bold economic and community development planning.

Our North Carolina Chapter of the American Planning Association section, introduced by APA-NC President John Morck, brings together cases from across the state to demonstrate the innovative and visionary work being done in our communities.

- **Ben Hitchings** summarizes research from APA-NC's survey, "Planning for Prosperity," which shines light on the locational preferences of the Millennial generation, the labor and entrepreneurial force that will fuel the new economy.
- **Rodger Lentz** reports on the City of Wilson's success in updating its economy through publicly provided high-speed internet infrastructure and creative placemaking.
- **Lance Hight** shares the Town of Conover's forward-thinking renovation of an unused mill into a mixed-use center that will one day serve as a high speed rail station, and currently hosts a manufacturing incubator, public library, and environmental park.
- **Jenny Mizelle** from the Town of Holly Springs provides insight into the requirements for targeted industrial recruitment to support a growing community.

We also present work from DCRP students and faculty members:

- Continuing our tradition of recognizing exceptional graduate student work in the UNC Chapel Hill Department of City and Regional Planning, we publish an excerpt from faculty-chosen Best Master's Project Award from 2014, **Kyle Onda's** study of water supply in India.
- **Sophie Kelmenson** provides news from our department including student achievements, innovative academic work, and faculty recognition.
- Ph.D. student **Amanda Martin** and Master's students **Julianne Stern, Adam Levin, and Rachel Eberhard** contribute book reviews on recent planning-related publications.
- Finally, DCRP Professor **Dr. Emil Malizia** provides closing thoughts. He presents highly translatable concepts from economic development research along with their applications for planning practice.

We hope that in this issue of Carolina Planning readers are able to find information and inspiration to continue to ask, "What *is* the new economy?" and to start answering that question in their own communities through long-range, visionary planning that defines economic development broadly and keeps equity goals at the center of economic development planning practice.

## Editors:



*Cara Wittekind is a 2015 master's candidate in City and Regional Planning from UNC-Chapel Hill. While at DCRP, she specializes in economic development. She previously worked in the nonprofit and local government sectors on civic engagement and voter registration.*



*Julia Barnard is a 2016 master's candidate in City and Regional Planning from UNC-Chapel Hill. At DCRP, Julia is specializing in economic development. Before coming to UNC, Julia worked as a community organizer for Texas Hillel in Austin, TX.*

## Thank You

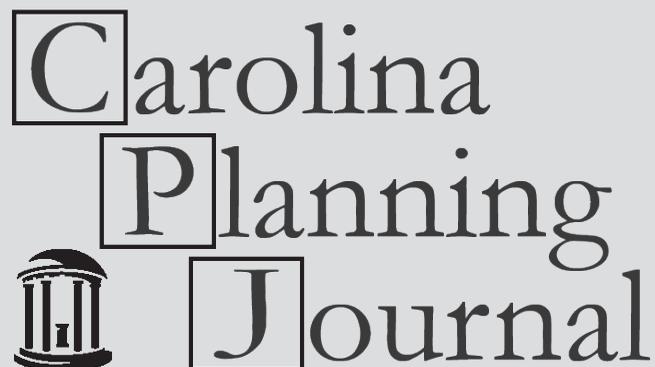
*Carolina Planning is published with generous financial support from the John A. Parker Trust, the Department of City and Regional Planning at UNC-Chapel Hill, and the North Carolina Chapter of the American Planning Association.*

## Feedback

We welcome your comments, suggestions, and submissions. Please contact us at [carolinaplanningjournal@gmail.com](mailto:carolinaplanningjournal@gmail.com).

## Back Issues

Our back issue pages (<http://carolinaplanning.unc.edu/back-issues/>) provide easy and free access to over 500 original articles, commentaries, interviews, and book reviews from some of the most formative years of the planning field. We encourage you to explore this vast resource and share it with your colleagues.



*Printed by UNC Printing Services © 2015  
UNC-Chapel Hill Department of City and Regional  
Planning. All rights reserved.*

# ABOUT OUR COVER



## Economic Transformation in North Carolina

*Alex McCarn*

Our cover art was created by Alex McCarn, a junior at UNC-Chapel Hill majoring in Public Policy with a minor in City and Regional Planning. Alex is originally from High Point, NC. In his spare time, he enjoys drawing city maps and architectural renderings. He is particularly interested in transportation planning and hopes to go into the field of transportation policy.

The drawing is based on two photographs, pictured below, which illustrate North Carolina's economic transformation. On the left, emblematic of the "old economy" of our state, is a postcard showing women working at the Hanes mill in Winston-Salem between 1930 and 1945. On the right is a rendering of the Vollis Simpson Whirligig Park in Wilson, NC, which represents a new and evolving understanding of economic development as encompassing not only industry, but also quality of life and the power of arts and culture to drive economic prosperity. A more complete study of Wilson's "new economy" planning is featured in the APA-NC case studies of this volume.



*"Finishing Department, Union Suits, P.H. Hanes Knitting Co., Winston-Salem, N.C." in Durwood Barbour Collection of North Carolina Postcards (P077), North Carolina Collection Photographic Archives, Wilson Library, UNC-Chapel Hill.*



*Rendering of the City of Wilson's Vollis Simpson Whirligig Park. Courtesy of the City of Wilson.*

<http://carolinaplanning.unc.edu/>

# Carolina Planning Journal News

## Hello readers,

We've had a great year at CPJ! Drawing on inspiration from *Carolina Planning's* past, we expanded our team by creating an Editorial Board made up of undergraduate, Master's, and Ph.D. students. The Editorial Board is helping us enhance our online presence (we have created a Twitter handle and will soon have a Facebook page), redesign our existing website and create a new blog for publishing student work, begin the process to make the Journal's next volume peer-reviewed, think about long-term planning for journal sustainability, and connect with peer publications across the country. We think that these projects will help *Carolina Planning* expand its reach and improve both the breadth and depth of our offerings to our existing readers.

If you are interested in helping us out with any of the projects mentioned above, participating in our strategic plan by completing a short survey, or becoming a reviewer for future articles, please be in touch. Further, you can always help *Carolina Planning* by becoming a subscriber or donating to our endowed fund. You can find out more on our website, [carolinaplanning.unc.edu](http://carolinaplanning.unc.edu), or contact us directly at [carolinaplanningjournal@gmail.com](mailto:carolinaplanningjournal@gmail.com). Please be on the lookout for the launch of our new blog, which will go live in August of this year. We look forward to hearing and learning from you!

Thanks for your enduring support,  
Carolina Planning Journal Co-Editors  
Julia Barnard & Cara Wittekind

---

### *We are pleased to introduce you to the Editorial Board of the Carolina Planning Journal:*



**YeYing Huang** is a rising second-year master's student at DCRP specializing in transportation planning. On the Editorial Board she focuses on design, marketing, and sales.



**Kristen Lee** is an undergraduate sophomore at UNC Chapel Hill minoring in City and Regional Planning. On the Editorial Board she works to highlight undergraduate student work on the forthcoming blog.



**Amanda Martin, AICP**, is a PhD student at DCRP researching equity and disaster planning. After receiving her master's degree from the Massachusetts Institute of Technology, Amanda worked as a Planner in Rhode Island. On the Editorial Board, she is guiding and facilitating next year's strategic planning and peer review processes.



**Brian Vaughn** is an undergraduate sophomore at UNC Chapel Hill majoring in Environmental Studies and minoring in Urban Studies, Planning, and Journalism. On the Editorial Board, Brian is helping us bring our online presence into the twenty-first century by creating and maintaining our Twitter and Facebook presences as well as assisting with blog development.



**Allen Wood** is a dual-degree student in the Department of City and Regional Planning and Kenan-Flagler Business School. On the Editorial Board he acts as the Managing Editor of the forthcoming blog and is currently at work on website and blog design.

# Planning for Inclusive Prosperity: Lessons from the North Carolina Experience

Nichola Lowe  
Meenu Tewari  
T. William Lester

*We present North Carolina as a working laboratory for agency within a new political economy. North Carolina has gone through a significant political transformation in recent years, threatening key institutions and channels for promoting inclusive forms for economic development. But this shift has not meant a wholesale loss or retreat of progressive actors and actions. Progress is still being made by planners and practitioners, though often in new forms and through alternative channels and partnerships. This paper presents three examples of continued efforts by planners to promote living wage standards, extend job-centered training opportunities, and upskill and upgrade legacy industries. It demonstrates the ways that planners can redirect policy goals and collectively articulate a vision of a more equitable form of economic development.*

The sluggish U.S. labor market recovery—and the growing disconnect between productivity and wage growth—has necessitated a search for a new national economic paradigm. An emergent concept is that of inclusive prosperity, which seeks to capture and strengthen policy tools for pulling up those at the lower economic echelons of our society. Advocates for inclusive prosperity include the Center for American Progress (CAP), a progressive think-tank that published a recent report by the Commission on Inclusive Prosperity, a group co-chaired by former US Secretary of the Treasury Larry Summers. The CAP report calls for well-established policy targets: for example, improvements to public and STEM education and promotion of greater college attainment. It also outlines a more ambitious federal policy agenda that establishes a significantly greater role for government intervention in the private sphere. This includes a call to increase the federally mandated minimum wage and enforce stronger workplace protections and worker rights—but equally, includes concurrent steps designed to strengthen supports for process and product innovation through targeted industrial policy.

At its heart, inclusive prosperity captures a growing recognition among mainstream economists that high levels of inequality are detrimental for continued national growth and productivity. It also reflects an ideological shift away from traditional free-market principles, which presumes prosperity automatically flows from business growth and development. In its current iteration, inclusive prosperity is a much welcomed platform for repositioning government as a more central player in market formation

*Dr. Nichola Lowe is Associate Professor of City and Regional Planning at UNC Chapel Hill. Her research focuses primarily on regional economic and labor market adjustment in the North American context. She is particularly interested in support institutions that shape strategies for industry upgrading and upskilling in ways that reflect and reinforce high-order development goals and values.*

*Dr. Meenu Tewari is an Associate Professor of Economic Development at UNC Chapel Hill. Her research focuses on the political economy of development, industrialization, urbanization, institutional reform, skill formation and upgrading within regional and global production networks. She is currently engaged in research that examines the competitiveness of cities in the context of climate adaptation and on service delivery reform in the water sector.*

*Dr. T. William Lester is an Assistant Professor of City and Regional Planning at UNC Chapel Hill. His research interests are broad within the field of urban and regional economic development, but generally focus on the role of social institutions and policy interventions in reducing income inequality and promoting balanced economic growth. In a comparison between San Francisco and the Research Triangle, Dr. Lester is currently analyzing how higher labor standards are reshaping employment practices in the restaurant industry.*

and development—this includes support for interventions that are designed to shape and guide business principals and decisions. But with this pro-government stance also comes an opportunity for us to better position the work of local economic development practitioners and especially those linked to the profession of city and regional planning. Inclusive prosperity is akin to what we practice and promote in the field of economic development planning. Beyond making the rhetorical connection however, we believe there is an opportunity for local practitioners, including planners, to step out from the shadows and shine a brighter spotlight on the existing contribution of our profession to strategies of inclusion. And building from this, we seek to elevate planners, broadly defined, as crucial actors in framing and reframing a new national policy agenda.

Planning scholars across all specializations, including contributors to foundational theories of planning, have long pushed cities and regions to adopt strategies of greater inclusion—think advocacy and equity planning in the 1970s and 80s. Concepts around inclusion, justice, and equity abound and are commonplace in planning discourse and debate. These concepts are also integrated into norms of professional ethics and are incorporated into the official mission of the American Planning Association. Additionally, local practitioners, including those with planning backgrounds, have helped move this agenda forward through daily practice. They are at the heart of planning efforts to promote affordable housing, transit-oriented development and job-centered approaches to economic revitalization. As this suggests, planners—both within the academy and through their continued work in cities and communities—are not just positioned to change gears and implement a new national agenda of inclusion. They are already at the frontier, establishing themselves as pioneers in strategy implementation and are making progress on many fronts through decades of tireless work and advocacy.

But planning has more to offer than touting an existing commitment to inclusion. Lessons can also be drawn from earlier planning missteps and mistakes. For example, planners and related practitioners have learned over the decades to move away from more technocratic models that impose solutions from above to more participatory approaches that ensure members of marginalized and at-risk groups are heavily involved in problem framing and resolution. Equally, experiments in local and regional planning help shed light on innovative approaches to introducing policy change within deeply divided political environments. Planners are especially well positioned for navigating partisan barriers. They are not constrained to working within the confines of government agencies. Rather they act within and move through multiple institutional spaces—in some cases as founders, staff, or consultants for non-profits, universities, and for-profit organizations and initiatives. This opens up the possibility for creative partnering that transcends

traditional organizational and even political boundaries—partnerships that can also be issue-oriented and thus bi-partisan in form. As such, planning offers insights for how to address deep economic and labor market disparities, even during times of political stalemate at the federal and sub-national level.

### **North Carolina as Planning Laboratory**

We present North Carolina as a working laboratory for agency within a new political economy. The state of North Carolina has gone through a significant political transformation in recent years, shifting away from its historic progressive roots. Admittedly, North Carolina's progressive past has its own limits and mostly came in the form of business progressivism, which in the U.S. South is often accompanied with state-mandated policies to minimize labor union representation and worker voice. But still, past administrations and elected officials in North Carolina demonstrated a strong commitment to institution building as a means to promote broadly-shared prosperity. Previous administrations strongly promoted public and higher education and made substantial investments to extend pathways into meaningful careers through a robust and much-praised community college system.

The state government also positioned North Carolina as an institutional pioneer in economic development. In the mid-1950s, the State, in partnership with prominent business and university leaders, worked to create the Research Triangle Park. In the 1980s, the State created and funded the nation's first economic development agency in biosciences and at a time when only one biotechnology firm resided in the state. The Biotech Center, as it is now called, was itself one of three related actions undertaken by the North Carolina Board of Science and Technology in 1981, including forming the Microelectronics Center of North Carolina and School of Science and Math, a prestigious public high school. These forward-thinking actions have in turn inspired other institutional actions and sector-based initiatives to take hold. Admittedly these efforts have disproportionately benefited urban residents in our state. Here too, the state has attempted to diffuse these gains—past recipients of state funding included the Rural Economic Development Center and a number of other state-supported institutions targeting underserved populations and impoverished rural communities.

Under new political leadership, the fate of this institutional infrastructure remains unclear. Dozens of economic development institutions have been disbanded or presently struggle in the face of budget constraints. Steps to privatize key divisions of the state Department of Commerce have raised timely questions about potential conflicts of interests and concerns about the ability of practitioners to continue to enact smart forms of economic development. Additionally, legislative actions have been introduced which undermine local governments' ability to regulate economic activities.

While this shift represents an ideological and political

U-turn for North Carolina, it has not meant a wholesale loss or retreat of progressive actors and actions. Progress is still being made to address the underlying causes of inequality and poverty, though often in new forms and through alternative channels. This suggests room for agency through which practitioners involved in economic development planning can redirect policy goals. As educators and scholars in planning, we have not simply observed these strategies from afar but have participated in their development through our applied research and our work with students and graduates. We turn next to three examples from that work with the goal of motivating continued action in North Carolina and beyond.

### **Moving Beyond a Low-Wage Economy: The Prospects for Raising Labor Standards in NC**

While the post-Great Recession recovery is finally making headway in terms of employment growth—with 8.45 million jobs created since the 2009—the nature of economic growth over this period has largely been a continuation of the type of bifurcated growth that occurred over the previous two decades. Specifically, job growth has occurred in a limited set of high-wage, high-technology industries such as professional and technical services, but the labor market is also creating a much larger number of jobs in low-wage, service sector industries such as restaurants (with an average wage of \$274 per week) and retail (\$496). With opportunities in the middle increasingly scarce, this growth drives income inequality higher (NELP, 2012).

Despite the growing concern for rising income inequality among national policymakers and new rhetoric about inequality creeping into the policy discourse from Democrats and Republicans, no major pieces of legislation, new policy initiatives, or tax reforms have been enacted at the Federal level. In response to the stalemate in Washington, state legislatures and local city council chambers have pushed ahead with a policy agenda to directly intervene in the labor market in order to raise labor standards and ultimately seek to ameliorate wage inequality. As of 2015, 29 states have a minimum wage higher than the federal level of \$7.25, and 14 of them passed bills or ballot initiatives raising the minimum wage in the last year. The lists of states enacting higher minimum wage laws is not limited to the traditional “blue states” on the coasts, as raises were passed in Nebraska, Arkansas, and South Dakota.

Beyond these state actions, local governments have pressed the case for higher labor standards, some even meeting the call for a \$15 minimum wage made by a national fast-food worker organizing campaign. Although, San Francisco, Santa Fe, and Washington D.C. were early adopters of city-wide minimum wage laws in the early 2000s, the current trend increased dramatically in breadth and depth after the small city of SeaTac—near Seattle’s airport—set its minimum to \$15. Today, 14 major cities and counties have passed minimum wage laws that apply

to all private sector employers with a range of pay rates well above the state or federal levels and approaching \$15 per hour over a period of years (Dube, 2015). These laws, while controversial and opposed by some business leaders, have the potential both to improve the lives of large segments of the low-wage workforce and directly ameliorate the problem of wage inequality from below. For example, there is a proposal in Los Angeles to increase the minimum wage to \$13.25 per hour by 2016. Researchers at UC Berkeley estimated that over 567,000 residents would see a wage increase, totaling \$1.8 billion in additional spending power across the City (Reich, Jacobs, Bernhardt, & Perry, 2014). In addition, we can look to how San Francisco’s comprehensive set of labor standards—which includes not only a minimum wage that has been indexed to inflations since 2004, but also health-care spending mandates and paid sick leave—have impacted the relative wage growth of low wage workers. Between 1996 and 2011, wage growth in the restaurant sector (which is the most intensive user of minimum wage workers) was 30.6 percent, while total private sector wages grew by 17.7 percent.

Despite the ‘rescaling’ (Brenner, 2004; Lester, 2009) of labor standards regulation—from the Federal to local scales—North Carolina has recently taken steps to reverse this trend. Specifically, the State Legislature passed HB74 (“The Regulatory Reform Act of 2013”), which places limits on the ability of local governments to enact living wage mandates on private sector firms that provide contracted services. As a result of this change, Durham County recently dropped its contractor living wage provision. Despite the continued popularity of high labor standards regulation among North Carolina citizens, the current political environment in Raleigh does not seem hospitable to a state-level minimum wage increase in the near future.

Does this mean that efforts to improve wages and working conditions for the estimated 31 percent of workers in North Carolina engaged in low wage work will remain stalled? Not necessarily. Civic leaders, labor advocates and local business owners continue to press for living wage standards through voluntary living wage certification programs. This model seeks to publically recognize businesses that agree to pay their workers a living wage (set to the local cost of living) and aims to raise standards by encouraging consumers to patronize businesses that are certified as living wage employers. The most extensive example to date in North Carolina is Asheville’s Living Wage Certification program. Started in 2008 by the non-profit organization Just Economics, the program now lists over 300 businesses as certified living wage employers in and around the City of Asheville. These employers must pay at least \$12.50 per hour and represent a variety of industrial sectors including restaurants, retail, construction, and manufacturing. Recently, a group of restaurants in Durham agreed to join the Durham Living Wage certification program—a project that started in

2014 by the Durham People’s Alliance—and will pay their workers approximately 70 percent more than the prevailing federal minimum wage of \$7.25 per hour. In Durham this emerging program now covers 42 employers and 757 workers. Two participating firms, Monuts and FirstHand Foods, were founded by graduates of the UNC-Chapel Hill DCRP master’s program.

While these voluntary efforts are impressive and have the potential to help workers who are covered by the program, the number of workers affected still remains small in comparison to the scale of the problem of low-wage work. In the fall of 2014, a group of DCRP masters students undertook a semester-long project to document the state of low wage work in North Carolina and to estimate the impact of potentially raising the minimum wage in the State. The most likely avenue for this would be at the Federal level. According the State of Low Wage North Carolina ([www.lowwagenc.org](http://www.lowwagenc.org)), approximately 723,500 people would be impacted by increasing the minimum wage to \$10.10 per hour. These individuals include all workers currently earning between \$7.25 and \$10.10 per hour and their dependents, as well as those slightly above \$10.10 who would receive raises based on a “ripple effect.”

Thus, there is still a lot of work to be done in North

Carolina to help the lowest earning workers achieve economic stability and family security. While voluntary certification programs are essential in the current political climate, their impact is perhaps most important from a rhetorical rather than material point of view. As Lester (2014) points out, keeping the issue of living wages alive in state and local policy discourses can be essential to any future legislative agenda that focuses on raising labor standards.

### Next Generation Workforce Strategies

Wage increases benefit not only working families but also the businesses that employ them. As one example, wage increases have recently been proposed as a solution to industry skill shortages: the assumption is that increased wages will motivate skilled, yet underemployed workers to seek out and even relocate for better paying jobs for which they are already well qualified.

But simply raising wages to resolve immediate industry skill needs ignores an opportunity to promote inclusive prosperity through intentional strategies that also influence who gets access to good paying jobs that facilitate career advancement through work-based training and skill development. Rather than assuming an external market for skill—one in which businesses simply buy



and trade skill on the open market—workforce strategies can play a role in getting employers to contribute to and invest more fully in employee upskilling, in turn opening doors for individuals that might not have the complete spectrum of required skills and experiences at the time of hiring. In essence, these interventions help shift some of the responsibility for skill development back onto employer by helping them realize that skill is a collective and constructed resource that requires their on-going investment and support.

Work by Nichola Lowe has examined this labor market challenge in the context of U.S. manufacturing and through a close study of institutions that position themselves as workforce intermediaries (Lowe 2015). Workforce intermediaries are dual-customer, insofar as they respond to the needs of both employers and job seekers. But they use their role in local and regional labor markets to do much more than make a good initial match. Ultimately, they position themselves to influence labor market dynamics within and outside the firm, by shaping employer expectations and practices around skill and with the goal of extending employment opportunities for disadvantaged and underserved populations.

In North Carolina we find strong evidence of workforce intermediation. One example is in biomanufacturing, where a network of state-sponsored community college and workforce development institutions have intervened to help firms realize they can relax initial hiring requirements and, in the process, broaden their eligible hiring pool (Lowe, 2007; Lowe, Goldstein and Donegan, 2011). Initially focused on workers displaced from traditional manufacturing industries, strategies of intermediation in biomanufacturing also benefit newer labor market entrants by demonstrating the value of non-traditional credentials and transferable qualifications such as military experience. But equally, these intermediaries help firms strengthen their own internal training programs, somewhat paradoxically by externalizing more standard training protocols. In essence, they create general-use training modules and certificates, thereby allowing employers to invest more heavily in firm-specific training and building in-house expertise.

Unfortunately, budget cuts and organizational changes have started to chip away at some of this institutional infrastructure. Most notably, some state-sponsored training institutions that once used their position to advocate on behalf of job seekers have moved toward more exclusionary models that cater narrowly to the needs of employers. This change was introduced in response to state withdrawal of essential funding, in turn forcing these institutions to raise money through the collection of user fees from private business. In exchange, employers expect training for their incumbent workforce or for individuals they have already hired through other channels, including private staffing agencies.

With this emergent challenge also comes an interesting workaround—one that suggests ways

that planners and related practitioners can respond to hardening (and often politically motivated) budget constraints. Staff and trainers that long valued their dual role in advocating on behalf of disadvantaged job seekers are finding new channels for continuing to play that role. One staff member moved permanently into a private sector job, using his position within a prominent biomanufacturing firm to continue to influence industry hiring decisions. Others have strengthened their informal networks within the private sector, most notably drawing on networks of former trainees and program alumni to help them advocate on behalf of newer generations and graduates. This network strategy has been especially effective in light of changing organizational approaches to human resource management. In essence, these alumni networks act to maintain and deepen organizational awareness of the value of these institutional supports, especially during periods of staff turnover or outsourcing of human resource functions.

These adaptive strategies are not simply moving in one direction—that is to say, from the public to the private sphere. It is therefore wrong to conclude from this one example that government support for workforce development is no longer needed. In North Carolina we are also observing counterexamples where employer-driven solutions are rescaled and institutionalized through government-sponsored programs and initiatives. A great example is that of Apprenticeship 2000, an innovative apprenticeship program that was started in the mid-1990s by a half dozen small and medium-sized manufacturers—the vast majority (in fact all but one) had European roots and thus, prior experience with formal apprenticeship models. In the past few years, a growing network of government sponsored agencies has stepped in, including the North Carolina Department of Commerce, the Community College System, and even county-level school districts, to replicate the Apprenticeship 2000 model and with the goal of creating rewarding careers in advanced manufacturing for more North Carolina youth. A key focus involves helping non-European firms understand the value of this model for long term productivity growth and innovation.

Considerable investment by firms is essential for apprenticeship success—on average, Apprenticeship 2000 members invest \$150,000 per apprentice. But institutional actors pushing to diffuse the model are also cognizant of the need for government involvement and financing to overcome initial reservation by firms to participate. As the Apprenticeship 2000 case illustrates, it takes time for firms to realize the full benefits of this investment—at the beginning it can also be very hard to recruit young apprentices as there are no others ahead of them to illuminate career development potential. Yet a virtuous cycle can take hold once that threshold is crossed that can also propel firms to invest in apprentices during periods of economic downturn. As such, getting this model to initially stick requires considerable resolve, resources, and public-sector buy-in.

With that in mind, a new economic development partnership has recently been formed by NC Commerce and the state's community college and University of North Carolina systems to extend the model to high-growth sectors, including healthcare and information technology. That effort seeks to reinforce North Carolina's national position as a pioneer in next generation apprenticeships. And as such, it provides another great example of adaptive strategies of inclusion in North Carolina's ever changing political economy.

### **Institutional Change and the Resurgence of Traditional Sectors**

A third example of progress towards shared prosperity are institutional shifts that help rebuild, restructure, and revitalize segments of North Carolina's old industries: furniture, textiles, machining, and agriculture. This involves recognizing and valuing the rise of sunrise segments in the so-called "sunset" of traditional industries that have provided millions of North Carolinians with pathways to the middle class for over a century. Their geographical spread across the state – well beyond the Research Triangle Park and the Charlotte-Wilmington metropolitan belts—means that growth in these sectors can also spread good paying jobs around the state. Despite three decades of attrition, there is plenty of evidence not only of life, but of dynamism in these sectors. Meenu Tewari's research (2004, 2005, 2012) shows evidence of a robust rise (and resilience) of North Carolina's hosiery and non-woven clusters in the textile segment; the rapid growth and diversification of the upholstered and high-end custom-designed furniture segments – including the recent re-shoring of portions of the case goods sector that had moved overseas in the late 1990s and early 2000s; rapid transformation and restructuring of the state's post-tobacco agrarian economy with flourishing vineyards; a dynamic local brewery industry; and a steadily deepening and vibrant local foods economy.

A central driver of this new growth in old economy sectors has been the embedded and endogenous emergence of new institutional arrangements. These institutions have helped foster sectoral and cross-sectoral collective action involving private firms, universities, community colleges, industry associations, progressive local governments, workers, institutions, and intermediaries. The results of these efforts have helped shape something of a shared industrial or "institutional commons" that multiple actors can potentially draw on across local scales and geographies. We illustrate this dynamic using North Carolina's furniture industry as an example.

Between 1992 and 2012, North Carolina lost 56 percent of its furniture employment and roughly 22 percent of its establishments in the sector (BLS). In 343 reported closings in the furniture industry documented by the NC department of Commerce from 1989 through May 2013, 35,132 workers were affected (laid off) (Department of Commerce) as furniture imports surged.

Upon closer examination, however, developments in the furniture industry tell a more complex story that conflicts with expectations of a future without furniture. In the midst of an aggregate decline, some firms and workers are finding ways to stay competitive, often with the help of supporting institutions and strategic partnerships. Even as imports ballooned, furniture exports from North Carolina have grown sharply from a negligible amount in 1990 to \$150 million in 2002 and then doubling to \$300 million in 2012. Upholstered furniture has held its own and grown in NC as firms restructured toward custom made, quick turnaround high end furniture; While some core manufacturing tasks in the case goods sector have shrunk, other better paying jobs have grown, such as in design, wholesaling, logistics and distribution. Meanwhile, High Point Market, the region's flagship distribution platform, withstood a strong challenge from Las Vegas and has innovated to better anchor a resurgent furniture industry in more effective ways; and finally in the post-recession period there is growing evidence of re-shoring: several firms that outsourced production to Asia are bringing manufacturing back home.

Many leading furniture companies have remained competitive and created new employment opportunities in the state by moving into downstream links in the value chain, such as retail and design. These links are not only higher value adding than some traditional furniture manufacturing segments, but also better paying. Training and educational institutions, such as High Point University, have supported the furniture industry's movement into retail and design by modifying their curriculum to address new skill demands from companies in the region. The University's Department of Home Furnishings has been training students for marketing and management positions with home furnishings manufacturers, suppliers and retailers for almost 30 years. Recently, however, the department has been building a design component into their curriculum, which included creating an Interior Design major. According to Dr. Bennington, the department's chairman, one of the growing needs of the furniture industry is trained merchandising executives who better understand the nuances of design and also have skills to put together a product line – this involves courses in marketing, merchandising, and design.

Similarly, Rockingham Community College has introduced courses to help support the transition of furniture manufacturers into the high-end custom furniture niche by teaching advanced woodworking and design skills to students earning associates degrees and certificates in fine woodworking. These courses prepare them to design, build, and market customized products. Graduates of the program have gone on to establish their own business or find work in high-end custom furniture shops.

Upgrading worker skills alone cannot create higher sales for companies or more jobs for local residents unless there are industrial and institutional spaces for the

graduates to employ their skills. The region's furniture manufacturing companies that have survived have been those that are continually striving to not only restructure their organizational arrangements (Hickory Chair's Kaizen program) and upgrade the quality of their product lines, but also develop new markets for those products. In one of the most striking examples of collective action, six competing manufacturers – all of them high end custom furniture shops in North Carolina – entered into a strategic partnership in 2008 to facilitate these market development efforts. They came together to form the American Furniture Exporters (AFE) partnership, a consortium to find a cost effective way to develop overseas markets for their products and increase their exports.

Their strategy is based on using coordinated logistics and joint marketing to reduce costs for customers while increasing the convenience of shopping through AFE. For example, AFE coordinates orders and shipments with a single freight-forwarder and distribution firm so that shipping and credit instruments are negotiated under one umbrella. Similarly, the joint marketing effort involves matching international buyers to AFE exporters best able to serve their needs. This cooperative arrangement between companies who would otherwise be competing for customers has been supported by the Center for Emerging Manufacturing Solutions at Catawba Valley Community College, which pioneered these arrangements for the Hosiery Industry and has organized many successful joint marketing efforts with firms in other sectors – an excellent example of cross-industry institutional spillovers and learning (Willis, 2005).

Finally, the High Point Market, which was under stress in the early 2000s when North Carolina furniture was experiencing its sharpest declines, reinvented itself in 2005 most significantly by adding a "Pre-Market" as an opportunity for buyers to view market-ready furniture a week before the formal High Point Market event begins. In an ironic twist of fate, this innovation was led by Kevin O'Connor, the CEO of Samson Marketing, a Chinese company that owns the Craftmaster, Legacy Classic, Pennsylvania House, and Universal brands. The Pre-Market has been a success – it has helped increase sales and build loyal networks of buyers and suppliers, and has accompanied the re-shoring that is gaining steam: not only of American firms that took parts of their supply chain overseas (La-Z-Boy, Stanley, Broyhill and so on), but also Chinese firms and importers that are seeking a foothold in the U.S.

Of course, not all experiments have succeeded – as illustrated by Stanley Furniture Company's closing of its Robbinsville plant in Graham County in 2014 – a plant where it had brought back children's furniture manufacturing from China in the last few years. Still, these efforts demonstrate not just individual intentions, but collective and more collaborative institutional supports and innovations that leave a high-water mark of what can be accomplished when a diverse set of actors

come together to craft solutions demonstrating the power of agency and collective action in the face of crises and economic stress.

### **Reflective Conclusions**

The Great Recession has left an indelible mark on the economy of this nation—a lasting reminder of economic struggle that affects millions of individuals and families in the form of job loss, underemployment, and income insecurity. Yet, in the midst of this deep and protracted economic crisis comes an unexpected silver lining. The Great Recession has moved once buried policy discussions of income inequality and the need for strategies of socio-economic inclusion to the national fore. No longer dismissed as a marginal debate, concerns over high levels of income inequality have also emerged from mainstream policy circles—even traditional economists have raised the alarm, noting the detrimental effects of income inequality on national productivity and growth.

But naming inequality as a significant national policy problem is not the same as solving it. Federal level action has stalled in the face of aggressive partisan opposition. A more progressive federal tax code remains a distant dream. So, too, are more interventionist federal policies designed to influence wage-setting standards and improve employment practices at the establishment level. In this divisive policy environment, other channels can be explored to move the progressive agenda forward. And it is here that the planning profession is especially well suited.

As our three North Carolina examples suggest, there remains a critical role for both government and civic sector intervention in addressing the problem of inequality. Specifically, what we learn from these examples is that agency matters, whether it comes from non-profits launching a voluntary living wage certification program, a state-funded agency like the North Carolina Biotech Center, a University-based program that provides training and support for a key export industry, or progressive businesses. These examples also illustrate that planners are well equipped to traverse this institutional landscape, leveraging opportunities for progressive action. At this critical juncture, Carolina planners and related practitioners must find ways to promote inclusive prosperity even if that means exploring alternative, temporal channels for advocacy and change. Still, the real challenge for planners is drawing connections between these various efforts in order to collectively articulate a vision of a more equitable form of economic development—and in the process, influence public opinion and inspire collective action through accumulated change.

## References

- Brenner, Neil. (2004). *New State Spaces: Urban Governance and the Rescaling of Statehood*. Oxford: Oxford University Press.
- Lester, T. William. (2009). *Towards a Living Wage in the New Economy: The Politics and Economics of Building Labor Market Institutions at the Urban Scale*. Ph.D. Dissertation, University of California, Berkeley.
- Lester, T. William. (2014). The Role Of History In Redistributive Policy Discourse: Evidence From Living Wage Campaigns In Chicago And San Francisco. *Journal of Urban Affairs*, 36(4): 783-806.
- Lowe, Nichola. (2007). Job Creation and the Knowledge Economy: Lessons from North Carolina's Life Science Manufacturing Initiative. *Economic Development Quarterly*. 21(4): 339-353.
- Lowe, Nichola. (2015). From Skills Mismatch to Reinterpretation: Challenges and Solutions for Manufacturing Worker Retention and Recruitment. J. Bryson, J. Clark, and V. Vanchan (eds) *Handbook of Manufacturing Industries in the World Economy*. Edward Elgar.
- Lowe, Nichola, Harvey Goldstein and Mary Donegan. (2011). Patchwork Intermediation: Regional Challenges and Opportunities for Sector-Based Workforce Development. *Economic Development Quarterly*. 25(2): 158-171.
- N. E. L. P. (2012). *The Low-Wage Recovery and Growing Inequality* (pp. 8). New York.
- Reich, M., Jacobs, K., Bernhardt, A. D., & Perry, I. (2014). The Mayor of Los Angeles' Proposed City Minimum Wage Policy: A Prospective Impact Study (pp. 22): *Center for Wage and Employment Dynamics, Institute for Research on Labor and Employment*, UC Berkeley.
- Tewari, Meenu. (2004). Outsourcing in North Carolina's Furniture Industry. Presentation on the panel Jobs and Outsourcing, Duke University.
- Tewari, Meenu. (2005). Nonlocal Forces in the Historical Evolution and Current Transformation of North Carolina's Furniture Industry. J. Peacock, C. R. Matthews, and H. L. Watson (eds). *The American South in a Global World*, UNC Press, 113-132.
- Tewari, Meenu, Brian Taylor. (2012). *Collective Action in North Carolina's Traditional Industries*. University of North Carolina at Chapel Hill, Mimeo.
- Willis, Rachel. (2005). Voices of Southern Workers: Responses to Border Crossers in American Factories and Jobs Crossing Borders. J. Peacock, C. R. Matthews, and H. L. Watson (eds). *The American South in a Global World*, UNC Press 138-151.
- Infographics: Data analysis and data visualization by Ryan Boivin, Ali Browning, Charla Hodges, Adam Levin, Maryka Lier, Maggie Parker, Steven Reilly, Julie Stern, Genevieve Will & Cara Wittekind.  
See [lowwagenc.org](http://lowwagenc.org) for full report.

# From Concentrated Poverty to Community Wealth Building: A Report from the Field on Richmond's Comprehensive Poverty Reduction and Wealth Building Initiative

Thad Williamson

*The City of Richmond, Virginia has recently embarked on an ambitious effort to reduce the city's 26% poverty rate, encompassing multiple policy areas from education to economic and workforce development to housing. This innovative plan was developed via extensive input from citizens and strong support from Mayor Dwight C. Jones, who in 2014 established the nation's first Office of Community Wealth Building to lead implementation of the plan. This article summarizes the key components of the initiative, identifies ongoing challenges to its successful implementation, and offers brief lessons for planners and policymakers in other communities from the Richmond experience.*

In the national—and until recently, the local—imagination, Richmond, Virginia's primary cultural and political identity has been that of bastion of the Old South: a major slave trading center prior to the Civil War, capital of the Confederacy during the War itself, a major site of Jim Crow retrenchment from the short-lived political incorporation of African-Americans during the Reconstruction era, intellectual home of Massive Resistance to school desegregation in the 1950s, and a textbook case of white flight and profound structural city-suburban inequalities in the 1970s and beyond. But in the past decade, Richmond has become a key locale in national politics: a strong base of bedrock support for Barack Obama in both 2008 and 2012 that played an indispensable role in allowing Obama to carry Virginia in both elections through massive voter turnout; and most recently having under Mayor Dwight C. Jones launched a comprehensive poverty reduction initiative, including the creation of the Mayor's Office of Community Wealth Building, the first of its kind in the U.S.

This initiative is at the same time both intimately connected to Richmond's history and a bold attempt to move beyond it, without ducking the difficulties in doing so. In 2011 Mayor Jones established the Mayor's Anti-Poverty Commission with the charge of identifying root causes of the entrenched high poverty rate in the City, then measured at 25%. Both the top City officials involved in organizing the Commission and Commission members themselves interpreted this charge as an opportunity to identify the fundamental structural issues driving poverty

in Richmond, from housing policies promoting extreme concentrations of poverty to segregated schools. Work by respected local scholars and researchers informed the historical section of the final report, released in January 2013 just as Mayor Jones started his second term. That analysis found that Richmond's high poverty rate—and the region's stature as one of the weakest in the nation in promoting upward social mobility—rested on seven key historical factors:

- The general rising tide of economic inequality in the U.S. since the 1970s. Richmond showed a large drop in the poverty rate, especially for African-Americans, between the late 1950s and 1970s, mirroring similar national trends over the same period. Since then, as nationally, progress stopped and eventually went into reverse.
- The decline of manufacturing jobs and economic fortunes of blue-collar workers, especially men with a high school degree or less.
- Housing segregation by race and class, fueled by

---

*Thad Williamson is Associate Professor of Leadership Studies at the University of Richmond. He is author of *Sprawl, Justice and Citizenship: The Civic Costs of the American Way of Life* and co-author of *Making a Place for Community: Local Democracy in a Global Era*. He currently serves as the first Director of the Mayor's Office of Community Wealth Building in the City of Richmond.*

numerous factors including the destruction of thriving African-American neighborhoods by highway construction in the 1950s and then again in the 1970s; the deliberate concentration of thousands of units of public housing in an economically and socially isolated corner in the East End of the City; the lack of effective regional affordable housing policies or meaningful suburban participation in providing subsidized housing for the very poor.

- Educational segregation, fueled by the fact that each jurisdiction in the region operates its own school system. After the introduction of busing to give desegregation real teeth in the early 1970s, white and the middle-class African-American families with school-age children began leaving the City in droves. Today, just 10% of Richmond Public School students are white; over 75% qualify for subsidized lunch; graduation rates are the lowest of any division in the state; just 45% of the students starting 9th grade in Richmond in fall 2010 went on to attend a two or four-year college in fall 2014, compared to 7 in 10 students statewide; and the school buildings themselves are estimated to have hundreds of millions of dollars of deferred maintenance needs.
- The fact that Richmond is a regional metropolitan economy that has failed to develop a regional transportation system. In 1979, the majority of jobs in the regional economy were located in the City of Richmond. Now the majority are in the suburbs; city employment has actually declined markedly at the same time the regional economy has boomed; about 40% of employed City residents now work in suburban jurisdictions; yet there is virtually no mass transit in the region extend beyond the 62.5 square miles of the City, primarily due to suburban opposition to the development of regional transportation.
- The Virginia Rules of local government structure: Cities and counties are completely separate; since the 1970s expansion of cities via annexation has been blocked; under the Dillon Rule the ability of localities to innovate is severely limited, as municipalities lack powers not specifically granted by the state in the city charter.
- Finally, as elsewhere in urban America, generations of concentrated urban poverty and the decline of viable economic pathways for young men, combined with cultural changes and the massive incarceration crisis, have weakened family ties, particularly between young men and their children, often exacerbating the stress experienced by low-income children in their youngest years.

Each of these factors merit, and in many cases has already received, full-blown scholarly treatment. The real question is what can be done to address these causes. The Anti-Poverty Commission identified five top policy priorities:

- Expanding the City's newly created workforce development center in order to train and support residents seeking full-time employment at living-wage jobs;
- Economic development initiatives targeted towards creating quality job opportunities for adults with a high school diploma or less;
- Building a regional bus rapid transit system to connect City residents to suburban job opportunities (the Richmond region was ranked in the bottom 10 among the nation's 100 largest metro areas in a Brookings study of job accessibility by transit);
- Pursuing dramatic improvements in the City's school system and educational outcomes, from early childhood investments to expansion of career readiness and college access; and
- "Achieving the redevelopment of much of the city's public housing stock without involuntarily displacing residents, with the aim of weakening the concentration of poverty and improving the physical and social environment of public housing residents." (Mayor's Anti-Poverty Commission)

From a national point of view, none of these recommendations are particularly controversial. Even so, within the context of Richmond, this agenda has been perceived as bold and far-reaching. Most importantly, both the Anti-Poverty Commission Report and its key policy recommendations place increasing quality employment squarely at the center of the poverty reduction agenda, identifying unemployment and underemployment (and not, say, a culture of poverty) as the fundamental causal factor driving high local poverty rates.

While the recommendations are not particularly innovative, the implementation strategies need to be. Answer this puzzle: how can a financially stressed city, albeit one that has been on a slow growth trajectory over the past ten years, possibly find the resources to wage a local war on poverty?

The answer to that question is still a work in progress. But this first step has been taken through initial outlays of \$3.4 million in Fiscal Year 2015 and an anticipated \$3.6 million in FY 2016, spread across five policy areas (corresponding to the major recommendations of the report). A key component of this funding is the Office of Community Wealth Building, which is charged with coordinating implementation, planning the initiative's ongoing development, acting as hub and catalyst for new initiatives, and acting as a locus of accountability to the public. After publication of the Report, Mayor Jones established the Maggie L. Walker Initiative for Expanding Opportunity and Fighting Poverty, which was given the charge of identifying specific action steps to advance the broad policy goals articulated in the commission report. During a six-month planning process, about 75 residents were involved in designing a detailed implementation strategy, which settled on these goals:

- Expanding the City’s workforce center (the Center for Workforce Innovation) building on its methodology of connecting residents to opportunities for living-wage employment, then providing not only training but direct connections to employers committed to hiring participants, in two directions: to be able to serve more people per year (eventual goal of 1,000 persons a year), and to develop a model of comprehensive wrap-around service support for participants at the household level, so as to meet child care, housing, transportation, youth development and senior care needs of participants, thereby maximizing the likelihood of sustained transition into full-time employment;
- Expanded resources for economic development strategies (i.e. business recruitment) targeted to either meeting dire consumer needs of high-poverty neighborhoods (i.e. retail and groceries) and/or maximizing employment opportunities for City residents with a high school diploma or less;
- Developing a network of Social Enterprises deliberately designed to increase employment and ownership opportunities in high-poverty neighborhoods;
- Taking the first step towards building a regional transit system by constructing a Bus Rapid Transit system within the City, with the long-term aim of expanding the system into the surrounding counties;
- Pursuing redevelopment of a 504-unit aging public housing development in the City’s East End with a firm commitment to one-for-one replacement of units accessible to households with very low incomes. The entire redevelopment project when complete will include approximately 1300 units of new housing. The explicit goal is to create mixed-income communities while assuring current residents have access to workforce development and other economic opportunities throughout the transition process;
- Creation of a bridging organization focused on Early Childhood education comprehensively from prenatal to Kindergarten, encompassing the school system, City social service providers, and nonprofit providers to develop an integrated strategy for meeting gaps and raising quality of home visitation, child care facilities, and pre-K classrooms;
- City participation in a public-private partnership aimed at bringing high-quality out-of-school time programming to students, ultimately, at each of the city’s struggling middle schools;
- Creation of a “Promise Scholarship” program (modeled on the Kalamazoo Promise and over 20 related efforts) to provide privately-funded guaranteed college or technical school scholarships to all graduates of Richmond Public Schools. This program will launch in fall 2015 under the name RVA Future, and will begin by establishing a network of “future centers” in the city’s comprehensive high schools to connect students to post-secondary opportunities; and
- Institutionally, the creation of a coordinating Office, and concomitantly creation of a permanent City Board, the Maggie L. Walker Citizens Advisory Board, consisting of at least one-half residents living in high poverty neighborhoods, to receive regular updates from the City on this agenda’s progress, provide feedback, and issue periodic evaluations of this work’s progress.

Each one of these initiatives is a significant undertaking. For any one of the five biggest projects—workforce development, social enterprise development, public housing redevelopment, a Promise Scholarship initiative, the regional transportation initiative—to come to full fruition would be a major accomplishment, taken alone. So, too, is institutionalizing effective participation by low-income residents in this process. To pursue all these projects at the same time is, to say the least, ambitious; yet each piece is essential to the overall goal. Oddly, tackling all these elements at the same time has given the effort some credibility and buzz in a City generally given to skepticism about the capacity of local government to act effectively on core problems.

Mayor Jones’s aim is to show enough progress and success in the remainder of his term to embed this agenda as a core goal of City government, no matter who the next mayor is (Jones is limited to two terms, and will leave office on December 31, 2016). Some short-term targets will have to be hit, and inevitably there is a tension between needing to make both a deep impact—interventions that actually have a lasting impact on the economic situation of households—and a wide impact—being able to show the program is making some tangible dent in the larger statistical reality.

Even so, no one seriously thinks \$3-4 million or so a year, taken alone, will be enough to impact a poverty rate of 26% in a city of 214,000 residents. How can the resources be assembled to pay for ongoing implementation over the long term?

Step one is simply having the City show its commitment by developing an effective institutional vehicle to coordinate action across City departments and between the City and major partners such as the housing authority, school system, transit system, and local nonprofits and philanthropic foundations, and to articulate a coherent strategy for community-wide poverty reduction.

Step two, when it comes, will consist of leveraging this local commitment in order to attract much larger levels of investment from state, national, and philanthropic support. In the case of public transportation, Richmond already has had one spectacular success: The City’s initial investment of \$200,000 as a required local match for a \$4 million preliminary engineering study for the Broad Street Bus Rapid Transit project helped Richmond secure a \$24.9 million TIGER grant from the United States

Department of Transportation, announced in September 2014, for construction of the 7.6 mile long project. (The City will contribute about \$7.6 million in capital costs, with the Commonwealth of Virginia contributing about \$17 million.)

Importantly, though, the overall strategy is not wholly dependent on attaining external resources, desirable as this would be. Step three—pursued at the same time as step two—involves pursuing an “anchor strategy” for economic development that leverages the purchasing power and institutional muscle of the City’s downtown universities and hospital, as well as the City’s own purchasing power, to nurture a sector of neighborhood-based social enterprises. The approach is based on the “Cleveland Model” of community economic development exemplified by the Evergreen Cooperative Fund, albeit with a Richmond twist.

What is important for this particular conversation is that we have found in Richmond that this strategy—leveraging institutional anchors to fund new local enterprises, some of which will likely involve a form of cooperative ownership—is not perceived as too bold or far-fetched. In fact, it is this element of the strategy that has most excited Richmond residents in low-income neighborhoods. The term “wealth building” resonates powerfully, as it signals that the goal is not just increased employment, but also expanded ownership and the expansion of neighborhood assets. The strategy also accounts for the reality that while people are mobile, neighborhoods are not, and that in the long term, from the standpoint of the City as a whole, it is the neighborhoods that endure. A poverty initiative oriented towards facilitating upward mobility via geographic mobility alone will not improve the core neighborhood environments or reduce the city’s poverty rate. People and place-based strategies must go hand in hand.

Politically, the strategy is also seen as more realistic than hoping for major new programs from the state or federal level, or significant help from the neighboring, more affluent counties. It is far more likely that Virginia Commonwealth University and local hospital systems would become long-term partners in an effort to generate more job and entrepreneurial opportunities in the immediate surrounding neighborhoods of their institutions.

Time, experience, and distance will be needed to fully evaluate these efforts, but if it’s possible to create a comprehensive poverty reduction agenda of this ambition in a place like Richmond, it’s probably also possible in many other places too. We have been able to make some things happen in Richmond partly because of an alignment of political actors with shared goals, but also because of energetic and commitment leadership from “above” and “below”—a Mayor who has staked his legacy on trying to tackle this agenda, and the Commission members and community leaders who committed themselves to being sure the Report did not sit on the shelf but got translated

into concrete policy and fiscal commitments. The participation of academics in this process has provided guiding data, historical context, and analysis, and also lent credibility to the enterprise and helped build connection between City government and other actors across the institutional spectrum.

For decades, Richmond has been derided—not so much by outsiders but by its own residents—as a place resistant to change, a “hotbed of social rest,” and perhaps as one of the last places one would look for an ambitious, progressive initiative. Many challenges to the implementation of the Maggie L. Walker Initiative still remain, not least the challenge of obtaining sufficient resources from all sources. But at least for the moment, local political resistance is not one of the major obstacles: the program described here and championed by Mayor Jones has enjoyed the support of City Council and residents, many of whom are anxious to see demonstrable results from this effort.

It will take at least two more years—until 2017—before many critical questions about Richmond’s effort can be answered. Even so, our efforts in Richmond may provide some useful lessons for planners and policymakers interested in tackling economic exclusion and disparities in their own communities.

- First, be bold. No one is going to get excited about a band-aid solution that does not name and tackle the fundamental structural processes that perpetuate poverty.
- Second, be honest about the past, however painful. The Anti-Poverty Commission in Richmond stressed the importance of historical perspective in explaining the present concentration of poverty. By doing so, it allowed residents to recognize that the unpleasant residue of the era of segregationist white supremacy continues to impact life outcomes for thousands of largely African-American low-income City residents.
- Third, embrace complexity. The Anti-Poverty Commission could easily have been derailed by fixating on internal arguments about the relative importance of different causes of poverty. Instead of engaging in fruitless arguments about the relative priority of say employment vis-à-vis education, we have stressed a holistic picture in which education, employment, and housing are inextricably intertwined. Likewise, rather than duck challenging discussions about the role of family structure in exacerbating poverty, we have acknowledged such issues directly and in the process built wider coalitions of support for our approach.
- Fourth, include people in the planning process. The Anti-Poverty Commission benefitted from bringing in voices from outside City government who could bring a larger-scale vision to the topic of poverty alleviation; the Maggie L. Walker Initiative, in crafting implementation steps, then brought these

outside voices together in fruitful conversation and deliberation with key City officials to help assure proposed policy steps were actionable and realistic. Equally important, the creation of the Maggie L. Walker Citizens Advisory Board, giving low-income residents a strong voice in the process, both improved the overall set of proposals and bolstered the credibility of the initiative. It also created a community of accountability to assure that policymakers never lose sight of the urgency of redressing poverty, nor settle for the tempting habit to make excuses for continued inaction.

- Fifth, be persistent. It has taken time and commitment by many people to bring the Maggie L. Walker Initiative to life. The combination of strong political support from the top and persistent pushing from involved residents has helped make things possible in Richmond that many skeptics felt would never happen. This process is not easy, and it's not supposed to be. Sustained, determined efforts in the face of obstacles, problems and setbacks can lead to meaningful community change. In fact, there is no other way.

# Bay Area Blueprint: Worker Cooperatives as a Community Economic Development Strategy

Alison Lingane

*The growing low-wage service sector in our economy, combined with overall wage and wealth gaps that are especially concentrated in communities of color, means many working adults don't make enough money to cover basic needs. Businesses that are owned and run by their workers offer a different way of doing business that benefits workers, businesses, and society. Worker coops are a key component of a "new economy," and as such, Community Economic Development efforts should incorporate worker cooperative development into their strategies. This paper describes a project in the Bay Area of California to create a local action plan for moving towards scale and impact of worker cooperative development by engaging multi-sectoral actors. It includes a framework for assessing the opportunities in a local region to increase worker coops to benefit low wage workers, and takeaways for other regions that want to apply a similar approach.*

## Introduction

Since the global financial crisis, people have been crying out for alternatives to business-as-usual. Our wage and wealth gaps have grown dramatically, and when seen through a racial lens, are even starker yet. Wages as a percent of gross domestic product are at their lowest level since 1948.<sup>1</sup> Our good-paying middle-class manufacturing jobs have been steadily replaced by low-wage service jobs.<sup>2</sup> Large-scale absentee ownership—in which the business owner neither personally manages nor lives in the community in which the business operates—abounds. Nationwide, nearly one in three working families struggles to meet their basic needs.<sup>3,4</sup> When looked at by race, forty-four percent of working families with at least one minority parent were low-income in 2010, twice the proportion of white working families.<sup>5</sup> Many urban areas also reflect this stark reality; for example, in Oakland, California, forty-five percent of working adults don't make enough to cover their family's basic needs.<sup>6</sup>

The wealth gap also continues to grow. According to the New York Times, the wealth gap between the country's top twenty percent of earners and the rest of America has "stretched to its widest point in at least three decades."<sup>7</sup> Even since the economic recovery has taken hold, the racial wealth gap has widened. "The wealth of white households was thirteen times the median wealth of black households in 2013, compared with eight times the wealth in 2010... Likewise, the wealth of white households is now more than ten times the wealth of Hispanic households, compared with nine times the wealth in 2010."<sup>8</sup>

Small business ownership has historically been an important way for people to achieve social mobility and to build assets, and has been especially important for people with little formal education or limited access to capital.

But today, it is much harder for small businesses like retail or restaurants to succeed, as they increasingly need to compete with global corporations that have much deeper pockets.<sup>9</sup>

We are in search of a "New Economy" that can create prosperity for all, not just for those who are already wealthy or have access to high-paying jobs. We need an approach that does more than just treat the negative symptoms of today's broken economy. In 2004, Hilary Abell and I co-founded Project Equity in Oakland, California, to address these problems. We focus on worker-owned businesses as an important part of the solution to our broken economy. Project Equity's vision is a thriving local economy in which employee-owned businesses have played a key part in changing the economic equation for today's low-wage workers.

In 2014, Project Equity spearheaded an initiative in the San Francisco Bay Area with its two primary local partners (Sustainable Economies Law Center and East Bay Community Law Center) to develop a "Blueprint" for increasing worker-ownership in low-income communities. The Blueprint creates action plans within three pathways for growing the number and size of employee-owned businesses: small businesses, fast-growing young companies, and conversion of existing businesses to employee ownership.

---

*Alison Lingane* is the co-founder of Oakland, CA-based Project Equity, which builds economic resilience in low-income communities by increasing worker ownership. Alison has more than 20 years experience in community-based work and scaled social ventures. She has her B.A. from Harvard University, her MBA from the Haas School of Business at UC Berkeley, and is currently an Echoing Green Fellow.

### Cooperative business development as a CED strategy

A definition of community economic development (CED) that resonates with me is “action by people locally to create economic opportunities that improve social conditions, particularly for those who are most disadvantaged.”<sup>10</sup> CED often includes efforts such as workforce training, job placement, or even entrepreneurship supports targeted at low-income individuals.

The challenge for the field of CED today is that the mainstream economy is increasingly made up of, frankly, pretty bad jobs. The jobs available today for low-skilled workers are overwhelmingly limited. These opportunities are not only low wage, but these workers have little possibility for advancement. Our recent economic “recovery” following the Great Recession was fueled mostly by the addition of more of these same poor-quality jobs.<sup>11</sup> Are CED efforts that prepare workers to enter the mainstream economy the best we can do?

I believe that community economic development efforts are more impactful when they focus on creating more quality jobs rather than simply integrating low-skilled workers into the existing employment landscape. We should seek to create jobs that pay a living wage with benefits, jobs in which workers can advance professionally, and where they build assets and share in the profit of the businesses they help to grow. Successful efforts like recent wins to increase the minimum wage in Seattle, San Francisco, Oakland, and in four states are critical to help hold a steady line against downward wage pressure.<sup>12,13</sup> But how do we create an economy in which businesses make decisions on their own through the dual lenses of what is good for the bottom line and economic growth, as well as what is good for workers, families, and communities to ensure that our growing economy benefits us all?

*Worker-owned cooperative businesses enhance economic prosperity for individuals and communities.*

Worker-owned cooperatives are an innovative and powerful business model that can provide high quality jobs and shared entrepreneurship opportunities to low- and moderate-income (LMI) workers, as well as benefits to the broader economy. Cooperative businesses increase job quality, invest locally, and have demonstrable positive impact on job creation and on business retention.<sup>14,15</sup> Job stability is also dramatically higher in worker coops, with low turnover rates and, often, pay above industry average.<sup>16</sup>

One highly successful example of a coop benefiting low-wage workers is Natural Home Cleaning, in Oakland, CA. Natural Home Cleaning is owned by low-income Latina immigrants and was incubated by the nonprofit WAGES (now called Prospera), that documented a seventy to eighty percent increase in family incomes for worker-owners.<sup>17</sup> Another is Cooperative Home Care Associates in the Bronx, the largest worker cooperative in the United States with 2,300 employees. CHCA operates in a very low-wage industry (home health care), but has dramatically lower turnover than its peer companies; annual employee

### Benefits of Worker Cooperatives

The following summarizes research presented in a recent publication, *Worker Coops: Pathways to Scale*, written by the author’s co-founder, Hilary Abell.

#### BENEFITS TO WORKERS

- Above-market pay and benefits
- Access to shared business ownership and asset building
- Skill building and professional development
- A voice in key decisions and enhanced control over working conditions
- Dignity

#### BENEFITS TO BUSINESSES

- Enhanced growth and productivity
- Reduced employee turnover
- Business longevity

#### BENEFITS TO SOCIETY

- Better business practices and social innovation
- Democracy training
- Access to business ownership
- Correlation with other social benefits including health, education, crime, social and political participation, improved self-advocacy skills

turnover at CHCA is only ten percent, compared with industry norms of forty to sixty percent.<sup>18</sup>

*We need to unlock scale.*

Because of their ability to provide quality jobs, keep profits local, and build stronger businesses and communities, employee-owned and democratically-governed businesses stand to play a critical role in the “new economy” we envision. Growing the number and size of worker-owned cooperatives should be a key component of any community economic development strategy.

Despite the power and potential of worker-owned cooperatives, there are only about 350-400 in the entire United States, according to data from the U.S. Federation of Worker Cooperatives, and they average 11 workers each.<sup>19,20</sup> In other parts of the world—like Italy, Spain, and France—cooperatives have grown to employ five to ten percent of the workforce. For example, Mondragon, a cooperative corporation in the Basque region of Spain, has grown to encompass 257 finance, industry, retail, and knowledge-based companies that together employ more than 74,000 people.<sup>21</sup>

The question, then, is how do U.S. advocates of worker cooperatives get from today’s reality of a handful of highly effective efforts scattered across disparate geographies, to a targeted, local approach that creates impactful change within communities?<sup>22</sup> We need to unlock scale. To do

that, we need local, coordinated efforts that align multiple actors and work towards a shared common goal.

The San Francisco Bay Area embarked on just such an effort, a year-long project to create an action plan in the form of the “Blueprint for Increasing Worker Ownership in Low-Income Communities.” The Blueprint approach, process, and learnings are the focus of the remainder of this paper.

### **The Local Ecosystem and Why It Matters**

Before describing the details of the Bay Area Blueprint in more detail, it is important to position its process and action planning within a local ecosystem framework.

As Project Equity began to think about the multiple actors in our local economy—and their potential roles in a coordinated effort to unlock scale for worker coops in low-income communities, we looked to research about unlocking scale for “general” entrepreneurship (not worker cooperatives). Daniel Isenberg, from the Babson Entrepreneurship Ecosystem Project, has outlined six domains within the entrepreneurial ecosystem and how they interact with each other to ultimately lead to a tipping point at which the ecosystem becomes self-sustaining.<sup>23,24</sup> As we look to create local action plans to reach the tipping point for worker coops, two key takeaways from Isenberg’s research are important to keep in mind. First, context matters: the path to the tipping point in a given city or region can be unique. Second, the ecosystem can be influenced by a small number of influential Actors. Some places have had their big “step change” catalyzed by the efforts of just a handful of individuals.<sup>25</sup>

We go into this work with our eyes open about the need for a hands-on approach at this stage of the ecosystem’s development. We are working to scale a business structure (the worker cooperative) that is oft-misunderstood—or just completely overlooked. And we are supporting communities of workers who are most negatively affected by social, educational and economic inequality and injustice.

### *Collective Impact*

Without realizing it, the Bay Area Blueprint has helped catalyze what could be the beginnings of a “Collective Impact” effort. Collective Impact is “[t]he commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem.” It occurs when a core group of community leaders abandon their individual agendas in favor of a collective approach to addressing large-scale social change.<sup>26</sup>

Experts on Collective Impact outline three conditions that must be in place to launch a collective impact initiative: an influential champion (or small group of champions), adequate financial resources, and a sense of urgency for change. Together, these preconditions create the opportunity and motivation necessary to bring people who have never before worked together into a collective impact initiative and hold them in place until the initiative’s

own momentum takes over. Our core project team (Project Equity, SELC and EBCLC) served as the small group of champions, our year-long Blueprint project was adequately funded, and the outpouring of community support we received when we first proposed the Blueprint project demonstrated the sense of urgency for change.<sup>27</sup>

There are three distinct phases of getting a Collective Impact effort up and running (see sidebar). The Bay Area Blueprint put us at the starting point of Phase I (Initiate Action). Moving forward, we envision bringing in an even broader set of stakeholders to align their actions based on the recommendations coming out of the Blueprint.

### **The Bay Area Blueprint for Increasing Worker Cooperatives in Low-Income Communities**

The Bay Area Blueprint is a year-long research and cross-sectoral engagement process. It maps out a local action plan for the San Francisco Bay Area to increase shared business ownership for low-income workers by increasing the number of new jobs in worker cooperatives that are accessible to today’s LMI workforce.

Project Equity initiated the Bay Area Blueprint with its primary partners, the East Bay Community Law Center (EBCLC) and the Sustainable Economies Law Center (SELC). It was spearheaded in response to the HUD-funded One Bay Area Economic Opportunity Initiative, the goal of which was to define a regional approach for expanding economic opportunities for LMI workers.<sup>28</sup> The Bay Area Blueprint was awarded one of ten sub-grants

Quoting from an important article about Collective Impact, in which authors Fay Hanleybrown, John Kania, & Mark Kramer outline three phases of getting Collective Impact up and running:<sup>27</sup>

Phase I, Initiate Action, requires an understanding of the landscape of key players and existing work underway, baseline data on the social problem to develop the case for change, and an initial governance structure that includes strong and credible champions.

Phase II, Organize for Impact, requires that stakeholders work together to establish common goals and shared measures, create a supporting backbone infrastructure, and begin the process of aligning the many organizations involved against the shared goals and measures.

Phase III, Sustain Action and Impact, requires that stakeholders pursue prioritized areas for action in a coordinated way, systematically collect data, and put in place sustained processes that enable active learning and course correcting as they track progress toward their common goals.”

Strategy	Importance of Strategy	Bay Area Blueprint Component
(1) Small businesses	Small businesses (500 or fewer employees) make up 99.7 percent of all firms with employees. They generate sixty-four percent of new jobs, and pay forty-four percent of the total U.S. private payroll. <sup>33</sup> Overall, the lion's share of net new jobs are generated by firms with fewer than twenty employees. <sup>34</sup>	Pilot a Worker Coop Academy (WCA) to provide a training program for cooperative entrepreneurship, supporting LMI workers to launch worker-owned small business cooperatives in emerging industries.
(2) Gazelles: fast-growing young businesses	High-growth start-ups—referred to as gazelles—are the ones that create the most new jobs overall. “[T]he fastest-growing young firms (between the ages of three and five) account for less than one percent of all companies in the economy, yet generate ten percent of new jobs each year.” <sup>35</sup>	Create an Opportunity Roadmap to identify industry and business opportunities for creating scalable worker-owned businesses for LMI workers.
(3) Converting healthy, existing businesses to worker-owned businesses	Firms that are healthy and growing can convert to worker-ownership as an ownership succession strategy. Given the large number of retiring baby boomers, and the typical lack of succession plans for retiring business owners, we can focus on keeping healthy businesses in operation by selling to their employees.	Develop an Opportunity Roadmap for Coop Conversions to provide an analysis of the local opportunity and to design an outreach campaign for business retention via conversion to worker ownership, using Oakland as a case study.

under this initiative.

By design, the Bay Area Blueprint approach is multi-sectoral, involving partners from the business sector, our local community college, and nonprofits. Supporters include city economic development officials, our county social service agency, CBOs, and a leading B-Corp.<sup>29</sup> The Bay Area Blueprint enables multiple sectors to learn from and build on each other's progress, magnify each group's impact, and cultivate a common strategy of ecosystem-level change.

When we organized the Bay Area Blueprint effort in the fall of 2013, we didn't yet have an analysis of the existing local ecosystem. Instead, we intuitively knew that we wanted to bring together cross-sectoral actors to work on different parts of the problem to move the work forward faster and more effectively. We also knew we needed a shared plan of action, backed by solid, local, targeted research. Because of this, we embarked on a one-year project to create this action plan—which we call the Bay Area Blueprint for Increasing Worker Ownership in Low-Income Communities.

The Bay Area Blueprint focuses on the “Inner East Bay,” a part of the San Francisco Bay Area where LMI workers make up forty-seven of the workforce, significantly higher than the Bay Area average of thirty-five percent.<sup>30,31</sup> The Inner East Bay is the corridor from Hayward to Richmond between the San Francisco Bay and the hills. The current Bay Area landscape has a solid baseline of existing worker cooperatives. It is home to fifty to sixty worker coops, the highest number of any region in the U.S., that employ an estimated 800-1,000 people and

provide better pay and benefits than industry standards.<sup>32</sup>

As we embarked on the planning, we recognized that there are multiple pathways to increase the number of worker-owners in a region. As such, the project consists of one pilot and two actionable feasibility studies across the following three pathways:

- 1) Small business
- 2) Fast-growing young businesses
- 3) Business conversion to worker ownership

The Blueprint—incorporating research results, key findings, and “how tos”—will be open-source published across the Bay Area at the end of the one year research period to encourage other communities to adopt and localize the approach to their area. We describe each of the three pathways in more detail below.

### **Bay Area Blueprint Pathway #1: Small scale worker coop entrepreneurship**

#### *National examples of Worker Coop Academy efforts*

In designing the Bay Area Worker Coop Academy (WCA) pilot, we looked to the small number of existing programs in other parts of the U.S., including the Green Worker Coop Academy in the Bronx,<sup>36</sup> the Cooperative Business Institute run by Cooperation Texas in Austin,<sup>37</sup> the Colors Coop Academy focused on restaurants or food businesses, run by ROC United,<sup>38</sup> and the Worcester Roots Coop Academy in Worcester, Massachusetts.<sup>39</sup> We looked at how each one structured their programs, how long the programs were, their curricular focus, and what resources, supports and connections were fostered, and where available, what outcomes were achieved.

We also looked to our team’s Bay Area experience supporting start-up worker coops to determine what local needs we wanted to meet. Two of the project partners (SELC and EBCLC) had delivered workshops in both Spanish and English as well as legal advice clinics on starting coops to more than 480 LMI individuals in East Oakland and Richmond prior to joining the Bay Area Blueprint project. These previous workshop and clinic participants had articulated a need both for more structured training and for business and management coaching support.

*Bay Area Worker Coop Academy Pilot*

Based on these initial learnings, we outlined a three-phase WCA pilot:

- Phase 1:* Outreach. Targeted outreach via workshops, legal advice clinics, and individual conversations
- Phase 2:* Classroom. Cohort- and classroom-based cooperative business training
- Phase 3:* Coaching and Legal Counsel. Business / Worker Coop coaching and legal representation

We approached the pilot with a user-focused design philosophy: rather than first creating the program and then inviting applicants, we used the Outreach phase to assess interest level and program needs of potential participants. We also got feedback from participants throughout the classroom phase in order to adjust curriculum as we went along.

*Participant Types*

Even within small business, there are multiple pathways to worker ownership, so we decided to invite four

types of participant teams into the Worker Coop Academy. A typical team was made up of three to four individuals from the same business.

- *Start-ups:* Worker cooperatives that are in the pre-launch phase or the first year of operations
- *Growing coops:* Existing worker cooperatives that want to grow
- *Conversions:* Existing small businesses wanting to convert to worker coop from a more traditional business structure (e.g. sole proprietorship, LLC, S- or C-corp, partnership)
- *Developers:* Nonprofits that support the start-up and growth of coops within low-income communities<sup>40</sup>

As a result of active recruitment, the applicant pool had more than three times the number of teams we could invite to participate. We selected participants based on those most likely to create new worker coop jobs that are accessible to low-skilled workers, and based on the growth potential of the business. The resulting cohort included seven teams: one start-up, two growing coops, two nonprofit coop developers and three conversions. One team was made up of both coop worker-owners and staff of the nonprofit developer that supports them.

*Curriculum*

We designed the pilot curriculum around the needs of the first cohort, integrating both our assessment and teams’ self assessments of the areas in which they needed support. We drew from curriculum “building blocks” featured in the sidebar. We will be making the curriculum broadly available later in 2015.

We made connections for teams that were interested in

WORKER COOP ACADEMY CURRICULUM BUILDING BLOCKS	
<p><b>BUSINESS</b>                      Business feasibility and planning                      Business model and strategy                      Marketing                      Business financing                      Financial planning and management                      Growth planning                      Surplus, profits and taxation of coops                      Balancing business and social goals</p> <p><b>PEOPLE &amp; CULTURE</b>                      Constructive communication                      Conflict management                      Hiring, firing and evaluating workers                      Employee to worker-owner transition                      Building healthy organizational culture</p> <p><b>COOPERATIVES</b>                      Cooperative principles                      History of coops in the U.S. and internationally                      Site visits to Bay Area coops</p>	<p><b>GOVERNANCE, MANAGEMENT &amp; LEADERSHIP</b>                      Management models, roles and processes                      Governance options                      Leadership issues in coops                      Decision making practices                      Effective meeting practices</p> <p><b>LEGAL</b>                      Entity formation                      Raising capital                      Corporate governance                      Employment law issues                      Taxation of cooperatives</p> <p><b>COOP DEVELOPMENT</b>                      Coop development cycle from feasibility to maturity                      Pros, cons &amp; ethics of different development models                      Components of development process                      Defining roles and authority of developer and coop</p>

working with mentors from local worker cooperatives. We brought in guest speakers—many from local worker coops, others from local entrepreneurship programs and experts on worker coop financing—to help connect the teams to local resources, and to bring to life some of the concepts that we focused on in the classroom portion of the class. Finally, each team developed a Strategic Project, the goal of which was to make meaningful forward progress on an area of their coop business that would benefit from support from WCA instructors and mentors.

Our teams benefited greatly from the high density and number of Bay Area worker coops. Local coop worker-owners were involved in curriculum development, as guest speakers and as mentors. We spent a half day one Saturday sitting down with members of Alvarado Street Bakery, a highly successful, and long-established local worker cooperative that has reached scale of 120 workers, then touring their production plant. We also received important financial support from one of the largest local cooperatives, Rainbow Grocery. We believe that connecting existing cooperatives to our new teams was a crucial element of fostering the development of cooperative business.

We held the class sessions at our local Community College (Laney College in Oakland), which helped to raise the profile of worker coops among students, faculty, and the college administration. One of the key outcomes of the WCA pilot will be a future Community College course offering on worker cooperatives based on the WCA curriculum. Once approved, this course curriculum will be available statewide to community colleges that wish to offer it in their business programs.

Following the classroom phase, we offered additional, in-depth support in the form of business coaching from Project Equity staff and legal counsel provided by East Bay Community Law Center. We were able to continue working with a subset of the teams, chosen from the pool of interested applicants, on an individualized basis for three months. We included this more in-depth support in the design of our program knowing that classroom training isn't enough to support entrepreneurs in growing successful businesses.

### **Bay Area Blueprint Pathway #2: Incubate or accelerate scalable cooperatives**

Given that high-growth start-ups, often referred to as “gazelles,” are the ones that create the most jobs overall, we knew we needed to develop a strategy for creating businesses that grow.<sup>41</sup> We defined a growth target as reaching a minimum 50-100 jobs, and defined a time frame of five to seven years.<sup>42</sup> Our goal in this part of the Blueprint research was to identify industries or sectors that are promising for worker coop development with entry level workers, and to highlight a handful of promising business ideas to illustrate the possibility.

#### *Business Fit Scorecard*

We started by developing what we called a “Business

#### **BUSINESS FIT SCORECARD ELEMENTS**

Listed roughly in order of importance

##### **JOB CREATION**

Ability to create 50-100+ good jobs at maturity  
Speed to 50 jobs  
% of total jobs that are available ‘entry level’ to LMI workers

##### **JOB QUALITY**

Compensation level (wage, salary), relative to the actual cost to sustain a family locally  
Other job quality factors  
Permanent, full-time employment  
Includes healthcare benefits  
Equity-building opportunity  
Other (describe)  
Career laddering and professional growth potential  
Potential for higher than industry average pay and robust asset sharing (when business reaches scale)

##### **BUSINESS CHARACTERISTICS**

Potential for mission-aligned or anchor institution business contracts  
Start-up capital requirements

Fit Scorecard.” We articulated the elements of businesses that make them a good fit for developing growth-oriented worker coops with low-wage workers. We then ranked the elements and created a point system that would enable us to score a given business idea (see sidebar).

We also identified a number of other factors that we felt were important enough for consideration, but either added or subtracted points from the overall score based on answering these questions:

- Do we expect that having worker-owners will create a significant competitive advantage for the business, due to high engagement, democratic decision-making, or in other ways?
- Will the jobs created be accessible to workers with higher barriers to employment?
- Are there risks without clear mitigation strategies?
- Are there top management roles that are uniquely difficult to fill due to requirements for specialized experience or expertise?
- Are there other specific business characteristics that are positive, limiting, or negative?

#### *Industry / Sector Assessment*

Next, we focused on researching specific industries and business sectors. Our contacts with planners in local government and with local businesses helped put us in touch with key resources. We reviewed reports about the East Bay and Inner East Bay economies, produced by a range of organizations (regional economic development agencies, chambers of commerce, research groups associated with

industry clusters, and others), held conversations with nearly fifty individuals, and attended a handful of targeted industry-specific events.

The industries we considered included those that are most important in the Bay Area and the East Bay for future economic growth, and others that we believe will have high potential based on our Business Fit Scorecard. The industries and sub-sectors we researched include biotech, logistics & transportation, healthcare, manufacturing (including specialty food and other light manufacturing), renewable energy, green building services (including LED lighting retrofits), green infrastructure (including stormwater management), and technology networking / security / helpdesk services. Other regions of the country would have their own set of industries based on the local economy.

There are potential scalable worker cooperative business ideas that could be a strong fit in most of the industries and sectors. We highlight some additional considerations for identifying and prioritizing business ideas, for others considering similar research in their local area:

#### WORKER COOPERATIVES VS ESOPS

There is a form of employee ownership called ESOPs (Employee Stock Ownership Plans) that provide a partial piece of the puzzle: they provide a company's workforce with at least a partial ownership interest in the company.

For employee-owned businesses to be the transformative community economic development tool that they have demonstrated their ability to be, workers need to be empowered both through ownership and through democratic control. ESOPs typically are only partially employee-owned, and they do not include a governance requirement, meaning that there is no requirement that employees be involved in any business decisions.<sup>46</sup> Many ESOPs do practice strong participatory management (sharing of information and receiving input from employees), but many also do not. Worker coops are 'democratic workplaces' where the majority, or often all, of the board of directors is selected by a vote of the workers.<sup>47</sup>

Efforts to scale worker coops can learn a lot from the ESOP field. ESOPs have a well-established field of technical assistance providers who assist business owners in selling a portion—or less often, all—of their company to an ESOP. The National Center for Employee Ownership is a national membership organization, and there are a handful of state employee ownership centers (see for example, in Ohio, Vermont, California). Nationwide, there are approximately 7,000 ESOPs, covering 13.5 million employees.<sup>48</sup>

- Local job training programs: Particularly important in those sectors that require at least some basic skills for their entry-level jobs.
- Supply chain: Supply chain opportunities can be as important as core industry businesses. For example, even though biotech labs don't have many entry-level roles, there are some opportunities along the supply chain such as lab supply distribution.
- Mission focus: Prioritize businesses with an additional mission—such as environmental sustainability—to catalyze sustained interest among workers, funders, and investors.
- Existing local cooperatives: How can existing local coops support the development of new coops? For example, could supply chain needs of existing coops be met by new coops? Can larger, existing coops that do bulk buying help smaller start-up coops with purchasing? Can larger existing coops help with space, technical assistance, or loans?

#### Community Advisory Board

The development of worker cooperatives that create good jobs for LMI workers and grow beyond the typical threshold of five to fifteen worker-owners is complex work, requiring substantial resources, skills and time in order to deliver the deep impacts for workers, families and communities. A key next step for this work is the formation of a Community Advisory Board that will help us get broad input into the strategy and specific local approach to starting up new scalable worker coops, and will also catalyze a range of stakeholders to help garner support for this work.

#### Bay Area Blueprint Pathway #3: Business conversion to worker ownership as a business succession strategy

A 2004 study by the U.S. Small Business Administration found that only fifteen percent of family businesses succeed to the second generation, and only five percent succeed to the third generation.<sup>43</sup> Those that don't close are often sold to out-of-state buyers or private equity firms that may relocate jobs or the entire business. In the absence of succession planning, not only do we lose jobs, we lose jobs that are more likely to be locally owned and controlled, taking two steps back against Community Economic Development goals. What if, instead, we took a giant step forward by helping retiring business owners sell to their employees?

The impending "silver tsunami" of retiring baby boomers makes this issue very timely. In the U.S. today, seventy-six percent of private sector employment is in companies not traded on the stock market ("closely held companies"). And, according to the census, baby boomers own sixty-six percent of businesses with employees, leading to Businessweek's forecast that "[t]rillions of dollars of business value are going to change hands in the next ten to twenty years."<sup>44,45</sup>

### *What do business owners think?*

In numerous conversations with business owners, both in focus group settings and one-on-one, we listened to how they talked about what they want for their businesses when they retire. Business owners want their business to continue to be successful, their customers and employees to be well taken care of, their business to remain in the communities where it is already present (even if it grows to other locations, too), and of course, the financial ability to retire comfortably.

For those businesses with an explicit mission, it was extremely important for their mission to live on. Owners fear that a sale of their business to another (usually larger) company would result in its mission being overshadowed or cut out altogether, local offices or stores closed down, employees laid off and long-term, local customers deprioritized. Given the concentration of mission-driven companies in the Bay Area, we see this to be an important group of owners to start with, who are potentially predisposed to considering worker ownership.

### *Has this been done before? What can we learn?*

Project Equity interviewed a range of businesses that have completed conversions to employee ownership in order to understand business owner and employee motivation, process and timeline, and resources and technical assistance needed. Oakland-based Sustainable Business Alliance, our local affiliate of BALLE—the Business Alliance for Local Living Economies— and the U.S. Federation of Worker Cooperatives were very helpful in identifying potential businesses and in making introductions. A resulting series of a dozen business conversion case studies is available on Project Equity’s website.<sup>49</sup>

Some key takeaways from the case studies and research are that most people don’t know much, if anything, about the option of selling a business to their employees. If they do know something about employee ownership, they are more likely to be familiar with ESOPs than with worker cooperatives. A good entry point for education about employee ownership and worker coops is succession planning or retirement, because it captures people when they are already thinking about a sale of the business. We have an opportunity in front of us now to kick off aggressive outreach through strategies that focus on educating business owners, professional service providers (lawyers, CPAs, etc.), and investors about worker cooperatives.

Some key “readiness factors” for businesses considering a transition to worker ownership include being on strong financial footing and having existing or a planned transition to participatory management. It’s important to plan for education and support during the transition for both owners and employees so that they can make a well-informed decisions.

### **Next Steps**

The Blueprint itself—the research results and action recommendations—will be created and open-sourced through the Bay Area near the end of March 2015. It will summarize the findings, learnings and recommendations for action. Some likely recommendations include:

*Organize for Collective Impact.* Maintain involvement by the stakeholders who were participated in developing the Blueprint, and animate other actors within the local ecosystem to help unlock scale across the three pathways. The Ecosystem project previously mentioned will inform this approach, and Project Equity will continue to play a key role in convening concentric circles of key stakeholders to move the projects forward.

*Pathway #1:* Small-scale worker coop entrepreneurship. Continue offering the Worker Coop Academy. Ensure that the community college class is offered and well-received.

*Pathway #2:* Incubate or accelerate scalable worker cooperatives. Develop a Community Advisory Board and begin to map out how to fund and support the development of a series of larger scale worker cooperatives.

*Pathway #3:* Business conversion to worker ownership as a business succession strategy. Initiate outreach campaigns to identify businesses that are candidates for conversion; support those business owners as they consider employee ownership and take the steps to transition their businesses. Project Equity plans to take a leading role in this effort.

### **Takeaways for other regions interested in applying the Blueprint approach**

Action steps for implementing a similar Blueprint approach in your city or region would include:

1. Create a core collaborative with a small number of organizations who bring complementary capabilities and resources to the project.
2. Involve a broader group of actors to participate at various levels, to ensure that multiple sectors’ points of views, resources, and capacity are being tapped.
3. Develop an analysis of your local Ecosystem for Scaling Worker Cooperatives that outlines key actors, their roles, and what action should be catalyzed to unlock scale.
4. Co-create a strategy that incorporates multiple pathways to worker ownership.
5. Implement pilot project(s) in which several stakeholders collaborate, ideally representing different actors and roles, and ideally across multiple pathways.
6. Create/publish a localized Blueprint that articulates the strategy and maps a future plan of action.
7. Ignite coordinated Collective Impact action by sharing the Blueprint more widely to generate excitement and engage cross-sectoral actors in implementation.

## NORTH CAROLINA SNAPSHOT

There are some important efforts already underway or in development in North Carolina that integrate worker cooperatives as a community economic development strategy. Here are some examples:

**Opportunity Threads**, located in Morganton, NC and a founding member of the Carolina Textile District is a cut and sew worker coop with 20 workers. It brings together North Carolina's textile heritage with new technology that enables "crafted production"—smaller runs and customization but also the ability for scale and volume. Opportunity Threads is focused on working within the textile industry to strengthen the local economy for workers.

**Carolina Common Enterprise** is a cooperative development center focusing on North Carolina and Southern Appalachia. Among other work, CCE will be developing a network of worker- and consumer-owned grocery store coops.

**Solution Generators Network** is in the early stages of LEAF Durham, a project that plans to connect new worker coops with the procurement purchasing needs of Durham anchor institutions.

These projects build on North Carolina's and the South's rich heritage of mutualism, as exemplified in the African American community and other rural communities across the state.<sup>50</sup>

### Conclusion

Expanding worker cooperatives in low-income communities can be a powerful, deeply impactful community economic development strategy. Worker coops provide quality jobs, keep profits local, and build stronger businesses and communities. We need to unlock scale and grow the number and size of worker coops for their impact to be felt by more people, and to have ripple effects into families and the broader community.

A coordinated effort that aligns multiple actors and works towards a common goal of scale has the potential to create greater impact. The San Francisco Bay Area—representing the largest worker cooperative economy in the U.S.—is one important place to focus on scaling. It is important to incorporate multiple pathways for increasing worker ownership within a local economic ecosystem, to know which local actors are most interested in each, and to tap the supports they can provide.

The "Blueprint" process and approach is a powerful way to make progress towards magnifying the impact of any single effort or organization, and in the right local conditions can lead to the creation of a Collective Impact Action Plan. We learned through our year-long project that a small core group with strong leadership can be very effective in pulling in involvement from different stakeholders.

I welcome thoughts, comments, and suggestions, and hope that many other cities or regions can learn from and apply this Blueprint approach.

For more information and resources visit [www.project-equity.org/bay-area-blueprint/](http://www.project-equity.org/bay-area-blueprint/).

### Endnotes

<sup>1</sup> <http://www.nytimes.com/2014/04/05/business/economy/corporate-profits-grow-ever-larger-as-slice-of-economy-as-wages-slide.html>

<sup>2</sup> <http://www.theatlantic.com/business/archive/2012/01/where-did-all-the-workers-go-60-years-of-economic-change-in-1-graph/252018/>

<sup>3</sup> <http://www.prb.org/Publications/Articles/2012/US-working-families.aspx>: "Despite working hard, nearly one in three working families are struggling to meet basic needs," [said Brandon Roberts, Working Poor Families Project manager]. "In America we assume that work pays, but for these families, jobs are not providing the rewards necessary to get by, much less build any economic security." PRB defines "low income"—those who struggle to meet basic needs-- as below 200 percent of the federal poverty limit, which is a very low threshold in some parts of the country with high costs of living, like the San Francisco Bay Area.

<sup>4</sup> <http://www.prb.org/Publications/Articles/2012/US-working-families.aspx>

<sup>5</sup> [http://www.workingeastbay.org/downloads/State of Work in the East Bay and Oakland 2012.pdf](http://www.workingeastbay.org/downloads/State%20of%20Work%20in%20the%20East%20Bay%20and%20Oakland%202012.pdf)

<sup>6</sup> <http://www.nytimes.com/2014/12/18/business/economy/us-wealth-gap-widest-in-at-least-30-years-pew-study-says.html>

<sup>7</sup> <http://www.pewresearch.org/fact-tank/2014/12/12/racial-wealth-gaps-great-recession/>

- <sup>8</sup> The face of local business has changed dramatically in recent decades as chains have replaced neighborhood businesses. See the Institute for Local Self Reliance: <http://ilsr.org/key-studies-walmart-and-bigbox-retail/>
- <sup>9</sup> [http://ccednet-rcdec.ca/en/what\\_is\\_ced](http://ccednet-rcdec.ca/en/what_is_ced)
- <sup>10</sup> [http://www.nytimes.com/2012/08/31/business/majority-of-new-jobs-pay-low-wages-study-finds.html?\\_r=0](http://www.nytimes.com/2012/08/31/business/majority-of-new-jobs-pay-low-wages-study-finds.html?_r=0)
- <sup>11</sup> <http://www.sfgate.com/bayarea/article/Higher-minimum-wage-in-SF-leading-easily-in-early-5871304.php>
- <sup>12</sup> <http://www.dailykos.com/story/2014/11/05/1342067/-Minimum-wage-wins-show-the-power-of-organizing#>
- <sup>13</sup> “Measuring the Social and Economic Impact of Food Co-ops” 2012 report by Strongertogether.coop
- <sup>14</sup> Carol Murray, British Columbia Co-operative Association, “Co-op Survival Rates in British Columbia,” June 2011 (p. 2). Five-year survival rates for coops were 64-67% compared to other studies showing comparable rates for conventional startups at 40-50%.
- <sup>15</sup> Worker Cooperatives: Pathways to Scale, by Hilary Abell found at <http://www.project-equity.org/worker-cooperatives-pathways-to-scale/>
- <sup>16</sup> Conversation with Hilary Abell, who was Executive Director of the nonprofit WAGES that developed Natural Home Cleaning for the 8-year period during which Natural Home Cleaning was launched and grew to nearly 40 worker-owners. WAGES re-branded to Prospera in late 2014. Hilary Abell and the author are co-founders of Project Equity.
- <sup>17</sup> Peggy Powell of Paraprofessional Healthcare Institute, in conversation with Hilary Abell on 11/12/13
- <sup>18</sup> <https://www.usworker.coop/about/what-is-a-worker-coop>
- <sup>19</sup> <http://www.yesmagazine.org/issues/the-end-of-poverty/how-america-s-largest-worker-owned-co-op-lifts-people-out-of-poverty>
- <sup>20</sup> [http://www.canadianworker.coop/sites/canadianworker.coop/files/CWCF\\_Research\\_Paper\\_International\\_16-6-2010\\_fnl%5B1%5D.pdf](http://www.canadianworker.coop/sites/canadianworker.coop/files/CWCF_Research_Paper_International_16-6-2010_fnl%5B1%5D.pdf)
- <sup>21</sup> <http://www.mondragon-corporation.com/eng/about-us/economic-and-financial-indicators/highlights/>
- <sup>22</sup> According to Worker Cooperatives: Pathways to Scale, by Hilary Abell, as of 2013, there were 14 worker cooperatives with 50 or more members. Of these, seven have between 50-100 employees, two have between 100-200, four between 200-300, and one outlier—Cooperative Home Care Associates—has 2,300. See: <http://www.project-equity.org/worker-cooperatives-pathways-to-scale/>
- <sup>23</sup> <http://www.babson.edu/executive-education/custom-programs/entrepreneurship/Pages/entrepreneurship-ecosystem.aspx>
- <sup>24</sup> <http://www.forbes.com/sites/danisenberg/2011/05/25/introducing-the-entrepreneurship-ecosystem-four-defining-characteristics/>
- <sup>25</sup> Ibid.
- <sup>26</sup> Collective Impact by John Kania & Mark Kramer. Stanford Social Innovation Review, Winter 2011, p 36-41.
- <sup>27</sup> Channeling Change: Making Collective Impact Work. By Fay Hanleybrown, Jhn Kania, & Mark Kramer. Stanford Social Innovation Review. January 26, 2012. Found here: [http://www.ssireview.org/blog/entry/channeling\\_change\\_making\\_collective\\_impact\\_work](http://www.ssireview.org/blog/entry/channeling_change_making_collective_impact_work)
- <sup>28</sup> The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) received a grant from the U.S. Department of Housing and Urban Development (HUD), a portion of which went to the Economic Opportunity sub-grants, including the Bay Area Blueprint.
- <sup>29</sup> See <http://www.project-equity.org/bay-area-blueprint/> for more detail on local project partners
- <sup>30</sup> Our definitions of low- and moderate-income come from research led by SPUR in the SF Bay Area. Low-income is 80 percent of the region’s median wage, which equals \$18 per hour. Middle-wage jobs are those that pay between \$18 and \$30 per hour. SPUR selected \$30 per hour as the upper end of the middle-wage job spectrum because it is a natural breakpoint on the wage scale. See: <http://www.spur.org/publications/spur-report/2014-10-01/economic-prosperity-strategy>
- <sup>31</sup> Terplan, Egon. “Bay Area Economic Prosperity Strategy: Presentation to the Steering Committee.” May 10, 2013.
- <sup>32</sup> Including Alvarado Street Bakery, Missing Link and Rainbow Grocery (all decades old), as well as Arizmendi Bakery and Natural Home Cleaning, which have retained high quality jobs and served thousands of East Bay Consumers for more than 10 years.
- <sup>33</sup> <http://smallbusiness.chron.com/important-small-businesses-local-economies-5251.html>
- <sup>34</sup> The Role of Small and Large Businesses in Economic Development, By Kelly Edmiston, Federal Reserve Bank of Kansas City: <http://www.kansascityfed.org/publicat/econrev/pdf/2q07edmi.pdf>
- <sup>35</sup> [http://www.kauffman.org/~media/kauffman\\_org/research%20reports%20and%20covers/2010/04/highgrowthfirmsstudy.pdf](http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2010/04/highgrowthfirmsstudy.pdf)
- <sup>36</sup> <http://www.greenworker.coop/coop-academy/>
- <sup>37</sup> <http://cooperationtexas.coop/about-us/programs/cooperative-business-institute/>
- <sup>38</sup> <http://rocunited.org/michigan-2/colors-co-op-academy/>
- <sup>39</sup> <http://www.worcesterroots.org/2012/11/28/co-op-academy/>
- <sup>40</sup> Nonprofits have played a key role in some of the largest worker cooperatives in low-income communities including, for example, WAGES (rebranded to Prospera), Cooperative Home Care Associates in the Bronx, and the Evergreen Cooperatives in Cleveland.
- <sup>41</sup> Ibid.
- <sup>42</sup> Based on the sizes of the largest existing worker cooperatives, see previous note.
- <sup>43</sup> According to the Ohio Employee Ownership Center, see: <http://www.oeockent.org/exif-planning>
- <sup>44</sup> <http://www.axial.net/forum/baby-boomers-deal-flow/>
- <sup>45</sup> <http://www.businessweek.com/ap/2013-05-15/retiring-boomers-driving-sales-of-small-businesses>
- <sup>46</sup> According to the National Center for Employee Ownership, A Statistical Profile of Employee Ownership, Updated June 2014, it is estimated that only 30-40% of ESOPs are 100% employee owned. See: <http://www.nceo.org/articles/statistical-profile-employee-ownership>
- <sup>47</sup> Note that larger worker cooperatives more typically have hierarchical management structures—versus flat management structures, within the democratic governance framework.
- <sup>48</sup> As of 2014, according to the National Center for Employee Ownership: <http://www.nceo.org/articles/esop-employee-stock-ownership-plan>
- <sup>49</sup> See <http://www.project-equity.org/case-studies-business-conversions/>
- <sup>50</sup> Gordon Nembhard, Jessica. *Collective Courage: A History of African American Cooperative Economic Thought and Practice.*

# Planning the City in the New Economy: Comprehensive Planning in Austin, Texas

Gregory Claxton, Matthew Dugan, and Larry Schooler

*Austin, TX, exemplifies many challenges in planning for fast-growing Sun Belt cities. The process to create the recently adopted Imagine Austin Comprehensive Plan shows the difficulty in matching the tools of traditional comprehensive plans with interrelated New Economy issues and best practices in community engagement.*

Fast-growing Austin, Texas, is at the center of a number of trends facing cities across the country. The rise of high tech and other knowledge-based industries, the return to the city of high- and middle-income families, and the rise of the consumer city based around access to amenities have all played out in Austin over the last two decades. In 2009, the City set out to update its decades-old comprehensive plan. The ambitious two-year process, called “Imagine Austin,” was driven by community engagement. The process sought to address some limits of the traditional comprehensive plan and planning process in grappling with problems of the New Economy.

## Planning Powers in Austin

Since 1985, Austin’s City Charter gives the city’s comprehensive plan a central role in city decision-making. It represents the City Council’s policies on growth, development, and land use. With a prior plan adopted in 1979 and specifically grandfathered under the 1985 Charter, that power was never used.

According to the City Charter, the City Council must adopt a comprehensive plan by ordinance that contains its “policies for growth, development and beautification of the land within the corporate limits and the extraterritorial jurisdiction of the city.” The plan must address ten elements: (1) a future land use element; (2) a traffic circulation and mass transit element; (3) a wastewater, solid waste, drainage and potable water element; (4) a conservation and environmental resources element; (5) a recreation and open space element; (6) a housing element; (7) a public services and facilities element, which shall include but not be limited to a capital improvement program; (8) a public buildings and related facilities element; (9) an economic element for commercial and industrial development and redevelopment; and (10) health and human service element.

The charter specifically calls for coordinated

and internally consistent elements. Once adopted, “all land development regulations including zoning and map, subdivision regulations, roadway plan, all public improvements, public facilities, public utilities projects and all city regulatory actions relating to land use, subdivision and development approval shall be consistent” with the plan.

Rapid growth, combined with strong public concerns over the character and location of that growth, requires a clear consensus vision for growth management using the tools of the plan.

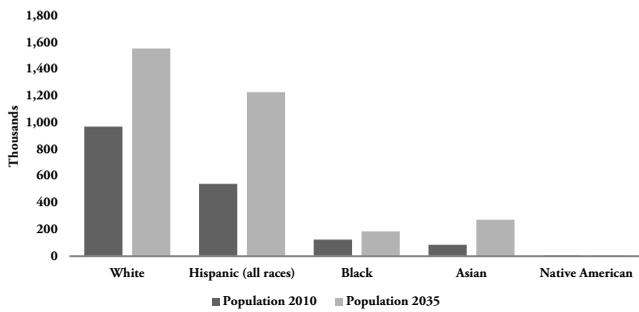
**Gregory Claxton, AICP** was the staff lead for Imagine Austin. Greg currently works for the Metro Nashville Planning Department on NashvilleNext, a large-scope planning process for Nashville. He helped to design the planning process to bring together mass participation, department engagement, and local experts and advocates to create a shared vision for the future of Nashville.

**Matthew Dugan, AICP** is a Planner for the City of Austin’s Planning and Development Review Department. He worked on Imagine Austin, the city’s most recent Comprehensive Plan, and is now working on CodeNEXT. He believes in using a participatory planning process that helps stakeholders identify problems, articulate solutions, and choose the best alternative to guide development in their communities.

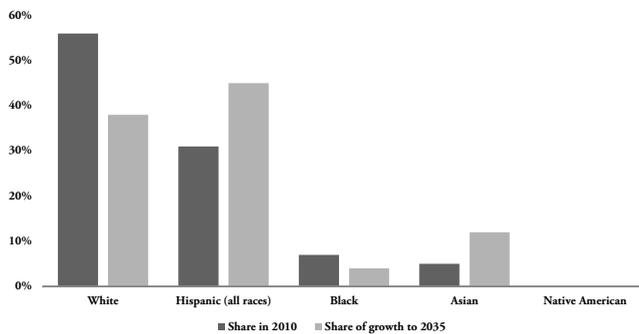
**Larry Schooler** manages the public engagement division for the City of Austin, Texas, and is senior fellow at the Annette Strauss Institute for Civic Life. He assisted the City’s Planning and Development Review department with public engagement for Imagine Austin. Larry is the former president of the International Association for Public Participation and has spoken about public engagement across the country and in Europe.



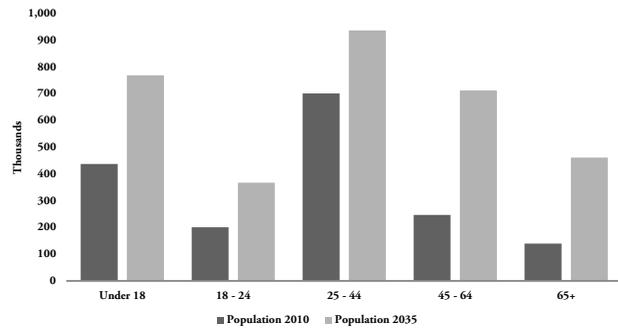
**Population by Race/Ethnicity in the Austin Region, 2010 and 2035**



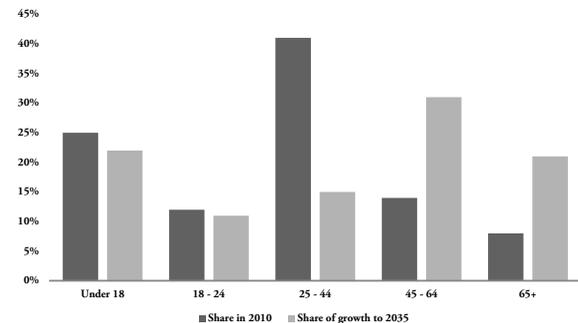
**Population Share by Race/Ethnicity in the Austin Region, 2010 and 2035**



**Age Demographics in the Austin Region, 2010 and 2035**



**Population Share by Age in the Austin Region, 2010 and 2035**



**Economic Inequality**

Austin’s economy has grown quickly over the last decade, adding more jobs and especially more high wage jobs. Austin routinely has a lower unemployment rate than the rest of Texas or the United States. However, access to Austin’s prosperity is uneven. For example, African Americans are unemployed at about twice the rate of the rest of the city. People with a high school degree or G.E.D. have an unemployment rate of 14%; the comparable figure for people with a bachelor’s degree is 4.6%.

Despite Austin’s growth, and in line with trends across the country, median wages have stagnated. Wages for African American and Hispanic households have actually declined. Meanwhile, over roughly the same time period, the median sales prices for homes (attached and detached) in Austin grew from \$119,000 in 1997 to \$269,000 in 2013.

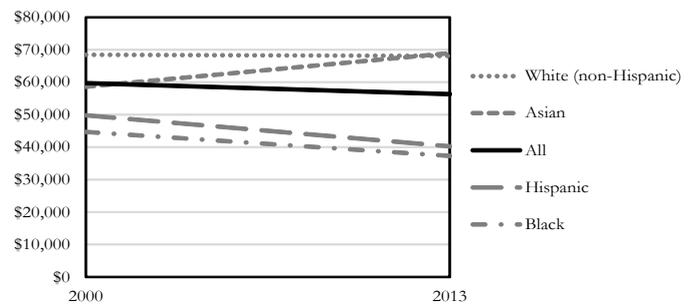
The rise in inequality is one of the defining, contested issues of our time. Cities have responded by seeking to address real or perceived skills gaps to better match existing and new workers with medium and high skill jobs. Some cities have also sought, and occasionally instituted, a higher local minimum wage. Another widespread concern is prisoner re-entry into the workforce. As record numbers of Texas prisoners re-enter the labor market, they find themselves blocked from many opportunities for employment.

Austin is caught in these two pincers: limited supply compared with a sudden shift in housing demand sending the price of housing in the city up, and stagnating incomes for middle and working class households.

The comprehensive plan, with its focus on the

built environment, is equipped for only one side of this dilemma. While many comprehensive plans, including Imagine Austin, have guidance on raising incomes, these recommendations are often peripheral to these plans’ core powers. This leaves them with an unclear and often ineffective path to implementation.

**Change in Median Household Income by Race/Ethnicity, 2000 to 2013**



**Planning Processes for the New Economy**

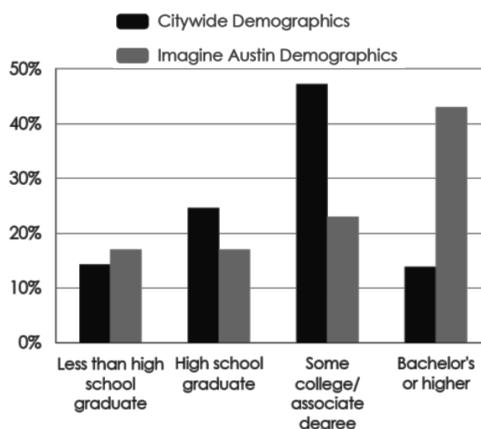
As Imagine Austin was taking shape, City Council, Planning Commission, activists, and planners all agreed on the central importance of public input to creating the plan. Planners held a public participation workshop, asking the community to identify goals and tools for the participation process.

The final process was structured into four Community Forum Series. Each was built around a public meeting, with extensions for participation beyond those meetings.

- Community Forum Series #1 was built around broad, visionary, open-ended questions about what should be preserved and improved about Austin and what participants wanted for the future.
- Community Forum Series #2 had two parts: a growth mapping exercise for the public meeting paired with a review of vision statements based on public input.
- Community Forum Series #3 presented four alternate growth scenarios for the public to rate.
- Community Forum Series #4 presented the draft plan and invited the public to set priorities for implementation.

Woven throughout the phases was technical data, archived as reports, and studies on the plan’s website. During the first Community Forum Series, a Community Inventory was published. It contained eleven chapters with data on current conditions and trends on topics covered by the plan. Prior to the growth mapping meetings, a land use and transportation model was assembled and presented to establish baseline conditions for the alternate scenarios. Those scenarios, in turn, projected conditions forward to 2039 and were used to help the public understand the ramifications of the alternate scenarios. When the Growth Concept Map was presented with the draft plan, an assessment of infrastructure savings and tax implications was also presented.

Having a process open to all was one of the guiding principles of community engagement. Planners and community members recognized that this required having multiple ways to participate. Repeatedly, participants stressed that public meetings were insufficient. The demographic results from the Participation Workshop showed this starkly. Participants were asked to place dots that represented them across multiple demographic questions, which were arranged as pie charts showing the overall citywide breakdown for each category. Despite representation from across the city and racial and ethnic diversity, nearly every participant had a bachelor’s degree or higher.



**Imagine Austin demographics.** Source: Imagine Austin Comprehensive Plan, Appendix B.

The planning team developed a number of tools to get beyond public meetings, whenever possible:

- Online surveys, including some developed by the City of Austin’s Information Technology Service Department, which gave substantially more control over the kind of questions than are available in most off-the-shelf software;
- Meetings-in-a-Box, in which a person or group checked out meeting materials to host their own meeting at their convenience with a neighborhood or business group, non-profit, or simply with a group of friends and return the results to planners; and
- Speak Week, in which the planning team set up booths at high traffic areas and invited participation on the spot. While surveys were available, the team also focused on developing new approaches such as dot voting posters that allowed participants to see their answers in context.

The Imagine Austin process occurred alongside other innovations in public participation in Austin. The community planning process had recently enlisted the City’s organizational development team to help manage public meetings. Shortly after starting Imagine Austin, the City’s Public Information Office created a position focused on Community Engagement. All three efforts sought both to re-invigorate public meetings and the potential for constructive dialogue within meetings, while also extending the opportunity to have a role in shaping the plan to many thousands more people who could not attend.

**Challenges of Participation**

Like many other cities across the country, a broad set of changes are remaking Austin. Some of these changes have direct implications for the traditional domain of comprehensive plans – the built city and how land uses are managed. Others are only loosely connected and outside the traditional skills of planners, but nevertheless are critical to changes community members see happening around them.

Planners in Austin grounded their approach on a foundation of community engagement and building agreement around the public’s desires for the future and key approaches for achieving it. However, planners immediately hit upon two problems with this approach. First, two strands of best practices in community engagement—roughly, dialogue and aggregation approaches—sit uneasily together. Second, community members’ desires for the future, quite reasonably, are not organized by the City Charter. The prominence of the planning process and its expansion community engagement piece make it difficult to remain true to public input while still working within the plan’s authority.

### Dialogue & Aggregation

Planners attempted to embrace two different types of best practices in community engagement. First, public meetings sought to encourage discussion and dialogue among participants, creating settings to allow deliberation among diverse stakeholders. Second, planners sought to cast a wide net, reaching people who would not normally attend a public meeting through fun, engaging, and quick tools. However, those two efforts solve different problems, and when used to gather a sense of the public’s vision for Austin’s future, the two practices are in tension with one another.

To the extent that public meetings succeed in provoking rich, thoughtful discussion, it is difficult to capture and report back to the broader public. When tools are introduced to capture at least the conclusions of that discussion (such as report-out sheets, sticky notes, or dot voting), participants bristle. Activists complained “no more dots” (and, in more recent engagement efforts, derided “arts and crafts” activities). Moreover, the results are awkwardly incorporated into the process. When tabulated, they become less than the sum of the discussion that produced them.

Meanwhile, participation tools beyond public meetings pose a different problem. Generally, these tools work through aggregation, such as tallying ratings or preferences. Generally, opportunities for open-ended comments are limited; when available, they quickly become overwhelming to process. Finally, aggregation’s success presumes planners can craft the right question and pose the right trade-offs. It closes off opportunities for participants to explore new ways to balance competing priorities.

Not only do these two approaches to involvement have issues of their own, they bear an uneasy relationship to one another. Dialogue-driven public meetings offer richness and vibrancy, but suffer from a demographic skew that benefits established stakeholders, such as people with more education, whites, and homeowners. Meanwhile, aggregation tools can help overcome that skew, but the thinness of their results can sometimes make them difficult to interpret and rely on. Planners are left to muddle through how to balance competing claims. Sometimes they give weight to the vibrancy and nuance of meetings, while at other times they focus on the partial perspectives that are presented.

Austin planners sought to resolve this tension by monitoring participation demographics at every opportunity. Every survey and meeting asked for participants’ demographics, including age, income, education, zip code, and race/ethnicity. These figures were compared against overall City of Austin demographics from the 2010 Census to identify gaps.

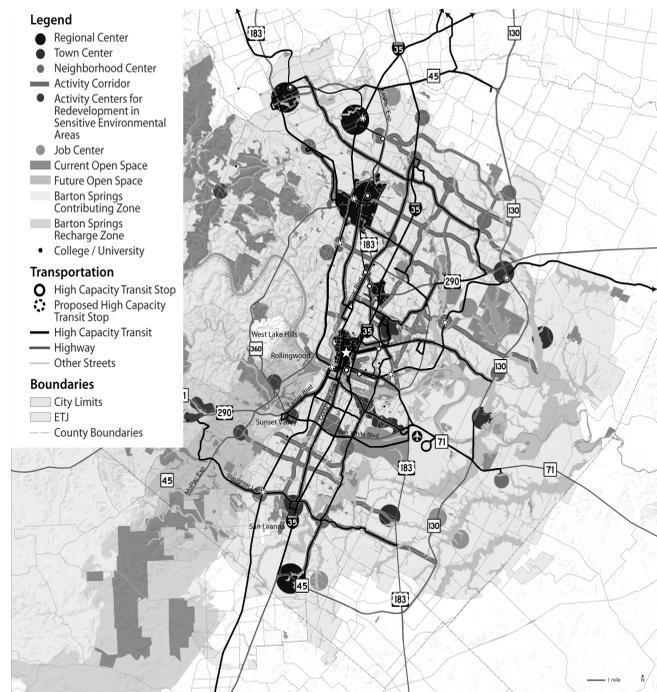
As gaps were identified, planners developed strategies to engage communities that were under-represented in the process. Often, these efforts used quick tools such as booths at events or presentations at community groups. Alternatively, planners should seek to match the vibrancy

of public meetings for under-represented groups. Budgeting for focus groups in each round of public input could fill in these gaps with equally vibrant, open-ended discussion. Broader outreach through surveys, community events, and the like could then be used to test preliminary conclusions from meetings and focus groups.

### The Limits of the Plan: What’s In and What’s Not

The comprehensive plan’s greatest strengths remain its foundation in managing and coordinating land uses through regulations and capital improvements. For most communities, a comprehensive plan is typically one of the few high-profile, jurisdiction-wide, cross-cutting opportunities for public input. Planners, including outreach and engagement officials, typically seek to bring participants into the process by asking about bold, visionary ideas for the future.

However, when asked for their vision for the future, participants unsurprisingly respond with the breadth of what their local governments do, rather than narrowly focusing on the powers of planning. For example, quality public schools were a major concern while creating Imagine Austin, despite the fact that the school system is entirely separate from the City government, with separate taxing authority. (In fact, the planning area in Austin included territory from 13 different school districts.) Similarly, safety and community relations with the police, sustaining local businesses, teen pregnancy and other health behaviors, and workforce development are top concerns, but outside of the plan’s core powers.



**The Imagine Austin Growth Concept Map:** This map identifies areas of growth and preservation to guide land development regulations and capital improvements. It provides a clear vision for implementing using the tools closest to the plan’s powers.

The recommendations most closely linked to planning activities (including those that occur outside of the Planning Department per se) receive the most vigorous implementation. Those further away, including programs linked with education and workforce development, are more likely to be implemented in a piecemeal fashion, with no new ability to spur activity. Unfortunately, this is exactly opposite the public's priorities. In the final round of public input in Imagine Austin, when asked to rate the plan's eight priority programs, the one most controlled by the Planning Department (revise the City's Land Development Code) was the lowest priority.

This poses significant problems for planning in the new economy. People face very real problems that are related to planning's long-range perspective. Grounding the plan's legitimacy in public engagement means taking those problems seriously. But the limited powers of the plan beyond managing the built and natural environments means that implementation of solutions outside of planners' traditional domain is haphazard at best. This can produce cynicism among the public, undermining the engagement efforts that planners now depend on.

Comprehensive plans need a limiting factor—an easily communicated sense of the proper scope of comprehensive plans that clarifies and enables the public to participate, rather than closing out their concerns. Three possibilities stand out:

- Take the traditional approach: the physical plan. Diligently reinforce the scope of the plan from the start, beginning with the marketing, outreach, and engagement team. The built and natural environment must be woven into all communications about the plan.
- Embrace its breadth: an emerging practice in some cities (notably, Sunnyvale and Ontario, both in California) is to incorporate a general plan as a management tool that applies across municipal activities. This lifts the general plan beyond its focus on the built environment and makes it a general city policy document, on par with and linked to the city's budget process.
- Focus on long-term, interconnected trends: The plan could focus on trends that take a decade or two to play out and require coordination across groups.

The first approach stays true to the powers of most plans, but can be difficult to communicate briefly. The second approach elevates the plan, but cannot be done by Planning Departments alone. The last approach seems to be where many plans arrive; however, the vagueness of long-term and interconnectedness make it difficult to say what topics are clearly in the plan and what topics are more appropriately left to the regular decision-making process of Councils and Mayors.

## Conclusion

Imagine Austin was adopted by the Austin City Council in 2012. Implementation has worked through five levels: organizational alignment and partnerships, capital investments, regulations, and continued community engagement.

The City has established eight cross-departmental teams, one for each of eight priority programs included in the plan. In some cases, these teams include outside jurisdictions and community partners. In other, such as the City's newly formed Capital Planning Office, the focus is on internal alignment with the plan's goals. The Capital Planning Office used the plan's Vision and draft Priority Programs to organize and prioritize capital improvement plans and bond proposals. With the adoption of the plan, the Capital Planning Office has continued to link capital planning closely with the vision of the plan and its Growth Concept Map.

The most visible project from Imagine Austin is CodeNEXT. This multi-year, community driven process is rewriting Austin's Land Development Code. With guidance from Imagine Austin, CodeNext seeks to simplify the Land Development Code while making it easier to develop in support of the Growth Concept Map. This puts it squarely in the middle of many of Austin's fiercest debates over neighborhood preservation, growth, change, and affordability. Engaging the public is critical to creating a broadly acceptable code.

Planners have also put in place the strong, annual oversight process the plan calls for. Each year since adoption, planners have issued a report on implementation progress and made amendments necessary to keep the plan relevant to the public and decision-makers. Planners have also used speaking events to continue to highlight work being done to implement the plan.

Perhaps the strongest testament to Imagine Austin's success is that the plan and the process that created it are relevant. Other Austin city departments, knowing the public's high standards for community engagement, have adopted many of its tools and approaches. The Budget Office, for example, routinely engages the public early in the process of developing each year's budget through tools like Meeting-in-a-Box. Similarly, the plan is regularly invoked at Planning Commission and City Council hearings by people across the spectrum, from urbanists and developers to neighborhood preservationists and environmentalists. The plan has not eliminated serious disagreements about the proper way to balance the plan's goals, but it has given Austinites a shared sense of the future while they work through the details of implementation.

# Planning the City in the New Economy: Plan Cincinnati

William S. Fischer, Katherine Keough-Jurs, and James Weaver

*The City of Cincinnati, Ohio recently completed its first comprehensive plan in over 30 years. Developed through a highly collaborative community-driven process, Plan Cincinnati aims to “re-urbanize” the depopulated Rust Belt city and strengthen its economy. Alongside goals to increase industrial recruitment as well as homegrown small businesses, a key economic strategy of the plan is focusing investment geographically in the City’s established neighborhood centers.*

The City of Cincinnati sits on the Ohio River in the center of a metropolitan region of approximately 2.1 million people in southwest Ohio, northern Kentucky and southeast Indiana. Situated in a basin area among surrounding hills, Cincinnati has a population slightly less than 300,000 or approximately fourteen percent of the region’s population. In area it is 79.5 square miles or less than two percent of the region. The topography provides wonderful lush hillsides and beautiful vistas of the Ohio River Valley. Historically the valley and hilltop setting also meant that as the city grew during the height of the industrial revolution, its factories had to be multistory and on small footprints. These factors play an important role in the economic development planning for the city as the center of the region.

As in other cities, the New Economy is visible in Cincinnati in the emergence of high tech incubators and accelerators in the urban core. An important aspect of any economic development strategy is to leverage these startups and allow them to thrive and grow in the city. Plan Cincinnati, the city’s first comprehensive plan in 30 years, targets these new realities and factors them into its strategies. The strong identity of the City’s 52 neighborhoods and each neighborhood’s independent community council, which serves as the official voice to the Mayor, nine at-large City Council Members and the City Administration, also inform the Plan. The effect is a strong emphasis on the economic health of neighborhood centers.

## Background

Cincinnati holds a significant place in the history of Planning in the United States: its 1925 Master Plan was the first in the nation to be officially adopted by an elected body; its 1948 Master Plan was ground-breaking in planning for

the greater metropolitan area rather than only focusing within the city limits. Moreover, Cincinnati attorney Alfred Bettman successfully argued for the validity of zoning in the landmark U.S. Supreme Court case *Euclid v. Ambler* which upheld the constitutionality of zoning.

Despite this impressive history, by 2009 the most recent comprehensive plan for the City had been adopted in 1980, and provided little guidance to a City seeking solutions to modern land use, transportation, housing, public health, and economic issues. Cincinnati needed an overall guiding document that framed the City’s vision for revitalization and steps necessary to make it a reality.

In 2009, City officials and citizens began creating a new comprehensive plan that would encompass goals and strategies across five initiative areas: Compete,

---

*William S. Fischer is the Economic Development Division Manager with the City of Cincinnati’s Department of Community and Economic Development. He is a contributor and co-chair of the Compete Section of Plan Cincinnati. He has a Master’s Degree in Public Administration from Northern Kentucky University and has been with the City of Cincinnati since 1990.*

*Katherine Keough-Jurs, AICP is the Supervising City Planner with the Department of City Planning and Buildings at the City of Cincinnati and was Project Manager for Plan Cincinnati. She holds a Master’s degree in Community Planning from the University of Cincinnati and is a member of Board of the Ohio Chapter of the American Planning Association.*

*James Weaver, AICP is a City Planner with the Department of City Planning and Buildings at the City of Cincinnati. He holds a Bachelor’s degree in Urban Planning from the University of Cincinnati.*

Connect, Live, Sustain, and Collaborate (see flowchart image). Throughout the three year development of Plan Cincinnati, city staff led a process of unprecedented public participation through direct engagement of thousands of Cincinnati stakeholders. Public participation took several different forms:

- Forty representatives appointed by the Mayor from businesses, non-profits and institutions, and neighborhood groups to become the overall steering committee;
- Twelve Working Groups with up to thirty members each;
- Three annual Neighborhood Summits that attracted up to 600 people each year;
- A youth outreach program that engaged over 600 local youth from kindergarten to 12th grade;
- Two Public Open Houses with 200 participants each;
- Numerous visits to local organizations including churches and neighborhood groups; and
- Online presence via active Facebook and Twitter accounts and an email-blast list of over 1,500 addresses.

The Plan successfully involved stakeholders of various ages, backgrounds, geographies, and levels of desired involvement. These partnerships create buy-in from city and neighborhood leaders, developers, and other large corporations to support the ideas of the plan when it comes to making decisions – especially for tough decisions that may not always be popular. It received widespread support and was adopted unanimously by both the City Planning Commission and City Council in October and November 2012.

The Vision underlying Plan Cincinnati is “Thriving Re-Urbanization focused on an unapologetic drive to create and sustain a thriving inclusive urban community where engaged people and memorable places are paramount, where creativity and innovation thrive, and where local pride and confidence are contagious.” Plan Cincinnati aims to re-imagine urban form by emphasizing modernization without suburbanization. To do this, Plan Cincinnati focuses on what makes Cincinnati unique — its historic and walkable urban neighborhoods. It features an approach to policy based on revitalizing neighborhood centers and corridors while improving citizens’ physical health and quality of life. The Conceptual Land Use Plan emphasizes mixed-uses and defines areas where compact walkable development should be reinforced or established.

This article focuses on strategies in the Compete section of the Plan due to the relevance to the “new economy” theme. The Compete section balances the needs of established businesses while dealing with legacy of manufacturing land use and a new high-tech service economy. Whereas in previous decades employees made life choices around their jobs, Plan Cincinnati recognizes that today businesses need to operate in a place where they can attract and retain talented employees. For this reason,

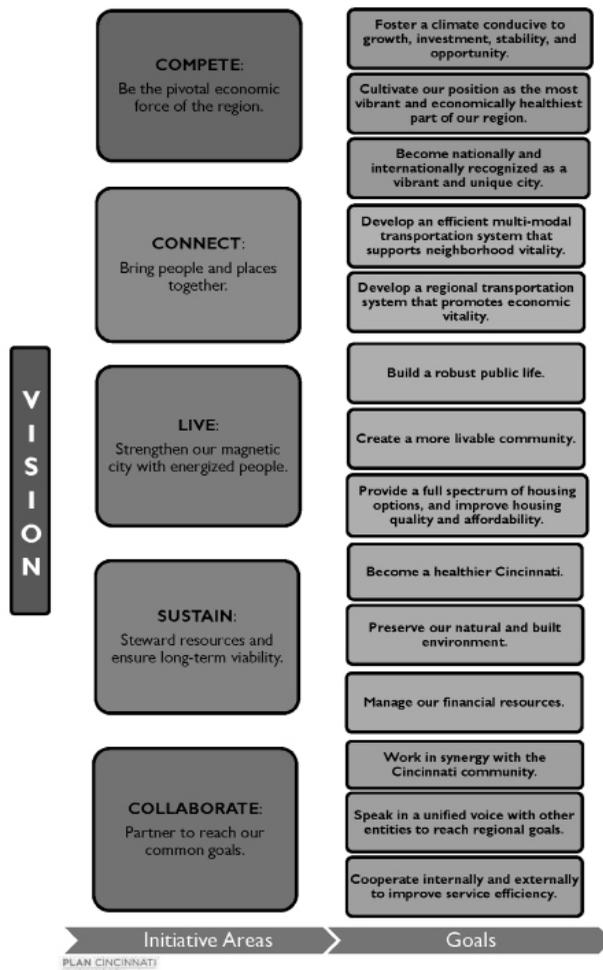
it is important to note that all five of the initiative areas working together are essential in facing today’s economic challenges.

**Compete**

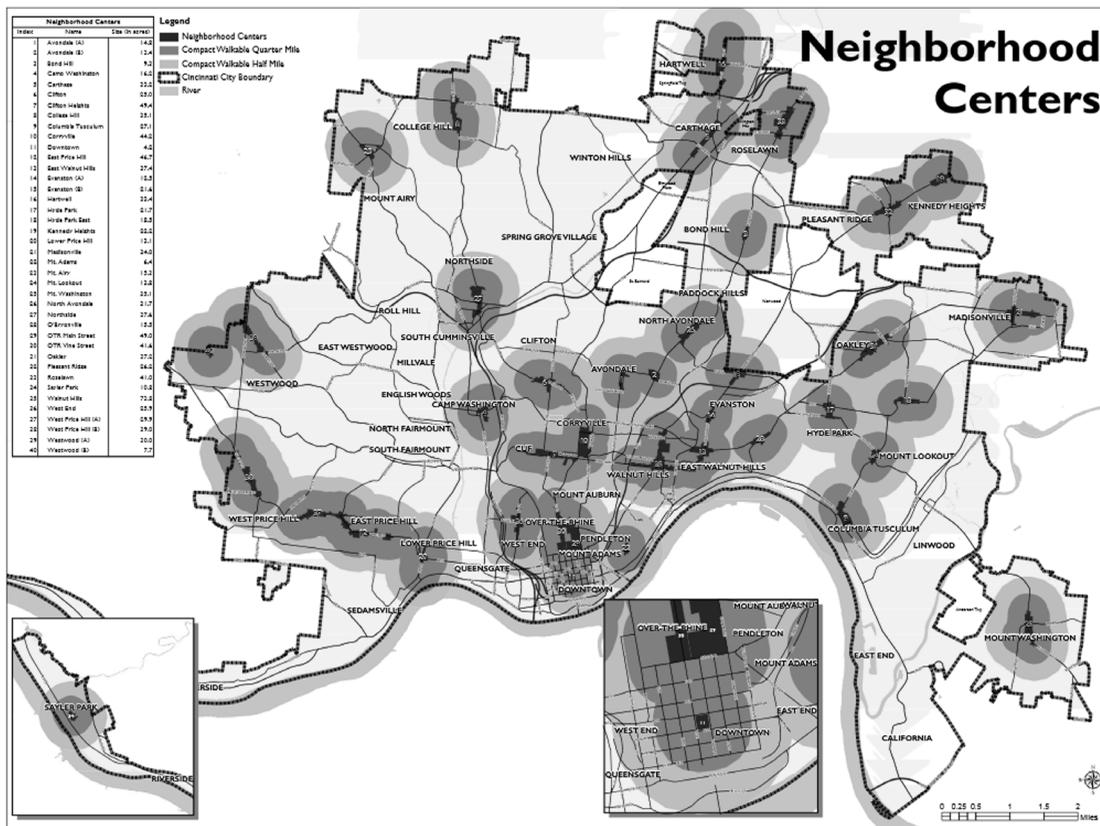
The overall economic development strategy of the Plan, outlined in the “Compete” section, has to do with fostering a climate conducive to growth, targeting investment to existing business centers, and raising the profile of Cincinnati nationally.

**Compete Goal 1: Foster a climate conducive to growth, investment, stability, and opportunity.**

When crafting the goals for the economic components of Plan Cincinnati, the stakeholders wanted to balance the need to maintain important corporate headquarters (Cincinnati is home to nine Fortune 500 companies and two Fortune 100 companies including Procter and Gamble, Macy’s, American Financial, Kroger, and Fifth Third Bankcorp.), deal with aging manufacturing areas in need of revitalization, and take advantage of the growing start-up economy.



Excerpt from the Plan Cincinnati initiatives, goals, and strategies flow chart. Courtesy of the authors.



During the creation of Plan Cincinnati, the stakeholders used quantitative data collected by economic development consultants from national and state sources, including the U.S. Bureau of Labor Statistics, the U.S. Census, Decision Data Resources, the National Science Foundation, the Internal Revenue Service, and numerous private sector sources and studied many potential avenues to achieve the City’s goals. The results were several key strategies that were further broken down into short, mid- and long-range objectives. The first economic strategy under this goal is called “Grow Our Own.” This refers to the economic development principle that it is far easier to keep an existing business than attract a new one. One of the first activities undertaken was to better coordinate business retention visits between the City and the Regional Economic Development Initiative (REDI Cincinnati). The next will be to redesign the City’s website and provide a portal for business to not only access City services, but also to find pre-vetted business services of outside entities.

The second broad strategy was to pursue new growth in targeted areas and industries. Plan Cincinnati identifies several of the established economic clusters in the region including aerospace, automotive, and financial services, along with emerging economic clusters including advanced energy, consumer products and creative services, and life sciences. A recent example of its implementation is the “Investing in Manufacturing Community Partnerships” (IMCP) initiative with a focus on the aerospace industry. In 2014, in partnership with the City of Dayton, Cincinnati applied for and was one of twelve regions in the nation awarded this federal designation. IMCP designation

provides a liaison in every federal agency involved in development and gives grant applications additional priority points. However, its real value is the focus on one industrial sector and mapping the supply chain, workforce, and training requirements in order to identify gaps and strategies to address them.

The final strategy is to build a streamlined and cohesive development process. The permitting process in any large city can be cumbersome and involve multiple departments and individuals. Cincinnati’s current Mayor and City Manager designated this as one of their top priorities. Their plan is to conduct a thorough review of the building department to make sure it has the adequate resources and staff to quickly issue permits and conduct inspections. This will be an ongoing process with continual feedback from development stakeholders and city staff.

**Compete Goal 2: Target investment to geographic areas where there is already economic activity.**

Each of Cincinnati’s fifty-two neighborhoods has both a strong identity and dedicated civic leaders. The Plan Cincinnati process led to the conclusion that we cannot accomplish change if we spread our efforts and investment out too thinly across the entire city. The Plan identified a list of “neighborhood centers” and categorized each as to their economic health and physical characteristics. The map of these centers guides economic investment into key strategic geographic areas of the City. For example, when the region’s Port Authority is looking for areas to redevelop brownfields or underutilized manufacturing sites, it uses the map to identify locations that have the

highest marketability and provide needed jobs for the City's population.

**Compete Goal 3: Become nationally and internationally recognized as a vibrant and unique city.**

While Cincinnati's citizens were enjoying their city with its low cost of living, great sports and arts organizations, parks, and festivals, the rest of the world didn't seem to notice. Some stakeholders who took part in the Plan Cincinnati process relate this back to Cincinnati's German heritage – an attitude that doesn't dwell on success but is always looking toward the next big project. Recognizing that this quiet nature was preventing the city from achieving needed growth, the stakeholders of Plan Cincinnati designated promoting our City's assets as one of the three goals of the economic development.

Even in the midst of the great recession Cincinnati was growing and redeveloping. When banks were hesitant to lend, the historic district in the Over-the-Rhine neighborhood saw new restaurants and bars opening continuously, condo demand growing, and hundreds of apartments remodeled. The Over-the-Rhine renaissance was fueled by an investment from the non-profit Cincinnati Center City Development Corporation (3CDC). This \$829 million in private financing leveraged approximately \$200 million in City investment. Not only is the historic district seeing major investment, the City's new \$148 million 3.6 mile streetcar line is also under construction to connect Over-the-Rhine with the riverfront. The Banks, an area on the riverfront between two stadiums, is developing with national retailers, hundreds of new apartments, and a new park with walks along the river.

While the marketing strategies have yet to be taken up by any one organization, some recognition is occurring, as evidenced by a February 24, 2015 article in the New York Times that begins: "CINCINNATI — A rapidly growing sector for consumer research, coupled with a boom in construction and redevelopment, is renewing interest in Cincinnati's downtown." The article goes on to discuss the success in Over-the-Rhine, the streetcar, and the office buildings under construction for General Electric's Global Operations Center and dunnhumby, a leader in consumer analytics. It may prove that this goal simply serves as a reminder and no formal program is required.

**Moving Forward**

The City is dedicated to the implementation of Plan Cincinnati. The Plan will directly guide the city's Capital Budget, which was reinforced by the decision of the Cincinnati City Council in a December 2012 vote that there must be an in-depth review of the Capital Budget to determine how each item aligns with Plan Cincinnati. Additionally, the City Manager has decreed that all ordinances and contracts must include language that is consistent with Plan Cincinnati in order to be approved. The City Manager even developed a Plan Cincinnati stamp, pictured below, to be used on ordinances and contracts

that are consistent with the plan, showing the validity and importance of the plan as it relates to future projects in the City. The City has also committed to the success of Plan Cincinnati through the new Land Development Code, which will include the first use of Complete Streets guidelines and a form-based code.

The City Planning Department has several employees working on the implementation of Plan Cincinnati. The Steering Committee from the planning process has transitioned into an Implementation Committee which consists of six Action Teams, each working on one of the five initiative areas of the plan as well as an additional team that will market the plan on a local, regional and national scale. The City feels that those who helped create the plan should also have an active role in implementing it, so citizens have also been invited to join the Action Teams. Plan Cincinnati will be reviewed annually and updated every five years, which is a reminder that it will not be simply a document, but rather a living, breathing plan that will help guide the future of the City. The goals, strategies, and tasks of each initiative area are the measurable and implementable parts of the plan; these will be reviewed and adjusted as the City continues to change.

The City of Cincinnati's first comprehensive plan in 30 years provides some lessons on public engagement. During the process, the team sought input from as many and varied stakeholders as possible and let those stakeholders guide the process. The evolution from basic categories like transportation, development, and education into Compete, Connect, Live, Sustain and Collaborate stressed the interdependence of the elements and generated excitement for the process, which promoted continued involvement throughout a lengthy process. Also, especially for the Compete section, having good data from a variety of sources both nationally and locally generated focused recommendations from the steering committee and resulted in a fact-based, implementable Plan that has already set in motion many positive changes.

For further detail, the entire Plan Cincinnati document can be found at [www.plancincinnati.org](http://www.plancincinnati.org).



# North Carolina in the New Economy

## Case Studies from the North Carolina Chapter of the American Planning Association

Ben Hitchings

Rodger Lentz

Lance Hight

Jenny Mizelle

With an introduction from John Morck, APA-NC President

*Editors' Note: Carolina Planning regularly publishes a feature highlighting projects from members of the North Carolina Chapter of the American Planning Association (APA-NC). These stories feature economies transitioning from manufacturing to services and culture and generational shifts in values and community preferences.*

---

## The Economic Value of Planning

John Morck, AICP

As a land use planner, I can remember sitting in multiple conferences and workshops discussing the coming changes to the labor force and the consequences of the retiring baby boomer generation. Since then, time has passed, and that “future” event is now in full swing. The entry of the millennial generation into the labor market has been a popular subject in the past few years. Several polls have been taken to try to understand what motivates this new generation, informs their decision making, and sets them apart from previous generations. In his article *Planning for Prosperity: Understanding the Economic Perceptions and Community Preferences of the Millennial Generation*, Ben Hitchings shares the summary results of a national poll commissioned by the American Planning Association in 2014.

This poll is of interest to planners because it focuses on attitudes toward locational preference and desired community features. This is timely information for communities trying to remain competitive and, in some cases, relevant in post-recession North Carolina. The NC Chapter of the American Planning Association participated in this study by sponsoring an oversample of North Carolina workers thus ensuring better local data. The poll not only surveyed millennials, but also the attitudes of Gen Xers and Active Boomers. The poll and its subsequent summit and forums kicked off the Chapter’s Planning for Prosperity initiative. This signature program is designed to highlight the importance of planning to sound economic development and community well-being.

**John Morck, AICP**, is President of the North Carolina Chapter of the American Planning Association and Planning and Community Development Manager for the City of Wilson. Mr. Morck has served the NC Chapter as professional development officer among other capacities. His planning career includes service as a manager with the NC Dept. of Commerce and city, county, and regional agencies.

**Ben Hitchings, AICP, CZO**, is the Planning Director for the Town of Morrisville, NC. In his role as the past President of the North Carolina Chapter of the American Planning Association, he received the APA Chapter Presidents Council Leadership Award for 2014.

**Rodger Lentz, AICP**, is the current Chief Planning and Development Officer for the City of Wilson and is a former President of the North Carolina Chapter of the American Planning Association. Mr. Lentz is also a current Board Member of the APA Board of Directors from Region II.

**Lance Hight, AICP**, has been the Planning Director for the City of Conover since 2007. He has worked on a variety of transportation, economic development and recreation projects. He is currently a 2016 Master’s candidate in Public Administration from Appalachian State University.

**Jenny Mizelle** has served as the Director of Economic Development for the Town of Holly Springs since 1998. She received her B.A. in Urban Affairs from Virginia Tech and worked professionally in the fields of mortgage banking and community development prior to her current position.

It's been said many times that thriving communities do not happen by accident. It takes a well-defined vision and the desire to pursue that vision through creative strategies, partnerships, and hard work. The three case studies presented in this issue demonstrate what can be achieved when the planning process, coupled with commitment, is used to craft a new economic vision for a community. Each of these communities was faced with a challenge. Two of the communities, Conover and Wilson, were formerly thriving industrial towns of the "old" economy. Each community used their visioning process to develop a revitalization strategy to become competitive in today's market place. They then took bold action and moved successfully toward their visions. The third community, Holly Springs, was a small town turned suburban bedroom community that needed to diversify its tax base. Through leadership and creative partnerships, the town became its own industrial recruiter and successfully attracted a new bio-pharmaceutical industry to balance its economy.

The power of cooperative planning to shape our cities and counties cannot be overestimated. In a 2012 documentary, WRAL-TV in Raleigh described what it called the "Other NC." The report focused on the rural communities and small cities outside the piedmont crescent that have not shared equally in the recent economic recovery. In contrast, the authors of these articles demonstrate that, through vision and partnerships, rural communities do not need to be left behind and can compete successfully in North Carolina's new economic future.

## Planning for Prosperity: Understanding the Economic Perceptions and Community Preferences of the Millennial Generation

Ben Hitchings, AICP, CZO

Recently, I walked past a door in downtown Durham and saw our economic future flash before my eyes. There was a sign with a red and white icon, and the words "Two Toasters" written on it. This was not an appliance retailer with a limited inventory, but rather a high-tech start-up that develops cutting-edge mobile apps for customers such as Airbnb, Zumba Fitness, and Ebates. This start-up could be located in Mumbai or Moscow, but instead its founders chose downtown Durham. The reason? Talent attraction. What I saw also highlighted the fundamental importance of planning in ensuring our economic prosperity.

More and more, companies cite the importance of skilled labor in achieving success in a global economy. Millennials are now the largest segment of the population

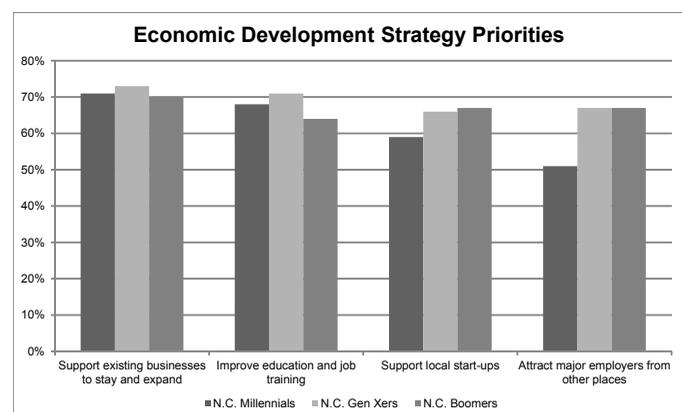
nationally, and are close to surpassing Gen X in total numbers in North Carolina, where the population is slightly older than the national average. Millennials are also a highly mobile population. Understanding what they want and how they make their locational decisions has become an undertaking of fundamental importance to our state's economic well-being.

To better understand how to attract and retain Millennials, the North Carolina Chapter of the American Planning Association (APA-NC) worked with APA National in 2014 to conduct a special poll. APA hired HarrisPoll, now part of Nielsen, to conduct a scientific survey focusing on the economic perceptions and community preferences of Millennials (ages 21-34), both in North Carolina and nationwide. HarrisPoll also surveyed Generation Xers (ages 35-49) and Active Boomers (ages 50-65). More details on the polling methodology are included in the corresponding sidebar. Here are the results, along with selected commentary on their implications for planning and economic development initiatives.

### Economic Perceptions

The poll began by exploring economic perceptions. 74% of N.C. Millennials said the view that the U.S. economy was "fundamentally flawed" was closer to their belief than the statement that it was "fundamentally sound." 75% of Gen Xers and 70% of Active Boomers shared this perception. These responses are probably not surprising coming on the heels of the Great Recession and the widespread economic disruption that it caused. Nevertheless, the results indicate that Americans young and old are concerned about the structural health of the economy and are interested in new ways of building economic vitality.

To help grow the economy, 61% of N.C. Millennials favored investing in schools and community features such as transportation choices, walkable areas and making the community as attractive as possible, as opposed to investing in recruiting companies to their area. 56% of N.C. Active Boomers and 51% of Gen Xers shared this view. Most communities probably use some combination of the two strategies, but these responses suggest a desire for a stronger emphasis on community investment.



When asked which of the following strategies they believed would most help strengthen the local economy, Millennials, Gen Xers, and Active Boomers all demonstrated strong support for helping existing businesses. However, Gen Xers and Boomers embraced a broader range of strategies at a consistently high level, while Millennials evidenced somewhat lower support for helping local start-ups, and were split on support for recruiting major employers from other locations.

For most questions, the response of N.C. Millennials mirrored that of Millennials nationally. One topic where the responses had a statistically significant difference was on the question of whether the respondent had already started a business, or was planning to start one. 49% of N.C. Millennials responded “yes”, compared with 38% nationally. Similarly, 40% of Gen Xers in North Carolina responded “yes”, compared with 29% nationally. In contrast, 21% of Active Boomers responded “yes”, both in North Carolina and in the national sample.

The question then is what reasons might lie behind these differences. One professor I talked with hypothesized that this might reflect necessity, with N.C. Millennials potentially having more difficulty finding a job and instead having to develop their own paying work during the Recession, since unemployment in North Carolina was higher than the national average during this time. The fact that Gen Xers also exhibited this difference lends support to this view, since Gen Xers would likewise be more dependent on securing gainful employment and have a number of years remaining in the workforce, as opposed to potentially being able to retire, as might be the case for some Active Boomers. Another professor I spoke with suggested that this might be an indicator of the effects of the considerable focus on entrepreneurship in the University of North Carolina system in recent years, both in terms of class offerings and in terms of institutional support for developing and commercializing business ideas. Could this response suggest the existence of a strong North Carolina entrepreneurial spirit? More study would be needed to answer this question.

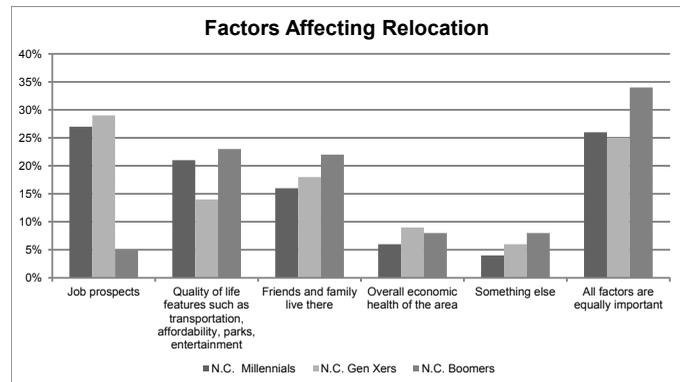
**Locational Preferences**

The second set of questions explored locational preferences. APA’s poll confirmed that Millennials are a highly mobile population, with 70% of Millennials responding that they were at least somewhat likely to move to another part of the state or to another state within the next five years (compared with 38% for Gen Xers and 30% for Active Boomers). The question then is what factors they would consider in their decision on where to relocate.

First, APA tested whether there was one overriding factor that respondents looked for when choosing where to live (see Table below). The results suggest there is no single factor that predominates. Instead, the highest scoring consideration was that a number of factors were important.

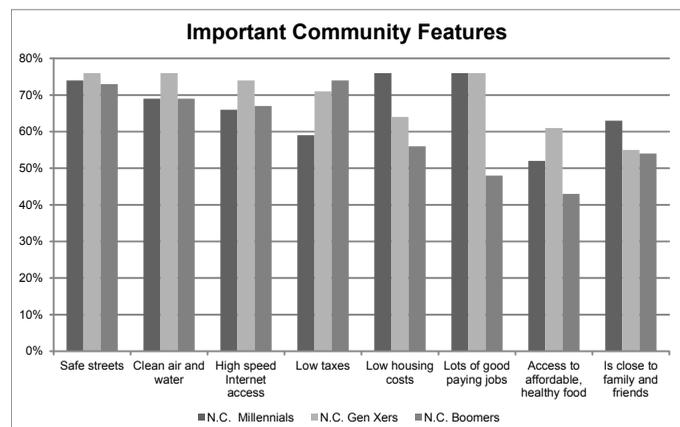
The APA poll then provided a long list of community

features, and asked which were a high priority. A large percentage of N.C. Millennials, Gen Xers, and N.C. Active Boomers agree on the importance of safe streets, clear air and water, and high speed internet access. They differ markedly, however, in their responses to the question of low taxes, low housing costs, and lots of good paying jobs. N.C. Millennials prioritize low housing costs over low taxes, while N.C. Boomers do just the opposite, with Gen Xers in between.



This difference is probably explained by each group’s relative point in its life cycle and the percentage of homeownership amongst younger, middle-age, and older North Carolinians. For example, the real estate firm, Redfin, notes that only 42% of Millennials own a home, compared with 65% for the U.S. population as a whole, suggesting the reason for their focus on housing costs (which they are more likely to be paying through rent) as opposed to taxes (which they are less likely to be paying directly) . The higher support amongst Gen Xers for access to affordable, healthy food may reflect the fact that they are in their prime child-rearing years, and may have a heightened focus on raising a healthy family.

The poll then probed community preferences in a different way, asking which of a series of factors were most important to respondents when deciding where to live.

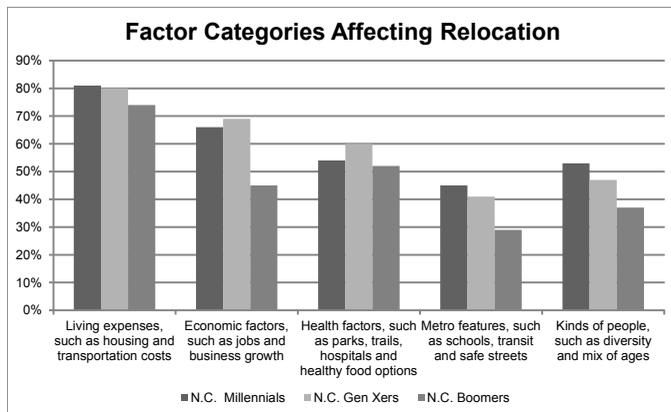


Living expenses were important to all three cohorts, but responses varied regarding the other factors. One commonality was that more than 50% of the respondents

in each group valued health factors, such as parks, trails, hospitals and healthy food options.

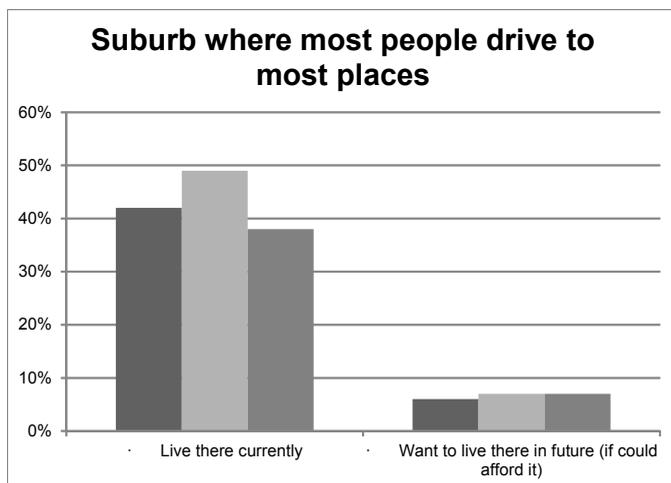
The responses to a subsequent question on walkability reflect this theme of healthy lifestyles. 42% of N.C. Millennials currently live in a suburb where most people drive to most places. However, only 6% of them would like to live in this location in the future. Gen Xers and Active Boomers provided similar responses.

In turn, a significantly larger percentage of each group would like to live in a walkable community (whether urban, suburban, or small town) in the future than currently do, if they could afford it. These responses highlight an opportunity for communities to significantly enhance their value and appeal by working to promote walkability and create linked pedestrian networks.



These findings highlighting the desirability of walkable communities reflect responses in other national polls. For example, 70% of Americans gave “walkability” a high ranking of importance as a community attribute in the Urban Land Institute’s *America in 2013* national poll.

Several other questions provided interesting insights as well. 71% of N.C. Millennials said it was a high priority to live close to work when choosing a home in a specific neighborhood, compared with 64% for Gen Xers, and 37% for Active Boomers. In addition, 74% of N.C. Millennials said it was important to have transportation options other than driving a car, compared with 62% for Gen Xers, and 70% for Active Boomers.



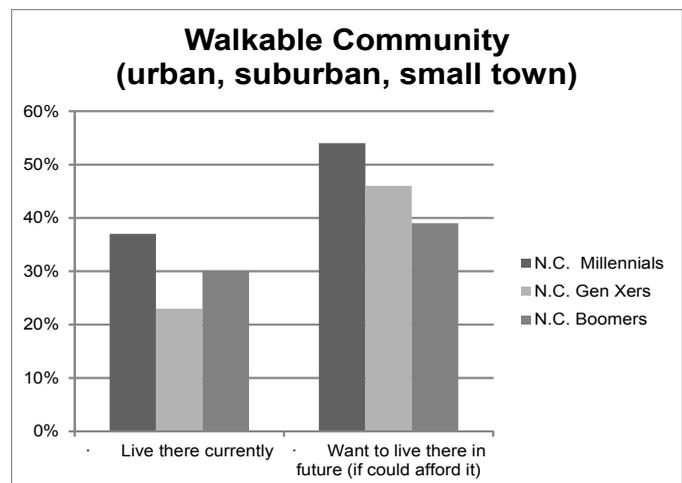
**Conclusion**

The results of the APA poll can help planners, economic developers, and decision makers identify a package of features that can attract skilled workers. In synthesizing the results, three key community attributes emerge as particularly important to Millennials -- Access, Amenities, and Affordability. Many North Carolina Millennials want to live close to where they work and have transportation options to get to the places where they need to go. They want a high quality of life, with interesting, healthy, and fun things to do. And they want an affordable cost of living, with abundant employment opportunities and housing costs they can afford. Many of these attributes are also valued by Gen Xers and Active Boomers, especially a low cost of living, high quality of life, and transportation choices.

These community attributes don’t usually occur by accident. They require good planning. Together, they suggest the existence of a new “Economics of Place”. This dynamic plays out at a personal level as individuals make decisions about where to locate and whether they can afford to live in a particular place and at a community scale as civic leaders work to position their communities for success in the New Economy.

The poll results also highlight the importance of investing in community assets. In so doing, local decision makers can reap a double benefit, providing better service and a higher quality of life to existing residents and businesses and simultaneously creating a stronger magnet to attract skilled workers. The more desirable attributes that a community can provide and the better they can provide them, the stronger the magnet.

Since my encounter with Two Toasters, my walks in downtown Durham have felt different. Not only do I enjoy the scene and marvel at the urban vitality, but I also feel the incredible energy of the entrepreneurial activity. By planning for prosperity, civic leaders, planners, and economic developers can draw the talent that drives economic success and increase the vitality and prosperity of their communities in the years ahead.



# Planning for Arts and Innovation in Wilson, NC

Rodger Lentz, AICP

## An Evolving Economy

The City of Wilson got its start as a transportation center with a rail depot. Wilson's economy began to thrive when agriculture in the surrounding area transformed from subsistence farming to cotton production. By 1920, Wilson was a major player in the North Carolina tobacco economy and became known as the "World's Largest Tobacco Market." After the decline of tobacco in the late twentieth century, Wilson turned to other types of manufacturing. Today, Wilson's citizens and leaders must work to reorient the economy in order to remain competitive. To do this, Wilson is focusing economic transformation on the theme of "Arts and Innovation." The community is building off of its investment in a gigabit, high-speed internet network, national attention around cultural assets such as the Whirligig Park, and attraction of aerospace, finance, pharmaceutical, and automotive industries to the community.

## Taking the Lead on Local Utilities

Reliable electricity was a dominant factor in supporting cities' early growth. While investor-owned, for-profit electric utilities companies focused on larger metropolitan cities, rural areas and small towns in North Carolina often forged ahead on their own to secure their economic future. The City of Wilson has operated their electrical system since 1890 when 96% of voters approved a measure to move forward with a municipal electric utility. The electric utility that resulted has seen broad success in Wilson and provides for both residential and industrial electrical needs. Without reliable electricity, the transformation from an agricultural to an industrial economy would not have been possible and the thousands of jobs these industries support would have never come. In today's information economy, fast and reliable internet service is the new requirement.

As with electricity, Wilson was ignored by investor-owned providers, so the city again moved proactively and built its own fiber network. The network, known as Greenlight, serves every property in the city at some of the fastest internet speeds in the United States. This network made Wilson North Carolina's first "gigabit city" in 2008. Access to a gigabit network means that users have the ability to upload and download content over 100 times faster than they could from cable modem or DSL providers. These speeds allow users to work efficiently from their home, office, or school, and to send or receive large files in seconds or minutes rather than in multiple hours.

## Long-Term Planning for Quality of Place

However, high-speed internet isn't enough to attract new economy businesses and workers. Wilson's next

challenge is leveraging Greenlight to attract investments. It is well written and researched, given the mobility of today's workers, that infrastructure alone will not guarantee success. Quality of place is also a fundamental factor in economic growth. Recent surveys by the American Planning Association and the North Carolina Chapter of APA show that potential new residents want places to be rich in amenities and do not necessarily want to own a car but rather walk or bike to work and shopping. - For a small city like Wilson, this means reimagining a built environment that has been shaped predominantly by auto-oriented thinking. It means coming back to our center city and reinvesting in authentic places that historic downtowns and walkable neighborhoods offer.

Recognizing the need for long-term thinking, the Wilson community embarked on a multi-year planning program in 2006. The goal was to align the vision of the community with planning policy and development regulations that achieved that vision. Throughout the process, the planning team also used the process as an opportunity to educate citizens and decision makers about the connection between development decisions and the City's fiscal health.

One outcome of the long-term planning process was the visioning document entitled Wilson 2020. It was a true partnership between community, business, government, non-profit, health, and education leaders. The School of Government at UNC Chapel Hill was hired to facilitate development of the plan, which identified seven action areas: 1) Community, 2) Economy, 3) Education, 4) Health, 5) Managed Growth, 6) Quality of Life, and 7) Collaboration. One major goal that the 1,800+ unique participants clearly articulated was the need to revitalize older neighborhoods and downtown and to improve walkability.

As a follow-up to Wilson2020, in 2007 the City embarked on a fiscal impact study to show the relative costs and benefits to the city for various land use types, including greenfield and infill housing, commercial development, industrial, and office. To measure cost/benefit, we looked at representative developments and mapped calls for service, infrastructure needs, and various other budgetary impacts as well as the specific revenue generated for the city budget. Unsurprisingly, infill development showed high net benefits because capital costs were reduced or even eliminated by using existing infrastructure. This analysis won support from City Council and was used to inform the citywide comprehensive plan and new development regulations with an emphasis on reuse and revitalization, rather than on the growth-as-usual approach.

Next, we embarked on developing the City of Wilson's 2030 Comprehensive Plan. The 24-month process included elements typical of comprehensive plans and also took deeper dives into the topics of neighborhood, corridor, and downtown revitalization. Two three-day charrettes were held to examine these areas in greater detail and come up with implementable goals. In addition to the charrettes, we collaborated with Barton College on their campus

master plan, which highlighted their role in the overall revitalization of the neighborhoods around them. Through this long-term planning process, Wilson built broad support for a vision to guide the City into the new economy.

### **Embracing our Uniqueness: Culture-Based Economic Development**

These planning efforts brought about actionable direction on several key projects and initiatives. One was the creation of a public park in the downtown's Historic Tobacco Warehouse District. Charrette participants thought this space would be ideal for highlighting the work of Wilson's most famous folk artist, the now late Vollis Simpson, creator of the Whirligig sculptures. Many community members felt that the work should be celebrated and highlighted, and that this authenticity would become a calling card for the community. This uniqueness became a draw to developers interested in revitalization and historic preservation work. Best of all, the effort was led by a grassroots group of volunteers that were passionate about the vision for a park honoring Vollis Simpson's work and the idea of creative placemaking. In creative placemaking, public, private, not-for-profit, and community sectors partner to strategically shape the physical and social character of a neighborhood, town, tribe, city, or region around arts and cultural activities.

Creative placemaking as an economic development strategy was an entirely new concept for the Wilson community, and certainly didn't come without controversy. After much discussion with citizens and city leaders about the proper role for local government in the project, the City of Wilson took on the role of a supportive partner in the development of the park. The sculpture park is being built with leadership from a non-profit organization that brought in grants and donations as primary funding sources. The city's role is more traditional, focusing on infrastructure improvements like streetscape and utilities serving the park and adjacent properties. The city is also providing extensive in-kind support through grant writing, grant management, and project management through the Downtown Development, Financial Services, and Planning and Community Revitalization Departments.

### **Ripple Effects of Project Successes**

Through these two investments, Greenlight gigabit fiber optic infrastructure and the Vollis Simpson Whirligig Park, a new economic development theme emerged based on arts and innovation. The increased arts community has enlivened the downtown and historic district through art projects, music, and other live events. The community has also reinvigorated a nightlife component that had been absent since the late 1980s. The Greenlight infrastructure has already begun to attract businesses that need this resource and to help those in the community capitalize on their own creative ideas.

The park project is still ongoing as of this writing. Eleven Whirligigs have been installed, and nearly four

million dollars in grant and donated funds have been secured to design the park, purchase the land, acquire, repair and conserve the artwork and install the sculpture on the park site. The project has received national and international attention and funding from some of the top foundations in the country including the ArtPlace, Kresge Foundation, and the National Endowment for the Arts.

In return for this work to date, the city has seen renewed interest in the redevelopment of downtown with \$20 million in private investment. This includes two loft apartment projects that include live/work units on the ground floor and market-rate lofts on upper floors that have been completed in the last year within a two-block radius of the park site. The developer of the projects specifically cited interest in the Whirligig Park as a reason to complete these two projects in Wilson.

The project's successes have been cumulative and, we believe, illustrate the importance of long-range, coordinated planning in Wilson.

### **The Next Challenge: Keeping the Momentum**

The challenge that lies before us, in a weak market eastern North Carolina city, is how to make the end goal a reality with scarce resources. How can we continue to revitalize the remainder of our downtown and center city neighborhoods into hip places that artists, high-tech workers, and millennials want to live? How do we overcome the skepticism of locals, the banking community, and other partners we need to be successful?

Some real challenges still exist for our continued success. For instance, how can we attract bank financing for large-scale redevelopment projects? During difficult economic times, can we raise the additional \$3 million to complete the park or other additional funds for neighborhood revitalization projects? How does a local government make up for the lost development incentive with the sunset of the North Carolina Historic Rehabilitation Tax Credit?

We feel we can overcome these challenges through actively marketing our community through implementation of our new Strategic Communications Plan, ensuring that we treat private development downtown as a partnership by providing the best service possible to developers and working with them to secure financing for projects, and continue building on the national recognition around our development of the Greenlight system.

While these are examples of the steps the Wilson community is taking, we continue to examine ways to adjust our approaches to various issues until we find the right formula for success. What is clear is that the status quo would not result in successful transformation of Wilson's center city and larger community. Planning, investment in infrastructure, public-private partnership, and aggressive implementation are necessary if the Wilson community is going to continue to be vibrant in the long-term.



Rendering of Vollis Simpson Whirligig Park in Wilson. Image courtesy of the City of Wilson.

## Honoring Tradition, Supporting Innovation: Redevelopment of Conover Station

Lance Hight, AICP

Conover's downtown, like many others in North Carolina, once buzzed with furniture and textile factories. The industrious and innovative nature of the local people, coupled with good transportation linkages and natural resources, provided for a strong economy. However, in the early 2000s, the economic landscape dramatically changed. Conover and other cities in the Hickory region witnessed the decline of manufacturing and staggering losses in employment. From 2000 to 2012, Catawba County lost 23,152 jobs. In February 2010 the unemployment rate for the metro peaked at 15.8%. Broyhill Furniture, once a fixture in downtown Conover, was one of many that closed its doors, leaving over 400 workers without a job and over 400,000 square feet of vacant factory space. Though no long-term vision was in place for the site, the City of Conover was concerned about the future of land situated so prominently in the downtown and took a proactive approach by purchasing the 27-acre property.

### Crafting a Vision

After purchasing the factory space, Conover city leaders sought public input from the community, beginning with surveys and focus groups seeking opinions on the future of the site. A day-long public workshop was held downtown, complete with hamburgers, hot dogs, maps and markers. Over time, a vision for the site emerged that was comprehensive and expansive in nature: to pave the way for quality redevelopment to revitalize downtown, meet future transportation needs, empower entrepreneurs and manufacturers, improve the environment, preserve local heritage, and be a source of community pride. Building upon and augmenting the downtown's character was paramount. City staff crafted a master plan that included design standards encouraging zero setbacks, shared parking, increased density, and architecture that was sensitive to the context of the area.

Sharing the vision and illustrating the potential of the site to elected and appointed officials and the public is always a challenge. The planning department has found that visualization software is invaluable in helping non-planners understand the potential of proposed development. Sketchup software, which creates computer animated illustrations of possible development, has allowed staff to illustrate the overall vision in a matter of seconds, including through video "tours" on the City's YouTube page and Facebook page, as well as still images on Flickr.



**Before and after at Conover Station.** *Images courtesy of the author.*

### Turning Dirt: Site Renovation

Following the visioning process, the city enlisted experts in the fields of architecture, engineering, environmental, and historic analysis. Architects and engineers determined that the factory, which was actually one building with over twenty additions ranging from 1920s until 1990, was structurally deficient and it became clear it would be cost prohibitive to renovate. Subsequently, the majority of the buildings on the site were demolished. Thankfully, the oldest building on site, a 1918 textile mill, was saved and determined to be a good candidate for renovation.

Conover applied for and was awarded a \$735,000 grant in Economic Development Initiatives funding for water, sewer, street, and sidewalk improvements on the site. The street was designed with over 180 on-street parking spaces, placing over half in the unbuildable railroad right of way to make most efficient use of the land area. This has allowed for shared parking possibilities among uses which lessens the amount of off-street parking required, reduces impervious surfaces and urban heat island effect, and incentivizes development by lowering or eliminating the amount of parking that a private developer or business moving into the site would be required to build.

### Sustainable Redevelopment

Throughout the redevelopment and renovation process, the Planning Department chose to maintain a focus on environmental sustainability and green development. First, the project sought to maintain, and even improve, water quality and open space in the area. The southern portion of the site is the headwaters of McLin Creek, a tributary of the Catawba River which is listed as an impaired waterway by the NC Department of Environment and Natural Resources. Where others might have seen an obstacle to site development, Conover saw this as an opportunity to improve water quality, preserve open space and create a new city park.

Conover applied for and received a \$415,000 North Carolina Clean Water Management Trust Fund Grant which funded the design and construction of an engineered

stormwater wetland structure that provides significantly improved water quality. The wetlands have become the centerpiece of a new environmentally themed educational public park. In addition, Conover applied for and received a \$333,000 grant from the North Carolina Parks and Recreation Trust Fund to provide park amenities such as a walking trail, wetland boardwalk, shelter, playgrounds, and an interactive splash pad. The park is also located along the Carolina Thread Trail, a 16 county trail system that will link millions of citizens together with safe pedestrian routes.

Planners saw an opportunity to integrate the project with broader, statewide plans for transportation development. Conover is fortunate to be located along the North Carolina Department of Transportation's (NCDOT) future Western Passenger Rail Corridor that will run from Salisbury to Asheville. With this in mind, Conover recognized an opportunity to repurpose the mill building into a multimodal transit center. Working with the Western Piedmont Regional Transit Authority, Conover insured the fixed bus route would also service this site.

Because of the multimodal element of the building, Conover applied for and received Congestion Mitigation and Air Quality (CMAQ) funding of \$2,146,200. These funds have provided the means to renovate the mill building into a multi-use, multimodal transit center. In addition to the transit uses, the LEED Gold rehabilitation also houses the Conover Branch Library on the 3rd floor and a 270 seat community conference room on the 1st floor. The building was completed in fall 2011 and is now a vibrant community space and a source of local pride.

### The Future of Manufacturing in Conover

Conover has been committed to respecting and maintaining its roots in industry and manufacturing while also preparing for the next century. In 2009, Conover formed an invaluable partnership with the Manufacturing Solutions Center (MSC) which shares the City's belief that innovation and technology can help foster a diverse and robust manufacturing environment. Born from Catawba

Valley Community College (CVCC), MSC has been working for over two decades to assist industries through materials testing, streamlining design, and manufacturing innovations. With an ever-expanding list of national and international clients, MSC had outgrown their facility and was seeking to expand. In addition, they were seeking to support entrepreneurs by offering new “launch pad” spaces for emerging technology businesses. The City’s land available for development at Conover Station was a perfect match for MSC’s need of a new, larger facility. Together with the Manufacturing Solutions Center and CVCC, Conover applied for and received \$2,700,000 in funding to go toward a new city-owned, MSC occupied facility at Conover Station. This partnership has allowed MSC to expand their services to assist and support industries, while allowing Conover to honor its heritage, and build manufacturing competitiveness for the future.

### A Catalyst for Private Investment

The substantial public investment made on the Conover Station site reflects the City’s broader vision of revitalizing the entire downtown area. In late 2014, with the groundbreaking on a new 45,000 square foot commercial building at Conover Station, this goal became a reality. The new building will house a fitness center, restaurant, retail, and office space. Like the new MSC facility and renovated mill at Conover Station, the architecture of this two-story building relies heavily upon the design standards set forth in the master plan and the vernacular of the manufacturing heritage of the area.

The City’s commitment to the Conover Station project and the downtown has helped to serve as a catalyst for redevelopment. Over the past three years, over 16.5 million dollars in public and private development has occurred on-site and in the immediate vicinity. Over 200,000 square feet of building and factory space has been renovated and 160 new employees are working downtown. For example, in 2012, Lee Industries, a leader in sustainable furniture manufacturing, renovated a deteriorating factory adjacent to Conover Station and moved their corporate headquarters to Conover. We consider this an important success for the project and, most importantly, for the future of Conover. Crafting a vision and establishing a concise plan has provided the project a blueprint for success.

### Conclusion

Conover leaders believe that this project can serve as an example of how even a small community can make a dramatic positive change in its economic landscape. Communities across North Carolina are faced with the dilemma of vacant or underutilized factories and buildings that can hinder revitalization efforts in the city’s core. With proper planning, these sites can be returned to productive assets for a city. By facilitating infill development that utilizes existing infrastructure, a city can experience growth and investment and help to avoid sprawl and unsustainable patterns. By gaining citizen and political support along

with establishing a shared vision, Conover was able to transform liabilities into assets and help an underutilized property prosper. The City has gone beyond its customary role of providing basic services and ventured into uncharted territory. In ten short years, a once vacant, deteriorating factory that served as a reminder of better days has been transformed into a vibrant, bustling community center that gives residents hope and tools for a solid economic future.



The “splash pad” in the new park is loved by community members of all ages. *Image courtesy of the author.*

## Long-Term Economic Development Strategies for a Growing Triangle Town

Jenny Mizelle

After a period of extremely rapid residential growth in the 1990s, the Town of Holly Springs needed to grow its employment and balance its tax base. Town leaders achieved this by partnering with economic development allies and by drawing on the strengths of the region. This piece shares the story of the Town’s first successful industrial recruitment, and offers a collection of lessons that may be applicable to planners and economic developers elsewhere.

### History of Growth and Development

The Town of Holly Springs, NC is located in southwestern Wake County just twenty miles from the state capital of Raleigh. After decades of life in a town of 900, residents experienced a boom in population growth in the early 1990s. With the introduction of the public water and sewer system and private sector investment in residential development, Holly Springs evolved from a small town to a suburban

bedroom community in about 10 years. During this period of impressive residential growth, the town attracted very little commercial development. The population today is estimated at just over 30,000.

### Planning for a New Economy with Biotech Industrial Recruitment

By the early 2000s, the town was challenged with a tax base composition of 90% residential to 10% commercial. Understanding that commercial properties contributed proportionately more tax revenues than residential development, town leaders sought to attract more commercial and industrial development to serve the growing populace and diversify and strengthen the tax base.

The Economic Development Department formed a partnership with the owner of a large parcel of land to market the property to industrial clients. The 400 acre tract of land, known as Southwest Industrial Park, was zoned for industrial use and was home to a few small and mid-sized industries. At the time, the only access to the park was along a two lane road bordered by a large number of houses in disrepair. With the opening of the four-lane, median-divided NC 55 Bypass, we predicted that the industrial park would see more activity that might be attractive to new industrial tenants.

The Town Manager and Economic Development Director were aware, and envious, of the proliferation of substantial biotechnology manufacturing facilities in the region and wondered if Holly Springs, with its similar geographic location, might be viewed as a possible site for life science manufacturing facilities. The same assets that helped large and small life science companies succeed in the region (skilled workforce, strong infrastructure, high quality of life, a favorable business climate, and an international airport) existed in or near Holly Springs. Results of a 2001 branding study confirmed their assumption that Holly Springs was competitively positioned as a location for life science manufacturing facilities.

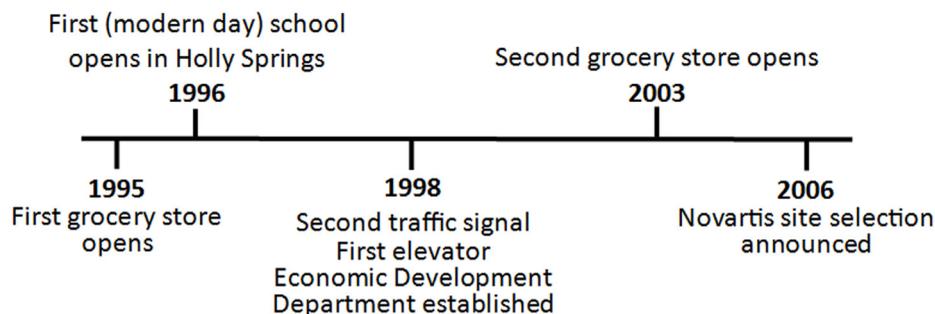
The next logical step was to pursue Certified Site status from NC Department of Commerce deeming the site shovel-ready. Once a company has made the decision

to establish a new facility, speed-to-market is critical, so in order to be competitive any potential sites need to have significant pre-development studies performed. These studies include, but are not limited to, Phase I environmental studies, deed and title searches, stream and wetland delineations, boundary surveys, and utility assessments. This process took almost a full year, as the Economic Development staff of two full-time town employees managed multiple consultants that undertook extensive studies on a 240 acre tract in the Industrial Park.

Once the Park achieved Certified Site status, economic development staff undertook a marketing initiative, looking for opportunities to share the Holly Springs story with a range of professionals in various settings that we believed could support us in our efforts. The Economic Development staff met with business recruiters at the state, regional and nation level, economic development allies representing utilities, architectural and engineering firms, site selection consultants, and real estate developers. Staff also interacted with attendees at international BIO conventions (the biotechnology field's annual conference) and had a presence at state level life science conferences.

The marketing strategy, coupled with improved road access into the newly renamed Holly Springs Business Park, began to garner results and we saw an increase in site visits from the Department of Commerce business recruitment team. Not all of the projects were in the life science arena, but we were open for business for any industrial facilities that were consistent with our long range plans to create jobs and increase the tax base.

During the period from 2004 to 2006 we were in competition for two major life science projects: Project Aardvark (Novartis Vaccines and Diagnostics) and Project Hummingbird (Bristol Myers Squibb). Led by Economic Development staff, a full team from the Town of Holly Springs worked on responses and follow up questionnaires for 12-24 months for both projects. Information required by the consultant on behalf of the company (identity unknown at the time) ranged from detailed questions about water and sewer capacity, zoning limitations, plan review processes and timelines to incentives that may be provided. Following this exhaustive review, Holly Springs was notified that our community was short listed for both projects. Bristol



Some recent and surprising milestones for the Town of Holly Springs.

Myers Squibb ultimately chose Devens, Massachusetts as the location for their new facility.

On July 18, 2006, Novartis announced that Holly Springs had been selected as the location of their U.S. Flu Cell Culture Vaccine Manufacturing Facility. The initial investment was anticipated at \$350 million with a workforce of 350 associates. Since that time, Novartis Vaccines has expanded three times representing an investment exceeding \$1 billion with over 700 employees currently on site. The announcement was ranked in the top 20 in North America for 2006 based on jobs and investment. Without long range planning that designated 400 acres of land inside the town limits for industrial zoning and without critical water and sewer infrastructure planning and capital expenditures, Novartis would not have selected Holly Springs for their state of the art vaccine manufacturing facility.

### Meeting the Challenges of Industrial Recruitment: Lessons for Planners

The Town of Holly Springs' first significant industrial recruitment project came with many challenges and learning opportunities:

**Operating with limited knowledge.** As is typical with large industrial siting projects, the community had little or no knowledge of competing sites, so it was difficult to know how to differentiate our community from other contenders. The most important thing we learned to do is listen closely to the site selection consultant representing the company and ask lots of questions about the needs of the client to strengthen our responses.

**Selling the vision.** The proposed site was a greenfield site (undeveloped land) without utilities in place and access was restricted to dirt roads. With the expertise and

knowledge of the Engineering Department, we were able to demonstrate that water and sewer line extensions to the property line and required road projects would not delay the client's project timeline and could be undertaken concurrently with their site work.

**Too many cooks in the kitchen.** Confidentiality is always a challenge, especially when there are many people involved from all levels and geographic areas. The Town had to engage in damage control following a leak of project information to the Triangle Business Journal, where it became a cover story on the eve of a site visit from company representatives.

**Elected official involvement.** Certainly the Town would not have successfully competed for the Novartis facility were it not for a management team and Town Council that were completely supportive of the project.

**We won! Now what?** Though the Town had no track record of handling permitting and approvals for a large biotech manufacturing facility, we communicated our confidence in doing so during the recruitment process.

**Need for organization and communication.** Through the leadership of the Town Manager and the Economic Development Director, all town departments banded together and made the project a priority:

- Planning & Zoning solved zoning issues
- Engineering managed infrastructure installation and environmental issues
- Legal worked on agreements
- Finance obtained funding and approvals from Local Government Commission
- Public Utilities provided detailed, accurate information on water and sewer capacity



The Novartis flu vaccine plant opened in 2009 following several years of preparation by the Town of Holly Springs staff and partners. *Image courtesy of the author.*

- Public Works performed Business Park beautification

***Financing as a team sport.*** Partners at the NC Department of Commerce, the NC Biotech Center and others provided support throughout the process. Additionally, grants from Golden Leaf, the U.S. Economic Development Administration, and NCDOT provided funds to the town towards the substantial expenses for utility improvements and roadway construction. Many of these partnerships arose from established relationships between team members and organizational representatives who helped by suggesting grant programs that may be applicable to the improvements the town needed to undertake.

### **Summary**

The major lesson that the Town of Holly Springs took away from its first industrial recruitment project is that nothing substitutes for preparation. Economic development requires very long term strategies with no guarantees of which way industry and economic winds will blow. Despite this uncertainty, the community must be prepared to respond to inquiries and development opportunities with the highest level of accuracy and relevant information.

Almost ten years from the Novartis announcement, the town continues to pursue life science manufacturing projects and other typical industrial development in the Holly Springs Business Park and at a second location known as the Friendship Site. The Economic Development department remains nimble and flexible and seeks various strategies to recruit and retain industries while continuing to support the small business and entrepreneurial community. Holly Springs' goal is to build on the success of the Novartis site selection decision. Strategic land use planning and infrastructure readiness now form the backbone of the town's Economic Development strategy.

# UNC DCRP 2014 Master's Project Titles

The following list includes all Master's Project titles prepared by students who graduated from the Department of City and Regional Planning at UNC-Chapel Hill in May 2014. To obtain an electronic copy of one or more of these papers, please visit the "Electronic Theses and Dissertation Collection" at <http://dc.lib.unc.edu>.

DAN BAND

An Analysis of the 2013 Raleigh Unified Development Ordinance

EMMA BOUNDY

Schools, Neighborhoods, and Universal Breakfast Programs: Examining the Relationship between Universal Breakfast Programs and End-of-Grade Test Pass Rates in North Carolina Public Schools

ERIC BREIT

Reaching Down and Doubling Up: Challenges and Opportunities for Rural Workforce Development Through Greater Localization and Network Strategies

ANTHONY BURTON

Determinants of Cycling to Work in Inner London

MICHAEL CLARK

Assessing Gentrification Risk Along the Durham-Orange LRT Corridor

PETER CVELICH

Unveiling the High-Growth Contenders in U.S. Manufacturing

RORY DOWLING

The Community Home Trust and the Town of Chapel Hill: An Analysis of the Town's Responsibility to Ensure the Sustainability of its Inclusionary Zoning Program

CAROLINE DWYER

Building Back Better? An Assessment of Sustainability and Resiliency in Post-Disaster Recovery and Rebuilding Plans in New York and New Jersey Following Superstorm Sandy

ROGER EKSTROM

Greenway as Incubator: Analyzing the Suitability for an Equity and LID Based Greenway in Memphis, Tenn.

BRIAN FORD

Neighborhoods by Foot: A Study of Neighborhood Walkability Over Time, Charlotte, N.C.

CAROLYN FRYBERGER

Waste Not, Want Not: Financing for Swine Biogas Projects in Eastern North Carolina

DAN HEDGLIN

The Current Factors that Affect Risk Distribution and Structure Around Emerging Ecosystem Markets in China

WIL HEFLIN

Money Bull: An Exploration of Durham's Digital Tech Startup Financial Ecosystem

ADRIENNE HELLER

Transformation of Emergent Groups into Formal Community Organizations in Post-Disaster Recovery

WILLIAM HIGH

North Carolina's Urban Distressed Tracts: A View of the State's Economically Disadvantaged Communities

HOATING HU

Impact of the Built Environment on Teen Walking Behavior

FAYOLA JACOBS

An Evaluation of Hazard Mitigation Plan Quality in the Caribbean

JORDAN JONES

Double Bottom Line Investment Funds: Comparison of Models for Non-Profit Organizations

MELISSA KIM

Navi Mumbai Municipal Transport Bus System Study: Improving Bus Transit and Depot Maintenance Practices in Navi Mumbai, India

SUKYOUNG KIM

Evaluating HOPE VI - Charlotte, N.C.

BILL KING

The Economic Development Impacts of Streetcars: Measuring the Impact of Streetcar Projects and Identifying the Factors Necessary for Stimulating Development in Streetcar Corridors

MICHELLE MADELEY

Transportation Challenges in Accessing Health Care in North Carolina

ANN MCGRANE

Evaluating Journey-To-Work Transit Accessibility in Tysons Corner, Va.

JILL MEAD

Light Rail and Single Family Home Prices: The impact of the MetroLink Blue Line on St. Louis County Residential Property Values

KYLE ONDA

Intermittent vs. Continuous Water Supply: What Benefits Do Households Actually Receive? Evidence from Two Cities in India

MARIE PATANE

Integrating Alternative Fuels in the North Carolina Transportation Sector

JOHN PERRY

Measuring the Accuracy of Bus Rapid Transit Forecasts

BRIAN POOLE

The North Street Community Development: A New and Replicable Model of Housing for Developmentally Disabled Individuals

EMMA SCHROPP

Creative Uses for Repurposed Historic Textile Mills: A Case Study of Revolution Textile Mill, Greensboro, N.C.

YICHUN TU

An Examination of the Relationship between Neighborhood Characteristics and Travel Energy Consumption in Beijing, China

YANG WU

The Government-Sponsored Enterprises: Their Origins, Collapses, and Prospects

LE ZHANG

A Study of the Effect of Bicycle Trails on Bicycling Level in Minneapolis

MARCUS ZIEMKE

Back to Basic: Addressing Veteran Reintegration into the Civilian Workforce

REEM GHUNAIM

Social Entrepreneurship and the Rotary International Peace Fellows Program

FREDY GREFA

Do Local Comprehensive Plans Support the Kichwa of the Ecuadorian Amazon in Reaching Their Collective Rights?

NATHAN THURSK

Regional and Airport Planning Components of the Aerotropolis



## 2015 North Carolina Planning Conference

### “Growing Stronger Together”

**October 21-23, 2015**  
**Raleigh Convention Center**  
**Raleigh, NC**

Explore the issues discussed here – and more – at the annual gathering of the state APA chapter. Visit the *Carolina Planning* exhibit table, attend our panel discussion on this issue, and choose from numerous other panels, gatherings, and mobile sessions.

**Save the date!**

For more information, visit <http://www.nc-apa.org>.

# Intermittent vs. Continuous Water Supply: What Benefits do Households Actually Receive?

## Evidence from Two Cities in India

Kyle Onda

*Editors' Note: Every year, faculty from the Department of City and Regional Planning at UNC-Chapel Hill determine the best master's paper developed out of the graduating class. Below is an extended abstract of the project. To obtain the original full-length document, please visit the "Electronic Theses and Dissertation Collection" at <http://dc.lib.unc.edu>.*

This study served as both the Master's Project for the MCRP and the Technical Report for the MSPH in Environmental Sciences & Engineering at UNC.

Almost all urban water systems in South Asia provide intermittent water supply (water that comes less than twenty-four hours per day, every day). Intermittent supply can impair water quality and cause users to waste water and to adopt costly coping mechanisms such as storage, treatment, pumping, and collection of water from alternate sources. Given these deficiencies, many water engineers and policy makers in the water sector recommend conversion of intermittent systems to continuous or "24x7" systems in order to realize benefits such as improved water quality and public health, elimination of household coping costs associated with treatment and storage, and reduced water wastage from households that would no longer have to hoard water under conditions of uncertainty of supply hours.

This study implemented a mixed-methods approach to investigate how upgrading from intermittent to continuous water supply (CWS) impacts domestic water demand as well as coping behaviors. To understand these impacts, fieldwork was conducted in two Indian cities, Nagpur (pop. 2.5 million) and Amravati (pop. 700,000), where pilot neighborhoods have been receiving continuous water supply over the past three years.



Figure 1. Study Area.

*Kyle Onda received his dual Master's of City and Regional Planning with a specialization in Land Use and MSPH in Environmental Sciences & Engineering at the Gillings School of Global Public Health in May, 2014. He is currently continuing his studies as a first year Ph.D. student at DCRP.*

detailed causal impact evaluation of introducing continuous water supply was conducted. Using water meter data and a natural experimental design in Amravati, water consumption by households was tracked for households before and after continuous water supply was implemented in the city, for households that did and did not receive the improved service. Using a two-way fixed-effects regression linear regression model that included imputing missing data and matching continuous water households with similar counterparts with intermittent supply, the effect of continuous water supply on demand was estimated for every time period for which data was available. The results are shown in the figure below. The results indicate a consistent increase in water demand due to the introduction of continuous water supply, with up to a ten percent increase in per capita water demand during peak months.

As for coping behaviors including the storage and treatment of municipal water and pumping of groundwater, 100 household interviews were conducted (fifty in each city, split between twenty-five households with continuous water supply and twenty-five with intermittent water supply). Generally, consumers reported continuing to incur coping costs under the improved service.

Interviews with households in both cities indicated

that moving from intermittent water supply to continuous water supply does not result in a change in storage behavior, either from overhead or underground storage cisterns or from storing drinking and cooking water in pots (See Figure 3). This is important because many other findings from developing countries have shown that water delivered clean at the tap is often contaminated in in-home storage. Respondents who had continuous water supply (and thus no theoretical need to store water to time-shift water demand) gave many explanations as to why they continued storage (See Figure 4).

All respondents in both cities with CWS continued to store water in vessels in the kitchen for drinking and cooking purposes, citing that water from overhead storage tanks was likely to be somewhat stagnant and unsuitable for such uses. A few households used metal or plastic vessels with integrated filters and spigots, but the vast majority used metal or clay pots from which water was abstracted with a utensil or directly with drinking cups, introducing a possible contamination pathway. Two of the main purported benefits of continuous water supply for households are removing the need to store water in the home, and improving water safety due to eliminating the stored water recontamination pathway. However, this study found that storage practices are not necessarily linked with service reliability in the Indian context.

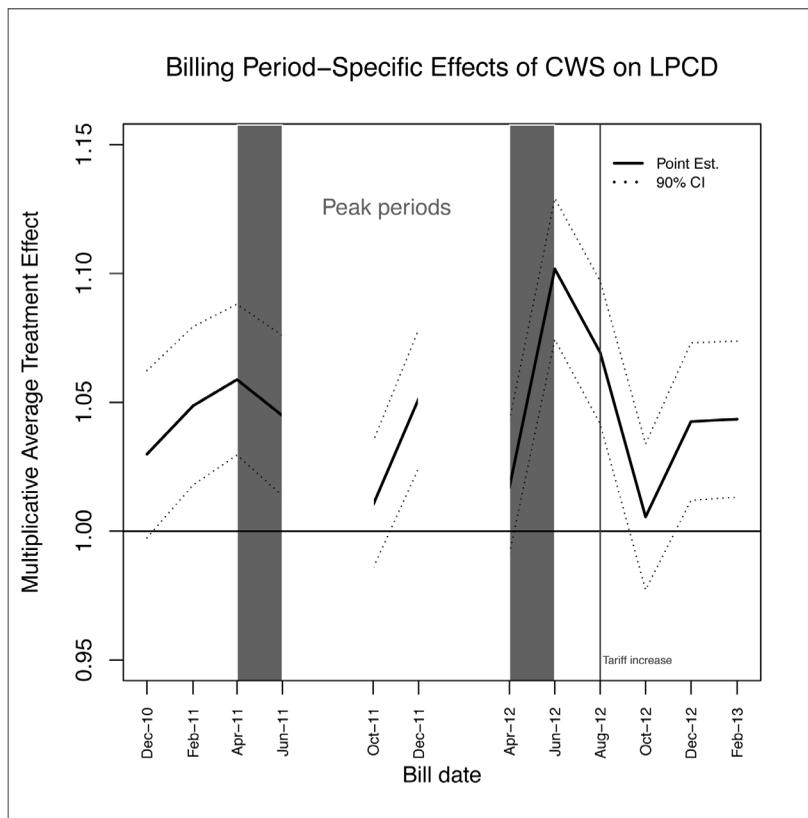


Figure 2. Average treatment effects.

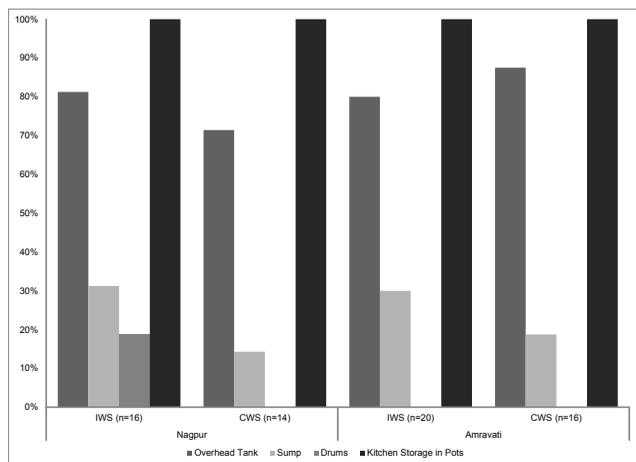


Figure 3. Percentage of non-slum households exhibiting water storage behaviors.

In addition, CWS for the most part did not seem to affect routine treatment behavior (including use of cloth filters, chemical additives, and UV-light treatment devices) or the use of borewells to pump groundwater, despite respondents noting better water quality from the tap. While this finding is at odds with the purported CWS benefit of reducing treatment costs, this result is not surprising, as evidenced by the markets for bottled water and domestic water filtration devices in higher-income countries with continuous and high-quality tap water.

Overall, the findings of this research indicate that many of the proposed benefits of CWS do not accrue automatically to the consumer. Many assumptions about consumer responses to water service improvements that are used to guide investment may not always bear out in

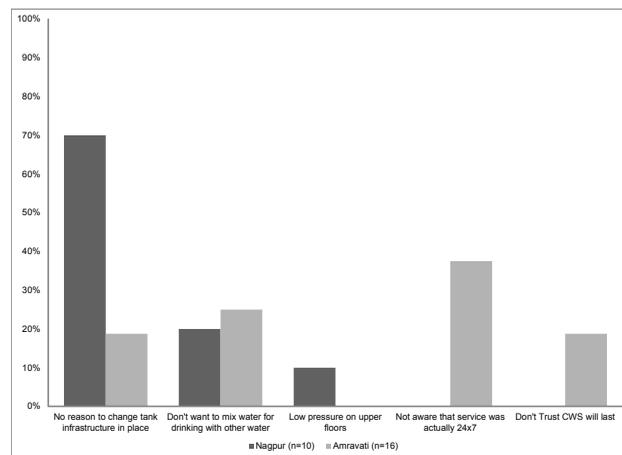


Figure 4. Reasons given by households with continuous water supply why they still use tanks.

practice. In order for the water conservation benefits of CWS to be realized, water utilities and their regulators should design water tariffs and non-price water demand management approaches that effectively incentivize water conservation while still allowing the poorest to afford sufficient quantities of water for health and hygiene. Uncertainty in the magnitude and direction of coping cost changes as a result of water supply improvements should be incorporated into formal evaluations such as cost-benefit analyses of water supply investments. Storage and treatment-related cost reductions need to be more rigorously evaluated by those implementing water supply improvements before being considered an economic benefit to households that justifies water supply investments.

# Student Connection

## Sophie Kelmenson

A cohort of 42 first-year students and two new faculty members joined 17 PhD students, 52 second-year students, and 22 faculty members in the 2014-2015 school year.

### Changes in New East

In the coming year, DCRP will change the structure of the specializations, offering Housing and Community Development, Economic Development, Land Use and Environmental Planning, and Transportation as specializations, while offering concentrations in Real Estate, Placemaking, Hazards, GIS, and International Development.

### Professional Development

Planner's Forum's student-led Career Development Committee will be hosting networking happy hours this summer, and alumni can look forward to a more regular update via our new alumni newsletter and the opportunity to join the DCRP Alumni Association. This is part of an effort to connect students to the DCRP alumni community. To connect with current planning students, the DCRP website now showcases profiles of every student in the department. See <http://planning.unc.edu/jobs> to view these student profiles.

### Workshops

This year, DCRP second-year students participated in four workshops. First, the housing and community development workshop, led by Mai Nguyen, presented a proposal to expand the local food systems in an impoverished neighborhood in Durham to local leaders and community members. Bill Lester's economic development workshop created an interactive website and report entitled the State of Low-Wage North Carolina for the Center for Poverty, Work, and Opportunity. The website (<http://www.lowwagenc.org/>) analyzes low-wage work and its impact on individuals, families, and the economy more broadly (page 8 of this volume also features images from the website). The Transportation workshop partnered with the World Bank to evaluate mobility and accessibility in Nairobi, Kenya. The students quantified the daily cost of congestion within the region, as well as the proportion of residents within reasonable walking, transit, and driving distances from employment centers, healthcare facilities,

and parks. The workshop's final report will become a chapter in the World Bank's Kenya Urbanization Review. Lastly, the land use and environmental planning workshop spent the spring semester identifying affordable housing development opportunities in future light rail station areas in Durham.

### Conferences

DCRP students were present at the North Carolina State 2015 Urban Design Conference, the North Carolina Chapter of the American Planning Association (NC-APA) Conference, the national American Planning Association (APA) Conference in Seattle, the Transportation Research Board Annual Meeting, and the Association for American Geographers conference this year. In addition attending these conferences, several masters students also presented their own work. Nate Baker and Amy Bullington presented work at the NC-APA conference, Cara Wittekind presented her work at the national APA conference in Seattle, and Julianne Stern presented at the Association for American Geographers Conference.

This year, DCRP hosted the first Annual Master's Project Conference, in which graduating students presented their projects, with topics ranging from models for youth participation in creating healthy cities to integrating green stormwater infrastructure into the built environment.

### New Faculty Members

Professors Danielle Spurlock and Andrew Whittemore joined the ranks of UNC faculty this year. Professor Whittemore teaches placemaking and real estate development courses, and researches urban form and design, planning history and theory, and land use planning and zoning in the United States. He received the Outstanding Academic Title award in 2012. Professor Spurlock likes to call herself a "triple Tarheel," as she earned her masters in urban planning and public health at UNC before completing her PhD at DCRP. Her

---

*Sophie Kelmenson will be entering her second year as a Master's of City and Regional Planning (MCRP) student specializing in Economic Development. She currently serves as the APA-NC Student Representative.*

research explores the relationships among land use, the environment, human behavior, and structural inequality on a variety of research projects including: social stratification and its impact of the siting of hazardous land uses; social vulnerability and emergency preparedness; and the impact of land use decisions on ecosystems services. She started and leads the Environmental Justice Policy Lab, which assists communities fighting for environmental justice in North Carolina.

### Student and Faculty Accomplishments

First-year PhD student (and Carolina Planning Journal Editorial Board Member) Amanda Martin was awarded a prestigious NSF Graduate Research Fellowship for her work on economic resilience in vulnerable coastal communities. Another PhD student, Lindsay Braun, received the Dwight D. Eisenhower Transportation Fellowship, which involved showcasing research at the Transportation Research Board Annual Meeting in January, where she also earned the Best Poster Presentation Award. 2015 DCRP graduates Tanner Dudley, Aaron Hursey, Malcolm Munkittrick, Julianne Stern, and Amy Bullington competed in the Urban Land Institute's Hines Competition. Christina Galardi blogged for the Safe Routes to School National Partnership bimonthly, Amanda Klepper and Julio Paredes inventoried affordable housing units near proposed light rail stops, and John Anagnost published four planning-related letters to the editor published in the *Daily Tar Heel*, and was featured in print and televised interviews.

Planner's Forum sub-committee "Plan for All," formerly called the Diversity Committee, held several Brown Bag luncheons this year in order to facilitate conversations around race, class, and gender among students. Topics included planning for gay neighborhoods in Texas, immigrants in North Carolina, the creative class dialogue and low-income folks, and sensitive community outreach. Another sub-committee is creating a web portal for DCRP students that will include course guides, advising resources, and more.

The Coastal Resilience Center of Excellence (previously the Coastal Hazards Center), headed by DCRP's own Professor Gavin Smith, received a \$20 million grant from the Department of Homeland Security to continue researching border security, explosive threats, and resilience to natural disasters. Dr. William Lester received the best article award at the Urban Affairs Association Conference in Miami this year for his paper entitled "The Role of History in Redistributive Policy Discourse: Evidence from Living Wage Campaigns in Chicago and San Francisco" that appeared in the *Journal of Urban Affairs* – a leading field journal in political science. Department Chair Roberto Quercia earned both the Trudier Harris Distinguished Professorship and the Felix Harvey Awards, while Dr. Daniel Rodriguez earned the Cherokee Distinguished Professorship. Dr. William Rohe finished his Fulbright Research Scholarship studying urban revitalization in the United Kingdom in June, while

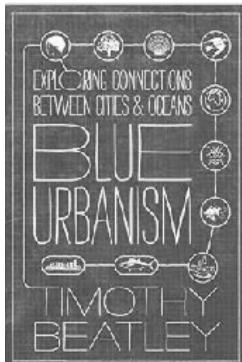
Meenu Tewari completed a three year position as the Housing and Urban Development Corporation (HUDCO) Chair Visiting Professor at the Indian Council for Research on International Economic Relations.

Lastly, we are happy to announce that New East will become ADA compliant this summer. Further, New East will become the new home to 38 prints by Alexander Davis, a celebrated architect of the Greek Revivalist style, who designed many iconic buildings on campus and in North Carolina during the nineteenth century.



*This year's winning DCRP t-shirt design was created by first year master's student Libbie Weimer.*

# Book Reviews



## Blue Urbanism: Exploring Connections between Cities and Oceans

Timothy Beatley

*Reviewed by Amanda Martin*

Nearly half of the seven billion people on earth live within 60 miles of an ocean. Land-based cities, and their ever-growing populations, rely on the sea for transportation, food, livelihoods, recreation and a place for refuge. This great, untamed resource remains all but invisible in sustainable urbanism discussion and practice. This oversight is the topic of Timothy Beatley's 2014 book, *Blue Urbanism: Exploring Connections between Cities and Oceans*. Beatley, currently the Teresa Heinz Professor of Sustainable Communities at the University of Virginia's School of Architecture, has written extensively on green urbanism, but by his own admission, he had overlooked the topic of oceans until his 2011 essay on blue urbanism in *Places*. While few of the individual ideas presented in his recent book are truly new, *Blue Urbanism* provides a compelling case for packaging together policies and behaviors that promote the health of ocean systems into a cohesive philosophy.

This short, accessible book opens with two chapters that discuss the connections between oceans and cities. Without the heavy hand of doomsday environmentalism, Beatley illustrates the grave dangers that cities – really, all coastal development to some degree – pose to ocean life. Greenhouse gas emissions are rapidly changing ocean environments and habitats, overfishing is decimating the productive capacity of global fisheries, and waste and toxins from land-based activities have generated large marine “dead zones,” void of all animal life. Beatley follows this exposition of the problem with three chapters that analyze sustainable fisheries, coastal architecture, and spatial planning. In each, Beatley overviews problems that threaten the vitality of ocean and coastal ecosystems and suggests solutions with vignettes of innovative practice from across the developed world. A New England fishing town runs a community-supported fisheries program modeled after community-supported agriculture, Oslo Opera House's sloping rooftop plaza dips gracefully into the sea, and an urban marine reserve invites residents of

Wellington, New Zealand to interact with the ocean.

The second half of the book looks at strategies to re-connect cities and oceans, largely on a personal level. Beatley explores innovations in environmental education and outreach related to oceans, and devotes a chapter to citizen science efforts that engage volunteers in collecting data on oceans. *Blue Urbanism* concludes by invoking the power of moral commitments to the ocean. Beatley's even-toned plea for ethical engagement is filled with a sense of wonder at the ocean world and wild habitat.

From the perspective of public planning, one of the more innovative and interesting strategies that Beatley describes concerns networks of waterways in cities. Like the corridors of natural areas known as greenways, blueways are the pathways through which water moves through cities. This water can include ocean water, but also wetlands, stream corridors, and storm runoff. By taking a more systematic view of how water flows through a city, planners have the opportunity to enhance water quality and animal habitat as well as provide recreation amenities. This re-framing of urban water management emphasizes the relationship among constituent parts of the natural water network instead of viewing water as a static resource to be managed in separate, individual locations.

The blueways re-framing also encourages cities to consider their local ocean resources as part of their network, and therefore, part of the city itself. One of the more thought-provoking themes of the book is that coastal cities ought to consider their spatial extent to include the nearby ocean for the purposes of planning, recreation, and

---

*Amanda Martin, AICP is a first-year PhD student at DCRP. Prior to enrolling at UNC, Amanda worked as a Planner in Rhode Island and received her Master's degree in planning from the Massachusetts Institute of Technology.*

*Julianne Stern is a 2015 graduate of DCRP and the UNC Kenan-Flagler MBA program specializing in economic development. Prior to enrolling at DCRP, Julianne coordinated urban policy exchange programs in Washington, D.C.*

*Adam Levin is a second-year Master's student specializing in economic development. Prior to enrolling in DCRP, Adam worked as a political journalist in Washington, D.C.*

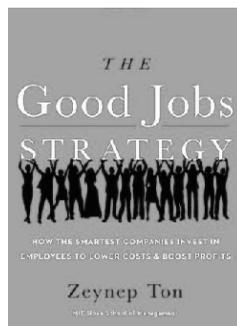
*Rachel Eberhard is a first-year Master's student specializing in housing & community development. She previously worked as a senior consulting professional in Washington, D.C.*

cities' self-identity, if not in a legal sense. As Beatley points out, we draw maps of cities that simply end at the coastline, as if the ocean was a flat, blue, featureless plain. The suggestion that we might include proximate ocean area in planning builds on the work of marine spatial planning, which has formalized decades of practice of managing the three-dimensional ocean for distinct human purposes. Beatley's argument is distinct, however, in that it seeks to integrate city planning with ocean planning, not just do one side-by-side the other. Moreover, his point is not limited to planning, regulation, or management; he is suggesting that we internalize the ocean – and not just the coastline – as part of the city itself.

For a professional or academic planner, Beatley's analysis may seem optimistic, which is intentional because it supports his effort to inspire a connection with oceans on an emotional and ethical level. However, it is hard to avoid a sense of skepticism. Longstanding conflicts riddle ocean management problems, from fisheries to non-point source pollution. Tackling this conflict in the text, perhaps with an example of unusual partners coming together – fishermen and conservationists, regulators and private property owners – might have inspired some thinking about creative consensus-building.

Climate change poses some challenges for the Blue Urbanism supposition that improving personal or city-level connections to the ocean will support healthier oceans. As Beatley himself admits, while cities have taken great strides toward reducing greenhouse gas emissions, some real policy action must also occur on the national and international stage. Further, while Beatley highlights a handful of innovative approaches to accommodating sea level rise in urban environments, the instinct to reduce human risk from coastal storms and sea level rise may actually pose additional threats to ocean and coastal health.

The major contribution of *Blue Urbanism* is not any particular idea, however; it is a philosophy of sensitive, intimate city-ocean relations that encompasses previously disparate ocean, urban, and environmental issues. This philosophy of coastal development, with its fluid movement between lifestyle and policy, feels distinctly twenty-first century. It reflects our society in its current moment, searching for consumer- or building-scale solutions to problems that have deep social, political, and economic causes. It is reasonable to suspect that blue urbanism will not serve as a blanket socio-environmental solution any more than the platforms of new urbanism or sustainable development have single-handedly delivered on their goals. However, like those other movements, blue urbanism has great potential to inspire conversations that eventually lead to action. *Blue Urbanism's* accessible tone and interesting examples will likely bring oceans deeper into the consciousness of urban dwellers and onto the agendas of planners and decision-makers.



**The Good Jobs Strategy**  
Zeynep Ton

*Reviewed by Julianne Stern*

Zeynep Ton's *The Good Jobs Strategy* is a critical resource for workforce development practitioners and economic developers who are interested in growing the number of "high road" jobs in their communities – jobs that offer a family-sustaining wage and opportunities for advancement, and in which workers are empowered to make decisions with some degree of autonomy. One way to grow the number of high road jobs in your community is to attract new businesses that already offer good jobs. But another critical strategy that economic developers can use to improve the job structure in their communities is to work closely with existing small and medium businesses to help them offer high road jobs.

What do those strategies look like in action? Ton's book, while primarily aimed at a business audience – Ton is an operations professor at MIT's Sloan School of Management – doubles as a detailed playbook for economic developers who want to help their community's small businesses offer high road jobs in ways that enhance their competitiveness. Scholars of business strategy and service operations acknowledge the link between good jobs, excellent customer service, and profits. Business school case studies tout the success of companies like the Four Seasons and Zappo's, where front-line workers are empowered to make independent judgment calls to meet customers' needs. Ton's book adds new depth to our understanding of how these strategies work, arguing that any firm that simply offers good jobs is doomed to fail, unless those good jobs are also paired with operational excellence. "Operational excellence," she writes, "requires a great operational design and great people to carry it out. Neither can make up for the lack of the other" (29).

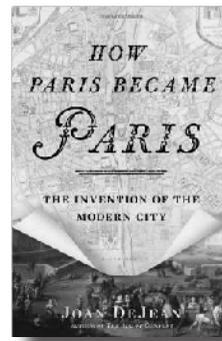
As a foil for her case studies of four firms that are industry leaders whose success is driven by investment in both people and operations, she offers the cautionary tale of Home Depot. In the 1980s and 1990s, Home Depot was the fastest-growing retailer in the world, offering customers a combination of expert service and low prices. Home Depot recruited experienced building trades workers, paid them well, and gave store managers a high degree of autonomy around stocking, advertising, and hiring. "Such decentralization," Ton explains, "helped store managers and associates take ownership of their stores and understand their importance for Home Depot's

success” (20) – on the surface, critical elements of a high road job, and a strategy that might be celebrated by workforce development advocates. But by 2000, Home Depot began to miss its earnings targets because, as Ton explains, a lack of operational discipline began to undermine employees’ ability to offer excellent service to customers.

Explaining the critical role that good operations play in empowering front-line employees, Ton writes “It is hard for a grocery store to make you happy if it repeatedly doesn’t have what you came in for, or if the checkout line is long and slow, or if you get home and find that the eggs you just bought have already expired. [...] It is hard for your dry cleaner to make you happy if you can’t wear your favorite suit to an important meeting because they didn’t get it cleaned on time” (22-23). These examples might resonate with anyone who has committed to patronizing a new local business, wanting to support a local business owner who perhaps is also providing jobs to community members – but who has eventually been driven away by operational hiccups.

Ton spends the bulk of the book describing in detail a recipe that local economic developers can offer to businesses. This strategy can also be a powerful part of the toolkit of workforce development advocates who push local firms to offer higher-quality jobs, only to be told it’s too costly. The key elements of Ton’s “good jobs strategy” are: (1) a more limited offering of products and services; (2) pairing employee empowerment with a relatively high degree of standardization facilitated by a limited product offering; (3) cross-training employees as a strategy for managing variability, rather than making employee schedules dependent on unpredictable demand; and (4) building slack into staffing, which gives employees time and space to contribute to improving operations – a long-term cost savings (15-16).

This tightly interwoven strategy should serve as a model for local economic developers who seek to improve job quality in their communities through offering technical assistance. Although Ton’s case studies focus on national and international-scale retail businesses, in some ways her insights are even easier to apply for a business that is building its operations from the ground up. Ton’s good jobs strategy offers an essential tool for economic developers to simultaneously enhance the competitiveness of new local businesses while making them great places to shop and to work.



**How Paris Became Paris: The Invention of the Modern City**  
Joan DeJean

*Reviewed by Adam Levin*

Financier. Nouveau riche. Millionaire. Femme fatale. Fashion. Sidewalk. If any of these terms resonate with you, Joan DeJean posits that you have one place and era to thank: seventeenth century Paris. In DeJean’s telling, the genesis of the modern, Western, planned city can be traced directly to the innovations and experiments in civic infrastructure, spatial development, and public finance dreamed up by France’s pre-Revolution monarchs and vanguards of urban thought. In *How Paris Became Paris: The Invention of the Modern City*, DeJean paints an illuminating picture of how the City of Light became the birthplace of the inchoate field of urban planning while simultaneously—albeit unconsciously—illustrating how planning’s myriad of intractable problems have been with the profession since its very inception.

Where DeJean’s book excels is in its elucidation of how many phenomena taken for granted in everyday urban life came about in seventeenth century Paris. The work opens with the history of that most iconic Paris landmark, the Pont Neuf. Driven by his desire to make Paris the most celebrated city in Europe and to create an enduring monument to his reign—not to mention devising a way for merchant and pedestrian traffic to flow across the Seine—Henri IV pushed his civic engineers to build a bridge spanning the river. Not satisfied with solely implementing a public work, Henri IV had his staff take control of much of the area on both sides of the Pont Neuf’s landings in order to create the first planned cityscape in Europe.

The Pont Neuf was an immediate smash upon its opening in 1607. Intended to be a “great social leveler” the bridge indeed became a gathering place for Parisians across the social and economic spectrums. The bridge and its surrounding area buzzed with activity day and night, drawing visitors from all over Europe and beyond. Much like other indelible public works such as the Golden Gate Bridge and Hoover Dam, the Pont Neuf served a functional purpose, and, more importantly, as a reason in and of itself for outsiders to visit and stand in awe. It also allowed Paris to become the progenitor to the 24-hour-city—its popularity among all social classes in Paris proved so strong that it became the central place where news was spread, and became a hotbed of civil unrest at various points throughout the seventeenth century. This construct, wherein massive, centrally-planned public spaces are transformed into places fomenting popular revolt and protest, has played

out countless times in public view, be it in Tiananmen Square or Tahrir Square. In DeJean's recounting, the Pont Neuf is the original model for those acts.

Other legacies of seventeenth century Paris will also be familiar to today's urban planners. When the Ile Saint-Louis was being developed, the project's engineer put in a variety of amenities intended to draw residents and visitors, including a public fountain, bathhouse, athletic facility, butcher shops, fishmongers, and rotisseurs. In other words, he sought to create a vibrant, mixed use area. But his idea initially failed to bring in people, a quandary which will be recognized by many flummoxed planners: what uses do people actually want? When Louis XIV had the influential city planners Francois Blondel and Pierre Bullet create his master plan for Paris in 1676, —a document which went by the unwieldy title of "A Map of Paris, That Shows All the Public Works Already Completed to Beautify the City and to Make It More Convenient—As Well As Those His Majesty Wishes to See Carried out in the Future," it was the first time that a European city produced what might be called a comprehensive plan. In fact, the Sun King's commissioned project was so revered that it was still being consulted forty years later.

Yet more prominent endeavors and projects abounded. The Tuileries, the public gardens which today remain a must-see on tourist agendas, were put in place in the seventeenth century. The era also saw Europe's first postal system, public transportation system (in the form of five hugely popular carriage lines) and nighttime lighting system. These projects were intended to mix social classes and give Paris the aura of modernity, efficiency and vibrancy, again providing an impetus for foreigners to take in these civic wonders only experienced in Paris. Louis XIV also worked purposefully to make Paris the center of "la mode," meaning "everything that is stylish or fashionable." Through the use of prescient marketing tools such as public advertising and publishing fashion periodicals, Louis XIV made Paris into the sartorial capital of the Continent, creating an export base by monopolizing fashion and flooding the market with French luxury fabrics. Finally, the seventeenth century saw the rise of a new class of wealthy French individuals who became known as financiers. These men, often from the lower social classes in provincial French towns, grew rich off the strength of their collective financial acumen and France's military quests. The seventeenth century saw France involved in a nearly nonstop cycle of foreign wars, efforts which required tremendous amounts of capital. These financiers became fabulously wealthy by lending to the crown at exorbitant interest rates. In an echo of today's criticisms of widening income inequality, these financiers were derided as *nouveau riche*—"new rich"—and were castigated by much of French society, which was still overwhelmingly poor at the time.

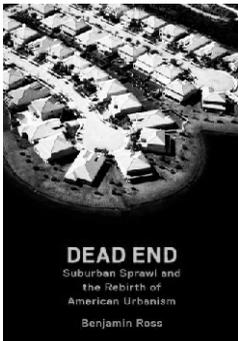
This brings up some of the more debatable points in DeJean's book. Much of the work revolves around her

argument that these innovations in seventeenth century Paris were explicitly intended to mix social classes, and in fact that they accomplished that end. The Tuileries are presented as a place where everyone gathered, the public carriage system is seen as an attempt at social harmony and the Pont Neuf is the great socioeconomic melting pot.

But how much of this is really true? Public resentment of financiers is a good place to start. Bringing oneself up from one's bootstraps—which is essentially what these individuals did, even if it was partially at the expense of the government—is the central tenet of the American dream. That they were harshly criticized as new rich implies that a rigid caste system was still in place at the time, and that that the public considered that system not to be trifled with. In this context, the social mobility of the financiers was disquieting.

The public carriage system became another emblem of France's social ills. After its initial popularity among all classes, wealthier riders demanded that the *hoi polloi* not be allowed to ride the carriages—and they got their wish. The Place Royale—, a large development of private residences which encircled a huge public space, —was allegedly intended to be a place for the people. Yet its residences were certainly only accessible to the upper echelon of French society, and its inaugural function was to celebrate a royal wedding, hardly a display of solidarity with the workaday Parisian. Even its description, as a "palatial public space," seems an oxymoron. More than anything the Place Royale seemed to represent the inherent contradiction between a democracy and a society of equality and actual French society at the time, which was still rigidly stratified along class lines. This was a society, after all, headed for the French Revolution and which already in the seventeenth century had seen the occasionally violent Fronde political movement, a cause which bubbled up from the lower classes.

Perhaps then DeJean's book best serves as a reminder that planning should be ever mindful that cities are places where certain animosities and conflicts may always exist. With the concept of equity at the forefront of planning today more than ever, DeJean reminds us that unequal access to resources and unequal treatment have always plagued cities. Can planning and infrastructure be used to open a city up to all its residents? Can disruptive social norms and classism be minimized through conscious planning? DeJean's book give some insights into these questions, but leaves the reader aware that there are no easy answers.



**Dead End: Suburban Sprawl and the Rebirth of American Urbanism**

Benjamin Ross

*Reviewed by Rachel Eberhard*

In *Dead End: Suburban Sprawl and the Rebirth of American Urbanism*, Benjamin Ross pulls together a narrative detailing how the American suburbs came into existence and how the unintended consequences of sprawl created problems that planners are scrambling to resolve 70 years later. In something reminiscent of a psychological assessment of the built environment, Ross poses the question, why do so many Americans live in widely dispersed, single-family homes and willingly spend so much time sitting in traffic?

Personal frustration led Ross to tackle this challenging topic, and he recently traveled to Chapel Hill to discuss *Dead End* and the road he took to arrive in advocacy work. While visiting Flyleaf Books, he described how the little details often fail to get fixed until people start complaining, which is precisely what he aimed to accomplish when he organized a coalition to request more spending on sidewalks. After lobbying the Montgomery City Council for more dollars for infrastructure improvements, he soon found himself serving as president of the Action Committee for Transit in the Washington, D.C. metro region. In this role, Ross entered the battle for the light-rail Purple Line connecting Montgomery County, MD to downtown Washington, D.C. The hurdles Ross encountered during his 15 years with the grassroots advocacy group provided him with the questions *Dead End* aims to answer.

The main takeaway from Ross' research indicates that sprawl is the result of a clashing of value systems. He found that the primary motive behind a mass exodus to the suburbs resided with "status-seeking" Americans, which led to the structure of zoning rules, housing covenants, and other regulatory mechanisms to protect the social cachet. Throughout *Dead End*, Ross works to examine the struggle between what he terms "snob zoning" and "NIMBYism" versus the principles of smart growth and the benefits experienced within economically mixed communities.

The most persistent critique of zoning since its inception in the early twentieth century is that it infringes upon the rights of private property owners by defining what they can or cannot do with their land, and Ross wholeheartedly supports this notion. He argues that suburban zoning has roots in private covenants governed by today's homeowners' associations. In an effort to

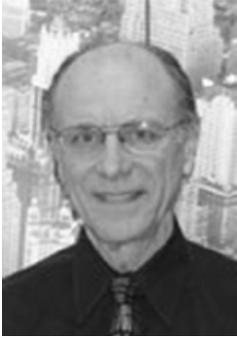
maintain more effective control, the covenants gradually evolved into more formal zoning regulations. According to Ross, these mechanisms continue to hamper the emergence of more diverse urban-style neighborhoods that younger generations desire.

*Dead End* also covers a broad range of topics considered essential to the planners' understanding of how the profession matured and became more controversial. From the Garden City to redlining practices, Ross weaves an intricate web of how sprawl festered and unfurled across the landscape. He also highlights the roles of many influential figures in twentieth century planning. In describing the influence bohemian culture had on shaping urban neighborhoods, Ross devotes an entire chapter to the mother of the modern urbanist movement, Jane Jacobs.

He praises Jacobs and her core principles for urban design: dense cities are better than sprawl and train and bikes provide a better way to transport people than automobiles. He also supports the notion that mixed-use neighborhoods that encourage walking will simultaneously encourage social and economic life. Ross stops short of addressing the effect gentrification has on the neighborhoods that exhibit these qualities, something that Jacobs could not foresee in her beloved Greenwich Village. He also deviates from her core principles when he criticizes policies supporting historic preservation, arguing that it often works hand-in-hand with zoning ordinances.

The book is a timely discussion of the benefits of new urbanist principles, as young professionals and retired empty nesters increasingly want to live in urban environments that offer the benefit of close proximity to amenities and less reliance on driving. *Dead End* contains a remarkable level of detail and research, as evidenced by a plethora of footnotes. I cannot declare Ross' work to be a light read—as the publisher needed a full two years to complete the peer review and editing process.

As a planning student, it's refreshing to hear a perspective on the motivations for suburbia from a psychological perspective, and Ross lays out an array of strategies for tipping the scale back in favor of smart growth and urbanist policies. His ideas range from encouraging apartment tenants to have a voice in local planning issues to dissolving anti-residential zoning restrictions that work to drive up rent prices. He concludes with how urbanists can work to gain political influence in order to initiate structural change. *Dead End* serves as a total package that will round out the essential bookshelf for any planner or budding urbanist.



# Final Thoughts

Emil Malizia

Professor & Director of the Institute for Economic Development  
 Department of City and Regional Planning  
 The University of North Carolina at Chapel Hill

I want to thank the editors for inviting me to have the last word in this CPJ issue. What follows are thoughts based on my knowledge of regional economic development, the subject I began researching at Cornell University in 1965. I'll present an idea and then suggest applications for planners. I will not present evidence. If you want to discuss any of the following, please contact me.

**Idea:** Nodal regions contain labor market areas (LMA) that account for 90% of GDP in the U.S.

**Application:** The LMA in which you are located is the functional economic unit that matters. The Census Bureau and jurisdictional boundaries create confusion. North Carolina is not an economic unit. Many N.C. counties are part of LMAs in other states. For example, northeastern NC counties are part of the Norfolk LMA; failure to understand this reality has undermined effective regional economic development strategies there for many years.

**Idea:** the LMA's economic base consists of the traded or export sectors that produce services and goods for non-residents and businesses in the rest of the world.

**Application:** Economic outcomes in your LMA depend on the competitiveness of your basic/traded industries. Figure out which businesses are in your economic base and use the tools available to you to help them succeed in the market.

**Idea:** History determined the geographic location of your LMA; the LMA's current economic base determines its economic location.

**Application:** The Research Triangle Area, for example, should not consider places like Charlotte, the Triad, Silicon Valley or Rte. 128 in Boston as its competition. The RTA's nearest economic neighbors are Austin, Columbus (Ohio) and Nashville. Planners in these areas should learn about their competition's economic development strategies and outcomes.

**Idea:** The collection of LMAs that make up the U.S. economy is metro focused; urban employment nodes attract the lion's share of investment.

**Application:** Non-metro counties in NC can earn income from tourist, retirees, agriculture, and other businesses in the traded sector. But their most valuable resource is the out-commuter who works in an urban area and brings

income home. Planners should learn all they can about out-commuters since they are the leading export.

**Idea:** The division of labor is limited by the extent of the market (Adam Smith 1776).

**Application:** Growth of non-exporting businesses in your area is limited. Estimate the effective demand for retail, personal services, and other local sectors on the basis of your growth forecasts and figure out the appropriate size of these sectors. Local sectors are chronically over supplied in many places, leading to unnecessary business failures. Better to restrict expansion of the non-traded sector than to waste valuable public infrastructure.

**Idea:** The smart money thinks the U.S. must specialize in knowledge industries to become more competitive. If this is correct, the large majority of local economies have gloomy prospects. The winners will be relatively large metro areas with deep, highly trained labor pools, strong anchor institutions, ample public resources, etc. The losers should rethink whether buying in (specialization to trade) is more viable than checking out (greater local self-reliance).

**Application:** Competing in the global economy generates exposure to substantial downside risk, even in places holding their own. Planners should help build and support the local food sector (farm to fork), consumer and producer coops, credit unions, in-kind trading for health care, etc. Remember that local well-being can be improved without earning more income.

**Idea:** J.M. Keynes was right: supply does not create its own demand (J.B. Say's law). Deficit spending in the near term for more jobs and income in the long term has never been cheaper. (The yield on 10-year Treasuries was 1.98% this week.)

**Application:** Dramatic increases in income and wealth inequality are problematic for many reasons, one of which is inadequate aggregate demand. Planners should support policies that would increase aggregate demand including public service employment to rebuild infrastructure and expand public services, labor organizing to fight for a greater share of productivity gains, and higher minimum wages. In addition, supporting meaningful regulation of investment bankers could prevent them from creating another major recession in the near future.

**Idea:** The regional economy is spatially differentiated. Export sectors tend to cluster in specific employment nodes. The workforce locates in residential areas served by non-export sectors.

**Application:** It makes no sense for local jurisdictions in one LMA to compete. Planners should learn and teach others about the economic role of each place and formulate cooperative strategies to improve the regional economy. Finding ways to promote tax-base sharing would accelerate cooperation.

**Idea:** Market forces are reassessing the space economy, and urban centers may become the preferred locations after 60+ years of suburbanization.

**Application:** Planners should help redevelop what I call vibrant centers – walkable live-work-play places with urban amenities and character, starting with the downtowns of larger cities.

**Idea:** Economic growth means bigger; economic development means better.

**Application:** Long-term, public interest oriented economic development is sustainable development in the economy realm. Effective economic development strategies should be completely compatible with strategies to improve the environment, bolster ecosystem services, conserve energy, promote sustainable energy, etc. They should also be compatible with strategies that help people live healthier and safer lives. Economic development planning improves public health and increases public wealth.

**Idea:** Economic developers seek economic growth by providing financial incentives to close deals in the near term that serve business interests. Planners are development oriented. They do long-term analysis and use public investments that serve the public interest.

**Application:** Economic developers are misnamed; they are actually “economic growers” who tend to imitate competitors. As a consequence, the economic development field is wide open to planners who can formulate innovative strategies based on the unique attributes of place.

# Call for Papers

ARTICLES • COMMENTARY • CASE STUDIES

BOOK REVIEWS • INTERVIEWS



## Volume 41: Planning for Creativity

*Carolina Planning* – the oldest student-run planning publication in the country – seeks to bridge the gap between urban planning professionals and academics, with the goal of providing original articles, case studies, and interviews of relevance and interest to both audiences. **We are now seeking submissions for the 2016 issue, which will focus on the theme “Planning for Creativity.”**

We are interested in hearing from planners who are thinking about the following questions:

- What is the role for art and culture in planning?
- How does art effect business and vice versa?
- In what ways are creative businesses blurring the lines between art and commerce?
- Do art and culture matter in planning? If so, what is the role of planners in building relationships with art and culture agencies?
- How has the “Creative Class” framework, calling for “technology, tolerance, and talent,” changed the way planners develop place-making strategies?
- How can planners create environments conducive to creativity in art and in business?
- How can community arts and culture organizations partner in the planning process?

### Proposal Deadline: August 1, 2015

*Carolina Planning*  
The University of North Carolina at Chapel Hill  
CB #3140, New East Building  
Chapel Hill, NC 27599-3140  
carolinaplanningjournal@gmail.com  
<http://carolinaplanning.unc.edu/>

#### Submission Details:

Interested contributors should contact the Carolina Planning editors by email prior to submission, to discuss article topics and any other questions. You may also fill out the form online: <http://carolinaplanning.unc.edu/call-for-papers/>

Proposals should include a 200-word abstract of the article topic and the author’s resume, CV, or a short bio.

Carolina Planning editors reserve the right to edit articles accepted for publication, subject to the author’s approval, for both length and content considerations. Please direct all inquiries and submissions to the editors at [carolinaplanningjournal@gmail.com](mailto:carolinaplanningjournal@gmail.com).

Bridging Planning Theory and Practice Since 1974

**Department of City and Regional Planning**  
Campus Box #3140  
The University of North Carolina at Chapel Hill  
Chapel Hill, NC 27999-3140

Nonprofit Organization  
U.S. Postage  
**PAID**  
Permit No. 177  
Chapel Hill, NC