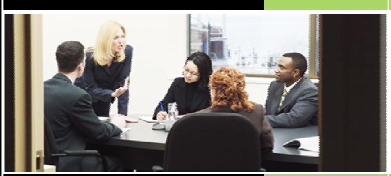
Executive Report:

BEST PRACTICES IN ECONOMIC DEVELOPMENT



AngelouEconomics
technology-based economic development

www.angeloueconomics.com

Presented to:

GREATER BINGHAMTON COALITION

July, 2006

EXECUTIVE REPORT:

Best Practices in Economic Development

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Prepared by:

AngelouEconomics
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This Executive Report, "Best Practices in Economic Development Today" accompanies the presentation by Angelos G. Angelou in Greater Binghamton on July 26, 2006. AngelouEconomics and the Greater Binghamton Coalition desire to expand the local discussion on economic development issues, and this report provides much needed background.

"Best practices" have been identified by AngelouEconomics for five important practices:

1. Brownfields Redevelopment
2. Economic Development Funding
3. Marketing & Re-Branding
4. Downtown Development
5. Regional Collaboration

These areas represent most of the requirements for economic development success in U.S. cities today. We profile several successful regions engaged in these five practices. Many of these cities have undergone a structural shift in their economy that was made better through strong local policies:

- Kalamazoo, Michigan
- Texas cities
- Greater Philadelphia
- Orlando, Florida
- Chattanooga, Tennessee
- St. Louis, Missouri

Each one of these regions is an applicable case study to Greater Binghamton. Whether large or small, northeastern or southern, cities all kinds must actively engage in their own economic development. Destinies for cities are not guaranteed – they are earned. Nor is economic turmoil a condition that must be endured for generations. The problems seen in Greater Binghamton require a directed, aggressive effort that will change the mindset of the citizens and reshape the region into a globally competitive community.

Barriers to economic success are falling – which can bring either new opportunities and challenges depending upon your place in the global landscape. Geography is no longer a limitation because the advent of advanced transportation, the Internet, the personal computer, and telecommunications. These developments allow goods and services to be sent virtually anywhere in the world cost-effectively and nearly instantaneously. New technology has thus enabled workers from developing countries to compete efficiently with Americans for a wider variety of jobs, including those in the service sector.

With half of the world's population living in China, India, Eastern Europe, and Russia, new competitors have been thrust into both the free enterprise system and the global economy in a span of only 15 years. These countries have always had excellent educational systems and skilled workers, but they were isolated from the rest of the world. Now the 3 billion citizens of these countries are competing with America for large-scale industrial development and individual employment.

This means that each community engaged in recruiting, retaining, and growing global companies must learn how to compete on the global stage. Each must offer a differentiating set of characteristics that set it apart and above its competitors. In her book *The Nature of Economies*, Jane Jacobs refers to economic development as “differentiation emerging from generality.” Simply put, economic development occurs when a business or a location possesses unique characteristics that allow it to stand out from the alternative choices.

Today, economic development is a global competition and only globally competitive communities will move forward.

AngelouEconomics’ Vision of a Globally Competitive Community

“In this new economy, communities must compete, not with other communities in their state or country, but communities across the world.

A globally competitive community is one that is focused on innovation and the sustainability of economic growth.

This requires the community to recognize the linkages between economic growth, human needs and desires, and resource limitations.”

Competitiveness places a community on a foundation for economic prosperity. The Council on Competitiveness has recognized that innovation is the primary driver in competitiveness:

Source: Council on Competitiveness

This model indicates that prosperity is driven from within – created, not inherited. Prosperity is also not dependent on a type of industry, but on how well a community innovates and competes within any industry.

How should Greater Binghamton accept this challenge and become a globally competitive community?

Being globally competitive encompasses much more than jobs and job growth. **Greater Binghamton must be a forward-thinking community that embraces and enhances its unique characteristics.** The vision is one of a community where people want to live in and raise their families <u>and</u> an economic engine that can sustain opportunities for their children, grandchildren, and great-grandchildren.

Greater Binghamton has several short-term opportunities to consider:

- Commit to a regional economic development organization in spirit and funding
- Create stable economic development funding to re-brand and market the region to people and companies
- Increase funding available for brownfields redevelopment so that the community is one that is attractive to people and companies

- Increase commitments for regional collaboration
- Make participation in economic development activities available to all citizens and businesses

Remember that successful economic development is a marathon, not a sprint. Consistent, deliberate action over many years will truly empower a region to reshape its economy, its image, and its potential.

We are thankful once again to be discussing these issues with Greater Binghamton, and hope that our involvement will help to implement the economic development plan for the region.

Best regards,

Angelos G. Angelou
Principal and Founder

Chris Engle
Vice President

AngelouEconomics
technology-based economic development

Brownfields are industrial or commercial properties that have been abandoned or underused and are environmentally contaminated, but are prime locations for redevelopment consideration. Private developers are encouraged to redevelop these sites through millions of tax incentives and other funds from the EPA and other public agencies.

Urban infill means the development of vacant parcels in otherwise built-up areas where public facilities such as sewer systems, roads, schools, and recreation areas are already in place. The redevelopment of both brownfield and infill sites are of importance because they utilize land already within the urban area rather than spreading development to rural areas. This reduces the cost to extend transportation, utilities, and other public services to outlying areas. Additional benefits include limiting traffic congestion, reducing consumption of agricultural land, strengthening real estate markets, and increasing access to jobs. Brownfield redevelopment enhances the beauty of community and often results in the redevelopment of neighboring and often blighted areas.

Best Practice: Kalamazoo, Michigan

Kalamazoo, a city of 75,000 within a county of 240,000 people, has a long history of heavy industry, particularly in paper products and automotive components manufacturing. By the early 1990s, Kalamazoo's inventory of brownfields included three federal Superfund sites and numerous abandoned heavy industrial sites galore. The blight of these sites was clearly an impediment to the long-term economic development of the city.

THE PROGRAM

The Kalamazoo Brownfield Redevelopment Initiative (BRI), begun in 1994, was one of the first EPA Brownfields Pilot Programs, and Kalamazoon was one of the first cities in Michigan to complete a brownfields redevelopment plan. Representative of many subsequent brownfields initiatives stimulated by funding from the U.S. Environmental Protection Agency (EPA) and other state and federal agencies in the 1990s, BRI has implemented partnerships, site inventories, community outreach efforts, developer agreements, and economic development programs targeted to existing industry. In support of this initiative, Kalamazoo has been given grants from a variety of local, state, and federal agencies. Local government funding has been important, and has averaged $500,000 per year from the City's General Fund.

THE RESULTS

Early, tangible success came quickly. The city acquired a brownfield site which had been occupied for more than 100 years by a steel products factory, which was now very blighted and affecting the surrounding neighborhood. The City acquired the property from the State through tax foreclosure and demolished the existing structure, an action which caught the attention of a local plastics company, Alumilite, which had outgrown its leased space nearby.

Working with the Michigan Department of Environmental Quality, the City took advantage of new State standards for cleanup, which are now site-specific and depend on how a property will be reused. Also, State law can now protect new owners from liability for environmental problems that they did not create. The company in turn invested $400,000 in new construction on the site.

From a practical standpoint, Kalamazoo chose to start with publicly-owned sites properties which the City had acquired or could purchase from the State of Michigan at nominal expense through tax foreclosure. Ownership control of brownfield sites has been critical to the City's progress in resolving environmental issues and ensuring future uses of sites that are consistent with community goals.

The City of Kalamazoo has redeveloped more than 20 brownfield sites in the past 10 years. These include: 14-screen Rave Theater complex in downtown Kalamazoo, MacKenzie's Bakery, NorthPoint Community Retail Park, Textile Systems, Inc., Speareflex Building, Alumilite, 1515 East Vine, Aggregate Industries, and 911 Hatfield.

Since 1996, the City of Kalamazoo has realized through the Brownfield Redevelopment Initiative over $115 million in total investment resulting in more than 1,000 jobs. Benefits grow much faster as properties are cleaned and made available for development. The most recent year will show development of $55 million, about a 10:1 ratio over the annual General Fund Contribution.

KEYS TO SUCCESS

Success in Kalamazoo can be attributed to several factors:

- Financial commitment from local leadership. Kalamazoo leadership has been consistent and supportive of redevelopment for the past 10 years. On average, the City has committed $500,000 each year from the General Fund to make site purchases, studies, and improvements. State and federal grants have supplemented these funds but at less than a 1:1 ratio. Ongoing financial support is clearly a critical element. Kalamazoo's City Commission has made brownfield redevelopment a key point of its overall economic development strategy for the City and has targeted substantial local resources to the effort as well.

- State legislation. Michigan is unique in the U.S. to allow redevelopment according to state standards that limit the liability of private investors once they take ownership of a property. These new State standards for cleanup are now site-specific and depend on how a property will be reused. State law can now protect new owners from liability for environmental problems that they did not create.

- State grants. Strong state support has been vital to the success of BRI. The State of Michigan has recognized the City's efforts with significant grant support for environmental site testing, cleanup and technical assistance.

- Creative financing. One key element in the program's success was a state allowance to use tax increment financing (TIF). The TIF commits future property tax revenue growth from redevelopment for a limited period of time to repay eligible environmental testing and cleanup costs.

- Talented staff. Redevelopment is a complex enterprise and requires experienced and knowledge staff to manage issues as broad as entitlement to environmental analysis. Managing consultants working on behalf of the city requires excellent project management skills. Clearly, redevelopment has many complications and having the right staff carry a project over many years (i.e. low turnover) will help smooth over the process.

Adequately funding economic development efforts may prove to be the most important, and most difficult, requirement for cities and states. By nature, economic development is a long-term enterprise, as investments in marketing and infrastructure may take years to generate new jobs or development. Often funding is too tied to the annual approval of local politicians, which usually requires that managers of economic development efforts spend more time selling their organizations to locals rather than the intended external audience. Also, efforts that depend too heavily on annual corporate contributions (such as membership-driven chambers of commerce) tend to also have to commit too much of their time to fundraising.

The best economic development programs in the U.S. have the common characteristics in their funding:

- Stable. Either a local tax is designated for economic development, or their funding cycle is done on a 5-year basis usually around a capital campaign done once every 5-10 years.
- Sufficient. Economic development programs must be funded substantially so that marketing expenses are affordable without having to raise new funds.
- Marketing-focused. Citizens who fund economic development should be continuously informed about activities to create jobs. External marketing campaigns should be highly publicized.

Two very different best practices in the U.S. highlight these characteristics: Texas 4A/4B Cities (primarily public sector funds) and Greater Philadelphia (primarily private sector funds).

Best Practice: Texas 4A/4B Cities

In 1989, the State of Texas Legislature passed to give Texas cities new financial power to create Economic Development Corporations through a voter-approved economic development sales tax. Cities are able to enact a ½-cent or 1-cent sales tax to fund programs as diverse as infrastructure projects to marketing campaigns.

Historically, the State of Texas has empowered local governments to support their growth by allowing taxing power on sales and property. Without a state income tax, state government has pushed responsibility for expenditures on roads, utilities, and public education onto the backs of cities and counties. Economic development has been treated much the same. The state's Department of Commerce (now Economic Development) has struggled with meeting the needs of a geographically and industrial diverse state. Not surprisingly, many cities, particularly those in more rural areas perceived weakness by state government to deliver funds and attention for economic development in their home.

THE PROGRAM

One response was to create the Economic Development Sales Tax option for cities. By allowing citizens to vote on raising taxes in order to invest in economic projects, the state essentially put control back in the hands of local governments. The program has been widely adopted. As of 2005, voters in 537 cities have approved economic development sales taxes, raising nearly $400 million for their economic development efforts.

The program was principally designed to promote the creation of primary jobs in Texas, but revenue can also be designated towards infrastructure projects, sports facilities, and tourism venues. The program is known as 4A/4B in the state due to the two categories of projects that are allowed under each. The 4A tax was enacted in 1989 to allow a ½ cent sales tax for cities that get voter approval and is primarily for investing in projects that create primary jobs: industrial and manufacturing facilities, recycling facilities, distribution centers, small warehouse facilities, closed or realigned military bases, business airport facilities and port-related facilities. In 1997, the 4B tax was created to allow funding of projects in tourism and sports facilities and quality of life projects: park-related facilities, professional and amateur sports and athletic facilities, tourism and entertainment facilities, affordable housing and other improvements or facilities that promote new or expanded business enterprises that create or retain primary jobs.

Some cities have both 4A and 4B sales taxes enacted, but the more common option is enacting the broader and more flexible 4B sales tax. Texas has an extremely high rate of voter approval for economic development sales taxes: In 2001, 49 cities adopted new economic development sales taxes, 3 cities voted down the creation of a new tax, while 5 cities voted to stop collecting the ED sales tax.

Expenditures can be made on a variety of hard and soft investments, from operational expenses (salaries, rents, etc.) to facility acquisition, to infrastructure (roads, utilities), to marketing expenses (website, sales trips, advertising). In addition, EDCs are offered significant flexibility in how they use 4A funds to incentivize relocating businesses, including relocation expenses to free land to development cost buy-downs. Affordable housing is also allowable under 4B funding, but few projects to date have been pursued

THE RESULTS

The Economic Development Sales Tax has been viewed as highly successful across the state. Rarely have voters turned down the request for these strategic funds, and supervision by the State Comptroller Office shows that funds have been effectively used. Only recently has the state clarified some of the provisions of the law: communities are further restricted in their ability to use funds for government-use buildings, while smaller communities have been given greater latitude in using their funds for retail projects (previously not allowed). The acceptable target industry list was expanded to include military installations and call centers.

Since 1997, cities in Texas have raised $2.3 billion for economic development, largely representing smaller communities (the population of sales tax cities in Texas is only 3 million people). Expenditures have been significant: $58 million on marketing, $445 million on incentives, and $1.7 billion on infrastructure.

KEYS TO SUCCESS

Economic development enjoys strong support by local residents if:

- They have the choice in whether to fund it
- They see that new tax revenue will be reinvested in their community
- They see a visible marketing campaign that shows that economic development is a priority
- They see that investments benefit both companies and citizens (roads, industrial parks, community parks)

In addition, the economic development sales tax has been successful because it is based on sales. Sales taxes have many advantages:

- Most consumers now experience falling prices on consumer goods and are less inclined to view sales tax increases as burdensome (unlike increases on property or income taxes)
- Sales tax revenue growth is more responsive to changes in population, i.e. more people quickly translates to more tax revenue.
- Sales tax collections occur throughout the year, and don't have a large annual impact on consumers.

For more information, review a recent update on the 4A/4B sales tax:
http://www.texasedc.org/docs/185_ed_sales_tax_update_2005.pdf

Best Practice: Select Greater Philadelphia

Select Greater Philadelphia (Select) is a rather new entity in economic development, formed as a supra-regional marketing organization across 11 counties in 3 states (http://www.selectgreaterphiladelphia.com) using primarily private sector funds. Select Greater Philadelphia is well-funded and has the support of every county economic development agency to support marketing the region and collaborate effectively.

THE PROGRAM
Select Greater Philadelphia embarked on a two-phase approach to its creation:

Phase One
Phase One of the Select Greater Philadelphia initiative was to raise $16 million (covering a four-year period) in order to support a start-up non-profit organization. Select's efforts over the past two years have been focused on fundraising, marketing and community involvement. Select is primarily funded by private sector companies (90% of all committed funds)

Select has also built strong relationships with the economic development representatives throughout the tri-state region that resulted in a historic Memorandum of Understanding signed by representatives from all 11 county economic development agencies. This document states that all parties agree to work with Select Greater Philadelphia to conduct business in a way that is beneficial for the entire Greater Philadelphia region.

Phase Two
Phase Two is focused on business attraction, targeted marketing and research. Select is concentrating on four knowledge-based industry clusters in which our region is strong and that have high wage, high growth potential. These industries include Bioscience, Information Technology and Communications, Chemicals and Financial Services.

THE RESULTS

Select is just now embarking on its marketing campaign and its results have yet to be seen. By first solving its funding priorities through it fundraising efforts and the MOU, it is likely that Select will enjoy strong success through its efforts.

KEY TO SUCCESS

- Understand that long-term funding is required for any economic development program (minimum 5-year horizon in the opinion of AngelouEconomics)
- Get public and private sector support (let the private sector lead whenever possible)
- Get MOU's to get all parties agreed on paper to the program of action

Effective economic development efforts incorporate marketing and communication strategies to transform the image of a community and increase awareness and appeal from targeted industries. Marketing efforts must be sophisticated, tailored and demonstrate tangible benefits to targeted companies.

The perception of a community can be as much a determinant of economic development success as the reality. Those communities with strong images are often those placed at the top of site selectors' lists, whether or not they are the most competitive location for a business.

Many factors affect the image of a community. A community's current industrial base is typically the primary influencer of its outside image. Several U.S. communities have changed their image overnight by recruiting a major high tech company – and then publicizing it. Educational institutions can also set the tone for a community's external image. Those communities with strong engineering and science universities are often assumed to also have a strong high tech base. Political leaders impact a community's image. Communities comprised of a young, well-educated, creative, and diverse workforce are often perceived as being more accepting and supportive of new industries.

Marketing, public relations, and direct selling are the most used tools for redirecting a community's image. Internal marketing is also critical, but often overlooked. Before marketing assets to outsiders, communities should first convince their own residents and companies that they are a good location for the community's selected target industries. Residents, local media, and local executives can then convey the image through their own business dealings.

Best Practice: Orlando, Florida

In 1999, the Mid-Florida Economic Development Commission sought a new strategic marketing plan that would reposition the four-county Metro Orlando Region as attractive technology companies. As one of the top tourist destinations in the world, Orlando was better known as the "home the Mouse" than the "home of technology."

Despite all preconceptions, industry analysis of Orlando showed that thousands of businesses were engaged in high technology activity – in areas as diverse as electronics manufacturing to aerospace design to web development. New sectors in the technology industry were identified as future targets for economic development efforts and a marketing strategy was created aimed at expanding exactly those businesses.

The marketing campaign built directly upon the strength of the local tourism industry – even making local resorts and amusement parks partners in economic development for the first time. The Region's new economic development brand – ***"imagination"*** – inspires high growth businesses, entrepreneurs, and tourists alike.

The formal marketing campaign was unveiled under the tagline "Putting Imagination to Work" and the region's economic development website was overhauled to incorporate this new brand.

THE RESULTS

Since the marketing brand was unveiled in 2000, Orlando has experienced numerous success stories geared toward knowledge workers, technology companies, and entrepreneurship:

- Ranked among top 10 locations for starting a business (Inc. Magazine
- Ranked among top places to earn and save money (Wall Street Journal)
- Ranked best in the nation for entrepreneurs (Entrepreneur Magazine)
- Established Dynamic Media Institute at UCF
- Established Disney/SBA National Entrepreneur Center
- Established Florida Institute of Electronic Arts
- New advertising campaign – “Hairstyles”
- “Rolling Billboard” (bus) to promote the region to tourists
- Hosted national optics trade show
- New tech magazine, “Texture”, in conjunction with Wired Magazine
- $586 million in film and digital media production expenditures
- Jet Blue opened $160 million high tech training facility

Orlando, Florida has received national recognition for its branding campaign and focus on technology-based economic development. IEDC awarded Orlando Best in Category for its technology and entrepreneur magazine, “Texture”, and honorable mention for best technology-based economic development effort, including its marketing campaign.

Active, beautiful downtowns are an essential quality of successful regions. They provide a space in which locals can convene, create an immediate, visual impression of the health of the local economy, and draw in tourists. A thriving, interesting downtown keeps residents living close and reduces sprawl, helping a community accomplish another important goal – preserving the natural environment and green space.

A successful downtown also supports a knowledge economy and is an integral part of a regional economic development strategy. While companies seek to attract a young professional workforce, these workers are attracted to regions with interesting and vibrant downtowns at their core. There are a number of reasons for this. These employees put an emphasis on living and working in places that are interesting, exciting, and tolerant. Diversity is also important to the "creative class", and vibrant downtowns give them diversity of space, businesses, ideas, and people. Downtowns promote the cross-fertilization of knowledge, experience, and ideas — making it a breeding ground for innovation, and therefore, competitiveness and prosperity.

Downtown development has been strong across many parts of the U.S. Both the private sector and public sector have made investments in downtowns and have benefited tremendously from them. Downtown improvements have become another indicator in a community's success and potential – and one this is easily observed by citizens, businesses, and site selectors alike.

Best Practice: Chattanooga, TN

In 1969, Walter Cronkite announced to the nation on the Evening News that Chattanooga, Tennessee was America's dirtiest city. At the time, the city was believed to have the nation's worst air pollution, corruption, and crime rate.

In the late '70s and early '80s, Chattanooga's downtown quickly became blighted as businesses vacated the area in order to relocate to larger and more prosperous cities in the state. As a result, the Chattanooga economy suffered, and unemployment rates soared. Racial trouble struck too. In 1971, simmering differences led to disturbances in which one African-American was killed and many more injured before the National Guard could restore calm. In 1980, two members of the Ku Klux Klan shot four black women, but a white jury acquitted them - sparking the firebombing of several businesses.

With so many jobs lost and racial tensions high, it was obvious the traditional response in American cities - a few leaders snapping their fingers, ordering up a new technology, bulldozing some slum blocks - wouldn't work. Realizing that the city's downtown area was vital to its economic prosperity, the City of Chattanooga responded with a series of initiatives that aggressively tackled the issues surrounding the revitalization of its downtown and the poor perception of the city as a whole.

Enter concerned civic leaders included Rick Montague, director of the Chattanooga-based Lyndhurst Foundation, Gene Roberts (later to become mayor) and Mai Bell Hurley (who would subsequently head the famed Chattanooga Venture process). In the early 1980s, they began conducting public meetings - 65 in all - to listen to people's fears and ideas for improvement.

Chattanooga's civic entrepreneurs, with Lyndhurst funding, invited in consultants from far and wide - anyone they thought might have innovative ideas on how to restore Chattanooga's downtown. Festivals and events were held to restore confidence in the downtown. Some 50 cities nationwide were surveyed for new civic enterprises. Indianapolis was picked for a city visit. Fifty business, civic, and non-profit group leaders joined local elected officials to make the trip. They saw how another community was attempting revitalization; they got to know each other better; and they returned ready to invent an approach just right for Chattanooga.

THE PROGRAM

In 1982, the city's Chamber of Commerce and Planning Commission joined forces to create the Chattanooga Venture. This non-profit organization was solely focused on bringing the full participation of the community together in order to clean up the city on all fronts - environmentally, socially, and economically. The organization conducted a community survey that revealed Chattanoogans saw the city's greatest assets as its natural beauty, river location, mountains, and public life. The perceived weaknesses were a negative self-image, lack of self-confidence, and socio-economic and racial divisions. The 1,700 citizens who took part in the Chattanooga Venture were composed of a social and racial cross-section of the city itself and were informed that every idea they wrote down would be seriously considered. An avalanche of ideas was boiled down to 40 truly usable ones, with a strong emphasis on downtown Chattanooga as the place participants held in common. Downtown was the catalyst that brought the community together.

Using these 40 recommendations, the Chattanooga Venture developed a thorough urban revitalization plan, called "Vision 2000", which ultimately succeeded in bringing the city back to life.

The focus of Chattanooga's downtown restoration started with an aggressive \$120 million 21st Century Waterfront Plan. The city recognized that the Tennessee River was the heart and soul of the city. This plan focused on developing the waterfront along the river as a tourist friendly destination. In order to take advantage of the city's greatest asset, Chattanooga created the Moccasin Bend Task Force to take on the mission of resurrecting the city's downtown riverfront and creating the Tennessee RiverPark. This tourist attraction includes fishing piers, playgrounds, woodland walkways, parks, and the Tennessee Aquarium. Additionally, the city installed a state-of-the-art zero-emission electric shuttle bus system in the downtown area. Tourists and residents are now able to move around downtown between the museums and the riverfront using this free electric shuttle service.

Through visionary leadership and the combined hard work of the Chattanoogan people, the city's downtown riverfront is now considered an exemplary model of how to revitalize a riverfront city.

The revitalization plan also focused on increasing housing options for all residents. In the mid-80s, spurred on by James Rouse and his Enterprise Foundation, Mayor Roberts and other leaders promised to transform Chattanooga's slums, making all housing units in the city "fit and livable" within a decade. Chattanooga Neighborhood Enterprise, Inc. (CNE) is a private, non-profit organization created in 1986 to develop, finance, renovate, and manage affordable housing for Chattanooga and Hamilton County's low-to-moderate income citizens. CNE receives funding through city general revenue, federal programs, the Lyndhurst Foundation and other private organizations, and through loan origination and developer fees. On average, the organization assembles \$23 million a year in foundation money, government grants, and low-interest loans by local banks. The result has been over \$237 million in affordable housing investment. In fact, almost 600 renters are being turned into homeowners each year.

In recent years, CNE has expanded its focus to include the development of mixed-use properties like the Grand Hotel and the Robinson apartment building and the development of mixed-income housing through the Chattanooga Bicentennial program. In addition, CNE has also branched into small business lending with the establishment of and participation in the Chattanooga Business Connection.

THE RESULTS

Of the 40 goals Vision 2000 approved in 1984, 37 had been partially or wholly completed by 1992. In 1993, Chattanooga Venture facilitated a repeat project, “ReVision 2000”, in which some 2,600 citizens generated 2,559 ideas, focused into 27 new goals for the community.

According to Trevor Hamilton, Vice President of Economic Development at the Chattanooga Area Chamber of Commerce, recent successes include focusing on creating a downtown infrastructure that is “living and attractive to young professionals” with downtown lofts, nightlife, and retail; the installation of an IMAX theater near the Aquarium; and the construction of a 20 acre public park on the north shore of the river.

So far, Chattanooga’s Vision 2000 plan has been responsible for 223 projects and programs. These initiatives ultimately spurred the city’s economy by creating 1,381 jobs, and 7,300 temporary construction jobs. The results of the city’s downtown revitalization served the needs of Chattanooga’s 1.5 million people by injecting a total financial investment into the community of $793,303,813 ($2,778 per resident).

This initiative has garnered national attention and attracted a collection of remarkable awards. Topping the list: recognition by the United Nations as one of the world's 12 "Best Practice Cities" at the 1996 Habitat II Conference in Istanbul. This process of community input and visits to benchmark cities as the key component to successful revitalization has been dubbed “The Chattanooga Process.”

KEYS TO SUCCESS

Chattanooga had many obstacles to overcome, including:

- Generating public support for new investments in the downtown area
- Changing the perception of the city from an old industrial, environmentally contaminated, low quality of life city to one that is vibrant, progressive, and environmentally conscious

Hamilton outlines the keys to success for any other city embarking on a similar mission as:

- Creating a public and private sector partnership where ideas and recommendations can be exchanged freely
- Creating an environment where the city becomes a great place for companies to invest
- Having strong public and private sector leaders, and ensuring that key leaders are in the right place and have proper oversight authority.
- Creating relevant institutions, and giving them clear objectives to accomplish.
- Creating a very clear-cut website that is easy to use, and that provides more than adequate content.
- Traveling to Chattanooga and other best practice cities to participate in “Host Group Tours” that the Chamber of Commerce offers in order to provide more incite into how the city succeeded in its economic development initiatives.

Regional cooperation among economic development organizations, universities, governments and community and business leaders is essential to economic development and marketing. Duplication of efforts between organizations not only wastes resources, but also results in muddled marketing messages communicated outside of the region. The best economic development campaigns involve tightly coordinated teams or organizations within a region. These teams look past city, county, and sometimes state geographical borders and promote a single message for their entire region.

As consultants, AngelouEconomics preaches a philosophy of regionalism, as few companies concern themselves with specific political boundaries during their site selection. Neighboring communities cannot view economic development as a zero-sum game. Rather, they should view one another as part of a shared region with joint interests rather than as competitors. The impact of job creation in one city ripples across an entire region. Therefore, it is important for cities and counties to work together at a regional level to attract business investment and skilled individuals.

Best Practice: St. Louis, MO

The St. Louis region is a 6,400 square-mile 12-county commonwealth consisting of a substantial metropolitan core, along with modest-sized cities, small towns, and rural farmland in Missouri and Illinois, located at the confluence of the nation's two greatest rivers.

More than 2.6 million people live in the two-state greater St. Louis region, which is known for its affordable housing, wealth of recreational and cultural attractions and historic neighborhoods. The St. Louis region is also home to a strong business community including 15 Fortune 1000 companies and an emerging plant and life science industry. Educational opportunities are abundant in the St. Louis region. Citizens have access to 12 universities and four-year colleges, eight two-year institutions and numerous professional schools. The City of St. Louis, the largest municipality in the region, encompasses the region's downtown, hosting three professional sports venues, a riverfront district and increasing loft and entertainment opportunities.

However, the City's population has long been declining from its one-time peak of 850,000 to about 300,000 today, one of the most precipitous declines in population of any of the nation's major cities.

The St. Louis region trails badly in many key performance measures relative to peer regions. Although efforts are continuing to revitalize the urban core and improve the quality of life for all residents throughout the St. Louis region, the decline in the overall competitive standing of St. Louis among peer metropolitan areas is measurable and serious. While individual regional institutions are strong and reasonably effective in their own right, none have been able to meaningfully address the region's chronic and systemic economic and social problems. This observation did not go unnoticed in the public, private, and civic sectors and was the catalyst for the creation of the Metropolitan Forum.

THE PROGRAM

The Metropolitan Forum is a partnership among the East West Gateway Coordinating Council, FOCUS St. Louis, and the St. Louis Regional Chamber and Growth Association (RCGA). The three organizations came together in the belief that longstanding and complex regional issues are not now being effectively addressed and that a wholly new approach is required. One individual, one organization, or even one sector alone cannot address many of the St. Louis region's challenges. The region's history is filled with highly publicized, yet failed attempts to address major problems, so the Metropolitan Forum arises from the recognition that something must be different this time. Stronger, more meaningful partnerships are needed among government, business, and civic leaders. Bolder actions are needed to have real impact at a scale that matters. A new spirit of honesty and accountability must motivate fact-based solutions to serious issues rather than public recognition, credit, or blame.

The foundation for the collaboration was set following the annual RCGA Leadership Exchange trip to Toronto in the fall of 2000. (Each year, the regional chamber sponsors a three-day leadership trip of 125 elected, business, and civic leaders to another community.) Some 50 of these community leaders who participated in the Toronto leadership trip sought to build on the energy and enthusiasm cultivated during the leadership exchange and, along with the RCGA and FOCUS St. Louis, initiated the Regional Governance Policy Group. The Regional Governance Policy met over eight months concluding with the adoption of 15 recommendations spanning tax policy and government structure, transportation, and healthcare.

What followed was a yearlong candid discussion (sometimes a debate) among the staff directors of three regional organizations, FOCUS St. Louis, East West Gateway Coordinating Council and the Regional Chamber and Growth Association, about the efficacy of the recommendations and how (or whether) to act on them. These meetings helped to build trust, establish a common language for collaboration, and ultimately to plan for a leadership retreat of the organization's board members. In late January 2003, some 36 board members of the three organizations convened for a two-day retreat to discuss regional issues, to challenge each other and to determine whether the three-organization collaboration might work. Participation was at the highest level, the discussion was extraordinarily honest, sometimes passionate, and occasionally heated, but it was never divisive. The participants ultimately came to the conclusion that a new approach to regional problem solving was indeed needed and they agreed to take responsibility for figuring out how to do so as a three party collaboration.

THE RESULTS

- The Forum recently prepared a coordinated and regional public spending and investment strategy for the St. Louis metropolitan area called "More for the Money."
- Dialogue has improved throughout the region and the Forum is used as a model for regional cooperation across the country.
- The region was recently ranked 4th in the country by a ranking of the most "hot growth companies" by BusinessWeek Magazine.
- Urban expert Neal Pierce recently praised the strides St. Louis has made by proclaiming that "The big visible headline of your change is downtown."

KEYS TO SUCCESS

- The citizenry has to be convinced that there is a need to head in a new direction.
- The Metropolitan Forum was formed by the signing of a memorandum of understanding by all involved parties. Although symbolic, this signing showed the community that the leaders were ready to support a regional approach to economic development. The text of the agreement follows.

St. Louis Metropolitan Forum
Memorandum of Understanding

"WHEREAS, there are many dedicated leaders in business, government and civic sectors in the bi-state St. Louis region who are working to address critical metropolitan issues; and
WHEREAS, the St. Louis region faces important challenges that can be addressed only by outstanding leadership, honest and clear debate, and problem-solving based on sound information; and
WHEREAS, a diverse group of leaders (hereinafter "conveners") from the business, government and civic sectors desire to come together to conduct discussions and stimulate action to confront these metropolitan challenges; and
WHEREAS, the performance of the St. Louis region relative to peer regions across the nation is not at the high level to which the conveners individually and collectively aspire; and
WHEREAS, none of the conveners individually can cause the regional changes and transformations necessary to raise the region's nationwide standing in many significant categories: and
WHEREAS, the conveners have been meeting to discuss regional challenges and the opportunity to collaborate in a working partnership; and
WHEREAS, there was broad agreement that a new kind of collaboration between business, government and civic sectors is both necessary and desirable; and
WHEREAS, the East-West Gateway Coordinating Council (hereinafter "Council"), St. Louis Regional Chamber and Growth Association (hereinafter "RCGA") and FOCUS St. Louis (hereinafter "FOCUS") are regional organizations with members from the public, private and civic sectors in the bi-state St. Louis region; and
WHEREAS, the Council, RCGA and FOCUS have encouraged the conveners to form the new collaboration and support the collaboration's efforts;
NOW, THEREFORE BE IT RESOLVED, that the conveners hereby agree to maintain an ongoing process and forum to address regional concerns and undertake bold initiatives; and
BE IT FURTHER RESOLVED, that the conveners will utilize the staff of the Council, the RCGA, and FOCUS to support the ongoing work of the collaboration, which will be known as the Metropolitan Forum (hereinafter "Forum"); and
BE IT FURTHER RESOLVED, that the Forum will not be a formal organization, but will function according to the following guidelines:

1. The conveners will assemble the Forum at least four times per year.
2. The Forum will consist of a maximum of thirty-six representatives, twelve members representing business, local government and civic interests, plus the staff directors of the Council, the RCGA, and FOCUS.
3. The Forum will be the principal decision-making body of the collaboration, responsible for key policy decisions including the determination of issues to be addressed and strategies to be undertaken.
4. The Forum will endeavor to reach consensus on decisions. If a vote is required, a minimum two-thirds majority will be required overall and among the representatives of each sector represented (business, government and civic).
5. The Forum may designate a management committee consisting of up to three representatives from each sector from among Forum participants. The management committee will meet as needed to plan the work of the Forum.
6. The lead role for organizing, preparing for, and presiding over the meetings of the Forum will rotate among the sectors for each succeeding meeting.
7. In order to encourage frank and honest dialogue, discussions of the Forum will be confidential.
8. Larger, more inclusive, working groups will be encouraged and may be formed to advance specific issues or themes as determined by the Forum.
9. The Forum will focus on initiating and implementing bold initiatives that will have measurable impact on the region.
10. The conveners will develop a cost-sharing arrangement among the sectors to maintain the Forum and will work together to secure private and public funds to support expenses.

This Charter will be approved by consensus of the Forum and shall be used as a guideline to conduct the activities of the Forum. This Charter may be amended from time to time, also by consensus."

Step-By-Step Guide to Brownfields Strategies:

Taking Advantage of the State of New York Brownfield OpportunityAreas Program

By AKRF
Land Use & Planning consultant to The BC Plan

New York State's Brownfield Opportunity Areas (BOA) Program offers a new "environmental planning tool for redevelopment," says Vice President Marc Godick, one of AKRF's experts on remediation. The earlier brownfield cleanup programs focused on remediation of individual parcels. The new BOA program enables communities to focus on the remediation and redevelopment of entire districts composed of numerous brownfield parcels. Community-based organizations and/or municipalities and can apply to the BOA program at any of three steps in the process.

After identifying an area of the community for redevelopment — say, several parcels of formerly industrial waterfront — the first step is the Pre-Nomination Study. This includes a very basic description and analysis of the study area, its zoning and land use, and its potential for redevelopment. Typically, a planning firm's in-house planning and hazardous materials experts can make this a relatively simple part of the process by performing the necessary studies and clarifying community revitalization needs and desires.

The next step is the actual nomination itself. This fleshes out the pre-nomination information on the basis of the preliminary studies, and consists of a much more in-depth description and analysis, including an economic and market trends analysis. This is where planning becomes paramount, and guidance from planning and economic development experts is extremely useful.

The final step is the implementation strategy, which includes the creation of a comprehensive redevelopment master plan of the area. The plan would include the full range of proposed projects, remediation, and improvements, both short- and long-range.

The New York State Department of State, in conjunction with the New York State Department of Environmental Conservation, administers the BOA program. New York State affords generous grant opportunities to fund BOA projects. The Department of State can also facilitate participation by various stakeholders, who could fund portions of the implementation strategy, including state and local agencies.

What are the Elements for Success in Brownfields Redevelopment?

- Vision
    - Seeing beyond the impairment
    - Taking advantage of location and character
- Leadership
    - Political and economic will
    - Leveraging any and all up-front monies
    - Delivering approved sites with while reducing uncertainty and providing liability relief.

- Entrepreneurship/Attracting Investment
- Looking for developers and investors who understand and seek Brownfield opportunities
    - Cherokee and other REITS that seek value added opportunities from impaired real estate
    - I Park and other adaptive re-use specialists
    - Institutions and academic centers with different investment and return goals

What are some examples of best practices in the state of New York?

Yonkers, NY

- 1990s Master Plan for deteriorated and moribund waterfront.
    - City initiated Generic EIS to deliver "approved" turn key development sites
    - City entered Voluntary Agreements with NYSDEC and remediated the turn key sites
    - Millions of investment in mixed-use projects completed and underway
- 2006 New master planning for additional former industrial and underutilized parcels.
    - Brownfield Opportunity Area (BOA) funds used to assess and prepare development sites
    - Notable change from 1990s - now both public and private developers benefit from program
    - Formerly, brownfield funds hampered by public vs. private use restrictions
    - Continued use of Generic EIS process
    - $3.2 billion of private investment in the wings.

Glen Cove, NY

- Nassau County small city that had not shared prosperity with surrounding areas
    - Historically contaminated industrial waterfront with little or no investment potential.
    - Waterfront includes USEPA Superfund Site
- Political will and leadership leveraged EPA Brownfields Assessment Pilot and Showcase Community grants.
- The Pilot has leveraged about $20 million in grants and technical assistance.
- Urban Renewal used to assemble development site
- Plan originally focused only on retail, but market factors shifted project
- Urban renewal plan amended to add mix of uses, including residential
- New development proposals in development.

For more information on brownfields redevelopment in the state of New York, read:

"Opportunities Waiting to Happen: Redeveloping Abandoned Buildings and Sites to Revitalize Communities"
http://nyswaterfronts.com/communities_guidebook_ab.asp

"Making the Most of Your Waterfront: Enhancing Waterfronts to Revitalize Communities"
http://nyswaterfronts.com/communities_guidebook_lwrp.asp

Brownfield Opportunity Areas Program
http://www.nyswaterfronts.com/grantopps_BOA.asp

Municipal Assistance for Environmental Restoration Projects
http://www.dec.state.ny.us/website/der/erp/