

NEWS & *views*

Economic Development Division

FALL 2003

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News & Views, published quarterly, is the newsletter of the Economic Development Division of the American Planning Association. We welcome articles, letters, suggestions and information regarding workshops and other educational opportunities for economic development professionals. Please forward your submissions by email to our Managing Editor, Zenia Kotval, AICP (address below).

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Freeport's Nautical Mile Revitalization: Raising a Road and a Community's Spirits

by Ellen Kelly

Long before the rise of Long Island as a model for post-war suburban development in America, communities based on the island's original fishing, farming and — later — resort economy were shaping the land and their own futures. The Village of Freeport, on Long Island's south shore just 25 miles east of Manhattan, traces its history to seventeenth century colonists who pastured their cattle on the grasslands adjoining the Great South Bay. But it was maritime pursuits, shell-fishing, fin fishing, boat building and marine trades that sparked the Village's growth in the nineteenth and early twentieth centuries, and established its reputation as "The Boating and Fishing Capital of the East." The dredging of canals in the 1890s created more than ten miles of waterfront property for both residential and commercial development. At the head of the larger canals,



Freeport's revitalized waterfront has become a popular destination for area residents and tourists alike.

Woodcleft Canal and Randall Bay, resort hotels drew visitors from New York City and beyond. Trolleys ran from New York City and from the Long Island Rail Road south to the water, where ferries were available to carry people to the barrier island later developed as Jones Beach.

A century later, Woodcleft Avenue — locally christened "the Nautical Mile" — was still the heart of the largest working waterfront on Long Island's south shore. Freeport, now a diverse mature suburban municipality

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THOUGHTS FROM THE CHAIR



I hope everyone has had a safe and enjoyable summer. As we go to press with this newsletter, preparations are being made to conclude development of the division's conference sessions for next year's national conference in Washington D.C. That is sure to be one you don't want to miss. The

Economic Development Division hopes to sponsor one or more mobile workshops as well as our minimum two by-right sessions. In addition, Chair-elect, Terry Holzheimer, past Chair and Secretary/Treasurer of the Division's Council, Peter Lowitt, and I will be attending the Fall Leadership conference in Chicago this September.

Another matter of importance to the Division is our web site. After a transition in web masters this spring, we experience an extended period of down time. The Executive Committee subsequently decided to integrate the hosting of the web site with APA. For some time APA has offered this service to the various divisions at no charge. It is a needed change and one which will be completed very soon. We will notify the membership by list serve when it is up and running. This will result in cost savings to the division as well as make it easier for us to keep the site informative and current. Please check the Division's section of the APA homepage at www.planning.org for the new Economic Development Division web page.

This fall we will be preparing for the election of a Chair-elect and Secretary/Treasurer for the 2004/2006 fiscal years. The new Chair-elect will assume the Chair for FY 2006/08. The nominating committee is comprised of Terry Holzheimer and EDD member Jannell Flaig. Past chair Rebecca Winders has agreed to serve as our official vote counter during the election which will

occur early in 2004. Members may also be nominated by a petition of 20 members of the Division.

The fall election will include a vote on proposed changes to our Bylaws. An update to our bylaws is long overdue and is needed to provide for the proper functioning of division business, as well as allow for better coordination with other divisions and APA. Proposed Bylaws changes may be viewed on our new web site.

I have been informed that our esteemed newsletter editor, Dr. Zenia Kotval, Michigan State University, will be stepping down in the spring of 2004. Dr. Kotval, or "Zee" as we affectionately refer to her, has done an outstanding job. Her efforts, have allowed us to maintain and improve upon the high standards we have come to appreciate in *News & Views*. Anyone interested in taking on this important role should contact me at mdelk@templeterrace.com.

On a final note, our federal legislators have been considering the reauthorization of the Economic Development Administration (EDA) and the establishment of new funding levels (see p. 15). The EDA is a resource for capital in areas of particular economic need nationwide. Funds are allocated to states, local governments and community non-profits for the purpose of addressing conditions of poverty and unemployment. Properly funding the EDA is important as a tool for economic development in communities large and small.

Economic Development Division members wishing to make their views known may contact their respective representatives by accessing www.senate.gov and www.house.gov. After substantial cuts the previous year, the President is requesting approximately \$365 billion in funding for FY 2004. Additional information and status of this bill can be found at www.doc.gov/eda.

Your comments are welcome. Hope to see you in D.C. in 2004. ■

— Mike Delk, Chair

CALENDAR OF UPCOMING EVENTS

Education for Sustainable Development Conference
October 23-24, 2003 • UMass/Lowell, MA
www.uml.edu/com/CITA/Conference%202003.html

Economic Development Marketing & Attraction (IEDC)
October 23-24, 2003 • Columbus, OH
www.iedconline.org/prodev_EDMarketing_OH.html

Brownfields 2003: Growing a Greener America
October 27-29, 2003 • Portland, OR
www.brownfields2003.org

Economic Development Planning (IEDC)
November 10-11, 2003 • Dallas, TX
www.iedconline.org/prodev_Planning_TX.html

Economic Development Course in Pennsylvania
December 7-12, 2003 • Grantville, PA
pasdc.hbg.psu.edu/edrte/edc/index.html

Economic Development Finance I (IEDC)
December 10-12, 2003 • Atlanta, GA
www.iedconline.org/prodev_FinanceI_GA.html

FREEPORT'S NAUTICAL MILE REVITALIZATION, CONT. FROM P. 1

of 50,000, had been recognized by the New York State Department of State as a historic maritime center, the largest in the system of connected bays stretching from the Queens border to Southampton known as the South Shore Estuary Reserve. The old wooden hotels and the trolleys were a distant memory. Oystering and boat building were no longer components of the local economy. But the Nautical Mile remained home to a diverse mix of more than 50 water-dependent and water-related businesses, enterprises that were increasingly challenged by downturns in the business cycle and by aging infrastructure. A 1995 Flood Study and 1996 Urban Design and Development Study documented serious recurring tidal flooding, particularly during the fall and winter seasons. It also identified vacant properties previously devoted to boat building, sales or maintenance that were then under-utilized or blighted. Although a healthy core of businesses remained, property owners were reluctant to invest in improving their buildings. Skepticism about the possibility of positive change was widespread.

Based on these findings, the Village of Freeport planned and executed a major reconstruction and elevation of Woodcleft Avenue. The project not only solved the flooding problems, it sparked a level of private investment and business expansion that gained the Nautical Mile Revitalization Project regional and national attention as a major economic development success story. APA has recognized the project this year by the NY/Metro Chapter's Meritorious Achievement Award, and by the Economic Development Division's Excellence in Economic Development Award. It has also garnered FEMA's National Economic Development Award (2000), and the New York State Governor's Waterfront Rediscovery Award (2001).

It was maritime pursuits and marine trades that sparked the Village's growth in the nineteenth and early twentieth centuries, and established its reputation as "The Boating and Fishing Capital of the East."

The planning studies had identified a decline in the maintenance of the area's public and private infrastructure, specifically in terms of sidewalks, lighting, signage, overhead utility lines, unsightly vacant properties, poor quality facades, and non-compliant waterside uses, all exacerbated by the recurrent flooding that presented the greatest long-term hazard.

The Nautical Mile Revitalization project combined flood mitigation, achieved by raising the elevation of Woodcleft Avenue (which had elevations of less than 3.5' M.S.L. in its lowest lying sections) to a new minimum elevation of 5.2', with comprehensive streetscape improvement. A total of 4,400 linear feet of road was raised and reconstructed. Further hazard mitigation was achieved by replacing electric, telephone, cable television utility lines and poles with new lines relocated

to underground conduits. A new high-pressure gas main and water main were installed. The improvements eliminated flooding and potential wind damage.

(continued next page)



Left: Woodcleft Avenue in 1996 during a high tide and storm event. Before the revitalization, "flood events" of various magnitude occurred more than 100 times a year. **Below:** The same section of Woodcleft Avenue today showing the elevated roadway, streetscape improvements and restaurants renovated by their owners.



The Village had developed a community consensus around a phased plan for the Nautical Mile, and focused efforts on finding new funding sources for the redevelopment. It was successful in securing assistance from ISTEPA, New York State Department of State, and the New York State Department of Parks and Recreation and Historic Preservation to supplement its local commitment of funds. Construction began in 1997, with the construction of a scenic pier at the southern terminus of the street, and was completed in 2001 with a waterfront park, central Esplanade and docking pier to accommodate recreational boaters, outdoor education space, special events featuring historic vessels, and annual visits from the U.S. Naval Academy Sailing Squadron, which has now made Freeport an annual port of call during its summer sail training season.

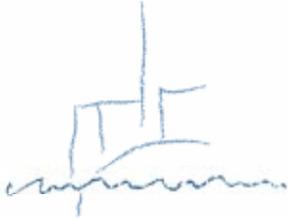
Woodcleft Avenue itself was rebuilt between January 1999 and May 2000, with careful attention to maintaining access throughout the duration of the project to the many restaurants, wholesale and retail seafood sales locations, boat sales, retail shops and other businesses that line both sides of the mile-long roadway. Louis DiGrazia, Freeport's Superintendent of Public Works who provided overall project management for the infrastructure effort, is quick to credit the aesthetic vision that guided every aspect of the effort to Mayor William Glacken. "Mayor Glacken insisted that the utilities had to go underground, and that design quality was just as important as the engineering and technical aspects of the job. Some of the merchants had doubts about the need for that, and also worried that they'd lose a season of business. But ask them today about the project and you'll hear two things — how efficiently the project was done, and how beautiful it is."

Elected in 1997, Mayor Glacken had pledged to "rebuild Freeport from the ground up" including not only Woodcleft Avenue, but residential roads, parks, parking lots, the Village's traditional downtown, and all

its commercial corridors. Because it was the first of these major infrastructure efforts, the selection of pavers, lighting, planters, signage and benches for the Nautical Mile Revitalization Project set the standard that has been applied to other projects since completed or that are now in the design stage. The "antique" lighting fixtures selected to replace cobra-head lights along Woodcleft Avenue have already been installed on Main Street in the heart of Freeport's traditional downtown, in the public plaza adjoining Village Hall, and in parking areas that have been expanded or rebuilt. The lights and other fixtures are planned as part of all infrastructure improvements throughout the central business district, one mile north of the waterfront area.

As the project began, the business community was most concerned about the elimination of on-street parking on the east side of the street to allow for an 11-foot wide pedestrian promenade. A critical element of the project's overall success was the acquisition by the Village Community Development Agency of an abandoned boat yard and building that commanded a central location and included 200 feet of canal frontage. This provided the opportunity for development of a new 125 space parking lot to serve surrounding businesses and a museum/educational facility dubbed LIMEC, the Long Island Marine Education Center, which was originally developed as the only satellite facility of the South Street Seaport Museum in lower Manhattan. LIMEC opened to the general public and school groups in 1997. The development of the LIMEC site included renovations to the original building (1997), construction of the parking facility for 125 cars, outdoor exhibit area and additional landscaping (2000), and finally the construction of the Esplanade including outdoor education space (2001).

The economic development stimulus provided by the completed project has accelerated each year since



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the roadway was completed. Since 1997, more than 75 building permits have been issued to Woodcleft Avenue businesses, representing investment well in excess of \$2,000,000. The Nautical Mile boasts the highest concentration of seafood restaurants in Nassau County, and is now a regional dining destination throughout the year. Four new restaurants have opened since the project was completed, with a fifth now under construction. A complex of gift shops replaced one deteriorated residential property on Woodcleft Avenue; an ice cream parlor replaced a similar use on a nearby lot, and “championship” miniature golf is now under construction on an adjoining site (once notorious as a private “junkyard”) just south of the Marine Education Center. These transforming developments at the center of “The Nautical Mile” have created a new family-oriented destination to complement the marine businesses and dining choices on the street.

At the southern end of Woodcleft Avenue, the final element of the transformation of the Nautical Mile awaits development. A five-acre site, recently and informally dubbed the “Sea Breeze Park” site to commemorate a locally beloved seafood restaurant that flourished for decades on the southwest corner of the site, was acquired by the Village, in part to forestall condominium development which would have eliminated public access to the location’s dramatic 180-degree-plus bay views. With grant assistance from New



Directly across from the Long Island Marine Education Center and adjoining the central Esplanade, this vacant boat sales building (above) was transformed into “Café by the Sea.”

York State’s Department of State, the Village has studied the marketing feasibility of various development options. Each development alternative was judged by its ability to maintain public access to a 750-foot perimeter boardwalk and to the transient marina, preserve and enhance view corridors, and provide a use or uses consistent with — and complementary to — existing businesses on Woodcleft Avenue. The study has verified both the economic viability and developer interest in potential developments that could include a catering facility, an inn or “boutique” hotel focusing on special event and business meeting accommodations (as well as providing a welcome for recreational sailors who use the transient marina facilities), substantial open space and view corridors, and other possible recreational attractions, such as a carousel or miniature golf.

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Always locally known as “a summer hot spot,” the Nautical Mile today has evolved into a year round destination. The Long Island daily *Newsday* highlighted its coverage of the revitalized street by likening the waterfront to “a bustling Mediterranean fishing Village” and said “Freeport has got its groove back.” KeySpan Energy, designating the Nautical Mile as one of its first Long Island “Cinderella Projects,” provided \$40,000 in gas-lit sconces to embellish businesses that had improved their facades. The Village government has assisted further in promoting the waterfront by re-introducing and managing a major Nautical Festival each June, with an emphasis on family activities and attractions. The new Nautical Festival draws well over 100,000 visitors in a single weekend.

The Village continues to implement an overall plan and action agenda for all its waterfront

commercial areas. Freeport has worked successfully from the inception of the project with the New York State Department of State’s Coastal Resources Division. At the completion in 2001 of the Comprehensive Management Plan for the 173 square mile South Shore Estuary and its 326 square mile watershed in Nassau and Suffolk Counties, a permanent office for the ongoing SSER management effort was established on Woodcleft Avenue. Today, the Village is developing additional action plans for physical and programmatic expansion at the Long Island Marine Education Center, and is updating the agenda for the complete commercial waterfront district.

Mayor Bill Glacken summarized the project’s impact in affecting Freeport’s image. “As the Village continues to be recognized with local and national awards for our renovation efforts, we are taking our planning framework and aesthetic vision forward into each new project. We’ve set the bar higher than ever before, both for ourselves and for every existing business and new developer who comes to the Village with a new project. A success like the Nautical Mile proves the soundness of that approach, and the power of our commitment to be not just a better community, but the best on Long Island. Early and effective planning,

involvement from local business leaders, attention to both aesthetic and technical requirements, and local commitment of substantial resources, is what won this project recognition and support by federal and state agencies. But the most important validation has been the increased use and enjoyment by all Village residents of their waterfront resources, and the continuing and growing economic benefits to business owners, employees, residents and to the Village of Freeport as a whole.”

Freeport’s keys to success included early and effective planning, involvement from local business leaders, attention to both aesthetic and technical requirements, and local commitment of substantial resources.



Woodcleft Avenue by night and day is a revitalized regional destination.

Ellen Kelly is the Director of Planning and Community Development for the Village. A 30-year resident of Freeport, she spent 15 years in project and business development for several architecture/engineering firms, with an emphasis on public civil and environmental projects. She has a M.A. in Government from Georgetown University and is active in The Long Island Community Development Organization (President), Women Economic Developers of Long Island (Secretary), Sustainable Long Island (Advisory Board) and the Long Island Section of the APA Metro NY Chapter.

The Academic/Corporate Partnership: An Economic Development Strategy Designed to Capitalize on Skilled Labor and Intellectual Resources in the Technology Sector

by Michael Formosi, Research Assistant for the Center for Economic Development at University of Massachusetts in Amherst

Building upon local strengths is a key tenet of a successful economic development strategy. Traditionally, these strengths have often included a community's physical resources, such as raw materials and developable land. As the national economy has moved from a manufacturing-based economy to a more service-based economy, non-physical resources, such as intellectual capital and skilled labor, have gained in importance. In response to the needs of service-based economies, economic development strategies designed to capitalize on skilled labor and intellectual resources have begun to emerge. One of these strategies, the academic/corporate partnership (A/C Partnership), is the focus of this article. A/C Partnerships are formal agreements between educational institutions and private companies designed to generate mutual financial and institutional benefits. Following a brief explanation of the primary economic principle behind A/C Partnerships, this article will examine a successful partnership between a technical community college and an information technology (IT) park in Springfield, Massachusetts and will identify the main financial and institutional benefits associated with the partnership.

The Economics of A/C Partnerships

The economics of A/C Partnerships is based on the synergistic financial gains that can result from interactions between educational institutions and private technology companies. These financial gains can be both immediate and long term. The potential immediate and long-term gains are clearly illustrated by the student employee/private employer relationship. Students attending educational institutions can serve as

a pool of moderately to highly skilled labor for technology-based companies. The immediate financial gains resulting from this interaction are income for students and expanded production for companies, resulting in increased revenue.

In addition to the immediate financial gains, the student employee/private employer relationship has the potential to generate long-term financial gains for members of A/C Partnerships. For the educational institution, the ability to offer employment opportunities at technology-based companies increases the value of its educational program. When recruiting potential students, the academic institution can highlight its ability to offer practical work experience. These recruiting efforts can result in increased enrollment by students who recognize the value of practical experience when seeking future employment. Additional tuition payments, resulting from increased enrollment, are a potential long-term financial gain to educational institutions stemming from the partnership.

Private companies involved in the partnership can also realize long-term financial gains as a result of the student employee/private

employer relationship. For the companies, increased enrollment at the educational institution creates a greater pool of labor to draw upon and allows for greater selectivity when hiring new workers. Since the success of technology-based companies is highly dependent on the ability to secure and retain a workforce of skilled employees, access to a large pool of skilled labor provides a competitive advantage in the

(continued next page)



Students can serve as a pool of moderately to highly skilled labor for technology-based companies, resulting in financial gains for both sides.

THE A/C PARTNERSHIP, CONT. FROM P. 7

marketplace. This competitive advantage can translate into additional market share, and therefore, increased profits.

A Brief History of the STCC Technology Park

Springfield Technical Community College (STCC), a community college specializing in information, telecommunications, and computer technologies, is located in the City of Springfield, Massachusetts. In 1996, STCC embarked on an ambitious project to establish an information technology park adjacent to its campus on the former site of the historic Springfield Armory. Previously, the old Armory buildings had been renovated and occupied by the Digital Equipment Company (DEC). Following a downturn in the company's financial situation, DEC closed its operations in Springfield and vacated the Armory site. Recognizing an opportunity to establish an A/C Partnership and bring much-needed economic development to a distressed section of the city, STCC appealed to the Massachusetts legislature to enact special legislation to establish the STCC Assistance Corporation, a nonprofit assistance corporation granting the powers necessary to establish the STCC Technology Park. When the Park opened its gates in 1996, it housed a

total of three recently-established IT companies. By 2001, the number of companies in the Park had grown to fifteen. The Park has received the Economic Development Administration US Department of Commerce's 2001 Excellence in Urban or Suburban Economic Development Award, as well as the International Economic Development Council's 2002 Excellence in Economic Development Award.

The STCC/STCC Technology Park Partnership

The STCC/STCC Technology Park Partnership has generated both financial and institutional benefits for Springfield Technical Community College and the private technology companies located in the Park. In an effort to quantify and qualify these benefits, the STCC Assistance Corporation commissioned the Center for Economic Development at the University of Massachusetts, Amherst to conduct a detailed study of the partnership. In addition, a fiscal impact analysis of the partnership was conducted by Mullin Associates, a private economic development consulting firm. The results of the study were published in a report entitled "Economic Impact of the Springfield Technical Community College Technology Park, Springfield, Massachusetts: An Analysis of Expenditures, Jobs, and Fiscal

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Impact.” The remainder of this article cites research and analysis from the report in order to highlight the major benefits of the partnership for the community college, tenant companies in the Technology Park, and the City.

Benefits for Springfield Technical Community College

Since its establishment in 1996, the Technology Park has maintained a close partnership with Springfield Technical Community College. As the number and types of businesses in the Park has increased, the nature of the partnership with the community college has also expanded and grown. In 1996, the three newly-established technology businesses in the Park employed fewer than fifty students from STCC. Between 1997 and 1999, the Park continued to grow, as several of the original tenants expanded operations and additional technology companies located their businesses within the Park. By 2001, there were 15 business tenants in the Park and these companies were employing over 200 students and interns of STCC.

Many of today’s most successful telecommunications and computer companies began as small start-up businesses that were created by determined entrepreneurs. STCC and the Technology Park recognize the vital role that entrepreneurship plays in the growth of the technology industry. In an effort to encourage and support entrepreneurship in Springfield, the Technology Park and STCC have worked together to create the Springfield Enterprise Center (SEC). The SEC has been established to support, assist, and “incubate” new businesses. The SEC is a 39,000-square-foot facility that offers suites with customized leases at affordable rates, which include shared services, space prepared for phone and internet service, and educational programs targeted to tenants’ specific needs.

Benefits for Technology Companies

The telecommunications and computer industry is constantly adapting to new advances and improvements in computer systems technology. To remain competitive, technology-based companies need to provide their employees with the up-to-date training that will enable them to utilize these new technologies. The Center for Business and Technology (CBT), the training arm of STCC since 1985, is able to provide the employees of tenant companies with computer workshops and training in a variety of IT Certifications. CBT has the expertise and resources to develop unique education and training programs for business, industry, and professional organizations based upon specific

workforce needs and requirements. CBT provides customized programs for employees at the college or in the workplace. In addition, custom-designed workforce training programs for incumbent workers and emerging industry trends are constantly being developed. Programs conducted by CBT generate up to 5,000 registrations each year and expose STCC and the Technology Park to many individuals who might never have visited the community college.

In addition to providing a source of skilled labor, the partnership also provides companies in the Technology Park access to faculty and professional staff at STCC. In the new information economy, access to expert advice and technical assistance is essential for making informed business decisions. Faculty and staff at STCC are available to provide business tenants with assistance on a wide range of technology issues.

Benefits for the City of Springfield

The City of Springfield has been a major beneficiary of the STCC/STCC Technology Park Partnership. Since its opening in 1996, the Technology Park has remained an economic bright spot during a relatively bleak financial period for the city. The Park, located in a distressed neighborhood, has provided a significant number of jobs for the community. According to the report issued by the Center for Economic Development, the Park has created a total of approximately 860 direct jobs and an additional 1,223 indirect jobs. The Park has maintained a policy of contracting with local businesses for supplies and services. These purchases of goods and services infuse over \$2.5 million into the local economy each year. In addition to utilizing the city’s world class telecommunications system, companies in the Technology Park have significantly increased the system’s capacity by investing over \$300 million in telecommunications equipment and infrastructure. In so doing, it is helping the city in its efforts to create a strong telecommunications cluster. The establishment of the STCC Technology Park on the former Digital Equipment Corporation site has returned the property to municipal tax rolls. After deducting municipal service costs, the Park generates approximately \$173,500 in net annual tax revenues for the city.

Academic/Corporate Partnerships can offer substantial benefits for educational institutions, private technology-based companies, and communities. The STCC/STCC Technology Park Partnership can serve as a useful model for communities interested in pursuing an economic development strategy based on A/C Partnerships. ■

HIDDEN TECH AND THE PIONEER VALLEY: *The Impact of Virtual Companies on the Local Economy*

by Amy Zuckerman, founder of the Hidden TEC organization based in Amherst, MA and author of *Tech Trending* (Capstone/Wiley, 2001). Ms. Zuckerman is an expert in standards, technology and global trends.

Editor's note: Part I of this article was published in the Winter 2003 edition of *News & Views*, which can be viewed at www.planning.org/economic.

In the business world, small isn't usually considered beautiful. In fact, the phrase "small company" can actually be a pejorative, or used in a denigrating fashion.

But the new virtual company that's driving the growth of a hidden tech economy in the United States and globally may just be turning the notion of a "small company" on its head. Businesses with one or two principles that rely on subcontractors or alliance partners to handle growth may be small in terms of the actual revenues they generate, but they still spend money in the locales where they are situated. And they are often connected to very potent clients and maintain very powerful connections that can be leveraged to benefit the communities where they live and work.

In the summer of 2002, Western Massachusetts Electric Co. based in West Springfield, a subsidiary of the Hartford, Ct.-based Northeast Utilities, commissioned this author to conduct a pilot study of 75 hidden tech companies in the Pioneer Valley of Massachusetts. This is a region whose main population centers include Springfield, Northampton, Greenfield and Amherst, Massachusetts, and includes the famous five colleges – Amherst, Hampshire, Mt. Holyoke, Smith and the University of Massachusetts in Amherst.

Hidden tech is a term this author has coined to describe small, virtual companies that either develop and sell high tech products or use technology creatively to survive. Because they are often home-based or located in unmarked offices they are literally hidden from sight. And because they are often unincorporated, they are often hidden from government statisticians.

The main aim of the study was to better identify the hidden tech population, which the region's chief planner, Tim Brennan, executive director of the Pioneer Valley Planning Commission in West Springfield, believes is a growing major economic force in this area. The study was designed to address some of these other

questions as well: What was attracting hidden tech companies to this region? What products and services are they providing? What is their impact on the local economy? And how committed are they to the region and what do they need to stay competitive?

The Hidden Tech Sample

The main focus of this survey were companies located in the sector of Hampshire and Franklin counties, called affectionately "The Valley," which is also called the Five College Area. Major cities and towns are Amherst, Northampton and Greenfield. Several companies from the Springfield area (Hampden County) also participated.

This was not a random sample. Companies were selected from the growing mailing list of the Hidden TEC Affinity Group, a subset of the Hadley, MA.-based Technology Enterprise Council (TEC), that the author helped form in the winter of 2002. About 20 percent of the sample were known to the author personally at the time the survey questionnaire was designed. The remainder were included in the sample because they had attended a Hidden TEC meeting, or became known to the author or other researchers through word of mouth. That means this sample is made up of companies who are intent on networking and promoting their businesses.

Distinct efforts were made to ensure that the survey represented the wide variety of hidden tech companies that permeate this region. From the roster of the new Hidden TEC Affinity Group, which now has a membership of about 230 hidden tech companies, we have uncovered the following main categories of businesses, which all depend on technology to advance their business needs:

- Software/hardware developers
- E-commerce retailers
- Web designers and hosting services
- Management and organizational development consultants
- Content providers
- IT/trainers and strategists and marketing specialists

Part II of II

The sample revealed more commitment to the region than had previously been thought and a determination to stay here and grow as a business. The majority, just over 85 percent of the sample, own a home in the Valley. Just over 50 percent of homeowners live in Amherst/and or contiguous towns. Just under 25 percent live in Northampton and/or contiguous towns. The remainder are scattered throughout Franklin, Hampshire and Hampden counties.

Half of those surveyed are sole proprietors and 30 percent are incorporated. The majority, 65 percent, operate home-based companies while about 25 percent operate mainly out of strip mall or commercial office space that they rent. The bulk of the respondents, almost 70 percent, say they don't plan to move into commercial space any time soon.

It's interesting to note that of the 25 percent or so who are renting space, most are in commercial office space and strip malls. A handful rent space in industrial or technology parks. Many of these respondents had recently moved out of a home setting, or had recently expanded their commercial space. So when asked if they planned to expand commercial space any time soon, 50 percent said no. But, in fact, they had recently expanded their commercial business space.

Types of Products and Services Offered

The majority, 75 percent, develop and sell a wide variety of products. Of those who develop and sell products, just under 30 percent sell software products of all kinds with web-related applications and solutions being the most common. Web content and web sites, books, manuals, booklets and content for all media, along with training courses, are also largely represented among product categories.

All of the sample provide services, or even a variety of services. The largest group, a third of the whole sample, are involved in consulting and training that relates to sale of their software. Just under 25 percent of all respondents are involved in organizational/management consulting and strategy both inside and outside the tech industry. The following categories garnered about 10 percent of the survey each: Old economy/Web marketing; IT/Telecomm Consulting/Strategies/Training; Content editing/writing, and Graphics/Web design.

This survey also reveals that the Valley is very much a tech incubator, which bodes well for product growth and overall economic growth for the region. Slightly over 50 percent of those surveyed are involved in some form of research and development. Only 32 companies, just under half of the survey, listed the sorts

of R & D they are conducting. Half or 50 percent of R & D being reported relates to the web. Thirty percent of R & D reported involves developing a wide variety of topics for print and web publication, and another 30 percent of R & D being reported focuses on creating new software or other miscellaneous technologies.

Revenues Generated

Many companies refused to provide any information on finances when the questions were posed in an open-ended fashion. Financial categories were created part-way through the survey, which apparently made it more palatable for respondents. In the end, 51 companies, or just about 70 percent, were willing to offer information when the questions were presented in a more general fashion.

It's important to put financials for companies this small into perspective. Often, a virtual company of one or two principals will only generate earnings for the principal. Slightly larger companies will generate revenues. So information on how much money hidden tech companies generate on an annual basis will, necessarily, be a combination of gross earnings/and or gross revenues.

The figure that was arrived at after taking the average from each rounded-out category was \$10,680,000, or \$10.7 million. Numbers were derived in this fashion: Presume there were 10 people who said they generated between \$50,000-\$100,000 gross each year. Take the average, i.e., \$75,000, and multiply it by 10 for a total of \$750,000. This process was repeated for each category unless a specific figure was offered, and then all categories were tallied for a total.

The \$10.7 million figure is of necessity low because it doesn't represent 28 respondents, or 25 percent of those surveyed. But it does indicate that hidden tech companies are able to generate decent income or revenues, and generate tax revenues for this region.

Growing Revenues Versus Growing in Size of Employees or Facilities

The majority of respondents, almost 70 percent, favor growing their company or business; 20 percent said they were not seeking to expand either employees or office space.

Those who favor growth, often fit into several categories that explain just how they would want to grow. For example, just over 40 percent of the pro-growth subset want to expand their client base and revenue stream. Just under half of that subset want to sell more products and services, recognizing that this

(continued next page)

could lead to additional employees and larger office space. Note that those who answered that they are in favor of building more revenues tended to be wary of growing into a large company. Those who said they wanted to develop more products were generally more amenable to growing into a large company.

These attitudes are reflected in answers to the question: Are you keeping your company purposely small? In that case, about 35 percent of the total sample responded affirmatively. Note that they are not necessarily averse to growing revenues or clients, or even taking on a few employees or subcontractors. Mainly, they desire a hands-on approach and few, if any, employees, preferring to work with subcontractors or part-timers who operate out of another location. Many respondents want to build business, but not greatly expand numbers of employees or move into commercial space.

Note that hidden tech companies do invest regularly in their businesses and many plan ongoing equipment purchases, or to expand the types of technology and equipment they use. (see section below on Technology Use and Requirements.) The issue of growth and the types of growth people in this region favor bears future research.

Types of Employees/Numbers

Three-quarters of the survey responded to questions about employees or backup personnel. Of that group, 85 percent hire some sort of backup personnel. Most utilize subcontractors or a mixture of subcontractors and part-time employees. Many hidden tech proprietors say they prefer to run virtual companies with as few employees as possible operating in the same space.

The total of people employed in hidden tech companies (based on 65 respondents) is approximately 279, which includes owner/principals, full-time employees, part-timers and subcontractors. There are 141 full-time employees from that group (including principals and their full-time employees) and 138 subcontractors.

Just about 80 percent of respondents also provided information on service professionals they hire for specialized work such as accounting, legal matters, or business counseling. The 61 respondents who answered reported hiring 94 local service professionals. The most common categories they reported were accountants (just under 30 percent); business lawyers (just over 25 percent); printers (just under 10 percent), and in descending order, marketing strategists, tax preparers, tech service/support, graphic artists, bookkeepers, electricians, writers, animators and photographers, to name most of the smaller categories.

Further research into the numbers and types of categories of employment might shed some light on the work place of the future.

Conclusions

The emergence of a hidden tech population, of which this survey represents only a tiny fraction of companies, bodes well for the Pioneer Valley and any region in the country that can attract this sort of creative, knowledge worker. The individuals who have relocated here over the last 30 years are highly creative, highly energetic, knowledgeable and well-connected, nationally and internationally. Although they may not be "Yankees" in the strictest sense of the word, they exhibit the sort of Yankee ingenuity that has always

Impact on the Local Economy

Hidden Tech companies make a substantial contribution to the local economy. When all earnings/revenues, support personnel salaries, service professional payments and purchases of supplies and equipment is taken into consideration, the figure in dollars spent annually is in the multi-millions. We estimate that the 75 companies surveyed for this pilot study collectively spend an estimated \$3.1 million locally on an annual basis, money which goes to other professionals, local store owners and equipment sales outlets. Note that this figure is of necessity low as 25 percent of those surveyed did not respond to financial information.

The following is the breakout by category of annual expenditures that affect the local economy:

- ➔ Local Employee Salaries (based on 15 respondents): estimated \$1.5 million
- ➔ Local Subcontractor/Part-time Employee Payments (based on 29 respondents): estimated \$1 million
- ➔ Payments to local service professionals (based on 42 respondents): estimated \$316,000
- ➔ Supplies purchased locally (based on 62 respondents): estimated \$145,750
- ➔ Equipment purchased locally (based on 55 respondents): estimated \$128,250

Total spent on the local economy is an estimated \$3.1 million (based on partial numbers).

helped New England rebound from economic troughs.

Their existence shatters at least two long-standing myths about this region. First, that the Valley lacks tech professionals. And secondly, that this region can attract the numbers of top-flight techies that would be required to staff a larger tech facility. People are moving here from all over the U.S. and in some cases internationally. (*Hidden Tech, Boston Sunday Globe Magazine*) These findings should make it abundantly clear that the Valley can sustain a larger tech industry than is apparent today.

The fact that so many surveyed are involved in research and development and new product creation also bodes well for the region. It signals the potential for increased growth. Moreover, it offers further evidence that the Valley is a tech incubator.

Another positive factor about hidden tech companies surveyed is that they have been here for a decade or more. And they appear to be here to stay. Talk to hidden tech proprietors and they will tell you they're committed to this area. This shows up in the fact that 75 percent of the sample own their own homes. During interviews many said they would work hard to stay here.

Hidden tech companies do not generate the sort of revenue that larger corporations do. But economic planners associated with this study such as Brennan, believe that this subset may represent a major source of

economic growth for the region. Moreover, a large number of the sample indicate a willingness to grow their companies from a home or strip-mall setting into industrial or technology park space. For that subset, the sky is the limit.

And they do spend money locally — in the multi-millions. Local retailers, equipment providers and telecommunication/Internet service providers all benefit from this trend. Hidden tech companies also help other cottage businesses survive. Moreover, this type of company is environmentally friendly. John Mullin, Vice Chancellor for Outreach at UMass, has pointed out that when people work out of their homes, or close to their homes, they don't commute. That spares the atmosphere.

How many hidden tech companies are actually located in the Pioneer Valley? What implications does their presence have for this region in terms of growth and infrastructure needs. How can the region leverage their talents to benefit the local economy, while helping smooth out inevitable culture clashes that arise with the influx of a large population of newcomers? Is this a long-term trend or a temporary blip in the history of the work force? All those are questions this region is struggling to answer. ■

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Bringing Capital to Communities

Globalization and Architectural Practice — Call for Papers

The geographic markets of architectural practice and education have grown significantly in recent years. Advances in information technology decreased the necessity for close proximity between office and site; architectural firms work remotely all over the world. International trade agreements open local markets to global competition, thus providing developed economies with large professional outlets for their service capacity. Meanwhile, the conformance of professional qualifications among regions gives students the opportunity to earn locally-accredited degrees overseas. Thus, many schools, mostly Western, are transforming their student base and expanding their sphere of influence by becoming educational providers for a large part of future professionals in the world's fastest urbanizing regions.

This issue of the *Journal of Architectural Education* (JAE) provides a forum to explore some of the challenges brought about by globalization in the study and practice of architecture. The editors seek submissions addressing any of the following questions:

- 1) What are the advantages or disadvantages of the unprecedented geographic mobility in professional practice as well as architectural education? For example, how do they relate to, or facilitate, the economic stability of the domestic industries involved? Can they be associated with the ability of mobile institutions to provide for the needs of distant world regions?
- 2) Is the international trade of architectural services and education different from the international trade of non-professional commodities? Can the delivery of architectural services be controlled and adjusted to specific situations? Moreover, is it appropriate to make a case for such a transformation? If so, how are architectural curricula addressing the increasing heterogeneity of the student base regarding content, modes of teaching, delivery systems, design production, and techniques of representation?
- 3) Could the facilitation of a global market for architectural education and services weaken local professional traditions, eventually leading to a kind of professional or pedagogical internationalism, with building practices increasing a technical, land use, and design homogeneity around the world? How might local firms and educational institutions react to such pressures, particularly in respect to local, historically marginalized groups?

4) Are these issues new? Are they specifically the by-product of epochal changes, or are they rather the updated version of cyclical challenges in the relationship among education, territorial development, and professional practice? Are there historical precedents that architectural schools and the profession can build upon to structure a response to what appear to be unprecedented changes in the scope and nature of architectural production?

We have culled this sampling of questions and issues to stimulate analyses that tie the technical traditions of the profession (with its educational infrastructure), the social functions of its practice, and the extent of its resulting markets, to the introduction of specific technological, political and geographical paradigms. We welcome submissions from the global community and from allied and non-allied fields on this topic. Since one of the objectives of this issue is to develop a platform for concrete discussion (and possibly policy action), we vigorously encourage work with a strong empirical foundation.

Up to five (5) articles will be accepted for this special issue. Prospective authors may find the guidelines for submission on our www.jaeonline.ws. Clearly mark your submission "Globalization and Architecture." The Submission Checklist for Research Articles is required. Items should be verified and checked before submitting the article. For inquiries on the submission format and requirements contact managing editor Howard Smith at 9hsmith@usc.edu. For inquiries on the theme itself, contact the editors, Craig Wilkins or Paolo Tombesi. ■

DEADLINE: January 15, 2004 (receipt)

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REVIEW BEFORE SUBMITTING:

Paper Guidelines and Requirements, Checklists, Digital File Requirements, Shipping Information and the JAE Process at www.jaeonline.ws/global_call.html.

Legislative Action Alert: EDA Funding Derailed by House, Senate Action Needed



Dear Economic Development Professionals:

On July 23, the House of Representatives approved legislation to set the Economic Development Administration's (EDA) fiscal year 2004 budget at \$318.7 million (H.R. 2799). This represents a \$45 million decrease from the president's \$364 million request. The bill, part of the Commerce-Justice-State Appropriations legislation, will fund the essential programs of the EDA at \$288.1 million. These programs included the popular and essential Public Works and Trade Adjustment Assistance programs. The additional \$30 million will go toward salaries and expense for agency operation.

If left to stand this would be the second year in a row that EDA funding has been slashed. This reduced funding level will impact the administration's ability to carry out their much-needed economic development initiatives. Senate insiders have indicated that there is support for higher funding for EDA, but have yet to be called upon by interested parties to address the issue directly.

We encourage Economic Development Division members to contact their senators to urge them to support full funding of the EDA at \$364.4 million for fiscal year 2004. This amount is what the president requested and is essential to providing economic development assistance across the country. This is a prime opportunity for EDD members to interact with their individual senators to positively influence the outcome of the fiscal year 2004 appropriations process.

Tell your senators that the economy is our number one issue and concern and that funding the EDA is a benefit for every community across this nation. Tell them to restore funding to the president's requested \$364 million

How to Direct Comments:

Comments should be directed in one of three ways. First, each senator has a state or district office that handles correspondence. Many have more than one state office. To locate your senator's state office, go to www.senate.gov and look for your senator's contact information. Face-to-face meetings have the most impact, but a well-placed phone call, fax or letter can also be effective. Groups are encouraged to schedule meetings together.

The second method is to send direct comments to Sen. Judd Gregg (R-N.H.), chairman of the Senate Appropriations Subcommittee on Commerce, Justice, State and the Judiciary, and Ranking Minority Member Ernest Hollings (D-S.C.). Contact information for both senators and other members of the subcommittee can be found at www.senate.gov.

Finally, comments should also be directed to Sen. Ted Stevens (R-Alaska), chairman of the Senate Appropriations Committee. Stevens should be urged to restore funding for EDA to help benefit the entire country.

Please urge Senators Gregg, Hollings, Stevens and other members of the Senate to restore funding for EDA programs to a minimum of \$364 million, the amount requested by the president for fiscal year 2004. If you have any questions, comments or concerns please contact Toby Rittner, IEDC Legislative Director, at trittner@iedconline.org.

(Source: IEDC)

Welcome to Our New Members...

Don G. Allee	del Norte, CO	Matthew Freitag	San Lorenz,o CA	Munsun Park, AICP	New York, NY
Christopher F. Andres	Mesa, AZ	Cynthia B. Fromherz, AICP	New Orleans, LA	Steven R. Patrick	Coopersville, MI
Michael Ball, AICP	Buffalo, NY	Ed Gilliland, AICP	Arlington, VA	Michelle Patterson	Dalton, GA
Kathleen B. Bartolini	Framingham, MA	Jeremy R. Griffith	Hartselle, AL	Denise C. Pike Guzman	Mount Clemens, MI
GrahamBice, AICP	Marina, CA	Julie Ann Gustanski	Gig Harbor, WA	Matthew Preston	Bridgeport, CT
John Black	Cambridge, MA	Bonnie K. Guttman, AICP	San Francisco, CA	Sean Paul Rayl	Greeley, CO
Clark R. Bonilla	Irving, TX	Henry Iler, AICP	Palm Beach Gardens, FL	Andrew D. Reamer	Newton Center, MA
Thomas Bott, AICP	Plymouth, MA	George Michael Joachim, AICP	Lakeland, FL	Judith Rodwin	Bath, PA
Michael Boucher	Ormond Beach, FL	John Johnson	Alexandria, VA	Daniel Savard	Frederiction, NB
Virginia W. Brown	Orlando, FL	Vionna R. Jones	Washington, DC	Marcia Scully, AICP	Whittier, CA
Mark Buchbinder	Miami, FL	Cedric C. Kam	Boston, MA	Ronald Shiffman, FAICP	Brooklyn, NY
Wade Frederick Burkholder	Tulsa, OK	Stephen C. Killian, AICP	Kings Mountain, NC	Jon Sitkin	Bellingham, WA
Lori Carter	Salisbury, MD	Margaret King	Chicago, IL	Adryan T. Slaght	La Crosse, WI
John M. Cartwright, AICP	Ashburn, VA	Howard Kohn	Windsor Mill, MD	Andrzej Smiarowski	Chicago, IL
Rick W. Cisar	Sultan, WA	Jennifer A. Krausnick	Albany, NY	Kausta A. Spann	Saint Louis, MO
Angela Clark	Chicago, IL	Deepak Lamba-Nieves	San Juan, PR	Megan K. Starr	Riverside, CA
John Clarke	New Brunswick, NJ	Debbie Lou Lawrence, AICP	Pasaden,a CA	James D. Steffen	Somersworth, NH
Roger K. Dahlstrom, AICP	Dekalb, IL	Pamela A. Lazaris, AICP	Lake Mills, WI	Jason A. Streetman	Demorest, GA
Thomas P. Davis	Sussex, NJ	Robert M. Lewis, AICP	Saint Louis, MO	Shaun A. Suhoski	Ayer, MA
Rosa Demaertelaere	Huntley, IL	Larry L. Liggett	New Lisbon, NJ	Roger Templin	Shawnee Mission, KS
Robert S. DeMauri, AICP	Charlottesville, VA	Jesse Luttenton	Baraga, MI	Kacey Thomas	Eules, TX
Sheryl A. Dickey	Fort Lauderdale, FL	Matt Mathes	Covington, WA	Darius Tirtosuharto	Arlington, VA
Susan Driver	Kirkland, WA	Caren Lynn Mathis, AICP	Anchorage, AK	J Gregory Tully	Newport, KY
Rex Eads	Roseburg, OR	Joseph R. Miller	O'Fallon, MO	Steve Turkoski	Slocomb, AL
Mark A. Eidelson, AICP	Okemos, MI	Sara Muir-Owen	Santa Fe, NM	Fred R. Turnier, AICP	Las Vegas, NV
James Eskew	Mc Lean, VA	Sakura S. Namioka, AICP	Arlington, VA	Jerry S. Walls, AICP	Montoursville, PA
Marie-Danielle Faucher, AICP	Brooklyn, NY	Ralph H. Ochsner	Kansas City, MO	Jo Ann Wilkerson	Dallas, TX
Andrew R. Firestine	Colorado Springs, CO	Mark R. Oefinger, AICP	Groton, CT	Wilfred E. Wong	Auburn, CA
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