

NEWS & *views*

Economic Development Division

WINTER 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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Miami-Dade Plan Seeks to Address the Impediments to Economic Development in African-American Communities

by Dr. Edward Murray, Associate Director of the Florida International University Metropolitan Center in Miami, FL

During the past year, Miami-Dade County Economic Development officials have been busy implementing many of the key policy recommendations of the recently adopted Economic Development Implementation Plan (EDIP). The EDIP is the product of a nine-month assessment by Florida International University's (FIU) Metropolitan Center of the "impediments" to economic development in Miami-Dade. The goal of the plan was to identify clear and workable economic development strategies to overcome existing impediments, increase the benefits and the positive consequences of economic development programs and to help ensure the most efficient and effective investment of public and private resources.

FIU's assessment of Miami-Dade's economic development delivery system determined that the County has made significant progress in recent years, building community consensus on economic development issues and solutions. The Mayor's Economic Summit, Round II Empowerment Zone application process and Mayor's Task Force on Urban Economic Revitalization demonstrate the level of political leadership and community visioning that is necessary to successfully address the economic development issues of Miami-Dade. It was determined, however, that the implementation of past and present economic development plans and initiatives has been problematic for Miami-Dade. In his opening statement in the 1989 report "Tools for Change: The Planned Process to Stimulate Black Economic Development in Miami-Dade," Steering Committee Chairman Garth Reeves remarked that the report "reflects the reality that in spite of the efforts of dozens of organizations throughout Miami-Dade County, black economic

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THOUGHTS FROM THE CHAIR



We have another exciting newsletter that I'm sure you'll enjoy. It's been a very busy fall here, as I am sure it has been for most of you as well. A few things of particular note first of all. We are now accepting applications for both our Student Scholarship Award, as well as our Excellence

in Economic Development Award (see below). Information for both of these may be obtained and downloaded from our web site at www.edd-apa.org. Many thanks go to members Rhonda Philips and Lee Sammons for chairing these two selection committees. Please promote these awards. We want as much participation as we can generate.

Start making plans now for attending the Denver Conference next March 29-April 2, 2003. The Economic Development Division will be sponsoring the following sessions: 1) "Beyond Design: Dollars and

Cents of Alternative Development Patterns" (Sunday, March 30 @ 10:15 a.m.); and 2) "Technology-Led Economic Development" (Tuesday, April 1 @ 4:00 p.m.).

It was my privilege and that of Chair-elect Terry Holzheimer, to attend this year's fall leadership conference in Providence, Rhode Island. Past Chair, Peter Lowitt, was also present as Secretary to the Divisions Council. For those who have not had the chance to visit Providence you should do so. What a great city, and what an extraordinary example of redevelopment and reuse in the commercial core.

Among the topics covered by the Divisions Council were recommendations for changes to the Planning Accreditation Board; web site development and centralized management; division performance review; standardization of division dues; participation in the Divisions Council display area at the Denver conference; and various other related topics.

We have a full newsletter so I'll end it here for now. Till next time, hope your holidays are happy and safe. ■

— Mike Delk, Chair

Student Scholarship Competition

APA The Economic Development Division of APA is pleased to announce its annual graduate student scholarship competition. The Division's goal is to encourage graduate students who exhibit a commitment to planning in general and economic development in particular.

Masters-level students from PAB-accredited planning departments across the U.S. may apply. The \$1,000 scholarship will be awarded on the basis of a letter of recommendation from a full-time faculty member and an original paper or work having to do with a substantive and relevant topic related to economic development. Complete application guidelines, downloadable in Microsoft Word and Adobe Acrobat formats, can be found at www.edd-apa.org/.

Applications must be postmarked by January 15, 2003. The scholarship winner will be notified by March 15, 2003.

Questions? Please contact Dr. Rhonda Phillips at (352) 392-0997, extension 428, or by email at rhondap@ufl.edu.

2003 Exemplary Economic Development Planning Award

The Economic Development Division of APA is now accepting entries for a \$1,000 award in recognition of an outstanding economic development achievement. Economic development plans implemented in the United States within the last ten years are eligible. Submissions will be evaluated on their originality, transferability, quality, implementation and results, comprehensiveness, and contribution to the community. The nomination packet and supporting materials may be downloaded in Microsoft Word and Adobe Acrobat formats at www.edd-apa.org/#award.

Nominations must be received by January 31, 2003. The winner will be notified by March 1, 2003, and will receive \$1,000 with an accompanying award plaque at the APA National Conference in Denver, in March 2003. For more information contact: J. Lee Sammons, Senior VP at Hammer, Siler, George Associates, 1638 Pennsylvania St., Denver, CO 80203. Phone: (303) 860-9996; fax: (303) 832-5613; email: lsammons@hsga.com.

HIDDEN TECH AND THE PIONEER VALLEY: *At the Cutting Edge of the Global Internet 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.

Experts like Joel Kotkin (*The New Geography*, Random House, 2000, 2001) — teaming with economic developers, regional planners and venture capitalists — have identified an emerging tech industry in parts of the country and communities that provide lifestyle opportunities to knowledge workers. There is evidence from venture capital firms such as Village Ventures in Williamstown, Mass., and corroborated by realtors, that this hidden tech economy (Zuckerman, “Hidden Tech,” *The Boston Globe Magazine*, Feb. 10, 2002) is well entrenched in the Pioneer Valley region of western Massachusetts.

Hidden tech is a term this author coined that refers to a sub-set of the national, and even global economy. It refers to virtual companies operated by one or two individuals, who develop and sell products or services from a home or small office and leverage the Internet/Web, along with a wide array of advanced technologies, to drive their businesses. Sometimes, as in the case of home offices, they are literally hidden from sight. But in a more general sense they are often hidden from government, private sector or academic statisticians because many are not incorporated. That means they may not be captured by any government reporting service. Word of mouth is one of the only available ways of tracking them.

The hidden tech economy includes, but is not limited to what industry insiders call hard-core techies — people like software programmers or hardware developers. Professionals as disparate as lawyers, patent agents, jewelry retailers, management trainers, content providers, graphic artists, Web designers, and marketing specialists all support the tech industry, or utilize advanced technologies to operate virtual companies. These knowledge workers also make up the hidden tech economy. And they are relocating throughout the country to bucolic places such as the Amherst-Northampton-Greenfield sector of the Pioneer Valley rather than remain in traditional tech and/or urban centers. Freed from organizations and

institutions by advanced technologies of all kinds, they are able to set up shop wherever there’s an Internet connection — preferably a high-speed one.

Ranging in age from 20s to post-retirement, they are developing operations that may be small in terms of financials, but are potent in terms of the alliances and contacts they maintain worldwide. And they are boosting the economies of the regions where they are relocating, as they have the means to purchase high-end homes, require a wide variety of technical and professional services, hire subcontractors, part-timers and even full-time employees, and often create alliances that help keep other regional cottage companies and service professionals afloat.

Kotkin calls these sorts of locales, many of which are college communities, “Valhalla’s.” He cites a “critical shift” in terms of what sorts of population is moving into the country sides. “In the past, it was often less educated people and the elderly who flocked there, but now a growing percentage of the new population consists of knowledge workers. For the first time, vocational choice has expanded to allow these elite workers the option of locating not only outside the city, but outside the metropolis itself.” (*The New Geography*, Introduction XVII)

Nationwide, he notes that “the most powerful magnets are those areas with the greatest physical attraction, such as in rural New England, the foothills and valleys adjacent to the Appalachian foothills of North Carolina, and the foothills and valleys adjacent to the great Western mountain ranges, such as the Sierras, the Tetons, the Wasatch, the Rockies, the Cascades and the Sawtooths.” (*The New Geography*, page 47)

Hidden Tech in the Pioneer Valley

The Pioneer Valley is situated in the heart of rural New England, one of Kotkin’s prime “magnet” regions for knowledge workers. This area has a long-entrenched, though undocumented, hidden tech economy. It appears to have taken root in the late 1960s when

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Part I of II

graduates of the five colleges, and many prep schools that permeate the region, chose to settle here rather than seek opportunities elsewhere. By the 1980s, the University of Massachusetts was actively establishing the legal framework to promote technology transfer — or the sale and licensing of scientific/technology research to the private sector. At least 15 small tech companies sprung up in Amherst and the environs during this period as a direct result of these efforts. Other techies and support professionals started to locate in the region as the university and regional planners made concerted efforts to attract tech companies through venture capital and other incentives. (Zuckerman, Paul McOwen: “Catching the Latest Tech Trend in a Down Economy,” *Hampshire Life*, May 24, 2002.)

Although not technically what locals call “The Valley,” the nearby Berkshires to the west are also developing a tech economy with indications of a hidden tech community, as well. A study — *Technology Enterprise in Berkshire County* — was released in the winter of 2002. It offered findings based on interviews with 60 tech companies in that region and was backed by the University of Massachusetts Donahue Institute and The Massachusetts Technology Collaborative. In general, most of the Berkshire tech companies surveyed have sprung up in the last five years and are backed by young baby boomers who have relocated in the Berkshires from urban centers for lifestyle reasons. They favor business growth and are committed to building their companies in the region just like their hidden tech neighbors to the east.

And year 2000 United States Census figures back findings of a burgeoning population of independent contractors in this region, particularly in Franklin and Hampshire Counties. In fact, independent contractors exceed the national average in Valley counties.

Although regional efforts to build a tech economy in the Valley have been valiant, they have not proved sufficient to replace the region’s long declining manufacturing base. Economic developers continue to promote development of a tech and biotech economy in the Pioneer Valley region as part of promotion of a Rt. 91 Knowledge Corridor. They are touting this area’s high degree of intellectual capital, a growing mass of critical tech companies, and lovely, rural landscape coupled with cultural and recreational activities that are proving a draw to people worldwide.

But they have been hampered by the perception that the Valley lacks skilled tech workers, or could attract tech professionals from other locations. That this area does not have the so-called critical mass that until recently was presumed necessary for building a tech center. Ironically, tech and knowledge workers have been flocking to this region for 30 years — particularly since the late 1980s — but in such a private, hidden fashion that until recently they fell under the radar screen of regional economic planners and regional promoters.

Their arrival in the Valley appears to have accelerated in the mid-to-late-1990s as the boom economy helped many knowledge workers raise capital for their own companies through the sale of a pricey urban home or stock options. (“Hidden Tech,” *Boston Globe Magazine*) In fact, two high-level tech industry officials — one from Hewlett-Packard and the other from AOL — moved into Amherst in the summer of 2002. Both cited a desire to get out of the DC area, particularly after 9/11, as a prime motive for moving. They chose Amherst because they had learned of its hidden tech population and growing tech community through news articles and word of mouth. Their choices indicate that this region enjoys a growing reputation as a hot spot to set up a virtual tech business.

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In recent years, experts like Kotkin have started questioning the concept that technology development would only flourish where clusters of technology companies are based such as the Rt. 128 corridor outside of Boston, the Silicon Valley of California or smaller centers such as Austin, Texas and the Research Triangle in North Carolina. Basically, they've been pointing out that technology development will take place wherever techies and related professionals choose to locate. And one of those places — indeed a prime place — is the Pioneer Valley.

The Hidden Tech Pilot Study Has National and Global Implications

This pilot study represents the first effort to identify the Pioneer Valley's hidden tech community, which regional planners, economic developers such as Western Massachusetts Electric/Northeast Utilities, members of the University of Massachusetts community, and national experts like Kotkin and Daniel Pink (*Free Agent Nation*, Warner Business Books, 2001) believe may be one of the fastest-growing economic sectors in this region, and possibly serve as a model for the global economy.

The purpose of this survey was to locate and better identify the sorts of hidden tech companies relocating here and gather information on their commitment to the region, their products, services, clients and alliance bases (local, regional, national and global) that connect them to the larger global economy, revenue stream, local spending patterns, growth plans, technology use (both current and future) and energy needs.

The aim is to provide the sort of data that would help economic experts and planners determine what sort of impact this group is having on the local and regional economy, while at the same time noting how

hidden tech companies may be affecting the national and global economy. Although fairly limited in focus, there is a hope that this pilot study will provoke discussion, and possibly alter regional economic policy.

Consider the following implications that the growth of a hidden tech economy holds for this region, for the national workforce and the worldwide economy:

- Realtors are coming to believe that hidden tech entrepreneurs and professionals define where growth is taking place in the region. Realtors polled throughout the Pioneer Valley in late 2001 indicated that newcomers considered broadband — or high-speed Internet access — key to determining where to purchase a home or commercial property. Many of these newcomers, who are relocating from Boston, New York, New Jersey, the Washington, D.C. area and even the Silicon Valley, have indicated they intend to set up home-based companies, some with a distinct focus on tech development.

- Economic developers in this region, and even nationwide or in other developing countries, may be fighting half the battle in the new competition for regional growth. The quality of life and savvy professional networks may be more effective lures for hidden tech growth than traditional industrial parks and tax incentives. Or these should be factors considered, as well, at the very least.

- Regional planners throughout the United States — and even globally — need to understand the new phenomenon of hidden tech in order to devise thoughtful and effective land use strategies, and prepare for the right infostructure (communication/technology networks) and infrastructure (roads, building, parking, etc...) that will back up the communication and technology needs of this new sector, while preserving a

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locale's special sense of place that has attracted this sort of knowledge worker in the first place.

It's crucial to understand how hidden tech companies connect to clients and alliances partners regionally, nationally and globally. No longer bounded by geography, they are the first generation of truly global small companies and may have an enormous impact on world trade.

Some regions are eager to attract knowledge workers to bolster their economies, but cultural problems can ensue when mixing the so-called latte set with less educated rural populations. Also, Kotkin points out hidden tech and other outside companies don't always boost employment for unskilled locals, who may still be trapped in menial jobs while their area becomes more affluent. In worst case scenarios, locals are pushed out of the housing market, altogether.

Hidden Tech and the Global Economy

Part II of this series will look more closely at the ways hidden tech companies generate revenues and their impact on the local Pioneer Valley economy. What's interesting to note is that these entrepreneurs often think of themselves as part of the global economy. The Web has connected them to the world and they take advantage of that outreach. It should be noted that choosing a region for lifestyle reasons, which a majority of Pioneer Valley hidden tech companies have, means that you're plunking yourself in a locale that is high on physical beauty or cultural activities, but low on commerce. Of necessity, entrepreneurs of all stripes need to outreach beyond the region to keep their companies afloat.

Even so, it says a great deal about the way the Web is changing the workforce when just over 25 percent of the Pioneer Valley sample of 75 companies say they consider themselves global companies. Just under 25 percent consider themselves national mainly, and just under 25 percent say they are regional only (meaning working with clients outside the Valley proper, but within 75 to 100 miles of their business headquarters). That means that 50 percent of the survey have a global, national and regional — rather than local mindset.

Here are some revealing statistics:

■ Respondents work with clients in at least 13 foreign countries — not including much of Latin America — and on four continents. Some sell products through publishers or alliance partners with worldwide outreach.

■ They are conducting projects for clients from coast to coast who are situated in 23 — or just under half — of the U.S. states, as well as the District of Columbia. Just about 10 percent have clients in major tech centers like the Silicon Valley. Clients may be other small companies or as large as Boeing, the British Standards Institute (BSI), Thomson Publishing or The Vatican.

■ Small, virtual companies often maintain alliances with other like businesses. This is also the case in the Valley. Respondents maintain alliance partnerships in 14 U.S. states, as well as the District of Columbia, and at least two foreign countries.

■ About 30 percent of those surveyed hire support personnel nationally. Mainly subcontractors, these individuals are located in 11 U.S. states. About 10 percent of those surveyed also hire subcontractors outside this region, but located in Massachusetts.

What the numbers don't tell you is the history these companies have in the national/global marketplace. Some hidden tech companies have arrived here with a worldwide client base, while others have developed contacts over the course of their years in this region. Many of these companies have cultivated regional, national and global client bases to survive. That's because until recently, this region didn't have much work or career options outside of academia or the service sector.

Some companies, in the course of being interviewed for this pilot study, report that they are still forced to seek clients outside this region, but prefer to market themselves nationally or internationally than seek employment elsewhere. So unwittingly, often to promote a lifestyle choice, they have become part of the larger trend of knowledge workers relocating to lifestyle locales — and in doing so they are helping redefine the global economy.

How Valley companies connect to the world — both before and after the creation of the Internet — would make interesting future research. The numbers collected are low as they represent only recent clients and don't reflect projects or clients from a company's lifetime. ■

Editor's Note: Part II explores more thoroughly the data generated from the Pioneer Valley Hidden Tech Pilot Study. It will explore the sorts of products and services hidden tech companies provide, their attitudes about growth and how they are affecting the local Pioneer Valley economy.

conditions in many areas are worse than they were in 1980.” This sentiment was echoed in the 1998 Urban Economic Revitalization Plan for Designated Targeted Urban Areas and more recently by Mayor Penelas’ Mosaic 2000 Partnership Initiative. The reality is that Miami-Dade’s current economic development delivery system is the culmination of twenty years of economic development plans, studies and reports.

Key Findings

The EDIP process identified several impediments to successful economic development in Miami-Dade’s African-American communities, including:

■ **Absence of a coherent and unifying economic development vision and policy.** It is widely recognized that government must play a key role in local economic development. A clear economic development policy promotes and enables sound decision making, professional program management, strategic community investment and the creation of effective public/private partnerships. A clear and unified policy can also help to instill government leadership in promoting economic development goals and objectives. Effective government leadership can forge the necessary working relationships with private sector businesses and the community. Despite past economic development visioning efforts, stakeholders and community and business leaders feel that Miami-Dade still lacks a coherent and unifying economic development policy.

■ **Isolation and alienation of the African-American community.** Lack of progress and the failure of past planning efforts have created a general feeling of isolation and alienation within the African-American community. Stakeholders and community and business leaders of different races expressed that there is a general feeling of isolation and alienation within the African-American community that has resulted in a high level of cynicism and distrust toward Miami-Dade’s government and its leaders. While the issue of isolation and alienation was viewed as the second leading impediment to economic development according to Black leaders, this observation was also noted by many of the other stakeholders as well.

“In spite of the efforts of dozens of organizations throughout Miami-Dade County, black economic conditions in many areas are worse than they were in 1980...”

■ **Fragmented economic development delivery system.** A direct consequence of the absence of a clear and unified economic development policy is a fragmented economic development delivery system. Policy should direct the organization of government and its respective departments, boards and commissions. Economic development programs and services must then be coordinated and integrated within that organizational structure.

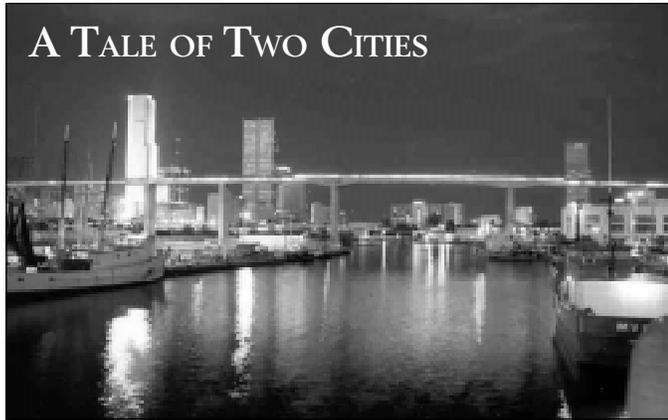
■ **No clear economic development authority.** Stakeholders and community and business leaders felt that Miami-Dade’s economic development delivery system was in a condition of disarray and marked by program duplication, competition and a general lack of communication.

■ **Disconnect between comprehensive planning and economic development.** While most agreed that it is essential to integrate local economic development efforts into a larger planning framework, the connection to Miami-Dade’s comprehensive planning process is tenuous at best. A disconnect between planning and economic development and, specifically, the general irrelevance of comprehensive land use planning was a major concern expressed by stakeholders. The need for a comprehensive economic development plan was cited by several officials who viewed the plan as a way of clarifying the economic development roles of each agency.

■ **No clear economic development authority.** Many of the stakeholders noted the absence of a clear economic development authority within Miami-Dade as a clear impediment to effective program and service delivery. Instead of a central economic development authority, the stakeholders pointed to a dispersed and fragmented economic development system that has been proven largely ineffective.

■ **Insufficient access to private capital.** Access to private capital (equity and debt financing) was viewed as a major impediment for Miami-Dade’s distressed urban neighborhoods. This is generally perceived as a complex issue that speaks to Miami-Dade’s inability to forge effective public/private partnerships and a

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Visitors envision a Miami that glitters...

lending culture for economic development where government, non-profits and the banking community have failed to fully develop the necessary lending capacity.

■ **Absence of an entrepreneurial environment.** Many stakeholders commented on the general absence of an entrepreneurial environment within Miami-Dade. These comments were directed at county government and the community at large. It was noted that entrepreneurial development and training are also lacking.

Entrepreneurs and growing companies need equity and “near equity” to assist their start-up costs as well as fund product development and working capital. This type of investment is virtually non-existent in Miami-Dade. There is a need for a significant venture capital effort that addresses equity needs in minority and low-wealth communities.

■ **Lack of public infrastructure investment.** Many economic development stakeholders believe there is inadequate public infrastructure investment to stimulate economic development. There is no apparent targeting of Capital Improvement Program (CIP) or Federal Community Development Block Grant (CDBG) funds for public infrastructure improvements in support of economic development projects. Conversely, there is evidence that Miami-Dade disperses its CIP and CDBG funds thereby limiting their effectiveness because targeted funds have greater impact.

■ **Lack of benchmarking and performance standards.** Stakeholders noted the absence of clear benchmarking and performance standards for Miami-Dade’s economic development programs. Benchmarking practices are used routinely throughout the country to monitor the success of economic development programs and services.

Benchmarking practice is an evaluative tool for determining the successful implementation of economic development policy objectives. There is no evidence that formalized benchmarking practice exists within Miami-Dade’s economic development delivery system.

■ **Absence of a formalized and tailored workforce development program.** Miami-Dade’s workforce capacity has been identified in prior planning initiatives as a major barrier to economic development. Miami-Dade’s Urban Economic Revitalization Plan for Targeted Urban Areas cited low education levels in the Black community, lack of relevant labor market skills, and lack of employability skills as several of the “chief barriers” to job development. The Mayor’s Economic Summit Report identified welfare-to-work and workforce preparation and education as “critical issues” that need to be addressed as part of Miami-Dade’s economic development policy.

Policy Recommendations and Strategies

The EDIP concluded that an economic development vision and policy for Miami-Dade must recognize the importance of urban centers to the larger regional economy. No single plan will erase the decades of alienation, disappointment and cynicism within Miami-Dade’s urban communities. However, a shared economic vision might begin with an understanding of the importance of these urban neighborhoods and their vital relationship to the larger local economy. Collaborations that develop from this understanding can provide the institutional framework and support for more comprehensive and sustainable community



...while, in fact, many of Miami’s neighborhoods are in need of great improvement.

initiatives. Existing impediments to economic development should be viewed as resolvable hindrances rather than unyielding obstructions.

Miami-Dade County has taken notable strides in recent years building community consensus for an economic vision. The visioning process exemplified in the Mayor's Economic Summit and the heralded Round II Federal Empowerment Zone. Community planning process demonstrate that political leadership and community support do exist. The challenge now is to carefully craft the operational elements of a unified economic policy to effectively guide the implementation process. The Plan concludes that, absent a coherent and unified economic vision and policy and the community capacity for implementation, Miami-Dade lacks the essential guidance and competence for confronting and removing long-standing impediments to authentic and sustainable economic development.

The Plan recommends that Miami-Dade consider four essential and interrelated operational elements that would direct and implement a vision and policy aimed at confronting and removing these long-standing impediments to economic development. The Operational Elements include: 1) creating a local entrepreneurial environment; 2) developing community collaboration and capacity-building; 3) instituting comprehensive economic development planning and a coordinated and integrated economic development delivery system; and 4) building a local public/private lending capacity.

1) Creating a Local Entrepreneurial Environment

— Miami-Dade must develop the governmental and community capacity to effectively implement its economic development objectives. The Mayor, County Manager and Board of County Commissioners must assume leadership roles in establishing and supporting an entrepreneurial environment. The process begins by developing and supporting competence-building and entrepreneurial training for government agencies and community economic development organizations to ensure they possess the professional management capacity to plan and administer economic development programs and services. Local governments are expected to assume a leadership role in advancing the

economic development agenda of the community. Ultimately, strong government leadership and professional management will help guide and improve the capacity of other economic development organizations within the community.

A tailored and formalized workforce development initiative should serve as the foundation of Miami-Dade's entrepreneurial environment. Workforce development must become vitally integral to Miami-

Dade's economic development delivery system. The lack of skilled and high-tech workers in today's global economy is a critical impediment that severely limits the County's ability to implement its economic development objectives. Conversely, the systematic development of the local workforce capacity would greatly enhance Miami-Dade's competitive advantage in a host of industries. Moreover, a commitment to workforce development coupled with improvements to public education is the most effective

and sustainable means for creating economic opportunity for Miami-Dade's poor and unemployed residents.

Without capital sources for equity and debt, entrepreneurial development in Miami Dade will continue to suffer. Access to small business loans is especially difficult for start-up and growing companies. For instance, approximately 90% of the County's minority-owned businesses are sole proprietorships. Many of these businesses struggle with accumulating personal and business assets to help secure their debts. Mainstream financial institutions, while having increased overall small business lending, still do not have the capacity or business will to finance these small minority-owned businesses.

The EDIP recommended that a Community Development Lenders Network be created in Miami Dade to provide market research, training, capacity-building, shared services and a potential role as a capital intermediary. The proposed Network would include community development and community reinvestment officers from regulated financial institutions who would share their expertise and invest their resources into supporting community development financial institutions (CDFIs) in Miami-Dade. The Network would also serve as a mechanism for seeking out development opportunities.

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“An economic development vision and policy for Miami-Dade must recognize the importance of urban centers to the larger regional economy...”

2) Developing Community Collaboration and Capacity-Building — The National Panel's report included several critical findings concerning the condition of community within Miami-Dade's urban neighborhoods. From a community perspective, the findings concerning "leadership and participation within the African American community" and "competing plans, proposals and initiatives" are particularly noteworthy. Concerning the issue of leadership and participation within the African American community, the panel noted the need for black leadership in the economic development process and in sustaining revitalization efforts over time.

Therefore, the EDIP recommended that Miami-Dade create and support a "Sustainable Neighborhoods Initiative" that would build a working and sustainable collaboration of neighborhood constituents and stakeholders through an environment of mutual learning, technical assistance and capacity building. The purpose of the initiative would be to enable active citizen participation in community restoration and neighborhood revitalization strategies. The Sustainable Neighborhoods Initiative would include the creation of a CDC Support Collaborative. There should be a clear commitment to Community Development Corporations (CDCs) as an economic development tool through a funding and a capacity building intermediary with government, private sector and philanthropy. Both the intermediary and the community development corporations must base this commitment on performance. The intermediary should be responsible for training, strategic planning, organizational assessment, technical assistance, operating support, predevelopment/gap financing and benchmarking performance services. By melding different funding streams that are tailored to the needs of CDCs, the intermediary can be an accountable and dedicated engine for community empowerment and development.

3) Instituting a Comprehensive Economic Development Plan and a Coordinated and Integrated Economic Development Delivery System — A coherent economic development policy will, by definition, provide for an organizational structure with clear management responsibilities. The organizational structure will, in effect, mirror the economic development plan. In addition, a coordinated and integrated economic development system will have an

organizational structure with a central authority. However, authority only exists when there is clear government policy that determines who is in charge. Finally, economic development functions must be coordinated and integrated with other planning and development departments.

An economic vision and policy for Miami-Dade must recognize the importance of connecting economic development goals and objectives with a comprehensive planning process. All planning and development functions must derive from a single, unified process that understands the interconnectedness of economic development, transportation, housing, community development and environmental management.

The EDIP recommended the creation and support of a Chief Economic Development Officer for Miami-Dade. One individual must be given the full responsibility for managing Miami-Dade's economic development planning, programs and services. The department head, at an assistant county manager level, would be clearly identified and recognized. The chief development officer would need to be given the professional staff and funding resources to effectively discharge the economic development functions of the office. The chief development officer would also be responsible for coordinating and integrating all of the County's planning and development departments and agencies. This would include economic development, community development, and planning and zoning. The chief development officer should also be given the charge and the necessary support to create an interdepartmental communication system with all county departments responsible for planning and development functions including Building, Code Enforcement, Engineering and the Department of Environmental Resources Management.

The EDIP also recommended that Miami-Dade maximize the use and leveraging of federal resources by creating a comprehensive, accountable and collaborative business finance system. With potential cut-backs or limited growth in federal and state programs, community economic development officials must become resourceful in pursuing project funding from more diverse sources. New and enhanced linkages with corporate partners and related networks must be pursued in order to maximize leveraging of these public resources. Future economic development initiatives that access public funds and apply maxi-

mum leverage from private sources will find fewer barriers to capitalizing innovative community economic development initiatives.

4) Building a Local Public/Private Lending Capacity

— The EDIP recommended that Miami-Dade economic development officials insure that regulated financial institutions are investing in all of Miami-Dade's markets and communities. The Federal Community Reinvestment Act requires that all regulated financial institutions "help meet the credit needs of their entire community." With nearly 25 years of CRA experience, most major lenders have positioned themselves to respond only to the call for "safe and sound" investment. Those interviewees who discussed capital issues shared a perception that Miami-Dade's financial institutions are "not doing enough." Whether it is in lending to small businesses or community-based organizations or affordable mortgages, the perception is that "CRA-related" lending is often window dressing.

Federal regulatory agencies periodically examine financial institutions for CRA performance. Virtually all of the County's financial institutions have received either passing or "Outstanding" CRA ratings. Community advocates who point to national statistics that over 97% of institutions receive CRA passing grades dispute these ratings. Regardless whether these ratings are deserved, Miami-Dade should monitor the lending activities of area lenders more proactively.

Capital market assessments also must be conducted in all targeted urban markets. For instance,

annual research should be conducted to assess the demand and level of community investment (i.e., home mortgage lending, small business lending, and community development loans and participation). This assessment can be corroborated and augmented through a community survey, interviews and public data analysis (i.e., Home Mortgage Disclosure Act and Small Business lending statistics). This research function could be carried out by an independent organization similar to the Massachusetts Community and Banking Council that can serve as a forum for both community representatives and bankers to review, discuss and respond to the results. Other community capital issues such as predatory lending, credit scoring, and other community credit needs could be discussed through this entity.

For community development financial institutions in Miami-Dade to fulfill their economic development role, they must insulate themselves from the turmoil and change in financial markets. Patient investors, such as government, foundations, and faith-based institutions, need to be identified and encouraged to invest in these locally controlled institutions. They need to create new funding mechanisms that broaden the pool of investors. They also must develop products for which they can be adequately compensated and find ways to deliver them less expensively, manage their risk, and increase their liquidity. This "capital cushion" is often provided by government investments such as community development block grants, general funds, or investments from the U.S. Treasury's Community Development Financial Institutions Fund. ■

Welcome to Our New Members (AS OF NOVEMBER 18, 2002)

David Allen	Rico, CO	J. David Goodloe	Lexington, MO	Jean Nichols	Idalou, TX
R. Jerome Anderson	Mc Lean, VA	Sandy Graham	Tampa, FL	Theresa Park	Newton Center, MA
Michelle Aniol	Dearborn Heights, MI	Richard Griffin, AICP	Frederick, MD	Ka'iulani Piper	Santa Monica, CA
Colette Barrow	Albany, NY	James Gwin, AICP	Carrollton, TX	Todd Rufo	New York, NY
Lee Bourgoin	Saline, MI	Stephen Hanis	Cordova, AK	Chris Sarvandidis	Whiting, IN
Lara Burselon	Rocky Mount, VA	Phil Hardwick	Jackson, MS	Patrick Schloss	West Allis, WI
F. Carroll	Dallas, TX	Shawntera Hardy	Amherst, NY	Zachary Schroeder	Lincoln, NE
Wayne Clark, AICP	Wilmington, NC	Otis Ingram	Macon, GA	Zach Seal	Carrboro, NC
Nicole Conrad	Carthage, NY	Hildy Kingma, AICP	Matteson, IL	Duane Smith	Cedar Park, TX
Elizabeth Downes	Lansing, IL	Becky Koepnick	New York, NY	Stacy Snell, AICP	Leander, TX
J. Blythe Eaman	Cleveland Hts, OH	Mary Kunkle, AICP	Cedar Falls, IA	Kyle Stawowy	Gunnison, CO
Deborah Everhart	Hagerstown, MD	Eun Ha Kwon	Urbana, IL	Nick Tatton	Price, UT
T. J. Fish	Tavares, FL	Don Matson, AICP	Mesquite, NV	James Tripp	Greenville, NC
Robin Fleischmann	Denver, CO	Phyllis Mayo	Baton Rouge, LA	Daniel Turley	New York, NY
Jennifer Ganser	Downers Grove, IL	Cort Mills	Johnson City, TN	Christian Vetter	Chicago, IL
				Stephan Wenis	Lansing, MI
				Douglas Woodward	Concord, NH

Keeping The Comprehensive Economic Development Strategies Process Real

by Cassandra Lighty, Community Planner for the New England Division, U.S. Department of Commerce, Economic Development Administration

As Community Planner assigned to six states in New England under the U.S. Department of Commerce's Economic Development Administration (EDA), it has been my responsibility to review the Comprehensive Economic Development Strategies (CEDS) submitted by economic development organizations as a requirement to be eligible to receive EDA funding. CEDS documents are required to be developed and prepared by a planning process that is diverse, ongoing and participatory. The planning process must be maintained on an ongoing basis and the CEDS document must sufficiently address and describe the key elements of the CEDS as a part of the overall planning process. The key elements of the CEDS are the: 1) **analyses** of the current background social, demographic, economic data and information; 2) **vision, goals and objectives** in describing where that region would like to be; 3) **action plan** in establishing criteria for what is the prioritized and assigned responsibility to be implemented in describing how do we get there, and 4) **evaluation** in documenting how we have done by monitoring, measuring and arriving at an outcome that describes what we were, or unable, to implement. Keeping the CEDS planning process real is what separates an acceptable CEDS document from one that is often disguised as an unacceptable one. It is how each of the key elements have been specifically described in relationship to how each has been developed, discussed, implemented and evaluated by those participants providing input into the overall planning process. Therefore by keeping the planning process real, a CEDS document is developed that is uniquely representative and specific to a region's economy, and without diverse and active participation, would be just another report that is duplicative of somebody else's economy.

Keeping the planning process real means that the CEDS document should serve as a record of all the steps of the planning process being followed and must be reflective of the broad and diverse participation of the communities being represented throughout the

development and implementation of the strategy. The organization initially submits a CEDS document as a five-year update that describes in detail its regional economic past, present and future. After the completion and approval of the initial five-year document, CEDS are required to be submitted as an annual report that must be endorsed and supported by the organization's governing officials as representatives of all the communities that have participated in its development. The key to ensuring an effective, acceptable planning process is the establishment of an entity recognized by that region's organization as the Comprehensive Economic Development Strategy Committee (CEDS or Strategy Committee), the principal facilitators of its economic development planning and implementation process. What is unacceptable is a planning process that is not inclusive of input from various major components and that the Strategy Committee is comprised of individuals that do not represent diverse viewpoints, major interests or economic issues pertinent to the region as its advocates and participants. As advocates for the region, the CEDS participants should pass along what they have learned as participants in, or in efforts to solicit further input into their CEDS planning process.

Keeping the planning process real means that the document must be developed, maintained, monitored, evaluated and implemented with a diverse and participatory planning process which should result in an end product that is easily endorsed and utilized, not only by the region's local and governing officials, but by the general public as well. The CEDS should be acceptable as an economic blueprint that is unique, specific and reflective of its region. The more participatory the individuals, the more diverse the interests being represented, the economic or social issues being advocated, and the more visible the signs that the majority are buying into "regionalism" as a part of the process. The more legit the CEDS document, the more likelihood of it being fully supported and endorsed by the communities in the region. A CEDS

document developed with a planning process such as the one that has been described enlightens, converts and energizes communities to a more regional way of thinking and a less restrictive approach when addressing economic development issues.

Keeping the planning process real means that participants in a diverse planning process learn to face, accept and understand their differences as a region. The concept to challenge the way someone thinks, counteracting urban versus rural, discovering that there are economic constraints in the wealthier areas or potential for development in the more distressed areas of the region; and last but not least, having to engage in dialogue with those who think differently than you do, and establishing collaborations with economic partners as a resource, all are being described as important facets of the CEDS planning process which enables its participants to become regional advocates, and not just for their own individual communities. Of course it's easier to stay with the familiar, but unrealistic when it comes to having participants interact in a planning process. Individuals tend to become lazy and secure when they only mix it up with those who think the same way they do, who feel safe in utilizing the same old approaches or in generating similar ideas; or who stay clear of, or avoid having to engage in controversial dialogue with someone whose point of view may be difficult to hear. Participating in a diverse CEDS planning process can be painful at most times, but the end results, once everyone is on the same page, can be gratifying and rewarding.

Keeping the planning process real means that organizations should avoid submitting documents that are developed and prepared solely by staff. CEDS documents that have been entirely analyzed, written and generated by staff or hired consultants, are easily recognized by the absence of public input. The discussions and views appear to have relied solely on the consensus and thought process of a "chosen few." Any staff that realistically provides technical assistance and support, has his or her hands full performing tasks that require sufficient recording, document-

ing and preparing the CEDS documents, or having to coordinate and implement the activities of the CEDS Committee along with the responsibility of maintaining active membership throughout the report year. CEDS Committee meetings should not be chaired by staff, nor should the assigned staff be identified as members of the CEDS Committee. A CEDS document that is developed and implemented with an acceptable, realistic planning process describes or reflects the interaction between the assigned staff and the individual(s) identified as the Chair of the CEDS Committee. Together they should creatively, but realistically plan and prepare economic development agendas for CEDS Committee meetings with items that will engage the participants in meaningful discussions, instill them with a working knowledge about national, state and regional economic issues or trends,

or provide them with information about their region's economy in addressing its uniqueness.

Keeping the planning process real means that individuals who preside over CEDS Committee meetings as the Chair, have been selected by the members as participants in the planning process. The individual, as Chair, should possess a working knowledge of economic development and the skills to engage in the Committee in meaningful discussions. The presiding Chair should display leadership qualities that make him or her capable of instilling in the Committee members, the importance of taking on leadership roles as representatives of the region's Economic Development Strategy Committee.

Developing active subcommittees to address specific regional economic issues are also the sign of a responsible and participatory CEDS Committee membership. When first establishing the membership of a Strategy Committee, individuals should represent the region's diverse and varied components, thereafter, that membership must be maintained, even if it means putting mechanisms in place that address frequent absenteeism, especially when these interests are continuously absent from the process. Say for example, a region is over populated with forests, has

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(continued next page)

small bio-tech businesses as its major employers, lacks adequate infrastructure as one of its major economic constraints, has experienced a significant increase in its Hispanic population, but has also seen a dramatic loss in its youth population, and it has the potential for new industries based upon the development of cluster industries within the region. That region's Strategy Committee should include individuals who represent the forestry industry, bio-tech and utility companies, organizations that are accepted and recognized by the Hispanic and youth populations and those of the private sector.

Keeping the planning process real should eventually mean that you have successfully developed and prepared an acceptable CEDS document with a diverse and participatory Strategy Committee. It should be a CEDS document that is endorsed by its communities, reflects its uniqueness and includes an implementation plan that prioritizes economic development projects that are ready for implementation in seeking funding sources. EDA economic development planning organizations, much like with many other organizations, have recently been directed to evaluate the effectiveness of their performances by describing measurable results. As a part of any evaluation, it has become even more critical that the role of planning be significantly emphasized and showcased when the planning process successfully describes the results of any implementation. Organizations, individuals, service providers, and product manufacturers, to name a few, begin to document how they monitor and evaluate how they have implemented their action strategies, assess the effectiveness of anyone assigned responsibility for implementation, or how effective they have become in achieving results related to a specific CEDS goal. It becomes extremely important to become result-oriented, therefore, the process must be sufficiently documented and described by quantitative or qualitative terms as performance measures, or in proposing future recommendations for further action.

Keeping the planning process real means that there should be a conscientious effort to develop and utilize innovative and creative approaches to obtain input, or to solicit the participation of individuals and/or groups who represent or advocate diversity or other varied and major interests in the region. Staff should establish mechanisms that would enable organizations to recommend or volunteer individuals as participants on the CEDS Committee. Staff should

also seek out organizations to educate them about the CEDS in efforts to seek input as a part of the process. Organizations should take a closer look at how we now define or describe "business leaders" in obtaining representation from the business or private sector. They should also look for ways their input can be obtained without requiring that all individuals participate on a Committee. What about the use of interactive web sites or teleconferencing as a means of communicating or obtaining input? Maybe we must also be more creative in how we obtain bankers as representatives on the CEDS Committee. It appears since smaller banks have now merged with even larger banking institutions, heads of banking operations no longer reside in or care about making a commitment or connection to the local communities where the office resides. In obtaining minority representation, how does a community whose region consists of a large Hispanic population, keep from over utilizing individuals who are repeatedly asked by regional organizations to participate as members in representing Hispanic interests. Maybe we should look for individuals who perform in positions at the mid-management level, whereby such individuals could then be nurtured and guided into being participants in our planning processes or serve as members of our CEDS Committees.

What about the issues regarding the significant loss of "young people" from our regions, who have packed up and left their communities to seek jobs, housing, economic and recreational opportunities elsewhere? Why not begin to include or encourage our youth to be participants in our CEDS planning processes or as members of ad hoc CEDS subcommittees to inform and advise us of their needs and concerns, or to engage in dialogues in addressing how the region responds or does not respond to issues or interests represented by them? There are elementary and high school children participating in incubator programs now who have the potential and capacity to be our future entrepreneurs, politicians, educators, etc. We should begin educating them on the uniqueness of our regions and the roles they could play in their economic survival. Why not begin to act as advisors and mentors by introducing them to economic development and how they can play active roles as our future leaders who will be expected to secure our region's economic future? Why not nurture new relationships or pursue innovative ways to develop

others in efforts to address the reasons why “our youth” leaves for greener pastures? What should we be expected to do to prevent this trend from continuing on into our distant futures? It certainly would not be very realistic for us to continue overlooking, denying, or not admitting that we need to be more innovative, creative and proactive in our efforts to obtain, include or solicit individuals as participants, who will make our CEDS process more realistic and reflective of the regions where we live and where we want our children to live in the future.

Keeping the planning process real goes beyond simply outlining who has been assigned the responsibility of monitoring, evaluating or providing vague results that generalize which goals or objectives were or were not achieved by an organization. Surely it is unrealistic to only document and describe achieved outcomes that have produced positive results, or to avoid the difficulty in making assessments as a part of any evaluation that has produced negative results. Therefore it becomes important to evaluate all the results of any outcome in efforts to describe what has or has not been successfully implemented. Furthermore in determining any effectiveness of what has been implemented, it therefore becomes important to describe how you are doing, or in recommending future action in describing what can be done better. You must specifically describe how effective and instrumental your planning process has or has not been as a part of implementing any CEDS goals or objectives. Therefore, it becomes even more important to sufficiently document and describe what you were able or unable to achieve in taking a realistic look at the effectiveness of your CEDS planning process.

Keeping the planning process real requires that you must also determine the overall effectiveness of your CEDS Committee as participants in that process. It becomes realistic to sufficiently describe how successful or unsuccessful you have been in maintaining an ongoing, participatory process that is facilitated by the CEDS Committee, or any other subcommittee or participants in your CEDS process. How did the CEDS Committee members describe their performance as a part of any evaluation in determining how they did and what they could do better? In monitoring and evaluating the effectiveness of your CEDS planning process, whether the CEDS Committee members have been active participants in that process can be determined by evaluating what was recorded

in the minutes from each meeting. Did you see an increase or decrease in attendance with the use of guest speakers, with any change of times or rotation in meeting locations, and with the addition of food and beverages? Were you able to solicit further input with the use of teleconferencing, or by cooperatively participating in the meetings of those of your economic development partners? How an organization determines whether it has established an effective process in preparing, developing, analyzing, prioritizing, implementing and in evaluating the CEDS planning process means that you have to take a look at whether participation has been diverse and active. Furthermore, in keeping it real, the CEDS planning process must be sufficiently recorded, documented and described in the CEDS document.

Keeping the planning process real means that the CEDS document becomes a living, flexible tool and resource that should describe the region’s uniqueness and reflect its diversity. It should sufficiently describe an economic vision that improves upon its past and provides insight into its future. The CEDS document is expected to be maintained by a process that addresses, appreciates and understands the differences of its communities. However, with that same planning process, all must come together as one in responding to how, as a strategy, the CEDS should address the region’s constraints and potential for development. Without an effective CEDS planning process, the document becomes no more than an economic development report that lists projects for implementation. In maintaining an effective CEDS planning process, you must look at where you want to go and who you want to become, where you have been, and evaluate what you have done, and face what you need to do to get better. Now that’s keeping the CEDS planning process Real! ■

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Bringing Capital to Communities

MAKE PLANS NOW to attend the following EDD-sponsored sessions at the APA National Conference in Denver (March 29-April 2, 2003): ① “Beyond Design: Dollars and Cents of Alternative Development Patterns,” March 30th at 10:15 a.m.; and ② “Technology-Led Economic Development,” April 1st (no fooling!) at 4:00 p.m. We hope to have a strong showing of Economic Development Division members at these sessions. See you there!



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