



Cincinnati Fountain Square

Cities in Today's Competitive Strategy

Regional Leaders, Focus On Your Urban Core

by: James J. McGraw, Jr.

"We will neglect our cities to our peril, for in neglecting them we neglect the nation." – President John F. Kennedy

When President Kennedy said these words over four decades ago, America was in the midst of a nationwide out-migration of inhabitants from cities in favor of the booming suburbs. In post-World War II America, the traditional historic arguments in favor of urban living, including availability of jobs, food and religious centers, had lost their persuasiveness. Security and safety, once a principal reason for grouping together, was now more threat-

ened in cities. Suburbs offered families shopping, employment and better education for their children. By 1967, famed academic Marshall McLuhan had declared "The city no longer exists, except as a cultural ghost for tourists." Many urban centers have still not recovered.

Since then, the boom in internet and cellular technology has significantly affected how we interact with each other and with our community. Technology, which previously favored urban progress, has now allowed people to work from remote locations and connect with each other digitally. Government policies are no longer debated only in the local diner and coffee shop,

but in internet forums and on blogs. Music, books, groceries and other commodities are just as easily purchased online as in person.

So are cities unnecessary? Are urban centers a redundant byproduct of the personal technology boom and historical inevitabilities?

Some leading academics seem to give support to this theory. Edward Glaeser, an economist at Harvard, argues that poor Americans live in cities largely because of access to public transportation, government services and inexpensive housing and not because of any of the traditional benefits of cities. Glaeser further contends that sprawl is a natural consequence of available

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The CEO Resource is a periodic hot sheet of resource information for our colleagues, Chief Executives and Senior Management in business and leadership.

Our focus is to help senior management and company owners accelerate their pathways, first to "success" and then to "making a difference"- a significant difference for their families, their stakeholders and their communities. The CEO Resource is a time sensitive tool directly responsive to

News?

KMK Consulting is pleased to announce that Melissa Taylor has joined our company as a Senior Consultant.

Melissa offers multi-faceted expertise in economic development and government affairs gleaned from 20 years of experience ranging from the federal to the local level.

Melissa is widely recognized as an economic development leader for establishing and directing development agencies for two of Ohio's premier and fastest growing communities, West Chester and Mason where she worked with companies such as IKEA, Procter & Gamble, Amylin Pharmaceuticals and Dell. To welcome and congratulate Melissa to the KMK Consulting team, you can contact her at (513) 579-6919 or mtaylor@kmkconsulting.com.

Tucson's Plan for Success is a Blueprint for All

Collaborative Planning, Bold Leadership and a Clear Strategy Make for Sizeable Gains

by: Joe Snell

*President and CEO
Tucson Regional Economic
Opportunities, Inc. (TREO)*

Tucson Regional Economic Opportunities, Inc. (TREO) was formed in July 2005 to serve as the lead economic development agency for the greater Tucson region. Before TREO was formed there were more than 40 groups engaged in economic development in the Tucson region, with no coordination as a region to analyze and position Tucson as a national and global competitor. Many of those groups had long-range plans, but unfortunately some plans produced in the past didn't include the necessary action

steps, the leadership and/or the financial resources to be successfully actualized.

After TREO was formed as a "one stop shop" for economic development in Tucson, I came from Denver to become it's first President and CEO. With more than 20 years of experience in economic development, I quickly determined that Tucson needed a guiding strategic vision in order to compete in the global economy.

Developing an economic development strategy and vision requires a multitude of resources and expertise in many areas. This undertaking, called TREO's Economic Blueprint, was described

in our Request for Proposal (RFP) that was published and publicly released in February 2006. A selection committee, made up of a group of Tucson business leaders, helped TREO in a national search choose KMK Consulting Company as the firm contracted for the project.

TREO's Economic Blueprint, unlike the failed strategic plans of the past, includes both short term, immediately implementable steps to produce improved economic outcomes plus major, long-term initiatives - the kind of strategies required to transform a region. The Blueprint was developed to be imple-

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Universities: The Under-Leveraged Competitive Advantage

by: Ron Kull, FAIA, and
Dale McGirr, Assc. AIAI

KMK Consulting has been, for years, advocating the often underutilized leverage of universities to enhance the market competitiveness of their cities and regions. There are now a number of impressive examples of these community partnerships at work. From these examples there is indeed much to learn and to gain. KMKC is strategically aligned with GBBN's Edge Development Practice Group to help bring this expertise to economic development strategies nationwide.

The need for collaborative planning between universities, major corporate employers and their cities, neighborhoods, and metropolitan region has never been greater. And the stakes have never been higher. But over the last century these groups are not used to working together. Cycles of growth and decay have taken hold to the point where independent planning for development and renewal will no longer suffice.

Dale McGirr, Associate AIA at GBBN Architects in Cincinnati, OH, explains that, "Unfortunately campuses and other major employers surrounded by residential communities traditionally don't plan their future together. Our 15 years of research shows that conflicts between communities and campuses have been around for years."

With Ron Kull, FAIA at GBBN, McGirr has found a new way to approach institutional and community development together and achieve important strategic outcomes for the institution, its immediate community, and the larger region.

"It's all about communicating effectively with all parties involved," said Kull. "Too often, a campus thinks of its community relations program as just 'showing up' at community meetings and briefing those in attendance about events and issues on campus. This isn't necessarily a bad way to communicate, but it definitely can't be the only way. There needs to be a real relationship with the communities involved concerning the future development of the campus, and its growth requirements. Even without growth plans, the parties must manage the effects on the neighborhood's long-term residents and issues like off-campus

student residents, traffic congestion, aging housing stock, or inappropriate commercial development."

Such matters must be managed through a strong partnering relationship between the university and the neighborhoods, and not left to the uncertain management of those issues by the municipal government who has neither the talent nor the financial strength to lead the process.

Even more important is treating community health around the edges of the campus as a basic, strategic requirement for the health of the university itself. Quality of life near the university is rapidly becoming a competitive factor in recruiting high quality students and faculty. Thus, it is not just the management of the "side effects" of the campus on the surrounding community; it is also the need to build a strong, integrated community that is based on mutual gains and broad-based benefits. The common ground of these issues can make for a productive partnership between the campus and its neighborhoods, but only if it follows principles that make such a partnership have benefits for all parties.

For over 16 years Ron Kull, and Dale McGirr, worked together at the University of Cincinnati helping to strategically position UC through a complete transformation of the campus that invested over \$1 billion. It has been called "one of the most significant acts of campus planning since Thomas Jefferson laid out his 'academical village' at the University of Virginia" by the Chicago Tribune. This campus master plan was fully integrated with a community development plan created through a series of neighborhood partnerships, which ultimately led to a district community development organization involving all five of the major employers in the Uptown area of Cincinnati. Mr. McGirr spent 29-years at UC, and concluded his career with the title Sr. V.P. for Planning, Finance, and Community Development. Mr. Kull was the first person to hold the title of University Architect at UC, which he held for 16 years.

Today, these two gentlemen once again collaborate as Senior Planners with GBBN Architects, and are leading GBBN's Edge Development practice. ■

The following Ten Principles for Community Partnering has been developed as a result of Kull and McGirr's experience in creating partnerships and projects at the University of Cincinnati.

1. Contextual – Do not expand into a neighborhood if doing so will destroy the neighborhood's fabric.
2. Mutual Benefit – Give equal weight and attention to institutional and community goals.
3. Local Representation – The community partners need to be the recognized community governance organization, not just interested or active individuals.
4. Local Control – In many cases, the neighborhood representatives should have voting control of the non-profit development corporation, even though the institution sits on the board as well.
5. Flexibility Regarding Space Control – Be willing to waive direct ownership and operation of facilities in favor of a leasehold relationship in a mixed-use project.
6. Reuse of Existing, Underutilized Non-residential Assets – Look for opportunities to 'recycle' empty in the area that is deteriorating and needs a new use, even if it is not contiguous to the main campus.
7. Neighborhood Identity – Recognize that each neighborhood is different and be prepared to form multiple partnerships and development corporations to pursue the common agenda with each neighborhood.
8. Community Building – Establish and support an Employee-Assisted Housing Program to increase the number of owner occupied housing units near campus.
9. City Relationship – Resolve differences before going to the city.
10. City Support Requests – Make realistic requests of the city, especially for financial support.

Ten Principles of Community Partnering has been listed in the AIA Best Practices resources. The full text can found at: <http://www.aia.org/bestpractices>



Tucson taking the right steps to smart growth

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mented, and contains all of the necessary elements to make successful implementation possible.

In March 2007 TREO launched the results of the plan to the community at a public event titled "Securing Our Future Now: An Economic Blueprint for the Tucson Region." With more than 500 people in attendance, implementation of the plan has begun.

It is my firm belief, more than anything, the Economic Blueprint is a strategic vision and guide that will keep this community on course. Now that we have the plan, much work is ahead of us and there are hard decisions to be made. Ultimately the success of the Blueprint depends on the leaders who are willing to take bold action to implement the plan, the collaboration of those leaders throughout the Tucson region, and the inclusion and buy-in of members of the Tucson community.

Leadership and Collaboration

In developing the Economic Blueprint, it was clear that strong leadership and collaboration was needed from the Tucson community in order for the plan to be a success. Tucson Electric Power Company (TEP) became the first organization to step up in support of the Blueprint through a \$250,000 sponsorship. This investment from TEP was unprecedented; the company had never given so much money in support of economic development before.

TEP's financial support paved the way for the plan to get off the ground, and soon many other community leaders were stepping forward. The City of Tucson, Pima County and many of Tucson's top private employers committed to support the plan through leadership and guidance.

One of the first stages of creating the Economic Blueprint involved the formation of a Steering Committee, made up of 46 community leaders representing the public, private and education sectors. The Blueprint Steering Committee members represented the voices of more than 51,000 employees in the Tucson region.

Attorney Larry Hecker served as Chairman of the Steering Committee. "I believe that if there was a dominant theme that came out of the Economic Blueprint process, it was the overwhelming sense of optimism that exists in the community and that we have the capacity and resources to create a sound, vibrant, healthy and stable economy," said Hecker. "It's there if we're willing to work for it. We're poised

for success and with the right kind of effort and input we can achieve it."

As economic developers and leaders in our communities, we know that completing the plan is one thing, but ultimately implementation is the true measure of success, it takes true leadership and collaboration to ensure successful implementation of the Blueprint's goals and strategies."

Inclusion

It is my belief that if they write it, they will underwrite it. If we gave the community a voice in creating the Blueprint then they would support it.

In fact, more than 6,000 voices contributed to the Blueprint, representing the broadest possible range of community interests - public, private, and non-profit, it is clearly making it the most inclusive plan that I have ever seen.

From the start, TREO and KMK recognized that the successful implementation of the Blueprint hinged on cohesion and commitment from important stakeholders. In order to achieve this, an inclusive process was designed for the community - one where individuals who wanted a voice in the development of the Economic Blueprint had an opportunity to contribute.

TREO tracked the outreach and inclusion efforts to be sure they were reaching as many segments of the community as possible. In addition to the Blueprint Steering Committee, the Blueprint development process involved interviews, focus groups, one-on-one meetings, a SWOT Analysis survey, presentations to local groups and organizations, and a Community Survey (in both English and Spanish) to encourage an even broader range of local citizens to voice their opinions. The survey was promoted in the Arizona Daily Star, Tucson Citizen, and translated into Spanish for the Star's La Estrella tabloid.

Putting together a plan that has enough pieces for everyone, that it's not exclusive but doesn't leave anyone out, is critical to the success of our region.

With leadership, collaboration and inclusion all tied together, Tucson is in the best possible position, and after just four months, we are aggressively building upon and advancing our economic prosperity and future growth. ■

Older Cities ripe for revitalization

by: Joseph E. Sprengard, Jr.

A recent report conducted by the Brookings Institution sheds new light on a perpetual struggle for urban planners: how to revitalize an older city. The study entitled *Restoring Prosperity: The State Role in Reviving America's Older Industrial Cities* provides new statistics, and new hope, to America's oldest urban areas. This report demonstrates why many older cities, through abundant assets, including educational and medical institutions, historic neighborhoods and natural amenities, among others, are ripe for revitalization. As the report states, "For the first time in decades, there is reason to be truly optimistic about the future of America's older industrial cities."

The report calls on governors, legislative leaders and city governments to build "an asset-oriented agenda for reinvigorating the market in the nation's oldest cities." While this report will hopefully be the impetus for a number of cities to consider new goals and plans, the city of Cincinnati has already gotten underway with its own initiative, called GO Cincinnati. This major undertaking, organized by Mayor Mark Mallory, is chaired by Ellen van der Horst, President and CEO of the Cincinnati USA Regional Chamber, and Cincinnati City Councilman Chris Bortz.

GO Cincinnati is focusing on developing place-based strategies and combining the most opportunistic balance of geographic business clusters and neighborhoods with target growth industries and skilled workforce - all designed to increase the tax base in the City of Cincinnati through more attractive jobs and increased residential growth.

The national consultant team selected by the City of Cincinnati to tackle the project together consists of KMK Consulting Company (KMKC), the Brookings Institution, Robert Charles Lesser & Company (RCLCO) and Social Compact. The team is working closely with a Steering Committee of local CEOs and community leaders, along with focus groups in transportation, neighborhoods,



Cities remain integral to regional economic growth

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land and a car-based culture. So with the rise of personal technology that connects us in ways that do not require us to live in close proximity and the continued rise of the suburbs, it would seem that cities are doomed.

On the contrary, some argue that it is actually the suburbs that are in jeopardy. With a finite supply of land, rising gasoline prices and the dangers of global warming, fast growing focus on green buildings and carbon footprint, coupled with a growing population, could our car-culture be fading?

While this argument is debatable and not likely to occur in the foreseeable future, it is clear that cities are not going anywhere soon. In fact, reinventing America's older cities is center stage, new era economic development. See accompanying article on our colleagues at Brookings Institution on p. 5.

In 1800, it is estimated that 3% of the world's population lived in cities; that number should reach 60% by 2030. While most of this growth will occur in the developing cities, (who flock to urban areas for similar reasons as Americans did in the early 20th century, including availability of jobs and a higher standard of living) American cities are also slowly undergoing a renaissance. Recent census estimates show that, slowly, cities across the country are beginning to post population gains.

What is causing this trend? For one, immigrants in large numbers are settling in the urban core. The 2000 census showed that cities with more foreign-born residents grew at faster rates than other cities, including the boom towns in the South and Southwest. The elderly, a growing segment of the population, are increasingly settling in urban areas as they seek easy access to transportation, medical care and entertainment, not to mention family and friends. Many young professionals prefer urban life and are settling in cities that offer a rich concentration of restaurants, bars and other forms of entertainment, says Terry Nichols Clark of the University of Chicago. Entertainment, in Clark's view, can replace manufacturing as the driving force in post-industrial cities.

However, not only do cities remain integral to the American landscape, cities are an essential component of any region's economic growth and development.

Cities across the country are wrestling with how to retain young people and how to attract high-growth industry. A vibrant, energetic and booming urban center is crucial to achieving these goals. Many recent studies show that young people, in deciding where to reside after college, pick a location first and then search for jobs. They are attracted to a region primarily for its entertainment and social opportunities, and only later do they search for employment. As Richard Florida of George Mason University points out, cities are the breeding grounds for the "creative class" of artists, high tech workers and academics that are integral to increasing high-wage job growth. It is estimated that 60% of jobs in American cities are categorized as "new economy," compared to 40% in the suburbs. For a region to successfully attract dynamic workers, it needs to have a dynamic urban core.

Corporations are also increasingly attracted to a city's cultural and entertainment offerings when considering relocation. Traditional sales pitches of access to interstate highways, airline routes and infrastructure support are being supplemented with information on the social environment of the city. In 2000, Boeing referenced Chicago's entertainment and recreational offerings as a competitive factor for choosing that city over Denver or Dallas.

So if cities remain as essential centers of communities, the questions for business leaders, economic developers and government officials then becomes: "What can we do to ensure that our cities are used to their greatest potential? What can we do to attract residents, businesses and commerce to settle in the city?"

A crucial step to attract people back to the city is to reduce crime and restore citizens' sense of safety. Thomas Jefferson once said that cities are "pestilential to the morals, the health, and the liberties of man." Or, to simplify, watch your wallet. An increased police presence, smart urban planning (such as improved lighting) and community involvement are some strategies encompassed within a larger crime prevention plan that can be implemented to improve public safety.

Taking measured steps to make the downtown area more pedestrian friendly is critical. Integrating transportation and land use, including increased public transportation and pedestrian-only or pedestrian friendly streets, attracts people to the urban core. However,

despite the benefits to the environment and urban congestion, America's car culture often acts as a hindrance to implementing these policies. Some American cities are now even considering a road tax, similar to policies enacted in Singapore, London and Oslo, that charge drivers to enter the city center. Regardless, the prevailing sentiment in most cities is far too often reflected by comedian Stephen Wright: "When I get real bored, I like to drive downtown and get a great parking spot, then sit in my car and count how many people ask me if I'm leaving." Customer friendly integrated transportation will encourage downtown growth.

Surveys of individuals who live in urban areas, with research to support their claims, show that mixed-use developments that include retail, residential, entertainment and commercial space succeed in attracting new residents. William Mitchell, of MIT, argues that this type of development will usher in the next urban age. Urban dwellers will live and work in close proximity, perhaps even in the same building and remain involved in their community on a local neighborhood level but also socialize and operate in a digital world, in Mitchell's words, an "e-topia."

Local government, for sure, will play a leading role in revitalizing America's cities. They will have to take the lead in implementing policies that will lead to smart growth while also addressing many of the social ills that affect far too many of our cities. Many cities, unfortunately, run into a plethora of problems blamed on the fragmented nature of local government, with control of transportation, education and tax policies split between political jurisdictions. More and more, the response has been private sector leadership launching innovative types of collaborative public/private partnerships, designing new urban reinvention strategies and creating new private sector initiatives such as catalytic development corporations to make redevelopment possible with new forms of capital. There is great reason for optimism for the future of the urban core. Following the call to action outlined in the Brookings *Restoring Prosperity* report is one great pathway worth pursuing. ■



Corporate America Riding the Green Wage

Businesses Incorporating Environmentally Sustainable Policies On the Way to Becoming Routine

by: Greg Elam

Since the early 1980s, being “green” has been talked about but few (very few) ever took it seriously enough to put forth the effort to make a difference. Now more than twenty years later, both private and public entities have come full circle and are making sustained commitments to be more green.

While some procrastination on moving towards more sustainable development can be chalked up to human nature, many initiatives to become green in the past did not have the economic incentives that exist today. That is not to say that there was a shortage of good corporate citizens, but rather the acknowledgement that corporations have to focus on both delivering shareholder profits and being green has historically been a fine balance.

As an example, Macy’s has now adopted a plan to introduce solar power and energy efficiency to more than 25 of its stores in California. In addition to energy efficient lighting and HVAC, Macy’s will purchase solar power for 15 of its stores and own the solar system for the remainder. As a recent news article stated, “the energy reduction goal is equivalent to removing 1,144 cars from California’s highways each year.”

While companies such as Macy’s are using green supply, many customers focus on the energy efficiency side of things. For example, Scottsdale, Arizona’s, Mayor Mary Manross recently received the Energy Efficiency Forum’s Mayor’s award for her commitment to energy efficiency. Under her leadership, Scottsdale has significant investments in both energy efficiency and green technology.

In addition to Scottsdale’s investment in energy management, it has also encouraged private developers to build green. As the Energy Efficiency Forum noted, “Scottsdale is the nation’s only municipality in EPA’s National Environmental Performance Track. It was the first city to adopt a LEED™ Gold Green Building Policy for all new municipal buildings. Since 2005, one-third of all residential building permits have been for green buildings, and 10 percent of commercial building permits are green.” Scottsdale is committed to using solar for a variety of uses, including water reservoirs, fueling pumps, libraries, and more.

In our work, we are finding that developers and property managers are now insisting on moving things to the green side of the ledger in both new and existing buildings. In addition to being a good corporate citizen for “doing the right thing,” many are now adopting a new mindset and are looking for ways to think green. Additionally, corporations are recognized for following the LEEDs (Leadership in Energy and Environmental Design) program. LEEDs is the benchmark for energy efficiency, which operates on a point system with three different levels; Silver, Gold, and Platinum. This point system is used as a measuring stick to determine how green a company is performing. Historically, to determine the level of participation, one had to hire a LEED certified engineer; which was an expensive and time consuming task. Today, there exists software that can expedite the process and can be updated on a regular basis. More information on LEEDs can be found at the United States Green Building Council’s website at www.usgbc.org.

The Energy Policy Act of 2005 has provided significant benefits, including the enhancement of the efficiency measures being promoted by the United States Green Building Council. Although many of the incentives are set to run through the expiration at the end of 2007, it is expected that the government will extend these incentives.

One such incentive is the accelerated depreciation that is applied to lighting retrofit pro-

jects. This accelerated depreciation often adds approximately 6 months to the pay back calculations of a project. In addition to the tax benefits that can provide incentives for moving in the green direction, many states offer a variety of financial incentives. For example, Ohio provides grant funds for qualified manufacturers to invest in energy efficiency projects. The state will buy down the interest rate by one half as an inducement for the business to invest in energy efficient measures.

Companies are also looking to develop long term plans that allow them to keep track of their environmental or carbon footprint. As with the LEEDs program, software is now available to identify a company’s carbon footprint, and monitor their carbon footprint on an annual basis.

With incentives in place, many entities are finding themselves signed on to the goal but not knowing what to do, where to go for help, or how to implement the very goals they have committed to. KMK Consulting can provide you the leadership as well as access to the software to identify and implement your LEEDs action items, as well as the annual oversight to identify and update your carbon footprint.

For more information, contact Greg Elam at KMK Consulting at (513) 639-3900. ■

Cincinnati Seizes a Leadership Role

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workforce and jobs, as well as strategic planning teams for each of the geographic areas prioritized after extensive research led by RCLCO.

Complementing the creation of “sense of place” strategic plans led by Chris Leinberger of the Brookings Institution, KMK Consulting is leading the formation of a new economic development system for the City, with particular focus on accelerating the implementation of the new place based strategies.

Cincinnati is determined to get out in front of the opportunities outlined in the Brookings Institution’s *Restoring Prosperity*

study. Other “older industrial cities” will likely follow with their own initiatives. Cincinnatians believe passionately in a new, competitive and sustainable future, with an attitude of broad based public/private collaboration and a pipeline of regional opportunities that the Cincinnati USA Partnership believes is as exciting currently as it has been in recent memory.

Watch for the rollout of this GO Cincinnati plan in October. In the meantime, for more information contact Jim McGraw or Joe Sprengard at (513) 639-3900.

To read the report in its entirety, please visit http://www.brook.edu/metro/pubs/20070520_oic.htm/