Quality of Place as an Economic Driver
2014 ACCE Annual Conference

J. Mac Holladay, CCE, PCED, LM, HLM
David Brown
Brad Lacy, CCE, IOM

August 13, 2014
Current Economic Realities

Source: Atlanta Journal Constitution November 4, 2008
Current Economic Realities

Recent Headlines:  Progress but there’s still a long way to go

- “More Rejoin Labor Force: Jobless Rate Up To 6.2%” by Dion Searcey, NY Times, August 2, 2014
- “Poll Finds Widespread Economic Anxiety.” by Patrick O’Connor, Wall Street Journal, August 6, 2014
- “Fewer Loans Falling Into Foreclosure, Delinquency.” by Joe Light, Wall Street Journal, August 8, 2014
“First, if it is not apparent to you yet, it will be soon: there is no magic bullet for this economic crisis, no magic bailout package, no magic stimulus. . . We are going to have to learn to live with a lot more uncertainty for a lot longer than our generation has ever experienced.”

Thomas L. Friedman, Author
New York Times
February 1, 2009
Recession and Recovery

Lag in Regaining Pre-Recession Peak Employment (by recession)

Source: U.S. Bureau of Labor Statistics
Recovery After the Recession

Many Young Workers Unable to Launch Careers

Source: Bureau of Labor Statistics; seasonally adjusted
Recovery After the Recession

90+ Delinquency Rate By Loan Type

Source: Washington Post
Workforce Sustainability and Quality of Place

National survey conducted by the Urban Land Institute focusing on individual preferences and desired community attributes.

What is the ideal size for your preferred place of residence?

- Gen Y (ages 18-34): 16% Rural, 21% Small Town, 20% Suburbs, 38% Medium or Large City, 5% Other
- Gen X (ages 35-47): 27% Rural, 27% Small Town, 21% Suburbs, 23% Medium or Large City
- Baby Boomer (ages 48-66): 30% Rural, 29% Small Town, 15% Suburbs, 22% Medium or Large City

Source: Urban Land Institute; national survey conducted in 2013
Community Building to Compete

What makes a community “sticky”?

What makes a community a desirable place to live?

What draws people to stake their future in it?

Are communities with more attached residents better off?

Source: John S. and James L. Knight Foundation’s Soul of the Community Project
Community Building to Compete

What Makes a Community “Sticky”?

1. Social offerings
   • Such as entertainment venues and places to meet

2. Area’s aesthetics
   • Physical beauty and green spaces

3. Openness
   • Building networks and quality of life options for all kinds of people

Source: John S. and James L. Knight Foundation’s Soul of the Community Project
“So the great laboratories and engines of our economy are now our cities... Cities and metropolitan regions are becoming the leaders in the nation: experimenting, taking risks, making hard choices. We are seeing the inversion of power in the United States.”

Thomas L. Friedman
July 28, 2013
New York Times

The Metropolitan Revolution
Bruce Katz and Jennifer Bradley
National Trends

Why Americans Are Moving Less

In 2013 there were 51% fewer interstate moves than average from 1948-1971 (peak years)

Reasons:

1. Jobs aren’t worth it
2. Home ownership
3. Aging population

Source: Atlantic Cities; April 28, 2014
Recovery After the Recession

Lost Jobs, Missing Workers, Stagnant Wages

Source: BLS via the New York Times; June 14, 2014
Recovery After the Recession

*Income Down, Poverty Rate Up*

Source: U.S. Dept of Agriculture and Census Bureau via the New York Times; June 14, 2014

---

**Food stamp recipients**

<table>
<thead>
<tr>
<th>Year</th>
<th>Before</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>'90</td>
<td>26.3</td>
<td>47.6</td>
</tr>
<tr>
<td>'00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Median household income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Before</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>'90</td>
<td>$55,627</td>
<td></td>
</tr>
<tr>
<td>'00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'12</td>
<td></td>
<td>$51,017</td>
</tr>
</tbody>
</table>

**Poverty rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Before</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>'90</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>'00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'12</td>
<td></td>
<td>15.0%</td>
</tr>
</tbody>
</table>

---

Source: U.S. Dept of Agriculture and Census Bureau via the New York Times; June 14, 2014
National Trends

Where are we now?

- Currently the average CEO of a large U.S. firm now makes 295 times the average worker in that firm.

- Wages for the entire 70% of wage earners have been stagnant or declined since 2002-2012. Productivity is up 7.7%.

- CEO compensation has increased 50% over the past 5 years.

- Corporate profits are at their highest level in 85 years. Employee compensation is the lowest in 65 years.

- Average household debt has decreased from $8,740 in 2007 to $7,122 now.

- There are 22.7% of workers over 65 still working. In 2007 it was 20%.

- The poverty rate has risen to 15% currently from 12.5% in 2007.

- Delinquent mortgage payments down to 7.7% from a high of 10.2% in 2010.
Community and Economic Development

Who’s Involved

It’s a team sport!

- Chambers of commerce
- Local governments
- Economic development organizations
- Workforce investment boards
- Non-profit organizations
- Regional planning commissions
- State governments
- Regional businesses
- Pre-K-12 schools
- Higher education
- Economic development organizations
- Workforce investment boards
- Non-profit organizations
- Regional planning commissions
- State governments
- Regional businesses
- Pre-K-12 schools
- Higher education
Quality of Place

Inseparable from workforce attraction and retention

What is Quality of Place?

- Character
- The Built Environment
- Diversity
- Amenities

“Urban leaders need to emphasize talent and those aspects of cities that make them attractive to talented workers”

- CEOs for Cities “Young and Restless in a Knowledge Economy”
Quality of Place

Inseparable from workforce attraction and retention

What is Character?

• Livability

• Attractiveness  
  “The unique characteristics of place may be the only truly defensible source of competitive advantage for regions.”

• Uniqueness

• History

• Aesthetics

• Style

• Desirability

• Community

• Connections

—City Vitals, CEOs for Cities
Quality of Place

Inseparable from workforce attraction and retention

What is the Built Environment?

• The physical character(istics) of a city

• Man made physical structures

• The public physical environment

• The infrastructure of communities

Buildings
Roads
Parks
Bridges
Housing
Public Space
Commercial space
Pipelines and utilities
Design
Transit
Streets
Quality of Place

Inseparable from workforce attraction and retention

Diversity is a breadth and depth of options in:

– Social opportunity (people and activities)
– Economic opportunity (jobs and industries)

“A connection exists between a [community’s] level of tolerance for a range of people, its ethnic and social diversity, and its success in attracting talented people.”

– Richard Florida
Redefining Diversity

Different is different

- Racial and ethnic diversity
- Quality of life choices
- Generational diversity
- Religious diversity
- Sexual orientation

“People (and companies) can locate anywhere they choose — and they will. Competitive communities are ready to welcome them and accept their differences.”
Redefining Diversity

Generational differences

Source: Pew Research Center, aggregated data from polls conducted in each year.
Issue: The Geography of Job Creation

*Milken’s Best Performing Cities – Why?*

**Common Characteristics:**

- Strong and skilled workforce
- Major research universities
- Diverse economy
- Technology jobs
- Innovation
- Networks
- Strong quality of place
Measuring Progress
Core Indicators

Demographics

- Poverty rate
- Child poverty rate
- Population growth
- Per capita income
- % of population, 25-34
- % of minorities
- Net migration
Measuring Progress

Core Indicators

Talent and Workforce Development

- % of adults 25+ with a bachelor’s degree or higher
- High school graduation rate
- % of population without a high school diploma
- % of students taking college entry standardized tests
- % of annual entry-level employment filled by graduates from local colleges
- % age 18-24 enrolled in post secondary school
- High school student performance on state tests
Measuring Progress
Core Indicators

Economic Prosperity

- Average annual wages
- Number and growth of businesses by size
- BRE annual visits to businesses
- Firm relocations/expansions
- Labor force participation rate
- Employment by target sector
- Total employment from firm relocation/expansion
- Unemployment rate
- Taxable retail sales
- Total and change in SBA loans
- Capital investment from firm relocation/expansion
- Total employment from firm relocation/expansion
- Amount of venture capital investments
Measuring Progress
Core Indicators

Quality of Life/Place

- % of owner-occupied housing
- % of renters paying less than 30% of income on rent
- % of residents without health insurance
- Property and violent crime rates
- Downtown capital investment
- Physicians per capita
- Number of annual passengers utilizing airport
- Transportation and mobility options
- Total acres of parkland
Effective Strategy Development

*Having the right people at the table*

Three Kinds of People

- Those who make things happen
- Those who watch things happen
- Those who don’t know what is happening

Oliver Wendell Holmes, Chief Justice
U.S. Supreme Court
Effective Strategy Development

Vision or Strategy?

According to Merriam-Webster’s Collegiate Dictionary:

**Vision**
- Something seen in a dream or trance
- An object of imagination
- Unusual discernment or foresight

**Strategy**
- A careful plan or method
- The art of devising and employing plans toward a goal

So can we do both?

In fact, don’t we have to?
Effective Strategy Development

Data and Stakeholder Driven

• The greatest compliment that was ever paid me was when one asked me what I thought, and attended to my answer.
  • Henry David Thoreau

Forward Thinking

• The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.
  • Peter Drucker, author and management consultant

Consensus Building

• No major decision we’ve studied was ever taken at a point of unanimous agreement.
  • Jim Collins, Author Good to Great
It’s All Connected!

**Vision**
The Chamber will be the catalyst organization that ensures Greater Omaha is a vibrant place to do business, work and live.

**Mission**
To increase business, investment and employment in the Greater Omaha area.

**Values**
Vision      Passion      Excellence      Family
MARKET STREET SERVICES QUALITY OF PLACE AS AN ECONOMIC DRIVER
OMAHA
WE DON’T COAST™
Quality of Place as an Economic Driver
ACCE Annual Convention
August 13, 2014
Conway’s History

• Founded: 1870 (incorporated 1875)

• Founded By: Asa P. Robinson
  • Harvard Educated
  • Chief Engineer
  • Received Land in Lieu of Salary

• Economy: Agricultural (Cotton)

• Early Settlers: French, Swiss and German Rail Workers
Early Vision for Economic Development

Higher Education

• Hendrix College (1890)
• Central College (1892)
• Arkansas State Normal School (1907)
Conway Today

- Population: 63,816 (2013 Est.)
- Median Age: 25.6
- Educational Attainment: 36% Bachelors Degree
## Major Employers

<table>
<thead>
<tr>
<th>Company</th>
<th>Employees</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acxiom</td>
<td>2,000</td>
<td>Information Technology</td>
</tr>
<tr>
<td>UCA</td>
<td>1,600</td>
<td>Higher Education</td>
</tr>
<tr>
<td>Conway Regional Health System</td>
<td>1,330</td>
<td>Healthcare</td>
</tr>
<tr>
<td>Southwestern Energy</td>
<td>1,300</td>
<td>Natural Gas</td>
</tr>
<tr>
<td>Conway Human Dev. Center</td>
<td>1,200</td>
<td>Institutional Care</td>
</tr>
<tr>
<td>Conway Public Schools</td>
<td>1,200</td>
<td>Education</td>
</tr>
<tr>
<td>Walmart</td>
<td>825</td>
<td>Retail</td>
</tr>
<tr>
<td>Kimberly Clark</td>
<td>700</td>
<td>Personal Hygiene Products</td>
</tr>
<tr>
<td>Hewlett Packard</td>
<td>700</td>
<td>Sales Support/IT</td>
</tr>
<tr>
<td>Virco</td>
<td>600</td>
<td>School &amp; Office Furniture</td>
</tr>
<tr>
<td>Snap On</td>
<td>586</td>
<td>Diagnostic Equipment</td>
</tr>
<tr>
<td>Nabholz Companies</td>
<td>500</td>
<td>Construction</td>
</tr>
</tbody>
</table>
Conway’s Philosophy on Economic Development
You cannot pay a company to move somewhere they do not want to go.
Most Communities Need Something to Wake Them Up
Conway’s Wake-Up Call

- In 1998, Acxiom Corporation announced it would relocate its corporate headquarters to Little Rock.
  - Founded in Conway in 1969
  - Largest employer
  - Distinguished Conway from other cities
What We Learned

- Access to talent drives location decisions
- People demand a superior environment
- Conway had major deficiencies:
  - Downtown
  - Hospitality options
  - Design standards
  - Parks
Downtown Conway
Downtown Conway

- Establish Downtown Partnership
- Liquor by the drink
- Public/private streetscape
- $75 million private investment
Smart Growth

- Impact fees
- Parks and transportation
- Bicycle Friendly Community
- Roundabouts
- Sidewalk ordinance
- Mixed-use development
Parks Program

- Developed large trail system and bicycle infrastructure
- $50 million parks plan approved by voters
- Strong architectural standards
Mixed-Use Development
The Village at Hendrix
Design and Landscaping

- Strengthened landscape standards
- Strict architectural standards
- Sign ordinance
Protecting Historic Conway

- Conway Historic District Commission
  - Asa P. Robinson Historic District
  - Hendrix Addition Historic District
- Old Conway Overlay District
The Payoff
June 19, 2008

- 1,400 jobs
- 150,000-square-foot office facility
- LEED certified
- 26-acre site
- $36 million investment
December 18, 2008

- 500 jobs
- 120,000-square-foot regional headquarters
- $30 million investment
- LEED certified
Full-Circle Moments
July 30, 2012

- 121 new jobs
- $80,000 average salary
- Downtown location
- Former Acxiom leadership
January 31, 2013

- Corporate HQ relocation
- 50 new jobs
- Publicly traded
- $90,000 average salary
- Downtown location
- Former Acxiom leadership
Oak Street Redevelopment
Oak Street Redevelopment

Eight block connector between Interstate 40 and Downtown

Developed in 1960s & 1970s

Pylon Signs

Little to no landscaping

Parking lots are dominate feature
New Design Standards

- Buildings sit on the street
- Wide sidewalks with street trees
- Parking lots placed behind buildings
- Monument signs

ConwayArkansas.org
Mixed Use Development

Redevelopment of Cantrell Field
Joint Venture
500,000 sf retail
Hotels
Single Family Home sites
Brownstones
Multi-family
Office
School
Opening: Fall 2016
Things I’ve Learned

- Someone will always say it cannot be done.
- Be realistic – do not overpromise.
- Everyone will never agree; it is OK to leave people behind.
- Some people you leave behind will catch up.
- To get better, compare yourself to the best.
- More often than not, you must show people.
- Nice and polite often means “bad ideas.” Telling the truth is hard.
- Win the war, not the battle.
Discussion
Closing Thoughts
Hard Lessons

“We have learned, in some cases through very hard lessons, that public policy based on traditional economic theories of “bottom line” tax incentives and inter-community competition do not necessarily stimulate sustained growth and long-term prosperity in the face of global competition and limited resources. The evidence is that firms care less about taxes and more about the quality of the local environments, the productivity capabilities of their employees, efficient access to markets, and amenities that contribute to the quality of life.”

Dr. Maryann P. Feldman
University of North Carolina
Professor, Public Policy
Principal Investigator
EDA
The Way Forward

“The key is not the age of the institution but its creativity and its persistence. A single game changer, no matter how transformative or creative, does not an economy reshape. Sustaining the gain means engaging in a continuous process of inquiry and investigation, reinvention and renewal, in which one gain leads to another, and then another, and then another. Successful metros, in other words, never stop. They do not rest on their laurels, they build on their successes.”

Bruce Katz and Jennifer Bradley
The Metropolitan Revolution