PROFILES OF BUSINESS LEADERSHIP ON SMART GROWTH

New Partnerships Demonstrate the Economic Benefits of Reducing Sprawl
Acknowledgments

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Executive Summary

Many local government officials have found that strong partnerships with business leaders are critical to effectively address the challenges of sprawling development. The National Association of Local Government Environmental Professionals (NALGEP) launched the Smart Growth Business Partnership Project to identify businesses that are actively promoting alternatives to sprawl and to better understand the factors that motivate these businesses to take action. This report, Profiles of Business Leadership on Smart Growth, presents the perspectives of business leaders engaged in combating sprawl and promoting smart growth.

Across America, sprawl is emerging as a major concern for many communities. New Jersey Governor Christine Todd Whitman put it succinctly when she said, “Suburban sprawl is eating up open space, creating mind-boggling traffic jams, bestowing on us endless strip malls and housing developments, and consuming an ever-increasing share of our resources.”
Efforts to curtail unsustainable development have been ongoing for many years, but as more communities see the threat that sprawl poses to their basic quality of life—an important element of economic prosperity—the issue is taking on renewed importance. Some American business leaders are beginning to recognize that sprawl can raise the cost of doing business and reduce long-term profitability. These leaders are forming partnerships with communities to find patterns of development that can more successfully maintain economic growth and preserve livability. The emerging concept of smart growth is a valuable new approach for achieving this sustainable balance.

To produce this report, NALGEP convened a Smart Growth Advisory Council of business and local officials. NALGEP interviewed more than 50 leaders from a variety of business sectors across America, including development, banking, manufacturing, utilities, transportation, real estate, and small business. We talked to chambers of commerce, business associations, and retailers, focusing on business leaders who are beginning to promote smart growth within their communities. NALGEP found that many businesses face similar challenges in their search for innovative ways to minimize sprawl.

Profiles of Business Leadership on Smart Growth includes 19 profiles of businesses and business coalitions that have found ways to grow while respecting and enhancing the communities they call home. This report describes the American business community’s emerging recognition of the costs and impacts of sprawl; barriers to business leadership on smart growth; strategies for overcoming these barriers; and initial actions that businesses can take to promote livable communities.

Rising public concern and the emergence of innovative new partnerships and strategies have created new opportunities to encourage smart growth. Because land use decisions often irrevocably change communities and rural areas, to miss this opportunity may be to lose it entirely. NALGEP and its Smart Growth Advisory Council hope that this report will enhance the national dialogue on these increasingly important issues and spark further business leadership on smart growth.
Summary of NALGEP Project Findings on the Views of American Business Leaders on Sprawl and Smart Growth

Interviews with business leaders and the observations of the NALGEP Smart Growth Advisory Council yielded 18 findings on business views of sprawl and smart growth. These findings are discussed in the four broad categories described below.

EMERGING RECOGNITION OF THE COSTS AND IMPACTS OF SPRAWL
Several key factors are motivating business leaders from a variety of sectors to become active in efforts to promote alternatives to sprawl.

Finding 1: Business leaders are recognizing that quality of life directly affects economic prosperity, and that sprawl threatens the quality of life in many communities.

Finding 2: Business leaders are recognizing that sprawl threatens the health of central cities which is critical to the overall economic vitality of metropolitan regions.

Finding 3: Business leaders increasingly are concerned that sprawl is making it more difficult to access, attract, and maintain a qualified workforce.

Finding 4: Business leaders are capturing the economic efficiencies of redeveloping areas with established infrastructure, rather than building the new infrastructure required to develop in new locations.

Finding 5: Business leaders are tapping the competitive advantage of smart growth practices.

BUSINESS ACTIONS TO PROMOTE SMART GROWTH
Across the nation, business leaders are beginning to engage in smart growth partnerships and initiatives that seek to promote economic development while preserving the quality of life and character of their communities.

Finding 6: Private sector networks are forming to examine and address growth issues.

Finding 7: Business leaders are becoming actively involved in land use planning.

Finding 8: Businesses are playing an increasingly important role in downtown revitalization.

Finding 9: Business leaders are promoting the improvement of established infrastructure.

Finding 10: Business leaders are supporting brownfields revitalization.

Finding 11: Business leaders are involved in the development of mixed-use and infill projects.

BARRIERS TO BUSINESS LEADERSHIP ON SMART GROWTH
Despite increasingly proactive smart growth leadership by businesses across the nation, formidable barriers remain in the path of greater business involvement in efforts to combat sprawl.

Finding 12: Most businesses are not aware of the negative impacts of sprawl on business competitiveness and profitability.
**Finding 13:** Local barriers to smart growth business decisions include:
- lack of timeliness and predictability of development approvals in already developed areas;
- perception that obtaining incentives and approvals is easier in exurban areas;
- inadequate local and regional land use planning;
- difficulty of acquiring and assembling suitable land parcels and buildings in established communities;
- failure to maintain existing infrastructure; and
- social issues such as crime and school quality.

**Finding 14:** Federal and state government barriers to smart growth business decisions include:
- the need for increased state leadership;
- underinvestment in existing infrastructure;
- transportation funding and policies that may foster exurban growth;
- environmental regulations which create perceived and actual barriers to doing business in established communities; and
- federal facility locational decisions abandoning established communities.

**STRATEGIES TO OVERCOME THE BARRIERS TO SMART GROWTH LEADERSHIP BY AMERICAN BUSINESS**

Just as the problem of sprawl is caused by myriad factors, strategies for smarter growth must be based on cooperative action by a broad range of business, community, and government parties. In this section, NALGEP identifies strategies that can be taken to overcome the barriers to business leadership and action on these issues.

**Finding 15:** Businesses need better education and information about the economic impacts of sprawl and the economic benefits of smart growth strategies.

**Finding 16:** Local governments can promote business involvement in smart growth activities by engaging business leaders in land use planning, investing in existing assets, and creating predictability in the approval process for development.

**Finding 17:** Business leaders support strong state leadership to promote smart growth.

**Finding 18:** The federal government role in addressing sprawl should focus on education, funding, and other assistance that support state and local efforts, but should not dictate or interfere with local land use decisions.
Recommended Business Actions to Promote Smart Growth

Business leadership is an essential component in addressing the challenges of sprawl and smart growth. Based on examples and on the guidance of the NALGEP Smart Growth Advisory Council, we recommend that business leaders from all sectors consider taking the following actions in their companies and local communities:

1. **Increase awareness within your business of the economic impacts of sprawl** and consider policies that facilitate analysis and mitigation of these impacts.

2. **Participate in studies and analysis** of sprawl and smart growth.

3. **Foster business-to-business education** on the issues of sprawl, smart growth, and better development practices.

4. **Get involved in land use and transportation planning activities** at the local and metropolitan level.

5. **Support downtown revitalization initiatives**, including upgrades to existing infrastructure.

6. **Support the redevelopment of brownfields and other smart growth development practices**, such as infill and mixed-use developments, as alternatives to single-use development of greenfield areas.

7. **Promote alternatives to automobile-dependent commuting for employees**, such as transit benefits and subsidies, cash-out of employer-paid parking, and ride-sharing programs.

8. **Publicize smart growth practices and success stories involving your business**.

Some American business leaders are beginning to recognize that sprawl can raise the cost of doing business and reduce long-term profitability.
NALGEP launched the Smart Growth Business Partnership Project because its local government members believe that working in cooperation with the private sector is critical to address the issue of sprawl. NALGEP convened its Smart Growth Advisory Council, comprised of 29 business leaders and local government officials from across the nation, to guide and oversee the project.

NALGEP and its Smart Growth Advisory Council identified the primary issues for research and analysis. NALGEP staff conducted more than 50 interviews with business leaders from a range of business sectors and locations throughout the nation to gather their perspectives on the issues of sprawl and smart growth.

The interviews concentrated on identifying the views of those business leaders who are taking action in their communities to promote new patterns of development. Based on the results of these interviews, NALGEP and its Smart Growth Advisory Council developed the profiles of business leadership and the findings and recommendations contained in this report.
Communities across the nation are struggling with the economic, environmental, and civic consequences of sprawl. Traffic congestion is getting worse and the infrastructure costs of fringe development are becoming more burdensome. Many Americans want better options—growth patterns that protect quality of life and economic opportunity. While local governments across the country have struggled with managing sprawl for many years, growing public concern has now elevated the issue to one of national significance. Smart growth, or development that promotes both economic prosperity and environmental quality, has emerged as a promising new approach.

Sprawl can be defined as low-density, discontinuous, automobile-dependent, new development on the fringe of settled areas, often surrounding a deteriorating city or town core. Sprawl threatens local communities by inducing disinvestment and reducing job opportunities in existing communities, necessitating costly investments in new infrastructure,
discouraging reuse of brownfields, increasing traffic and congestion, degrading air and water quality, consuming prime agricultural lands and habitat, and undermining community and family life.

Although sprawl once seemed to be an unqualified boon to economic growth, businesses are increasingly experiencing its adverse effects. According to *Beyond Sprawl: New Patterns of Growth to Fit the New California*, a landmark report cosponsored by Bank of America and the Greenbelt Alliance, some of the adverse effects of sprawl on business include:

- **Decreased employee productivity:** Road-weary commuters are spending more time traveling to work and other destinations.
- **Geographical mismatch between workers and jobs:** Many workers are unable to compete in the job market because transportation alternatives do not provide access to remote job locations.
- **Higher direct business costs and taxes:** The costs of new infrastructure and of mitigating transportation and environmental problems are passed on to businesses.
- **Decreased urban tax base:** The urban flight of business has weakened downtowns. The financial burden of building new infrastructure and maintaining existing infrastructure in the urban core must be carried by fewer taxpayers, creating further incentives for business flight.

The traditional “pro-growth versus no growth” debate of the past several decades divided groups. Today, however, a movement of business, environmental, and government interests is emerging to support the concept of smart growth—economic development that promotes fiscal health, protects environmental assets, and builds community livability.

The principles of smart growth reshape the growth debate. The question now is not whether to grow, but how. “Smart growth is pro-growth,” says Hugh McCall, chairman and CEO of Bank of America. “We know that developers, banks, and the entire community rely on growth to fuel the economy. The goal is not to limit growth, but to channel it to areas where infrastructure allows growth to be sustainable over the long-term.”

Smart growth accepts that new development is desired and addresses the types and locations of development that communities need to succeed. “It’s not the rate of growth. It’s the location, pattern, and character of growth that we’re concerned about,” says Jean Scott, executive director of Bluegrass Tomorrow, which represents business leaders in central Kentucky. Smart growth directs development toward existing communities while preserving open space, farmland, and critical environmental areas. It increases transportation and housing choices. Smart growth can decrease the costs of new development imposed on taxpayers, retain current business and foster new investment, encourage cooperative decision-making, and promote community livability. Smart growth includes tools such as
brownfields revitalization, mixed-use development, and development that is integrated with smart transportation and environmental planning.

Smart growth practices promote the maintenance of the collective public and private investment in established communities, not only in urban areas, but also in established suburban areas and small towns. Smart growth is concerned with the pattern, character, and impacts of growth, wherever it occurs. Smart growth calls for increasing consumers' options for desirable places to live and work. A major goal is to shift the emphasis in new development from unchecked, ever-expanding growth in undeveloped areas to growth that replenishes neighborhoods, business districts, and towns whose infrastructure and services can already support new investment.

In response to the growing public concern about sprawl, political leaders at the local, state, and national levels have announced dozens of new smart growth initiatives:

- In the 1998 election, voters considered more than 240 ballot initiatives intended to manage sprawl, and adopted more than 72 percent of these initiatives.
- Thirty-four governors representing both major parties emphasized the preservation of open space or other “smart growth” initiatives in their 1998 “state of the state” or inaugural speeches. In early 1999, the governors of Utah and Georgia signed major new smart growth legislation into law.
- Vice President Gore recently announced the administration’s “Livability Agenda,” a major new initiative intended to provide funding and technical assistance to localities and states that are implementing smart growth strategies.

Most of these initiatives involve some combination of regional cooperation, better land use planning, open space preservation, transportation planning, and urban revitalization.

Business support for and private sector investment in smart growth practices are key to successfully solving the problem of sprawl and sparking revitalization. Communities and business leaders need to work together in partnership to attract and maintain investment in settled locations while discouraging business exodus to exurban, greenfield areas.
What is Smart Growth?
Excerpts from Speech by Bank of America Chairman and CEO Hugh L. McColl, Jr. to the International Council of Shopping Centers, March 30, 1999

Smart growth is pro-growth. We know that developers, banks, and the entire community rely on growth to fuel the economy. The goal is not to limit growth, but to channel it to areas where infrastructure allows growth to be sustained over the long term.

Smart growth is about choices. Many of us enjoy living in suburbs far from the center of the city. And that's fine. But in too many of our cities, choosing to live downtown also means making a choice between old, run-down housing, decaying neighborhoods, inadequate shopping, high crime, and sub-standard schools on one hand—or luxury apartments, high-end boutiques, and private schools on the other. For most Americans who want to live in the city, that's not much of a choice.

Smart growth favors incentives over controls. Because America is a free market society, smart growth in this country means that, as we attempt to influence growth patterns, we prefer tax incentives and targeted subsidies to restrictions on the use of private property.

Smart growth is about protecting our environment. Yes, this does mean protecting the environmental quality and biological diversity of our farmlands, wetlands, and open spaces. And sometimes that may mean restricting land use. But it also means finding economically sound ways to reuse brownfields. And it means continuing to pursue design innovations that make all our developments easier on the environment.

Smart growth is about using our resources wisely. It means encouraging densely developed corridors that will make public transit viable—not to force people out of their cars, but to give people who prefer public transit a choice...

Smart growth also is about working together to rebuild our inner cities, where land has already been developed and infrastructure already exists—instead of using our land, a limited natural gift, as a disposable product, to be used once and thrown away.

Smart growth is about regionalism. As cities grow, and transportation and communications enable communities to interact more and more, the need for regional growth strategies becomes greater than ever. A key element of smart growth is that community and business leaders make decisions based on a clear understanding of regional growth needs and projections.

Smart growth is about working together. One of the most fundamental tenets of smart growth is that everybody gets a seat at the table. Developers, businesspeople, public officials, environmental advocates, and ordinary citizens all have an opportunity to participate and have their voices heard on decisions affecting land use, transit, road construction, or tax incentives.

It is especially important that the development community take a strong leadership role in this process, helping environmentalists and community groups understand the economic side of the equation. To this point, we know that when the public review process leads to ever changing standards, limits, and guidelines for development, tremendous burdens are created for developers. One goal of smart growth is to minimize these burdens and provide more certainty for developers within the planning process.

Smart growth is about families and communities. It's about thinking and acting to create neighborhoods—whether in the city, in existing suburbs, or in newly developed areas—with housing, employment, schools, houses of worship, parks, services, and shopping centers located close enough together that our kids can ride their bikes wherever they need to go, without asking us for a ride every ten minutes.
Smart growth is smart business. Increasingly aware of the competitive advantages of investing in already-developed areas, many business leaders are coming up with new ways to work with communities to promote alternatives to sprawl. However, the potential for greater business leadership on smart growth is undermined by a variety of barriers, from lack of awareness among the general business community to long-standing governmental policies that encourage growth in less-developed areas. A growing number of business leaders are developing new partnerships and pursuing a wide range of strategies to surmount these obstacles. This section provides NALGEP’s project findings, which were developed from interviews with more than 50 business leaders. The findings fall into four broad categories: the emerging recognition of the costs and impacts of sprawl; business actions to promote smart growth; barriers to business leadership on smart growth; and strategies to overcome the barriers to smart growth leadership by American business.
Emerging Recognition of the Costs and Impacts of Sprawl

In recent years, more and more business leaders have begun to realize that sprawl can be bad for their bottom-lines and economic competitiveness. These businesses are recognizing that sprawl can affect their costs, their labor force, their customers, the business climate, and the economic health and quality of life of the region upon which they depend. The impact of sprawl on the business bottom-line has motivated these leaders to explore how smart growth initiatives can promote economic development while preserving the quality of life and character of their communities.

Below we highlight the key factors motivating business leaders from a variety of sectors to become active in efforts to promote alternatives to sprawl.

BUSINESS LEADERS ARE RECOGNIZING THAT QUALITY OF LIFE DIRECTLY AFFECTS ECONOMIC PROSPERITY, AND THAT SPRAWL THREATENS THE QUALITY OF LIFE IN MANY COMMUNITIES.

Business leaders whom NALGEP interviewed overwhelmingly cited the impact of sprawl on quality of life as the primary concern spurring them to get involved in smart growth initiatives. Businesses and local governments are beginning to recognize that quality of life is a key economic asset for communities, as well as a basic public value. Businesses seek to be located in “livable communities” where people can live, work, and play. However, sprawling development can undermine the quality of life in communities by increasing traffic congestion, fiscal costs, and pollution, while threatening open space, the availability of housing and quality schools, and historic and cultural resources of established communities. The following examples highlight business leaders’ growing understanding of the link between growth patterns, livability, and the success of businesses.

Many business leaders in Portland, Oregon actively support the city’s urban growth boundary and other efforts to manage growth because it helps to maintain the area’s high quality of life. “Portland’s quality of life is one of our greatest economic assets,” says real estate executive Clayton Hering. “Should the city’s quality of life begin to diminish, the city can expect economic opportunities to disappear.”

In 1998, the Metro Atlanta Transportation Initiative, sponsored by the Metro Atlanta Chamber of Commerce, conducted a six-month study in response to concerns that the area’s “growing traffic congestion problem now threatens the quality of life and economic vitality of the entire region.” The Chamber recently formed a Smart Growth Partnership with the local district council of the Urban Land...
Institute and The Georgia Conservancy to promote smart growth, and it continues to advocate a more balanced transportation system in the region.

~ The Silicon Valley Manufacturing Group is promoting improved transportation planning, affordable housing, and other smart growth initiatives to preserve the region’s quality of life, thereby helping to ensure that the nation’s leading high-tech companies can continue to entice highly skilled workers to live in the area.

~ The Commercial Club of Chicago launched Chicago Metropolis 2020, a partnership of the business community, civic organizations, and government leaders, to focus on improving the quality of life and equity of opportunity in the region for the next century. Chicago Metropolis 2020 identifies sprawl as one of the major obstacles threatening the region, and will encourage major employers and other business leaders to consider regional housing, land use, and transportation polices before making investment decisions.

~ The Traverse City Area Chamber of Commerce has launched New Designs for Growth, a land use management campaign, to promote alternative patterns of development that will preserve the natural environment and maintain the character of northwest Michigan, protecting the region’s tourism industry.

**BUSINESS LEADERS ARE RECOGNIZING THAT SPRAWL THREATENS THE HEALTH OF CENTRAL CITIES, WHICH ARE CRITICAL TO THE OVERALL ECONOMIC VITALITY OF METROPOLITAN REGIONS.**

Many businesses, particularly in older communities, have become active on smart growth issues due to concerns about the economic health of central cities. “The economic health of a metropolitan region is directly related to the health of its central city,” declares Rob Fowler of the Greater Cleveland Growth Association, which represents more than 15,000 businesses in the Cleveland metropolitan area. “The region can only be successful if the center city is successful.” Concern about downtown areas has prompted these and other business leaders to take action.

~ Concerns about the impact of sprawl on the city of York, Pennsylvania prompted local business leaders to organize Better York, which is pushing for more coordinated regional planning as part of its strategy to revitalize downtown York.

~ General Motors recently decided to relocate its worldwide head-
quarters to the Renaissance Center in downtown Detroit as part of an effort to revitalize the metropolitan region.

- **DuPont** has decided to reconsolidate many of its corporate employees in downtown Wilmington, Delaware because it recognizes that its economic future is tied in part to the vitality of the city.

- **Bank of America** is investing $350 million to develop a new 15-acre downtown technology and retail center in Charlotte, North Carolina because of its desire to maintain a healthy and vital central city as the home of its worldwide headquarters.

**BUSINESSES LEADERS INCREASINGLY ARE CONCERNED THAT SPRAWL IS MAKING IT MORE DIFFICULT TO ACCESS, ATTRACT, AND MAINTAIN A QUALIFIED WORKFORCE.**

Most of the business leaders we interviewed cited the need to recruit and maintain a qualified workforce as one of the most critical challenges they face in today’s economy. Many of these leaders have become active in efforts to better manage development because of their concerns that sprawl will undercut their efforts to meet their labor needs.

Businesses are concerned that the traffic congestion, air pollution, and overall decline in quality of life caused by sprawl can make recruiting and retaining skilled workers difficult. This is particularly true for the high-tech industry, which is not driven as much by traditional locational decision-making factors such as access to customers, suppliers, or existing infrastructure. “We are living in the era of the global marketplace,” says Tracy Grubbs of the Sierra Business Council. “Because capital is mobile, companies will leave locations if they no longer provide the quality of life necessary to attract employees.” Examples of businesses concerned about sprawl because of labor include:

- Recently, **Hewlett Packard** halted its planned expansion in Atlanta’s Perimeter Center area because it does not want to subject 1,000 new employees to the area’s serious traffic problems. This decision helped prompt the **Metro Atlanta Chamber of Commerce** to undertake new efforts to address sprawl.

- The **Silicon Valley Manufacturing Group** and the **Sierra Business Council** are working to maintain quality of life in their respective regions so that they can continue to attract the highly skilled workers on which their high-tech businesses depend.

- **Adobe Systems Incorporated**, a Silicon Valley software company, moved thousands of jobs to downtown San Jose to take advantage of the city’s amenities in order to attract and retain workers.
For other businesses, sprawl is creating a geographic mismatch between workers and the workplace, leading to long commutes and more expensive transportation costs. There are generally higher concentrations of available labor in urban markets. However, the growth of manufacturing and retail businesses in outlying areas makes transporting employees to their job locations difficult and expensive. In the Cleveland and Minneapolis/St. Paul areas, for example, businesses are paying the costs of transporting workers from the city to work sites located in remote areas.

Business leaders are also concerned that sprawl may decrease the availability of affordable housing choices for workers, making it more difficult to attract employees. For example, in Denver, Colorado, the South Denver Chamber of Commerce and other business leaders commissioned a study to determine why businesses were having difficulty recruiting service industry and entry-level, college graduate workers. The study concluded that the unavailability of "working wage housing" in the south Denver area was a key factor in the labor shortage problem. While, in the past, middle-wage workers (making $35,000–71,000 per year) were willing to commute longer distances to jobs in the south Denver area, increasing traffic congestion and the unavailability of affordable housing has resulted in a shortage of employees in south Denver. According to Jesse Silverstein of Development Research Partners, who conducted the study, the housing situation could induce businesses to leave metro Denver to be closer to the labor force in outlying areas, thereby further inducing exurban, sprawling development. Realizing the importance of maintaining a mix of housing opportunities in established communities, these Denver businesses are partnering with housing developers and nonprofit institutions to promote the establishment of working wage housing in south Denver.

**BUSINESS LEADERS ARE CAPTURING THE ECONOMIC EFFICIENCIES OF REDEVELOPING AREAS WITH ESTABLISHED INFRASTRUCTURE, RATHER THAN BUILDING THE NEW INFRASTRUCTURE REQUIRED TO DEVELOP IN NEW LOCATIONS.**

Some businesses now recognize that developing in areas without existing infrastructure can be inefficient and costly. In particular, utilities would rather upgrade existing power plants and transmission lines to serve a more compact population than build new infrastructure to serve sprawling, lower-density growth.

The Providence Energy Corporation has helped launch Grow Smart Rhode Island, a multi-stakeholder partnership aimed toward better managing sprawl in the state. "I can say categorically that slowing urban sprawl would reduce Providence Energy's operating costs of supporting new infrastructure, which in turn would reduce the bills for our customers." says chairman, president, and CEO James H. Dodge. "Considering the same effects on sewers, water, roads, telecommunications, and electricity, as well as schools,
In response to concerns about sprawl on the costs and competitiveness of utilities, the Electric Power Research Institute has established its Smart Places initiative, which provides tools for its member utilities to enter into partnerships with local governments to improve planning for growth and development.

**BUSINESS LEADERS ARE TAPPING THE COMPETITIVE ADVANTAGE OF SMART GROWTH PRACTICES.**

Some businesses are beginning to realize that they can gain competitive advantage and profit by playing a leadership role on smart growth issues in their communities. A growing group of entrepreneurial business entities are seeking to sell products and services to capitalize on the growing interest in revitalization of urban areas, investment in brownfields, infill and mixed-use development, and other smart growth practices.

As recognized by Harvard Business School Professor Michael Porter, inner cities possess strong existing and potential competitive advantages. These include strategic locations near central business districts and major transportation routes, distinctive and underserved markets with substantial purchasing power, growth opportunity through integration with regional business clusters, and a stable and underutilized workforce with entrepreneurial potential. Porter urges companies to recognize the “genuine business opportunity in inner cities, the last great untapped retail market, and the place where retailers will reach consumer segments that are growing.”

- **Bank of America** is increasingly seeking to provide financial services to urban residents because the company views the area as a largely untapped market. While most banks have traditionally been reluctant to loan on properties with suspected contamination, Bank of America has been a leader in lending on brownfields properties because of their profit potential. As Bank of America’s Andy Muller reports, “We view brownfields projects like any other real estate transaction. If they make economic sense, we’ll finance them.”

- A growing number of developers, environmental cleanup firms, and others specialize in the redevelopment of brownfields. These businesses are creating new strategies for overcoming the barriers to redeveloping contaminated property so that they can be well positioned to capitalize on this emerging market. According to Bill Struever, the Baltimore-based development firm Struever Bros. Eccles & Rouse, “Brownfields are often the most attractive development sites within cities. Being a developer with brownfields expertise offers our company a great market opportunity.”
A number of developers who specialize in higher-density infill and mixed-use development are gaining competitive advantage from smart growth initiatives. For example, The Rouse Company, the nation’s second largest retail developer, actively supported Maryland’s new smart growth legislation, in part because it reinforced and lent credibility to the type of compact, multiple-use development that is the company’s specialty.

Magic Johnson Theaters (MJT), a partnership between the former basketball star and Sony/Loews Theaters Management Corporation, seeks to build 14 theaters across the nation to show first-run films in underserved inner-city and suburban areas. Ken Lombard, president of MJT, says, “Obviously, what we’re trying to do has social objectives, but we analyzed it from a business perspective and decided that it made good sense.” The first MJT theater, in Los Angeles, ranked 14th in California and among the top 50 in the country when ranked by gross sales with more than one million tickets sold after only eight months of operation.

In south Florida, the need to protect the Everglades is limiting the remaining land available for new growth and development. Businesses like Pulte Home Corporation and the Arvida Company are beginning to do more infill development so that they will be positioned to capture market share as this type of development becomes a more important way of doing business in south Florida.
### Emerging Recognition of the Costs and Impacts of Sprawl

* = Primary Motivating Factor  
X = Motivating Factor

This chart shows the economic factors motivating the 19 business leaders profiled in Section 3 to support smart growth.

<table>
<thead>
<tr>
<th>Business</th>
<th>Quality of Life</th>
<th>Central City Health</th>
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<td>Wisconsin Electric Power Company</td>
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Business Actions to Promote Smart Growth

Across the nation, business leaders are beginning to engage in a number of specific smart growth initiatives that can promote economic development while preserving the quality of life and character of their communities. Further involvement and investment by the private sector in these building blocks of smart growth should help to promote better patterns of development in local communities.

PRIVATE SECTOR NETWORKS ARE FORMING TO EXAMINE AND ADDRESS GROWTH ISSUES.

In many communities, business entities have joined formal or informal networks to conduct research, dialogue, education, and special projects to address sprawl and smart growth locally.

~ Better York, which includes business leaders from more than 45 local companies in York, Pennsylvania, has focused on curbing regional sprawl as a key to revitalizing the city’s struggling economy. Better York commissioned a study to examine the impacts of sprawl on the region. The study found that unplanned development has resulted in a loss of open space, the deterioration of historic York City, a high concentration of poverty, an increase in public infrastructure costs, and a dramatic increase in the number of area residents who are commuting to jobs outside the region. Better York is now working to educate the region’s business, government, and community leaders about the impacts of sprawl and the need to develop alternative development strategies.

~ Providence Energy Corporation helped launch Grow Smart Rhode Island, a public-private partnership aimed toward promoting better growth management to improve the state’s quality of life and long-term economic vitality. The partnership is focused on broadening business and political support for smart growth by educating the state’s leaders about the impacts of sprawl and the benefits of alternative development patterns.

~ Business leaders helped launch Envision Utah, a public-private partnership focused on shaping the vision for future growth and development in the state. Envision Utah developed four future growth scenarios, ranging from a scenario of no planning to a scenario of planned growth promoting more compact development, maximum use of existing infrastructure, open space preservation, and development of multimodal transportation alternatives. Utah citizens preferred the growth scenario that slowed land consumption, decreased lot sizes,
expanded transportation options, and controlled infrastructure costs. The project is currently educating decision-makers and the public on the results of the growth questionnaire, and working with cities and counties to develop strategies to change development patterns.

**BUSINESS LEADERS ARE BECOMING ACTIVELY INVOLVED IN LAND USE PLANNING.**

Many businesses are realizing the importance of participating in local and regional planning activities to promote alternatives to sprawl, protect open space, and establish comprehensive transportation and environmental planning.

- The Sierra Business Council’s Planning for Prosperity project has identified a set of planning principles that establishes a new model for sound development in California’s Sierra Nevada region. The principles promote compact development, open space preservation, downtown reinvestment, and transportation planning—all designed to ensure the long-term stability of the region’s economy. The Council is now working with business leaders and local government officials to put the principles into action.

- Bluegrass Tomorrow, an organization founded by business leaders (including Toyota Motor Manufacturing USA, Ashland Oil, and Bank One Kentucky) in central Kentucky’s horse country, is taking proactive steps to preserve the distinct boundaries between city and country as part of their effort to manage growth and protect the area’s rural character. The organization has articulated a Regional Vision, which includes compact and distinct communities, interconnected transportation networks of scenic roads, open space and farmland preservation, fiscally responsible growth, and collaborative regional planning. Among other programs, Bluegrass Tomorrow is using “corridor management planning,” an innovative planning tool designed to help communities link transportation planning with local and regional goals for land use and community character.

- Many business leaders in Portland, Oregon are strong supporters of the city’s pioneering urban growth boundary (UGB) and other regional and state planning initiatives. While skeptics initially anticipated that Oregon’s growth management initiative would sacrifice jobs and reduce land values, Portland’s UGB has maintained a stable and predictable development climate and supported the city’s high quality of life. According to Clayton Hering, a Portland commercial real estate executive, “Capital invests where there are consistent rules. When businesses develop in Portland, they can be certain that all industries must play by the same rules. The stability that Portland’s urban growth boundary provides makes the city attractive for investment.”
The Greater Cleveland Growth Association is beginning to play an active role in the region’s transportation planning. The Association has established a Transportation Task Force which is working to ensure that Northeast Ohio’s transportation plan reflects the economic development priorities of area businesses and helps to facilitate the efficient delivery of goods and services.

**FINDING 8**

Many business leaders recognize that the economic viability of their region— and their companies— is directly linked to the health of the center city.

~ **Bank of America** and **Cousins Properties Incorporated** are investing $350 million in Charlotte, North Carolina to develop Gateway Village, a 15-acre downtown technology and retail center where thousands of Bank of America employees will work and hundreds of people will live. “There is unparalleled momentum for businesses to relocate in the center cities,” says Tommy Shealy, senior vice president of Bank of America. “Now is a wonderful time for investors to capitalize on this movement.”

~ **Abe Pollin**, owner of the National Basketball Association’s Washington Wizards, forged a partnership with the District of Columbia to locate a state-of-the-art sports and entertainment arena, the **MCI Center**, in the heart of downtown. The MCI Center is an urban revitalization success story that can demonstrate to other companies the value of doing business in the District of Columbia.

~ **Chattanooga business leaders** are involved in a long-term effort that has resulted in a revitalized waterfront and downtown, increased jobs, more transit choices, improved air and water quality, and the protection of open space in Hamilton County. These activities have received broad support from the business community, including the **Chattanooga Area Chamber of Commerce** and the **Chattanooga Manufacturers Association**, and Chattanooga has become a national model of sustainable development.

~ **DaimlerChrysler** decided to locate a new engine plant near downtown Detroit in the East Side industrial corridor. Working in partnership with the City of Detroit, the State of Michigan, and the U.S. Environmental Protection Agency, DaimlerChrysler purchased and redeveloped a brownfield site, which has helped launch the revitalization of downtown Detroit. DaimlerChrysler invested over $1.6 billion in the site, the largest single investment in Detroit’s Empowerment Zone. The redevelopment of this site has created new jobs, attracted new businesses to the area, and helped increase the city’s tax base.

“There is unparalleled momentum for businesses to relocate in the center cities. Now is a wonderful time for investors to capitalize on this movement.”

—Tommy Shealy, Bank of America
BUSINESS LEADERS ARE PROMOTING THE IMPROVEMENT OF ESTABLISHED INFRASTRUCTURE.

Many business leaders are supporting infrastructure improvements that protect their investments in established communities, ensure the cost-effective and efficient delivery of services, and provide transportation choices.

- The Greater Cleveland Growth Association helped establish Build Up Greater Cleveland (BUGC), a public-private partnership, to seek funding for improvements and maintenance to the region’s infrastructure. In the early 1980s, Cleveland’s deteriorating infrastructure threatened the city’s ability to retain and attract business investment. Through BUGC’s coordinated advocacy efforts, over $4 billion in federal and state funds have been invested in Greater Cleveland’s infrastructure system since 1983.

- Many electric utilities are supportive of growth patterns that increase development density in urban areas. Restoration of underutilized or abandoned sites means better utilization of existing utility infrastructure. Higher-density development reduces the investments needed to expand service lines and build equipment in outlying areas. The rising infrastructure costs of serving a sprawling population must be passed on to customers, raising the costs of doing business. “Electric utilities have a vested interest in reducing sprawl, especially in the emerging competitive marketplace,” says Paul Radcliffe of the Electric Power Research Institute, which has launched the Smart Places program to support utility efforts to work in partnership with localities to promote smart growth.

- Portland, Oregon business leaders support infrastructure investments that will improve the city’s economic vitality. Portland Streetcar Inc., a nonprofit corporation aimed at bringing streetcars back to Portland, has received strong business support because permanent rail transit attracts consumers to higher-density, mixed-use housing. Business leaders in the Portland Harbor Group also support infrastructure improvements that will revitalize Portland’s historic industrial waterfront, including harbor dredging, cargo rail, and improved highway access.

- Team Associates, a management and development consultant, is planning a Sustainable Manufacturing, Agricultural and Recycling Technology (SMART) Park in Chattanooga, Tennessee that will connect both industrial and non-industrial...
companies in a series of waste-becomes-raw-material loops that will save money by keeping the material, water, and energy flows within a system. This eco-industrial park project promotes smart growth by concentrating environmentally preferable industrial development in downtown Chattanooga, and creating efficiencies through the shared use of infrastructure.

**FINDING 10**

Many businesses are becoming aware of the need for and benefits of brownfields redevelopment, and are engaging in brownfields revitalization activities. “Brownfields and smart growth are inextricably related,” says Robert Colangelo, publisher of Brownfield News, a national journal covering the development benefits of environmentally impaired properties and issues related to smart growth. “By reclaiming dormant land in established communities, brownfields redevelopment is the key to unlocking their economic potential.”

~ **Struver Bros. Eccles & Rouse**, a Maryland development firm, took advantage of the state’s new brownfields legislation to redevelop an abandoned can factory on the Baltimore waterfront. The project has generated new jobs in a neighborhood long bypassed in favor of greenfield development.

~ **Consumers Energy**, Michigan’s largest investor-owned utility, established **Consumers Renaissance Development Corporation (CRDC)** to market and promote brownfields throughout Michigan. CRDC is a nonprofit organization that informs economic developers and local governments of the opportunities to recapture brownfields. Urban brownfields redevelopment provides economic benefits to electric utilities by avoiding the costs of building energy infrastructure in greenfields.

~ Many major manufacturing businesses support smart growth because it could raise the value of urban brownfields properties, many of which they are now holding as liabilities. For example, many **DuPont** former manufacturing sites represent potential areas for commercial or industrial redevelopment, if the regulatory and financial barriers to remediation and development can be overcome.

**FINDING 11**

A number of developers are recognizing the untapped infill and mixed-use development markets.

~ **The Rouse Company**, a real estate development and management firm headquartered in Maryland, has proposed a 500-acre mixed-use
community in an area designated for growth under Maryland’s smart growth law.

- The Arvida Company and the Pulte Home Corporation are supporting Eastward Ho!, a voluntary, partnership-based initiative seeking to redirect future growth away from the Florida Everglades back east toward the established communities on the I-95 corridor, to bring economic activity back to bypassed urban areas.

- A. Finkl & Sons, Co., a Chicago steel manufacturer, transformed an old industrial site into one of the nation’s premier urban manufacturing campuses. When residential development encroached on the facility a decade ago, the company considered the economic viability of relocating the facility. With the century-old site’s established infrastructure and convenient access to highways, trains, and waterways, Finkl was determined to continue manufacturing at the plant. Finkl built positive relationships with residential neighbors and redesigned the site to include attractive landscaping, outdoor displays, facility renovations reflecting the architectural styles of the surrounding neighborhood, and windows enabling pedestrians to observe the steel forging operations. Finkl has also streamlined loading and shipping operations to improve local traffic. The urban campus has improved Finkl’s community image, boosted employee morale, and preserved workers’ option to live near their work.

- Stonyfield Farms, a New Hampshire yogurt manufacturer, is working with the Town of Londonderry to develop an eco-industrial park that will promote pollution prevention, energy efficiency, recycling, and other aspects of environmental management. Stonyfield Farms is creating a model industrial park that will mix retail, commercial, and manufacturing uses, as well as protect open space, increase the local tax base, and provide jobs to workers who currently commute to Boston.
### Business Actions to Promote Smart Growth

* = Primary Activity  
x = Other Activity

This chart shows the smart growth activities that the 19 business leaders profiled in Section 3 are undertaking across the country.

<table>
<thead>
<tr>
<th>Business Networks</th>
<th>Planning</th>
<th>Downtown Revitalization</th>
<th>Investing in Existing Infrastructure</th>
<th>Brownfields Redevelopment</th>
<th>Mixed-Use/Infill Development</th>
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Barriers to Business Leadership on Smart Growth

Despite increasingly proactive smart growth leadership by businesses across the nation, formidable barriers remain in the path of greater business involvement in efforts to combat sprawl at the local level. NALGEP and the Smart Growth Advisory Council have found that the most significant factors preventing business smart growth leadership involve lack of business awareness of the economic costs of sprawl, unwieldy local development processes that decrease business certainty, and state and federal policies that can skew development away from established communities.

MOST BUSINESSES ARE NOT AWARE OF THE NEGATIVE IMPACTS OF SPRAWL ON BUSINESS COMPETITIVENESS AND PROFITABILITY.

Most businesses remain unaware of the ways that sprawl can affect their competitiveness and long-term profitability. NALGEP has found that most businesses are not well informed about the economic costs of sprawl and the benefits of growth management.

Businesses Lack Information to Make Smart Growth Decisions—Companies that are interested in how their locational and investment decisions can support better development patterns report a tremendous lack of information, research, and tools to support smart growth business actions. Even leaders in the area of sustainable development say they do not have adequate information to consider the economic impacts of sprawl and smart growth.

Tom Wolf, president of the Wolf Organization, a distributor of building materials, and a leader of Better York, says, “Ignorance is the biggest reason why corporate America is not participating in smart growth practices. Business leaders need a Planning 101 course to understand how sprawl will affect their businesses.”

“Many businesses are learning urban sprawl’s hard lessons. Business leaders need to be educated about what is at stake for their interests.”—Ken Aupperle, Team Associates, Inc.

Knowledge or activity in the area of smart growth is particularly lacking for small businesses. As described by National Small Business United’s David D’Onofrio, “Small businesses do not have the capacity or incentives to become involved in influencing the growth of their urban areas, despite the reality that smaller businesses are often most vulnerable to the impacts of sprawl.”
Many business leaders express the need for economic modeling or real estate assessment tools that could support better locational decisions or evaluate the economic costs of sprawl. Some businesses wonder whether their support for alternative development practices would make a difference in the overall patterns of growth. Carl Guardino of the Silicon Valley Manufacturing Group, a leading smart growth advocate, remarks, “No snowflake in an avalanche ever feels responsible.”

None of the Businesses Interviewed Had Corporate Smart Growth Policies—NALGEP was unable to identify any corporations with a company-wide policy that encourages analysis of the impacts of sprawl or the incorporation of these issues in investment and locational decisions. Rather, most of the smart growth efforts led by business tend to be site-specific, in which executives are reacting to local conditions that are affecting their ability to do business.

For example, Hewlett Packard is a driving force in the effort to promote smart growth in Silicon Valley as a way to preserve quality of life for its employees in the area. At the same time, in response to the Atlanta metropolitan area’s failure to address its growing traffic problem, the company recently decided to locate a major new office complex in a suburb well outside Atlanta.

Even businesses that are recognized as national leaders in the sustainable development field are just beginning to examine the impacts of sprawl on their operations. For example, Interface, Inc., a commercial interiors manufacturer with innovative corporate policies promoting environmental management, pollution prevention, and energy efficiency, is just beginning to grapple with how the company should address the issue of growth management.

Businesses Hear Conflicting Consumer Views on the Solutions to Sprawl—Despite growing citizen concern about sprawl, business leaders point out that the public remains conflicted on implementing smart growth strategies. “On one hand, consumers are expressing concern about the impacts of sprawl such as traffic congestion, air pollution, and loss of open space,” explains Roy Rogers of the Arvida Company in south Florida. “On the other hand, they still want their dream house in the suburbs with a big yard and a two car garage.”
LOCAL BARRIERS TO SMART GROWTH BUSINESS DECISIONS INCLUDE:

- lack of timeliness and predictability of development approvals in already developed areas;
- perception that obtaining incentives and approvals is easier in exurban areas;
- inadequate local and regional land use planning;
- difficulty of acquiring and assembling suitable land parcels and buildings in established communities;
- failure to maintain existing infrastructure; and
- social issues such as crime and school quality.

Lack of Business Certainty—Business leaders feel strongly that the most imposing barrier to their investment in established communities and smart growth practices is the lack of time and investment certainty in these areas. There is a strong business perception that development and permitting rules in urban areas often conflict with the critical business need for investment certainty. The problem is exacerbated by the often fragmented nature of municipal approval processes—environmental, economic development, planning and zoning, permitting, health, public works, and other offices are often not coordinated at the local level. Overall, NALGEP has found that current business confidence in the workability and timeliness of the “rules of the game” in established communities is low.

“Many developers are interested in smart growth strategies,” according to Roy Rogers with the Arvida Company. “However, the local development process has presented many obstacles to better land development patterns.” Rebecca Schofield, formerly with the International Council of Shopping Centers, agrees, pointing out that a lack of timeliness can threaten business schedules, financing, and partner relationships.

Even in smart growth cities like Portland, Oregon, the morass of urban development review can be frustrating, or, as described by Portland real estate executive Clayton Hering, “brain damaging.” Fred Hoffman, director of state relations for DaimlerChrysler, highlights the conflict between a business decision to enter the complicated process of siting (or expanding) a manufacturing plant in an established community, and the need for time and investment certainty: “When DaimlerChrysler’s design and production teams commit to produce a new model year vehicle by a certain year, plant construction simply cannot be delayed past that time by local barriers—the company will make the decision to go elsewhere quickly.”

Business concern over the lack of certainty that can be associated with smarter development practices is echoed by Alton Scavo, senior vice president of The Rouse Company, a premier development firm that has championed mixed-use development projects in cities across the nation. When Rouse proposed a 500-acre, mixed-use community in a location
designated as a “smart growth” area under Maryland’s new growth laws, the company met stiff opposition from citizens who do not want the infill development of vacant land in this otherwise densely-developed community. As the development proceeds to litigation in the courts, the debate continues about what “smart” growth really is. Such ambiguity conflicts with the business need for time and investment certainty, and can discourage efforts by even the most proactive businesses to promote better development practices.

In most cases, unfortunately, the balance is still shifted toward greenfield development because of the complexity of development rules in established communities. A study recently completed for the American Farmland Trust and the Georgia Conservancy about development in the Atlanta area found that building in the suburbs is often more profitable than building in the city of Atlanta, due in part to the long building permit process and development requirements that make building in the city more expensive and risky.

**The Exurban Red Carpet Treatment**—The flip-side of the business view that the development process in existing communities poses high barriers is the strong business perception that less-developed localities, such as rural and suburban counties, are much more competitive in attracting businesses. These jurisdictions seem better able to “roll out the red carpet” on business recruitment with such benefits as expedited zoning and permitting approvals, more suitable land, and delivery of infrastructure and other support for the location of facilities. DaimlerChrysler’s Fred Hoffman, contrasting the urban/non-urban development process, reports that when DaimlerChrysler sought to locate an automobile manufacturing plant in Kokomo, Indiana, the city identified a site in a cornfield for the company, bought the land, and handed over the deed to DaimlerChrysler. One city council meeting was all it took.

**Lack of Local and Regional Land Use Planning**—Business leaders consistently indicated that inadequate local and regional land use planning was a major barrier to additional smart growth activities by the private sector. In particular, they highlighted the lack of coordination on land use planning among local jurisdictions in the same region.

Tom Wolf, chairman of BetterYork, points out that there are 74 different local government units within York County, Pennsylvania: “Unless these local communities coordinate on regional land use planning, they will continue to be pitted against each other as they compete for new development. The result will be the continued demise of older downtown areas and the increased traffic congestion and loss of open space that result from unplanned sprawling development.”
Keith Charters, who works with the Traverse City Area Chamber of Commerce and other area businesses, points out that most local master plans in the region are out of date and inconsistent with the principles and practices of smart growth. “We’re working with local communities in our region to update their master plans and ordinances to protect open space and incorporate other smart growth strategies,” he says.

South Florida developer Tim Hernandez indicates that local land use rules and municipalities’ lack of experience with smart growth can make it difficult to create more mixed-use developments with higher-density. “Cities who claim to want to curb sprawl have forced us to compromise and build lower-density projects on a number of occasions,” according to Hernandez. “In order to make infill projects profitable, we need city planning staffs to become champions of higher-density development.”

**Lack of Suitable Land and Buildings for Business Location**—
Another local barrier to business location and expansion in established communities is the difficulty of finding land and facilities that meet business needs. This barrier includes the well-known costs and uncertainties of urban environmental contamination at “brownfields” sites.

In addition, many businesses report that they have been unable to locate facilities in urban areas because of the difficulty of assembling land parcels into suitable building sites. Often, urban land parcels are fragmented and owned by multiple public, private, or even unknown owners. The Dayton & Hudson Corporation reports a recent effort to locate a Target Store in downtown Minneapolis—on a brownfield—that was thwarted by the unavailability of sufficient land area to support the store and its required parking.

A similar barrier is that existing buildings in urban areas are often not suitable to meet the needs of many contemporary American businesses. The additional problems of asbestos, lead, and other contamination, or historic preservation requirements in many old buildings, can make business location on existing urban sites difficult or unprofitable.

**Failure to Maintain Existing Infrastructure**—Several businesses cited the disrepair of water and sewer systems, roads, mass transit, bridges, parks, and other aspects of urban infrastructure as a barrier to private sector investment in urban areas.

Dave Goss of the Greater Cleveland Growth Association remarks that maintaining urban infrastructure is critical to ensuring a strong and vital local economy that is attractive to business. “Build Up Greater Cleveland was established specifically to seek financing for the ongoing upkeep and long-term viability of the region’s infrastructure,” he says. “This unique public-private partnership was critical in leveraging more
than $4 billion in state and federal infrastructure spending as well as convincing many corporations to continue investing in Greater Cleveland.”

Pulte Home Corporation’s Tim Hernandez says, “Cities need to overcome the private sector perception that new infrastructure in the fringe areas is better than infrastructure in established communities. Urban areas need to put their money where their mouths are and invest in code enforcement, repair of roads, maintenance of parks, and other infrastructure to overcome the public perception of inferior quality of services in cities.”

Social Issues that Decrease Quality of Life—Many businesses cited low-quality public education, grime, fewer acceptable housing opportunities, and inner-city crime as significant barriers to location or investment. Business interviewees supported increased public and private investment in education, urban revitalization, and crime prevention to address these problems.

Laslo Boyd of the Greater Baltimore Committee, a business association, says that the issues of good schools and low crime are threshold questions when thinking about sprawl: “Companies will not consider relocating to or staying in cities unless these issues are being addressed.”

FEDERAL AND STATE GOVERNMENT BARRIERS TO SMART GROWTH BUSINESS DECISIONS INCLUDE:
• the need for increased state leadership;
• underinvestment in existing infrastructure;
• transportation funding and policies that may foster exurban growth;
• environmental regulations which create perceived and actual barriers to doing business in established communities; and
• federal facility locational decisions abandoning established communities.

Need for Increased State Leadership—Business leaders express a critical need for smart growth leadership at the state government level. Indeed, NALGEP found agreement among businesses that state governments are well positioned to support local smart growth through the promotion of regional land use planning, fiscal and investment incentives, transportation decisions, and simple advocacy to bring the issue of sprawl to the forefront. States are also obviously critical in linking local activities and federal efforts to promote smart growth. As Tom Wolf notes, “Smart growth is much larger than a local issue. There is a key smart growth role for state governments.”
While many states have taken proactive steps to address the issue of sprawl, many local communities are looking to their state governments to take more leadership. Business leaders encourage states to pursue proactive programs to manage regional growth, reduce traffic, purchase open space, and direct funding to designated growth areas.

**Underinvestment in Urban Infrastructure**—Several business leaders cited additional state and federal investments to improve existing infrastructure as critical to retaining and attracting businesses to established urban communities and curbing sprawl.

Tim Hernandez of Pulte Home Corporation says that a much needed role for the state and federal governments is to increase financial resources for transportation, schools, environmental protection, parks, crime prevention, and other public investments to help ensure a quality of life in established communities that will attract private investment.

An example of the type of leadership that is needed can be seen in Maryland. According to John Frece, Maryland Governor Paris Glendening’s special assistant for smart growth, nearly 60 percent of the state’s school construction budget was spent on new schools in the suburbs as recently as 1995. “This policy influenced families to leave older neighborhoods and communities in search of better schools and became a contributor to sprawl development,” Frece explains. “In an effort to promote smart growth, the Governor has reversed this trend and now spends eight of every ten school construction dollars to upgrade, expand or renovate schools in older neighborhoods, thereby making these communities more attractive places to live.”

**Transportation Spending and Policies Are Improving, but Still Adversely Influence Growth Patterns**—Business leaders noted that traditional transportation funding and policy have fostered sprawl and exacerbated congestion in urban areas by supporting road construction in thinly populated suburban and rural areas to promote inter-city connections, while avoiding brownfield areas and under-emphasizing urban transit investments. Federal and state transportation decisions have improved drastically since the passage of the 1991 transportation act, and further with the 1998 enactment of the Transportation Efficiency Act for the 21st Century. Deputy Secretary of Transportation Mortimer Downey recently said, “Transportation investment can be the key to revitalizing our communities and preventing sprawl and the congestion and pollution it brings.” Business officials told NALGEP that such sustainable transportation policies should continue. NALGEP found that business leaders support increased federal and state investment in established localities, increased funding for mass transit, and enhanced involvement of state transportation officials and metropolitan planning organizations in land use planning efforts at the local and regional levels.
**Environmental Regulations that May Discourage Smart Growth Investments**—NALGEP found a significant perception by businesses that environmental regulations can make development in established communities more difficult and costly than in greenfield areas. Business decision-makers are particularly concerned about environmental restrictions that are vague or uncertain. This business perception about urban areas may chill business investments in established communities. Moreover, because environmental regulations—focused on single-media pollution problems—have generally not been developed or implemented with the issues of growth and sprawl in mind, environmental goals and smart growth goals may conflict.

**Brownfields Barriers to Business Smart Growth Practices**—NALGEP’s interviews confirmed the well-known problem that the specter of Superfund liability has had the unintended effect of discouraging present owners of property from investigating soil conditions or transferring properties, causing developers to shy away from acquiring contaminated properties, and stifling lending on these abandoned sites. The risks and costs associated with the redevelopment of an estimated 450,000 brownfields sites—primarily located in urban areas—has helped drive development away from cities and into the greenfields of areas outside the core metropolis, thereby contributing to sprawl.

In the private sector, apprehension remains over the uncertain regulatory authority between U.S. EPA and the states on brownfields cleanups, limited awareness among businesses on brownfields issues, and underdeveloped capital markets for brownfields investments. Despite the growing awareness and activity of a number of businesses on brownfields, private sector understanding of key brownfield issues is generally lacking, and many businesses are unwilling to become involved in contaminated sites. As Harold Igdaloff of the Sungro Chemical Company states, “Businesses are stymied by brownfields regulations. There are often too many agencies to face in order to overcome the regulatory roadblocks of brownfields, which prevents businesses from meeting critical timetables.” Tom Wolf confirms that in most cases, “if a safer alternative exists, business will take it.”

**The Clean Air Act Influence on Urban Redevelopment**—Although Clean Air Act regulations make cities safer and healthier, they can contribute to real and perceived barriers to reinvestment in developed areas. By contributing to the perception that cities are burdened by procedural hurdles not present in the suburbs and rural areas, the Clean Air Act regulations have at times kept businesses from considering or attempting to locate in urban areas even before the stage at which environmental regulatory barriers are actually encountered.

Business officials singled out Clean Air Act nonattainment policy as a factor in urban disinvestment and regional sprawl. Although Clean Air...
Act controls on major new sources of emissions in nonattainment areas—which tend to be urban—are necessary to protect communities from adverse health impacts and cumulative risk, businesses report that air quality regulations in nonattainment areas have created perverse incentives for the location of commercial facilities outside of established metropolitan communities.

U.S. EPA is exploring a number of ways in which Clean Air Act controls can be flexibly applied to promote air quality improvement through smart growth. For example, Atlanta developer Jacoby Development Inc. seeks to build a major, mixed-use residential and commercial development on an industrial brownfield site in the center city, known as the Atlantic Steel site. The development requires ramps to connect the site to the interstate, and a bridge to connect the site over the interstate to a nearby transit stop. Atlanta is currently not in conformity with transportation regulations under the Clean Air Act because the city is in nonattainment for ozone. The result is that no federally funded or approved road expansions are permitted, including the bridge and ramps for Atlantic Steel. In this case, the Clean Air Act regulations are preventing reinvestment at the urban infill site.

Project proponents seek to demonstrate that the project will provide environmental benefit because, by locating new development in the center city, associated vehicle trips will be shorter, and more trips will be made by transit, walking, and biking—reducing air emissions over the long term. U.S. EPA is currently considering how it can flexibly apply Clean Air Act requirements to allow the Atlanta project to go forward.

Federal Facility Locational Decisions—Business leaders identified federal government decisions to locate facilities (such as post offices, federal laboratories, and other federal buildings) on the outskirts of metropolitan areas, or even move downtown facilities outside of established cities, as a contributing factor to sprawl. For example, decisions to move federal office buildings outside of Washington, D.C. have contributed to sprawl in that metropolitan area. These decisions, besides affecting local communities and growth patterns, are inconsistent with a standing Presidential Executive Order (12072) and General Services Administration regulations that require the location of federal facilities in central communities in order “to strengthen the nation’s cities and make them attractive places to live and work.”
### Barriers to Business Leadership on Smart Growth

#### Business
- Lack of information
- No corporate policies on smart growth
- Conflicting consumer preferences

#### Local Government
- Lack of timeliness and predictability for development
- Exurban red carpet treatment
- Inadequate land use planning
- Lack of suitable land and buildings
- Underinvestment in infrastructure
- Schools, crime, and safety

#### Federal and State Government
- Need for state leadership
- Inadequate urban infrastructure investment
- Transportation policy and funding
- Environmental regulations
- Location of federal facilities
Strategies to Overcome the Barriers to Smart Growth Leadership by American Business

Business leaders who have stepped forward in their communities to address the growing problem of sprawl have demonstrated how the imposing barriers to smart growth can be surmounted. Just as the problem of sprawl is caused by myriad factors, strategies for smarter growth must be based on cooperative action by a broad range of business, local, and government interests. In this section, NALGEP identifies strategies that can be taken to overcome the barriers to business leadership and action on these issues. These strategies include business education initiatives, partnerships between businesses and local governments, municipal land use and regulatory incentives, state smart growth laws, and federal funding and research/education initiatives that can help encourage smart growth leadership by American businesses.

BUSINESSES NEED BETTER EDUCATION AND INFORMATION ABOUT THE ECONOMIC IMPACTS OF SPRAWL AND ECONOMIC BENEFITS OF SMART GROWTH STRATEGIES.

The key to enhanced business activity on smart growth is increasing the awareness and understanding of business officials on the issues of sprawl, growth management, and better development practices. NALGEP has found that businesses need and desire the development of increased educational, information, and outreach programs on these emerging issues. “There could be a broad constituency for smart growth if it was understood by the business community,” says Harry Alford, president and CEO of the National Black Chamber of Commerce. “There is a definite need for a business public outreach campaign.”

Types of Information Needed—Businesses interviewed by NALGEP identified the need for economic models to assess the costs and impacts to the community of business locational decisions. Such models could help companies to factor these considerations into basic decision-making and bottom-line assessments. In particular, better economic models are needed to assess the direct and indirect costs to businesses from sprawl, such as increased taxes, increased production and labor costs, and decreased worker productivity.

Likewise, businesses desire more information on the economic benefits of local smart growth strategies such as urban infill and mixed-use development, comprehensive land use and transportation planning, preservation of open space, and urban revitalization and infrastructure improvements. With these types of assessment tools, businesses can seek...
to decrease costs, increase revenues, and enhance the value of company reputation among customers and the broader public through smart growth decisions. For example, the long-term analyses put forth by the Envision Utah initiative, which projects long-term costs and impacts of different development scenarios, has great potential to promote business understanding and leadership to address sprawl and meet the long-term objectives of the community.

There is also the need for information about available incentives and assistance for companies that locate or invest in established communities or local designated growth areas. For example, local, regional, or state government could produce user-friendly materials that list potential tools for business smart growth investments, such as:

- Urban tax incentives;
- Brownfields incentives and tools;
- Job training resources;
- Transferrable development rights programs;
- Preference programs for urban investments;
- Resources for infrastructure improvements;
- Expedited permitting and development review mechanisms and incentives; and
- Resources available under state “smart growth” or open preservation laws.

Methods for Providing Information and Education—Business educational and outreach programs should be conducted by all levels of government, as well as private sector, nonprofit, and academic institutions.

NALGEP has found that business leaders would be most responsive to business-to-business informational and outreach programs, conducted through business networks, chambers of commerce, and both local and national trade associations. An excellent example of business-to-business education is the Better York effort in York, Pennsylvania. Better York hired a consultant to conduct a study of why the city was not doing better economically. The study found that sprawl was financially impacting business in York. Better York published the results of the study in the newspaper, and has conducted seminars to educate business leaders on the impacts of sprawl.

Another important example of business-led research and educational efforts on sprawl and smart growth can be seen in the activities of the Urban Land Institute (ULI), an organization representing real estate developers which has taken an active role in the smart growth movement. ULI has conducted extensive research on these issues, published numerous books and articles on the subject, cosponsored national conferences on smart growth, and served on the leadership council of the U.S. EPA Smart Growth Network.
LOCAL GOVERNMENTS CAN PROMOTE BUSINESS INVOLVEMENT IN SMART GROWTH ACTIVITIES BY ENGAGING BUSINESS LEADERS IN LOCAL LAND USE PLANNING, INVESTING IN EXISTING ASSETS, AND CREATING PREDICTABILITY IN THE APPROVAL PROCESS FOR DEVELOPMENT.

Business leaders consistently indicated that strong leadership from local elected officials is critical to implementing effective smart growth strategies. Business leaders identified the following strategies local governments could undertake to support smart growth business decisions.

**Partnerships for Planning**—A critical first step in local smart growth is fostering the active involvement of businesses and developers in local and regional planning efforts. NALGEP heard that many businesses are uninvolved and unaware of the local land use and transportation planning process. Municipal efforts to convene long-term, comprehensive planning efforts that involve a range of stakeholders, including business leaders, can attract the cooperation and investment of businesses in seeing these plans implemented.

Some localities have launched smart growth planning efforts with community visioning workshops or “design charrettes” that involve businesses, among others.

- Chattanooga, Tennessee involved the Chattanooga Manufacturers Association and other business leaders in creating a Vision 2000 initiative as a foundation for a series of business and economic development initiatives in that city, while helping to preserve greenspace in Hamilton County and surrounding areas.

- Another example can be seen in Charlottesville, Virginia, where a Sustainability Council of local elected leadership, businesses, citizens, and environmentalists has established indicators for sustainable progress and a compact for the course of future growth.

Localities should also involve businesses in the establishment and periodic review of local comprehensive plans that specify designated growth and protected areas, as well as the nuts-and-bolts policies that will guide development. For example, local planners in Durham County, North Carolina have joined with municipal leaders, Chamber of Commerce leaders, and a downtown development group to create a master plan that focuses growth in the center city and along transit corridors, rather than in greenfields.

**Investment in Urban Assets**—Businesses interviewed by NALGEP made clear that urban areas can offer distinct advantages for companies, but that cities must invest in these urban assets in order to recruit and maintain businesses in established communities. NALGEP has found that companies are likely to highly value a number of urban advantages.
and amenities when seeking to locate or invest, including:

- customized job and labor training programs;
- business and economic clusters of suppliers, customers, and partners;
- existing urban infrastructure;
- multimodal transportation facilities for both people and supplies;
- centers of higher education and research;
- recreational and entertainment amenities including museums, sports facilities, aquariums, 24-hour services, and other cultural attractions;
- tax and other private incentives to attract businesses and support redevelopment, including tax increment financing; and
- establishment of municipal fiber-optic networks and other communications infrastructure.

At the same time, many business leaders urge local governments to invest in these urban assets. Without continual maintenance and improvement of the physical and social infrastructure, cities may lose the competitive edge. As Anne Habiby of the Initiative for a Competitive Inner City remarks, “Cities cannot take for granted that they will always be the center of commerce.” Moreover, local government should be proactive about marketing and promoting their urban assets to the private sector.

**Predictability in the Review Process**—Businesses strongly urge local governments to create predictability and timeliness in the zoning and development review process to remove the barriers to business recruitment. Many business leaders suggested that localities consider streamlined, fast-track development review processes for companies that wish to locate in urban areas.

The National Association of Home Builders advocates in a position paper that if localities want smart growth plans to work, they should eliminate multiple public hearings before different governing bodies, and form interdepartmental review committees to speed approvals and decision-making.

As Tim Hernandez of the Pulte Home Corporation points out, local governments should adopt a positive attitude toward development approval processes that enhance certainty for developers and businesses. “The locality should make an early determination about whether they want the proposed project or not. Developers either want a yes or a no, and cannot afford to become involved in a complicated and timely process if the end result will be an unexpected denial of approval.”

“Cities cannot take for granted that they will always be the center of commerce.”
—Anne Habiby, Initiative for a Competitive Inner City
The old saying that ‘time is money’ still holds in the business world.”

Examples of successful municipal development review processes can be seen in cities like Philadelphia, Pennsylvania and Des Moines, Iowa. In Des Moines, Ellen Walkowiak of the Office of Economic Development describes the city’s Permit and Development Center as a “one-stop-shop” for development review. A proposed development can be brought to the Center for a pre-application conference, at which all city departments—including officials involved in building permits and inspections, transportation and traffic, engineering, water and sewer, fire, environment, and health—provide input to a developer about the issues that will need to be addressed in order to undertake a successful project. In addition, the Office of Economic Development assigns a “project manager” to each project to facilitate coordination among departments and guide the project through the process.

BUSINESS LEADERS SUPPORT STRONG STATE LEADERSHIP TO PROMOTE SMART GROWTH.

Business leaders interviewed by NALGEP agree that state governments play a crucial role in fostering smarter growth patterns. Business leaders in states that have enacted “smart growth” laws express support for these initiatives, while business officials in other states have voiced the need for more state government involvement in these issues. Businesses point out a number of appropriate roles for states in fostering innovative efforts to reduce sprawl and encourage smart growth.

One role that states can play is to encourage local governments to engage in land use planning. In particular, states can encourage municipalities and counties in a region to work together to plan for growth, open space protection, and investments in transportation and infrastructure. For example:

- Tennessee passed a law in 1998 that requires local governments to establish urban growth boundaries.

- In Portland, Oregon, known for its successful growth boundary approach, most businesses have supported the State of Oregon’s more than 25-year-old law governing local land use planning, which requires the protection of important lands and resources, requires cities to adopt urban growth boundaries and comprehensive transportation plans, and establishes a regional governing organization to oversee these activities. Oregon businesses that have supported the State’s metropolitan planning approach include the Portland Chamber of Commerce; the Home Builders Association of Metropolitan Portland; Cascade General; the Oregon Forest Industry Council; the Oregon Farm Bureau Federation; and many other Oregon businesses and trade associations.
The State of Utah passed the “Quality Growth Act of 1999,” which creates a state commission to study issues of quality growth. If asked by a local community, the commission will assist the locality to identify principles to help achieve quality growth, and award grants for technical assistance.

In 1999, Governor Roy Barnes signed legislation creating the Georgia Regional Transportation Authority to address transportation and air quality challenges through regional planning. The Metro Atlanta Chamber of Commerce supported this legislation because of the threats sprawl is posing to quality of life and the business climate.

There are several other examples of state laws that encourage or require local land use planning. Florida’s 1985 Growth Management Act aids cities and counties in enforcing and funding land use planning. New Mexico has mandated that planning and resource evaluation must precede any subdivision development outside incorporated areas. Similar laws are in place in Washington, Delaware, Vermont, and Colorado.

In addition, some states have enacted laws that encourage or mandate that local communities within a region work together to establish regional land use plans. For example, Minnesota has created a Metropolitan Council of the Twin Cities to resolve conflicts among cities when new developments in one community will affect another. Massachusetts established the Cape Cod Commission to prepare and oversee a regional land use plan for the Cape Cod area, review and regulate developments with regional impact, and ensure that local plans are consistent with the regional plan.

A second key role of states in fostering smart growth is the promotion of brownfields cleanup and redevelopment. Forty-two states have established “voluntary cleanup programs” that promote brownfields redevelopment through such tools as liability clarification, technical assistance, and funding to encourage the cleanup and redevelopment of contaminated properties. Many state brownfields programs are examples of successful initiatives to promote private, voluntary actions by businesses and communities to promote smart growth, and present a model for other smart growth initiatives that could be taken by states.

A third strategy for states supported by many businesses are state programs for the preservation of open space lands. For example, New Jersey enacted a law in 1998 that will dedicate $98 million annually from state sales tax revenue for 30 years for open space acquisitions. The New Jersey law is intended to preserve one million acres—half of the undeveloped land in the state. In 1998, many other states passed open space preservation laws, including Alabama, Arizona, Florida, Michigan, Minnesota, Oregon, and Rhode Island. Together, the state programs...
enacted in 1998 alone have dedicated nearly $4.5 billion in funds toward the preservation of open space and other important lands.

Another emerging strategy for state leadership on smart growth, championed by Maryland Governor Paris Glendening, is to target state funding toward designated growth areas and away from undeveloped lands. Maryland’s approach will direct state transportation, education, infrastructure, housing, business loan, environmental, and other funding toward areas with a certain density, and with existing or planned sewer and water systems. The state thus hopes to provide incentives for better development patterns and decisions by reprioritizing state spending and thereby changing the bottom-lines of businesses. This agenda has been supported by businesses because of its potential to provide more development certainty, as well as brownfields assistance and tax incentives. For example:

- **The Rouse Company** views the Maryland incentives for growth in designated areas as an opportunity to engage in successful, mixed-use urban development projects.

- Development firm **Strever Bros. Eccles & Rouse** took advantage of Maryland’s smart growth law and brownfields assistance program to redevelop an abandoned industrial brownfield in Baltimore into a mixed-use center.

Taken together, these and other innovative smart growth approaches by state governments can encourage additional business activities that revitalize existing communities and protect undeveloped areas from harm.

**THE FEDERAL GOVERNMENT ROLE IN ADDRESSING SPRAWL SHOULD FOCUS ON EDUCATION, FUNDING, AND OTHER ASSISTANCE THAT SUPPORT STATE AND LOCAL EFFORTS, BUT SHOULD NOT DICTATE OR INTERFERE WITH LOCAL LAND USE DECISIONS.**

Business leaders told NALGEP that there is a proper role for the federal government in removing barriers to smart growth and addressing the problems of sprawl. However, the federal government cannot, and should not, seek to mandate a national growth “fix” for local communities or businesses. Smart growth must be built from the ground up and based on the bottom-line.

**Education and Information on Sprawl and Smart Growth—** NALGEP has found that the federal government can play an important role in providing information to businesses and local governments on the costs and impacts of sprawl, effective alternative development tools, incentives for smart growth, and success stories about local and private sector efforts to address sprawl.
U.S. EPA has played a key role in public education on these issues through the Smart Growth Network, educational conferences, and support for collaborative research. EPA should encourage additional, ongoing collaboration with business leaders active in these issues.

The federal government can help fund research to address the lack of adequate information about the economic costs of sprawl to businesses and taxpayers. In particular, federal research could help identify and establish economic planning models that could be used by companies and site location consultants to assess the potential costs and impacts of facility location decisions, as well as the potential benefits of alternative development practices that support smart growth.

Geographic Information Systems (GIS) for the assessment of metropolitan growth patterns can provide positive support for better local land use planning. Businesses also support the delivery of federal technical assistance in areas such as infrastructure and community design, community visioning and planning, and the use of environmental and green building technologies.

The federal government could also support business-to-business education on the issues of sprawl and smart growth. By providing information to chambers of commerce, trade associations, and interested networks of business leaders, government can help foster appropriate, voluntary, business-driven efforts to learn more about the economic benefits of smart growth.

**Federal Resources for Smart Growth**—Business leaders also strongly supported a federal government role in providing increased funding for local and state efforts to address sprawl and promote better development patterns, including:

- additional federal investment in existing infrastructure, mass transit, and community development, including better schools and crime prevention;
- funding to help state and local governments conduct more effective regional and local land use planning;
- funding for brownfields remediation; and
- increased federal funding for the acquisition and protection of open space, when such federal protection is coordinated with local jurisdictions.

**Policy Incentives for Smart Growth**—To address the environmental and other regulatory barriers to smart growth business leadership, businesses urged further attention to how federal regulatory restrictions might discourage productive reuse of urban land.

In particular, business leaders have called for increased efforts to provide Superfund liability clarification and protection for efforts to remediate and develop brownfields. Businesses also call for federal action to streamline
federal environmental permitting and remove uncertainty in regulations for investments in urban locations. In this area, many businesses expressed the need for increased flexibility in Clean Air Act requirements.

Businesses interviewed by NALGEP supported federal regulatory incentives and rewards to companies that engage in performance-based, positive environmental activities that support smart growth. Such regulatory performance incentives could include streamlined permitting for brownfields redevelopment, provision of Clean Air Act new source offsets to smart growth corporate investments, or the use of plant-wide air and water permits.

No Support for More Federal Land Use Mandates or Restrictions—NALGEP found that business leaders oppose federal action that has the effect of mandating or restricting local land use decisions. Land use remains a local matter that is best determined on the basis of local priorities and values. Nor should the federal government view the emerging support for smart growth as any justification for increasing, rather than simplifying, federal regulatory requirements that affect local land use and private investment decisions.
Across America, business leaders are beginning to take action in their communities to promote alternatives to sprawl. They are contributing their energy and vision to the dialogue about how to grow our metropolitan areas and small towns while protecting farmlands, open space, and habitat for future generations.

This section provides 19 profiles of business leadership to promote smart growth. The profiles highlight activities in fifteen different states coast to coast. The business leaders are undertaking a range of smart growth activities, including participation in regional land use planning, open space preservation, downtown revitalization, brownfields redevelopment, and mixed-use development. They are engaging in innovative partnerships with colleagues in the private sector, government, and communities. By highlighting these examples of business smart growth leadership, NALGEP hopes to encourage other businesses to examine how sprawl may be affecting their bottom-line and to consider smart growth strategies as a promising alternative approach.
Profiles of Business Leadership

**Bank of America:** Smart Growth Leadership Pays Dividends

**Better York:** Pennsylvania Businesses Unite to Fight Sprawl

**Bluegrass Tomorrow:** Kentucky Executives Protect Rural Character

**The Commercial Club of Chicago:** Partners for a Modern Metropolis

**Consumers Energy:** Utility Promotes Brownfields Redevelopment

**DaimlerChrysler:** Driving Urban Redevelopment

**Deere & Company:** Farming Manufacturer Renews Moline

**Des Moines Agribusinesses:** Preserving Region’s Farm Economy

**Envision Utah:** Businesses Plan for Future Growth

**Greater Cleveland Growth Association:** Businesses Support Infrastructure Investments

**MCI Center:** Full Court Press Revitalizes Downtown DC

**Portland Businesses:** Thriving within Growth Boundary

**Providence Energy:** Utility Launches Smart Growth Coalition

**The Rouse Company:** Developer Embraces Maryland’s New Smart Growth Law

**Sierra Business Council:** Planning for Prosperity

**Silicon Valley Manufacturing Group:** High-Tech Firms Protect Quality of Life

**South Florida Developers:** Overcoming Barriers to Infill Development

**Traverse City Area Chamber of Commerce:** Planning Preserves Tourism Economy

**Wisconsin Electric Power:** Utility Builds Customer Base through Community Investment
“If we’re going to change our country’s landscape as much in the next hundred years as we have in the past hundred years—and development patterns suggest an increase (in growth)—we would be wise to think long and hard about how we can achieve that growth while building strong communities and protecting our environment at the same time.”

These are the words of Bank of America Chairman and CEO Hugh L. McColl, Jr. from a recent speech before the International Council of Shopping Centers. “We are all pro-growth,” McColl went on to say. “We all depend on development to survive, but we also depend on the sustainable health of the cities in which we do business.” McColl continued, “With all that in mind, Bank of America has made a commitment to encourage and participate in smart growth initiatives in communities throughout our franchise.”

Report Identifies Economic Impacts of Sprawl

The largest arranger and provider of commercial and residential real estate finance in the country, Bank of America was one of the first in the business community to realize that sprawl threatens long-term economic prosperity. In 1994, Bank of America co-sponsored the Beyond Sprawl: New Patterns of Growth to Fit the New California report. “This is not a call for limiting growth,” the report states, “but a call for California to be smarter about how it grows—to invent ways we can create compact and efficient growth patterns that are responsive to the needs of people at all income levels, and also help maintain California’s quality of life and economic competitiveness.” The report cites the adverse impacts of sprawl on business, including decreased employee productivity, flight of suppliers and customers from urban areas, decreased urban tax base, and the breakdown of the sense of community on which successful businesses depend.

Bank of America is aggressively pursuing smart growth practices in communities across the country. Through lending for brownfields redevelopment, infill projects, and mixed-use development, Bank of America has established itself as a smart growth leader while competitively positioning itself to capture the urban market as real estate development trends shift back to city centers.

Bank Helps Revitalize Downtown Charlotte

In Charlotte, North Carolina, Bank of America and Cousins Properties Incorporated, the nation’s largest office development real estate investment trust, are investing $350 million to develop Gateway Village, a 15-acre downtown technology and retail center where thousands of Bank of America employees will work and hundreds of people will live.

Gateway Village will contribute strongly to the revitalization of Charlotte’s economy by providing one million square feet of workspace for 3,500 Bank of America employees. Over 230 apartments and condominiums will be available to employees who choose to live close to where they work. The development will also feature a child care facility, fitness center, and medical facilities.”
offices, reducing traffic congestion by eliminating the need for many of the vehicle trips employees typically make every day.

With approximately $1 billion invested in new development in Charlotte during the last seven years, Bank of America understands that downtown investment enhances the economy of the region. If Charlotte's downtown were not healthy, business interests would look outside the metropolitan area for financing to support their own economic development projects.

Bank of America will realize other benefits from the Gateway Village investment. As the suburb-to-city and suburb-to-suburb commutes grow longer each day, Charlotte civic leaders are becoming more aware that this trend could impact the region's quality of life. Located eight blocks from the center of Charlotte, Gateway Village will provide Bank of America employees with a work environment that is easily accessible by mass transit and offers nearby retail and housing opportunities. Concentrated downtown development also creates a more densely populated service territory, which enables downtown bank branches to more efficiently serve and attract customers.

**Bank Leads Brownfields Lending**

Bank of America has also been a national leader in the drive to redevelop urban brownfields. Brownfields—properties with real or perceived environmental contamination—have long intimidated many in the banking industry. Bank of America, however, recognized the competitive advantage of brownfields redevelopment lending and has actively worked with developers to identify barriers and implement new strategies to overcome the obstacles. “If the project makes economic sense, Bank of America is interested,” according to Randy Muller, vice president of environmental services.

“Sprawl is an inefficient model for growth,” Muller says. “The business community must recognize the impacts of fringe development and have lending opportunities available for better land use. Bank of America is committed to ensuring that the nation's central cities receive the economic investment they need to prosper into the next century.”

“There is unparalleled momentum for businesses to relocate in the center cities,” said Tommy Shealy, senior vice president of Bank of America, who played a key role in the Charlotte project. “Now is a wonderful time for investors to capitalize on this movement.”
York County is one of the fastest-growing counties in Pennsylvania. But while the region has enjoyed economic growth, York City, home of an early capital of the United States, and its surrounding boroughs face economic decline. Once a bustling manufacturing community and the region’s historic job center, York City is confronting a fading economy. York County is also challenged with a labor pool that is commuting to jobs outside the region in Baltimore, Harrisburg, and Lancaster. In response, business executives from over 45 local companies—including CEOs from York Hospital, First Maryland Bank, Susquehanna Pfaltzgraff, and York Newspapers—have established Better York, a nonprofit organization with the goals of improving the health of downtown York, revitalizing the local economy, and preserving the character of the region’s communities.

Sprawling growth has created winners and losers among York County’s 72 municipalities, which vie for economic development opportunities in the region. While York County has undertaken a comprehensive planning effort, the county’s municipalities do not have to adopt the county’s plans, and many have not. The disparity of economic growth within York County has pitted residents of municipalities experiencing growth against the citizens of municipalities in economic decline.

“The municipalities that are winning today are doomed to become tomorrow’s losers,” says Tom Wolf, president of the Wolf Organization, a distributor of building materials, and chairman of Better York. “Once these municipalities become built out, the mantle of growth and prosperity will pass on to other municipalities.”

Study Documents Impacts of Sprawl
Downtown York’s business community recognized the inherent reluctance of the 72 competing municipalities to manage growth countywide. In response to the threats sprawl posed to the business community of downtown York, Better York commissioned David Rusk, former mayor of Albuquerque, New Mexico and the author of Cities Without Suburbs, to conduct
a study examining the impacts of sprawl in the York region. The study, "Renewing Our Community: The Rusk Report on the Future of Greater York," addresses the economic health of York City and its older boroughs.

Rusk's report, initially published in the York Daily Record in November 1996, found that unplanned development has resulted in a loss of open space, the deterioration of historic York City, a high concentration of poverty, an increase in public infrastructure costs, and a dramatic increase in the number of area residents who are commuting to jobs outside the region. Rusk recommended a four-part regional action plan to combat sprawl, including countywide growth management, mixed-income housing, revenue sharing, and support for reviving Old York.

While the report was initially greeted with mixed reactions, it exposed residents to the impacts of sprawling development, and elected officials are now more receptive to discussing the future of the York area. "The goal was to spark a community discussion over some of the critical problems facing the region," says Wolf.

Promising First Steps
Since the publication of the report, Better York has encouraged the nearby township of West Manchester to consider a growth management plan that conforms with the county's comprehensive plan. Better York is also forming alliances with other business associations in the Lehigh Valley to work collectively to influence statewide smart growth legislation.

"In the end, no one wins in a system that makes prosperity a temporary and fleeting phenomenon," says Wolf. "No one wins in a system that has already condemned our cities and boroughs to economic stagnation and decline. And no one wins in a system that ultimately threatens to do the same thing to our townships. The point is that public policies that encourage sprawl are neither smart nor right. We can do better."
In the horse country of central Kentucky, business leaders are organizing to protect the quality of life. Recognizing the relationship between quality of life, growth patterns, and economic success, regional business leaders are taking proactive steps to preserve the distinct boundaries between densely populated communities and the region’s world-class rural landscape. Bluegrass Tomorrow, a nonprofit community-based organization, was founded in 1989 by area business executives to shape the long-term pattern and form of development in the region. To do this, Bluegrass Tomorrow is identifying innovative solutions to manage growth, protect central Kentucky’s unique character, and enhance the economy.

**Drawing the Line on Exurban Development**

Flying over Bluegrass Kentucky, it is easy to identify specific communities by the sharp edges between urban areas and rural countrysides. Lexington’s model urban service boundary, established in 1958, calls for development to occur within the urban area, thereby respecting rural landscapes outside city limits. Many neighboring municipalities have also adopted urban service boundary concepts into their planning. However, with pressure increasing in the Bluegrass to develop the area’s farmland, business executives are concerned that open space will soon disappear, public service costs will rise, and the quality of life in communities will decline.

Founded, funded, and directed by local business leaders, including Toyota Motor Manufacturing USA, Ashland Oil, and Bank One Kentucky, Bluegrass Tomorrow is working with local governments to foster regional cooperation and encourage better planning practices. In 1993, Bluegrass Tomorrow conducted a broad-based visioning process with residents of seven central Kentucky counties to determine the vision of the Bluegrass for the future. Residents indicated a strong interest in maintaining the current unique physical form that enhances the quality of life within the region. This overwhelming response is the basis of the Bluegrass Tomorrow
Regional Vision. The goals of the Regional Vision include compact and distinct communities, interconnected transportation networks of scenic roads, preservation of open space and farmland, fiscally responsible growth, and collaborative regional planning.

**Region Tests Corridor Management Planning**

One planning tool that Bluegrass Tomorrow is applying to achieve the goals of the Regional Vision is “corridor management planning.” Traditional transportation planning looks at the needs for road improvements in an area. Bluegrass Tomorrow has initiated a project to link transportation planning with local and regional goals for land use and community character. As a result, the Kentucky Transportation Cabinet funded the first such plan in Kentucky for a Bluegrass road. The organization formed a Bluegrass Corridors Task Force and is working with communities to develop master plans that look beyond highway shoulders to determine the impact of new road construction on the surrounding land, and, in turn, the impact of changes in land use on the character and adequacy of the road. Bluegrass Tomorrow is producing a handbook and resource materials to assist communities in adopting corridor planning, and is developing a Geographical Information System (GIS) planning tool to evaluate the impact of alternative land use decisions on local road capacity.

Bluegrass Tomorrow’s corridor transportation planning strategy has gotten the attention of the State of Kentucky. Jessamine County recently received funding to conduct a long-term corridor planning study on the demands of its most heavily traveled corridor. Bluegrass Tomorrow continues to work with other communities to identify better growth patterns and create incentives for smart growth practices.

“Very early on, despite the mix of business, farming, preservation, and development sponsorship, people thought we were either on one side or the other for growth or for preservation,” says Jean Scott, executive director for Bluegrass Tomorrow. “Our perspective is we’re for both. It’s not the rate of growth. It’s the location, pattern, and character of growth that we’re concerned about.”

“It’s not the rate of growth. It’s the location, pattern, and character of growth that we’re concerned about.”

—Jean Scott, Bluegrass Tomorrow

For more information, contact: Jean Scott at (606) 259-9829.
As metropolitan Chicago competes globally for economic development and investment, business leaders are focusing on improving the quality of life and equity of opportunity in the region for the next century. The Commercial Club of Chicago, a membership organization of more than 400 business and civic leaders, recently released the results of a two-year study of the six-county Chicago area, which provides a strategic guide for regional cooperation and action. The report calls for the establishment of Chicago Metropolis 2020, a partnership of the business community, civic organizations, and government leaders, to promote and implement the goals of the report.

Report Calls for Reducing Sprawl
The Chicago Metropolis 2020: Preparing Metropolitan Chicago for the 21st Century report identifies sprawl and the balkanization of metropolitan Chicago as one of the major obstacles threatening the region. Low-density development in northeastern Illinois has led to excessive travel, high infrastructure costs, loss of open space, and a geographic mismatch between housing and jobs. The report provides recommendations to enhance the quality of life and improve business opportunities, including improvements to public transit, protection of open space, an increase in the range of housing opportunities, and establishment of a Regional Coordinating Council comprised of local governments officials to issue bonds for regional projects.

All 400 members of The Commercial Club voted to support the spirit of the Chicago Metropolis 2020 report. The Commercial Club has already raised $4 million to launch Chicago Metropolis 2020, an independent nonprofit organization, to advance the recommendations of the report. Led by an executive council of Chicago business leaders including the Tribune Company, Ameritech Corporation, Schwarz Paper Company, and the McDonald’s Corporation, Chicago Metropolis 2020 will encourage major employers and other business leaders to consider regional housing, land use, and transportation policies before making their investment decisions. Chicago
“Today, our region competes with practically every sizable metropolis in the nation, and increasingly the world, based on the quality of life we offer our residents and the quality of the business environment we hold out to employers.”
—Elmer Johnson, Kirkland and Ellis

Metropolis 2020 will build awareness of the report among the region’s residents, establish task forces to address specific issues, and form coalitions with other organizations to promote legislative and private sector initiatives.

“Times are changing, and the present situation is not sustainable,” says Elmer Johnson, a partner in the law firm of Kirkland and Ellis and the author of the report. “Today, our region competes with practically every sizable metropolis in the nation, and increasingly the world, based on the quality of life we offer our residents and the quality of the business environment we hold out to employers.”

Continuing Tradition of Business Leadership
Founded in 1877, The Commercial Club of Chicago was established “to advance the public welfare and the commercial interests of metropolitan Chicago by cooperative effort, social intercourse, and a free interchange of views.” At the turn of the 20th century, The Commercial Club worked with architect and planner Daniel Burnham to develop a visionary plan for metropolitan Chicago. Issued in 1909, the Plan for Chicago, or “Burnham Plan,” established a system of lakefront parks and shaped Chicago’s growth throughout this century. As the 20th century concludes, Chicago Metropolis 2020 provides the framework for The Commercial Club to help shape a regional plan ensuring economic vitality in the century ahead.

“Business leaders are serious about this, and they've put their money where their mouths are,” says George A. Ranney, Jr., a partner in the Mayer, Brown and Platt law firm, former CEO of Inland Steel Industries, and president and CEO of Chicago Metropolis 2020. “Now we need to go out and build broad support for solving our problems—not with our narrow self-interests in mind, but with our collective best interests at heart.”

For more information, contact: Chicago Metropolis 2020 at (312) 332-2020.
Michigan is enjoying a renaissance of brownfields development. Passage of the state's new brownfields legislation, which reformed cleanup liability, has renewed interest in urban parcels that were previously overlooked in favor of undeveloped greenfield sites. Consumers Energy, the state's largest investor-owned utility, has organized business support for brownfields redevelopment and helped establish a separate organization, Consumers Renaissance Development Corporation (CRDC), to market and promote brownfields throughout the state.

**Capitalizing on Brownfields Opportunities**

Created in 1996, CRDC is a nonprofit organization that informs economic developers and local governments of the opportunities to recapture Michigan's brownfields sites. Through a public-private partnership with the Michigan Jobs Commission, the Michigan Department of Environmental Quality, and the Michigan Municipal League, CRDC has conducted seminars and produced an extensive manual, The Brownfield Redevelopment Guide, to raise awareness of the tools available to businesses and municipalities.

In 1997, CRDC completed its first brownfields pilot project in the township of Quincy. Fairway Products, an original-equipment manufacturer for the automotive industry, was interested in purchasing a larger facility to increase production, but wanted to relocate close to its original site and retain its labor base. CRDC worked with Fairway Products to locate a property in Quincy and served as a facilitator in the negotiations with the seller and state and local government agencies. The Quincy Pilot Project created 80 new jobs and saved Fairway Products money through redeveloping a nearby brownfields site.

**Existing Infrastructure Increases Efficiency**

Aside from the environmental benefits of cleaning up contaminated properties, brownfields redevelopment also provides economic benefits to utilities such as Consumers Energy. Utilities are interested...
in smart growth practices because locating customers along existing distribution lines is cost-effective. As the density of the customer base increases, more efficient use is made of existing distribution systems, thereby lowering product transmission costs. Redeveloping brownfields avoids the costs of building new energy infrastructure in greenfields. In addition, brownfields redevelopment presents an opportunity to locate distribution centers on formerly contaminated properties.

“On Halloween, parents take their kids trick-or-treating in the cities rather than the countryside because it is more efficient to move from house to house. The same principle is true for utilities,” says Bruce Rasher, vice president of CRDC. “It is economically preferable for utilities to provide service in densely populated communities. Smart growth and brownfields redevelopment promote dense development and provide economic benefits to the business community.”
In 1995, DaimlerChrysler (formerly the Chrysler Corporation) initiated a site-location search for a new engine plant. Although greenfields development seemed preferable at first, DaimlerChrysler decided there were advantages to locating the facility near downtown Detroit in the city’s East Side Corridor. Working on a tight schedule to open the facility for the 1999 model year, DaimlerChrysler participated in a cooperative effort with the City of Detroit, the State of Michigan and the U.S. Environmental Protection Agency to purchase and redevelop an abandoned brownfields site. Through this redevelopment project, DaimlerChrysler launched the revitalization of this urban area in the City of Detroit, resulting in new and retained jobs, additional businesses, and increased tax base.

**Partnership Keeps Brownfields Project on Schedule**

As production increased in the 1990s, DaimlerChrysler needed to build a new engine plant and decided to locate its operations at the former Mack Stamping Plant location. The company decided to take advantage of the underutilized operating facility that was adjacent to this brownfields site. This decision was made primarily because of the strategic location of the property as well as the availability of a skilled workforce with expertise in production.

“The predictability of a local government’s development process is critical as businesses decide where to locate,” said Fred Hoffman, DaimlerChrysler’s director for state relations. “DaimlerChrysler needed to be certain that development of the Mack Stamping Plant would be completed on time so that production of a certain model engine could deliver the product to the market on time. Working in partnership with the City of Detroit, DaimlerChrysler was able to stay on schedule and build an asset for the company and community.”

**Sparking Urban Investment**

DaimlerChrysler invested over $1.6 billion in the site, the largest single investment in Detroit’s Empowerment Zone. The redevelopment of this site, along with the adja-
cent DaimlerChrysler site (Jefferson North Assembly Plant) has created new jobs, attracted new businesses to the area, and helped increase the City’s tax base.

“The City is extraordinarily pleased that DaimlerChrysler has chosen to locate this new plant in the City’s Empowerment Zone, and has worked cooperatively at every step of the process with DaimlerChrysler to facilitate this brownfields revitalization project,” said Paul A. Bernard, director of the City of Detroit’s Planning and Development Department. “This effort is indeed a fine example of how to redevelop and breathe life into a former industrial site, and hopefully will serve as a model for brownfield redevelopments elsewhere.”
On the banks of the mighty Mississippi River, a former industrial manufacturing center is experiencing a rebirth. Facing economic decay, Moline, Illinois business leaders established an innovative public-private partnership, Renew Moline, to attract businesses to the downtown riverfront. Deere & Company, the world’s largest farm equipment manufacturing company, provided leadership and resources to the partnership which developed John Deere Commons, a major new waterfront complex that is drawing jobs and visitors back to downtown Moline.

In the mid 1800s, John Deere located his agricultural machinery company in Moline, Illinois. Deere’s riverfront location initially provided favorable shipping access and water power for his plow factory. But as the interstate highway system decreased the Mississippi River’s importance for shipping, Moline’s downtown industrial facilities relocated from the riverfront to the edge of the city. In the 1960s, Deere & Company began to move their corporate headquarters from the riverfront to the southern fringe of the metropolitan area where it was best served by the interstate highway system. By the end of the 1980s, Deere & Company had moved several million square feet of facilities, thousands of downtown jobs, and millions of dollars in city tax revenue out of Moline.

As Deere & Company and other local businesses left Moline’s center city, downtown neighborhoods began to experience the forces of a declining industrial base. Throughout the 1970s and 1980s, the city experienced substantial retail/office flight to the suburbs. By 1990, half the store fronts in downtown Moline were vacant. After more than a century of industrial prosperity, Moline was facing a near collapse of the downtown economy.

Business Leaders Launch Redevelopment Partnership
In 1988, a small core of downtown business leaders established Renew Moline, a non-profit redevelopment organization organized to address the deteriorating downtown and waterfront. Deere & Company contributed
significant financial resources as well as an executive to serve as full-time director for the project.

In 1990, Renew Moline supported an update of the city's master plan. Business leaders participated in producing a new comprehensive plan that would locate downtown development on the historic Mississippi River site of John Deere’s original plow factory. John Deere Commons, a $43 million riverfront development project completed in 1996, includes a 12,000-seat arena; a six-story Radisson hotel; a community transportation center with parking; and the John Deere Pavilion, a premiere convention and entertainment center. Deere & Company donated 20 acres of former waterfront industrial land for the project and indemnified future users by taking responsibility for environmental cleanup needed to prepare the sites for redevelopment. The company shifted jobs downtown, becoming the anchor tenant in the new Heritage Place office building, and reinvested in remaining waterfront manufacturing facilities. Deere & Company played a leadership role in helping to leverage $180 million in public and private funding for the downtown Moline redevelopment.

The John Deere Commons project demonstrates many of the building blocks of smart growth, including brownfields redevelopment, downtown revitalization, and mixed-use development. “We have come to realize that the revitalization of downtown Moline will help prevent sprawl, and preserve our farmland which is the economic backbone of our region,” says Don Margenthaler, president of the John Deere Foundation.

“John Deere committed our company to the highest standards possible more than a century-and-a-half ago,” says Margenthaler. “Since then, Deere & Company has made every effort to give back to the communities where our people live and work. John Deere Commons is yet another way to build on a legacy forged in a factory here in Moline 150 years ago.”

For more information, contact: Don Margenthaler at (309) 765-5030.
Popular images of central Iowa seldom reflect the growth challenges the region confronts. As the center of a billion-dollar agribusiness industry, Des Moines cannot afford to sever its connection to the surrounding countryside. But in recent years, the lure of growth at the region’s edge has pulled development out of the center city and ever closer to the valuable farmlands that contribute food, fiber, and fuel to the global marketplace.

**Agriculture at Core of Strategy**

The Des Moines Agribusiness Park, a 1,200-acre brownfields project in the early stages of redevelopment, represents an innovative partnership among the region’s businesses, neighborhood associations, and government officials to promote land stewardship and to root economic progress in the area’s agricultural heritage. The project is being developed to encourage the growth and success of agribusiness by providing a quality environment in which businesses can profit, employees can be productive, and the environment will be protected. The area is well supported by easy highway access and current infrastructure sufficient to support the planned uses. It is projected that within 20 years, development of vacant and underused land in the Des Moines Agribusiness Park will add approximately $250 million to the tax base and create about 7,000 new jobs.

The primary developers are expected to be agribusiness and related industries, such as food products processing and packaging, biologicals, and research and development. Several agribusiness firms are already located within the park, including Cargill Inc., Helena Chemical Company and Diamond Animal Health.

“They Agribusiness Park will provide Des Moines with the opportunity to attract and sustain new investment,” says Louis Van Daele, president of Diamond Animal Health, an international company that produces animal vaccines. “The concentration of agribusinesses within the park will attract highly skilled employees to Des Moines.”
Good Neighbors, Good Business

Neighborhoods and businesses are also creating a “good-neighbor” policy and process that will concurrently promote profitable business development while enhancing the community. This policy will be the foundation for a negotiated agreement between neighborhoods and businesses related to new development. The development process will be more predictable and conflict less likely to ensue because the community’s values will be considered in the initial stages of a project.

“Des Moines has a significant competitive agribusiness advantage,” says Ellen Walkowiak, director of the Des Moines Office of Economic Development. “The City of Des Moines is excited to participate with agribusinesses in a partnership that will increase the city’s tax base, provide quality livable wage employment, and create the best agribusiness development in the nation.”

For more information, contact:
Ellen Walkowiak at (515) 237-1351, or Louis Van Daele at (515) 263-8600.
As the population of the Greater Wasatch Area expands to 2.7 million residents by 2020, the demands of unplanned growth will threaten Utah’s infrastructure and natural resources. To plan development today for tomorrow’s Utah, Governor Mike Leavitt and car dealer Larry Miller (who also owns the Utah Jazz basketball team) are heading up Envision Utah—an innovative partnership of business leaders, policymakers, and citizens that has broad-based community support.

Envision Utah established a strong advisory board, with participating businesses including Geneva Steel, PacifiCorp, and the Utah Home Builders Association. The American Stores Company, a conglomerate of drug store and grocery chains including Lucky Stores, Acme Markets, and Osco Drug, has actively supported and financially assisted the coalition. The company, headquartered in Utah, is interested in maintaining the economic health of the region and protecting the quality of life for its 2,000 Salt Lake City employees.

"By profession, I am interested in understanding the current situation of a business, assessing the choices of going forward, and developing plans to implement a chosen vision," says James R. Clark, chief planning officer of American Stores and vice chairman of Envision Utah. "We are at a stage in Utah’s development where we can similarly examine and understand our potential growth choices."

**Business Leaders Seek Citizen Views on Growth**

Envision Utah, a public-private partnership sponsored by the Coalition for Utah’s Future, has endeavored to develop a broadly supported growth strategy. With one million additional residents expected in the next 20 years, Envision Utah wanted Utah’s citizens to consider how growth should occur in the region. Public workshops and surveys have helped Envision Utah to identify development patterns favored by residents and to encourage governmental adoption of residents’ goals. Nearly two-thirds of survey respondents cited concern about air pollution, water consumption, and traffic congestion as the reasons they favored denser housing developments in urban areas.

**Possibilities for Growth**

Envision Utah conducted a baseline study to serve as a benchmark and developed four alternative growth strategies for its survey, demonstrating the different patterns that could result through the implementation of the plans over the next 20 to 50 years:

- **Growth Scenario A** envisions most new home construction on large lots (0.37 acre average), rapid consumption of open space and farmland (409 square miles), the fewest transportation choices (1.5 percent of population with access to rail transit), and the highest infrastructure costs ($37.6 billion).

- **Growth Scenario B** demonstrates lot sizes remaining at the current level (0.35 acre average), rapid consumption of open
space and farmland (325 square miles), few transportation choices (1.7 percent of population with access to rail transit), and expensive infrastructure ($29.8 billion).

• Growth Scenario C includes a decrease in single-family lot sizes (0.29 acre average), slow land consumption (126 square miles), expanded transportation options (25 percent of population with access to rail transit), and the lowest infrastructure costs ($22.1 billion).

• Growth Scenario D illustrates the smallest single-family lot sizes (0.27 acre average), the slowest consumption of open space (85 square miles), greatly expanded transportation choices (32 percent of population with access to rail transit), and low infrastructure costs ($23 billion).

In January 1999, growth questionnaires were printed in The Salt Lake Tribune and Desert News and made available on the Internet. Nearly 17,500 Utah citizens responded to the survey, and approximately 60 percent chose a combination of Scenarios C and D.

**Working with Local Communities**

Envision Utah has launched an education campaign to promote the results of the growth questionnaire. The group’s next step will be to meet with cities and counties to develop strategies to alter development patterns. The City of Provo may be the first municipality to implement the recommendations of the survey. Provo Mayor Lewis Billings will submit a request for funding in the city’s next budget to hire Envision Utah’s consultants to make the community more transit-friendly.

“New development will occur, and the residents of Utah want to understand our choices and be deliberate about the direction of our growth,” says Clark. “Envision Utah has initiated a process that will enable residents of the region to develop a vision for its future and begin to act intentionally to bring it about.”

“For more information, contact: James Clark at (801) 961-4544, or Envision Utah at (801) 973-3307.

“New development will occur, and the residents of Utah want to understand our choices and be deliberate about the direction of our growth.”
—James Clark, American Stores
The Cleveland of the early 1980s was one of degrading city streets, crumbling county bridges, and a river—the Cuyahoga—so polluted it once caught fire. Lake Erie was also horribly polluted and had been declared dead. After a significant decline in manufacturing jobs and population, local business leaders recognized that without major infrastructure investments, Greater Cleveland’s economy would continue to deteriorate. At the request of Cleveland’s mayor at the time, George Voinovich, the Greater Cleveland Growth Association, America’s largest chamber of commerce, organized business and local government support to improve and maintain the infrastructure of the region.

**Business Leaders Spur Partnership**

In 1983, the Greater Cleveland Growth Association helped establish Build Up Greater Cleveland (BUGC), a public-private partnership created to implement a community capital investment strategy for maintenance and rehabilitation of the existing infrastructure system. The membership of BUGC at the time included the City of Cleveland, the Cuyahoga County Board of Commissioners, the Cuyahoga County Engineer, the Northeast Ohio Regional Sewer District, the Greater Cleveland Regional Transit Authority, and the Greater Cleveland Growth Association.

“Private sector involvement in the leadership of Build Up Greater Cleveland has provided unique forums for developing innovative approaches to resolving complex urban infrastructure problems,” says David Goss, the group’s director. “Without this interaction, innovation is difficult to achieve.”

Through BUGC advocacy efforts, approximately $4 billion has been invested in Greater Cleveland’s infrastructure system since 1983. This urban investment has also helped foster the city’s proactive brownfields redevelopment efforts. Now that most of the critical infrastructure issues in the Greater Cleveland region have been addressed, BUGC has made a transition into a more strategically-oriented entity focused on:
• support of regional economic development priorities;
• improving the technical/management capacities of local infrastructure agencies;
• encouraging the design of more sustainable infrastructure projects;
• technology transfer;
• infrastructure investment performance measures; and
• enhancing the region’s storm water management system.

Transportation Planning a New Priority
In addition, the Greater Cleveland Growth Association recently created a Transportation Task Force comprised of business leaders to actively involve the private sector in the regional transportation planning and decision-making process. The task force is specifically focused on identifying priority transportation investments that support the association’s regional Economic Development Business Plan goals. These investments will promote increased use of public transportation to provide better job access and upgrade downtown Cleveland’s transportation system to better serve workers, visitors, and downtown residents.

“Economically, the region can only be successful if the center city is successful. There is nowhere that you can be successful with a rotten core.”

—Rob Fowler, Greater Cleveland Growth Association

For more information, contact: David Goss at (216) 592-2343.
As the City of Washington, D.C. struggled to deal with financial crisis, urban deterioration, and the sprawling of the metropolitan region, native Washingtonian and businessman Abe Pollin forged a partnership with the City to locate a state-of-the-art sports and entertainment arena, the MCI Center, in the heart of downtown. Despite imposing barriers to the project, the MCI Center now stands as the beginning of an urban revitalization success story.

City Center Selected for Sports Arena

Recently named by the Sierra Club as one of the nation’s worst sprawling communities, Washington has faced serious challenges in revitalizing vacant areas, brownfield sites, and unsafe neighborhoods. Washingtonian Abe Pollin, the owner of a sports facility located well outside of the city limits, wanted to build a premier sports arena as the home for his Washington Wizards men’s basketball team, Washington Capitals hockey team, and the WNBA’s Washington Mystics women’s basketball team. Despite promising options to build outside the city or in other large urban centers, Pollin determined to bring the teams back to the center of Washington. Several key factors motivated the selection of the downtown D.C. site, including:

- the advantage of the Metrorail mass transit system, with a station located at the entrance to the arena and two others just blocks from the site;
- the diversity of the customer base;
- a location that maximized access for the surrounding metropolitan areas of Virginia and Maryland;
- the urban amenities of a central business district; and
- the proximity to Washington’s professional and commercial workplaces.

Partnership Overcomes Bureaucratic Hurdles

The development of a privately financed sports arena in downtown D.C. in the mid-1990s was no easy task, and Pollin’s team faced difficult urban barriers. Washington, D.C. was in the midst of bankruptcy; the city was known for an overwhelming and unworkable bureaucracy; the proposed location of the sports arena was marked by crime; and, as the parties soon learned, the property was significantly contaminated with a mix of toxic pollutants. The Pollin team and the District of Columbia put a decision-making framework in place to overcome these barriers. John Stranix, who at the groundbreaking left the project’s prime contractor, the Clark/Smoot Company, to join the Pollin team as president of the MCI Center, explains, “In order for this project to work, we needed DC to establish a coordinated project task force of all the major departments and players. We set up the same kind of team on our end. We needed clear lines of authority on both sides, which we achieved by having one top decision-maker heading each team.”
These teams also established a structure that allowed the MCI Center project to overcome some of the most typical but challenging barriers to urban development. The District government agreed to manage and be financially responsible for acquiring and assembling the land, demolishing existing structures, and remediating all contamination. Before the groundbreaking, the District set aside $56 million in escrow to handle these responsibilities. This up-front agreement proved vital when the project quickly encountered unexpected, substantial contamination problems. The remediation involved 25 times more contaminated soil than was initially expected. In the end, the cleanup posed more than $5 million in assessment and remediation expenses for the City.

Theodore Gordon, the District’s director of environmental health, oversaw the remedial efforts at the MCI Center. Although he cites the need for better environmental assessment at the front end of downtown projects in order to save time and money, he also notes that the outcome was a successful economic development project that fully protected the community’s health and welfare.

Another key to the success of the project was the discretion afforded to the Pollin group to engineer and conduct the project without undue municipal interference, along with a streamlining of the development review process to ensure timely approvals. “We asked the city to allow us to proceed quickly with our plans, and to place faith in our commitment to comply with all requirements,” says Stranix. As the project progressed, we demonstrated to the city that we were good on our word.”

Center Court
Today, the MCI Center stands at the heart of a revitalization boom. At least 70 percent of all ticket holders take public transit to and from the games. In the blocks around MCI Center, cranes and equipment are raising a new convention center, new corporate headquarters, new restaurants and entertainment, new hotels, and other mixed-use redevelopment. The MCI Center has effectively extended the border of the livable area of the city by three blocks, into areas formerly plagued with crime, vandalism, and vacant lots. MCI owner Abe Pollin says, “I am proud to have led a team of public and private partners to build a center of revitalization for our nation’s capital city.”
In the early 1970s, Oregon Governor Tom McCall signed legislation that required all incorporated communities, including Portland, to establish urban growth boundaries (UGBs). While skeptics initially anticipated that Oregon’s growth management initiative would sacrifice jobs and reduce land values, Portland’s UGB has supported the city’s high quality of life and strengthened the local economy. As the development climate in the city has proved to be stable and predictable, business support for the growth management strategies has broadened.

Building the Economy on Community Quality
Portland’s regional growth management strategies attempt to maintain a balance of quality of life and economic vitality. While economic development is sought within the region, growth has been planned to protect Portland’s invaluable natural assets. Moreover, Oregon’s growth law has enabled local jurisdictions to work together cooperatively to manage land use and development on a regional scale.

“We are living in a society where people can live where they want to work,” says Clayton Hering, president of Norris, Beggs & Simpson, a real estate services firm. “This has fueled rapid growth in Portland because people have identified Portland’s high quality of life. But industry today is footloose and no longer tied to location. Should Portland’s quality of life begin to diminish, the city can expect economic opportunities to disappear.”

Portland’s UGB establishes an edge of urban development around the city. The UGB accommodates development within its border for a planning period of 20 to 50 years. Beyond the boundary, urban development is prohibited. The city’s UGB clearly identifies where development is welcome and makes it possible for long-range planning to determine where public infrastructure investments will be directed. Denser development has also allowed the city to leverage a much larger investment of private capital for every taxpayer dollar.

“Capital invests where there are consistent rules,” says Hering. “When businesses develop in Portland, they can be certain that all industries must play by the same rules. The stability that Portland’s urban growth boundary provides makes the city attractive for investment.” Indeed, when the UGB law was recently challenged by referendum, many Oregon businesses supported maintaining the UGB.

Heavy Industry Supports Smart Growth
Providing over 1,000 family-wage jobs along Portland’s inner-city waterfront, Cascade General Corporation, a ship repair facility, supports local and regional growth management because it is good for business. “Sound regional growth management offers many benefits to heavy industry,” according to Alan Sprott, Cascade General’s environmental manager. “It stabilizes zoning and land use planning, providing certainty for long-term investments and a level playing field for dealing with environmental...
issues. Capitalization of development projects is much easier when it is known how the landscape will look for the next decade and beyond. Also, it fosters good transportation planning, which assists large employers in maintaining a reliable workforce.

Cascade General is a leader in revitalizing brownfields along the city's waterfront, an effort which includes cleaning up contaminated sediments and protecting threatened steelhead trout. According to Doug Maccourt, former brownfields coordinator for the City of Portland, Cascade General's efforts are a critical link between growth management, environmental quality, and economic prosperity. “Cascade General is a model for the business community to show how investment in the environment and inner-city job creation are not only compatible, but necessary ingredients in smart growth,” says Maccourt.

Providing Transportation Choices
With concentrated development occurring in the UGB, transportation alternatives to the automobile were required to avoid increased congestion. Portland has integrated a coherent multi-modal transportation system with the UGB to mitigate the impact of greater population density. The transportation system provides residents with easy access throughout the city. “Portland's growth management plans make economic sense,” says Sam Brooks, president of S. Brooks & Associates, a temporary employee services company. “The urban growth boundary and transit system provide businesses with a labor pool that can easily travel to nearby jobs.”

“Education, education, education,” says Hering. “Knowledge is the key to breaking through to the business community. Growth management will produce more benefits than drawbacks. When businesses understand the economic impacts of sprawl, a corporate smart growth constituency emerges.” —Clayton Hering, Norris, Beggs & Simpson

For more information, contact:
Sam Brooks at (503) 284-7930, Clayton Hering at (503) 273-0333, or Alan Sprott at (503) 247-1672.
Although the population of Rhode Island has remained steady at about one million for the past 30 years, land use has increased to the point that 25 of every 100 acres are urbanized, ranking Rhode Island as the second-most urbanized state in the nation. Alarmed by the loss of open space, a broad coalition of business leaders and nonprofit conservation organizations has launched a statewide initiative to address the impacts of sprawl.

Until recently, business interests were not active in the discussion of smart growth in Rhode Island. A 1997 statewide sprawl/preservation conference targeted an audience of preservation and environmental interests. However, conference hosts asked James Dodge, chairman, president, and CEO of Providence Energy Corporation, to participate in the conference and broaden business and political support for smart growth. Providence Energy offered to fund a business symposium on those issues. Dodge delivered a speech to more than 100 business and political leaders who attended the conference, proposing the Grow Smart Rhode Island citizen’s initiative. Chaired by Dodge, Grow Smart Rhode Island was incorporated in 1998 to “bring together diverse interests to protect and improve Rhode Island’s quality of life, economic vitality, environmental health, and the unique physical character created by the state’s historic cities, towns, and villages and by its farms, forests, and open spaces.”

**Slowing Sprawl, Saving Money**

“Urban sprawl is a serious business issue,” says Dodge. “It seriously threatens our goal of attracting new high-tech and service industries. Why move to a parking lot when other states offer trees, clean air, and inviting open spaces? Why move to an area where the cost of living and doing business is high when other states offer a cheaper alternative?”

Dodge approaches the issue of urban sprawl with over 35 years of business experience. In the past several years, Providence Energy spent over $18 million to add infrastructure to serve new customers in Rhode Island. But while Providence Energy has expanded
service lines, the company has not seen a net increase in natural
gas usage by customers. The rising infrastructure costs of serving
a sprawling population must be passed on to customers, raising
utility rates and the costs of doing business throughout the state.
Compounding the problem, the existing infrastructure needs
maintenance in areas with diminishing customers.

“I can say categorically that slowing urban sprawl would reduce
Providence Energy’s operating costs, which in turn would reduce
the bills for our customers,” says Dodge. “Considering the same
effect on sewers, water, roads, telecommunications, and electrici-
ty, as well as schools, fire and police facilities, and other infra-
structure, the cost of living—and doing business—in Rhode
Island can be greatly reduced.”

In 1999, Grow Smart Rhode Island will produce a report docu-
m enting the impacts of sprawl on Rhode Island’s economy, envi-
ronment, community character, and quality of life.

“It’s time for Rhode Island to take control over its own destiny
and ‘grow smart,’” says Dodge. “Growing smart isn’t anti-growth.
Rather, it aims to examine and refocus a pattern of development
so that already established cities, towns, and villages can thrive and
remain tangible manifestations of our state’s outstanding quality
of life.”

“For more information, contact:
James Dodge at (401) 272–5040, or Grow Smart Rhode Island at (401) 273–5711.

―James Dodge,
Providence Energy Corp."

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—James Dodge,
Providence Energy Corp.
As the Maryland General Assembly debated the merits of Governor Parris Glendening’s proposed “Smart Growth and Neighborhood Conservation” initiative in 1997, the business community’s support for the proposal was considered crucial. Although sprawl threatens the stability of Maryland’s business climate, the bill was controversial. Governor Glendening’s smart growth proposal called for state infrastructure spending to be focused within designated growth areas. The Rouse Company, a real estate development and management firm headquartered in Columbia, Maryland, understood that the bill was good policy and publicly supported the proposal.

“Sprawl is inefficient. It stretches out the distances people must travel to work, to shop, to worship, to play. It fails to relate these activities in ways that strengthen each other and, thus, it suppresses values that orderly relationships and concentration of uses would stimulate,” said Rouse Company founder James W. Rouse—in 1967.

The Rouse Company is the second largest retail developer in the nation. Its downtown development projects include Faneuil Hall Marketplace in Boston; Harborplace in Baltimore; Pioneer Place in Portland; and South Street Seaport in New York. The company also owns or operates five mixed-use projects, including the planned communities of Columbia in Maryland and Summerlin in Las Vegas. Columbia, one of the nation’s most successful planned communities has been the focus of more than 30 years of carefully controlled development, with managed growth planned for another 15 years.

As a corporate citizen, The Rouse Company reviewed Maryland’s smart growth legislation and attended committee meetings to speak in favor of the bill, which became law in 1997. The legislation encourages economic development in Priority Funding Areas (PFAs) through state infrastructure investments. It designates specific PFAs, including municipalities, and authorizes counties to identify those communities and other targeted growth areas within their jurisdictions that will receive priority for state infrastructure spending. Using guidelines instead of mandates, the legislation preserves the home rule of municipalities and provides a framework to influence the location of development.

The Rouse Company recognized that Maryland’s smart growth legislation reinforced and lent credibility to the smart growth development the firm was already conducting. As a developer of mixed-use communities which incorporate residential, commercial, and industrial land uses together, The Rouse Company realized the competitive advantage that the initiative provided for the firm.

Smart Growth Not Always Smooth Sailing
The Rouse Company has also experienced the difficulties in implementing Maryland’s smart growth initiative. The firm has proposed a 500-acre, mixed-use community in a designated growth area in Howard County to be developed over 10 years.
While the plan meets the smart growth legislation’s guidelines, community opposition has mounted to the infill development of vacant land in this already densely developed community.

Mixed-use development, with its large, comprehensive projects, involves long-term investments. While small-scale subdivisions, which are the dominant land use change in most communities, remain largely overlooked, their collective impact is substantial. Compact, mixed-use development can provide pedestrian-friendly communities that create jobs, offer shopping opportunities, and protect open space. However, the high profile of large mixed-use developments generates media attention and can create difficult relationships with the residents of affected communities nearby. The Rouse Company’s planned development in Howard County is currently on appeal before the Howard County Circuit Court.

**Long-Term Benefits**

While the benefits of Maryland’s smart growth initiative are not immediately apparent, The Rouse Company remains optimistic about the success of the program. Maryland’s smart growth law has initiated a dialogue within the state to determine where growth should occur and has provided a stable business climate for developers to operate.

“Maryland’s smart growth initiative is a very sensible and sane approach to a very difficult problem,” says Alton Scavo, senior vice president of The Rouse Company. “Development will occur in Maryland, but that development needs to be rational and logical. Maryland’s smart growth legislation meets those tests. The legislation makes sense for the state and will produce long-term benefits.”

“Sprawl is inefficient. It stretches out the distances people must travel to work, to shop, to worship, to play. It fails to relate these activities in ways that strengthen each other and, thus, it suppresses values that orderly relationships and concentration of uses would stimulate.”

—James W. Rouse
The Sierra Nevada, a 400-mile long scenic region of eastern California and western Nevada, provides residents with an unrivaled quality of life. Visitors are attracted to the area’s distinct landscapes and small towns ringed by working agricultural land and open space. Founded in 1994, the Sierra Business Council (SBC) represents a spectrum of business leaders throughout the region working to secure the long-term economic and environmental health of the Sierra Nevada for this and future generations.

**Quality of Life Tops Business Survey**

In a survey of Sierra Nevada business owners, 82 percent identified high quality of life as one of the most significant advantages of doing business in the region. Considerations like “fewer regulations than urban areas” and “lower cost of doing businesses” were ranked by only 8 percent and 11 percent as a significant advantage.

These findings reflect larger trends in the shifting economic landscape of the rural West. The shift from manufacturing to services, combined with improvements in transportation and telecommunications, has allowed economic activity to decentralize and diversify. “We are living in the era of the global marketplace,” says Tracy Grubbs, SBC director of special projects. “Because capital is mobile, companies will leave locations if they no longer provide the quality of life necessary to attract employees. Conversely, regions that do a good job of protecting their quality of life will become magnets for new capital and economic growth.”

Recognizing these trends, the Sierra Business Council published Planning for Prosperity: Building Successful Communities in the Sierra Nevada to establish a new vision for growth and development in the 12-county Sierra Nevada region. The reference guide includes 16 principles and a multitude of case studies to demonstrate how Sierra Nevada communities can promote compact development, open space preservation, downtown reinvestment, and comprehensive transportation planning.
Published in 1997, the Planning for Prosperity report is already beginning to alter the framework for new development in the region. Local governments are using the reference guide to help steer new growth into existing towns, rather than encouraging rural sprawl. In addition, SBC business members are taking it upon themselves to help implement this new vision for growth. For example, Placer Savings Bank has developed new bank loan policies that promote smarter parking and pedestrian-friendly development.

**Testing Smart Growth Principles**

Last year, SBC launched a series of pilot projects to help local communities implement the Planning for Prosperity principles on the ground. Working with local governments, property owners, and businesses, SBC is helping the region accommodate new growth without destroying the quality and visual appeal of Sierra Nevada communities.

“Because capital is mobile, companies will leave locations if they no longer provide the quality of life necessary to attract employees. Conversely, regions that do a good job of protecting their quality of life will become magnets for new capital and economic growth.”

—Tracy Grubbs, Sierra Business Council

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—Claude Poncelet, government affairs manager for the Pacific Gas & Electric Company. “It establishes a set of growth and development principles to enhance the wealth and sharpen the competitiveness of the Sierra Nevada region for years to come.”
Formerly covered with orchards, northern California’s Silicon Valley has experienced unprecedented development and job growth since the middle of the 20th century. Surrounded by the Santa Cruz Mountains, the Coast Range, and the San Francisco Bay, Silicon Valley is home to many of the nation’s preeminent high-tech businesses, among them semiconductor and software companies. As the demand for qualified high-tech employees has expanded nationwide, the quality of life in the region surrounding Silicon Valley has become a major factor in the ability of Valley-based companies to attract and retain the best job candidates.

Many of the high-tech businesses that were originally drawn to the region’s pleasant climate and readily available land are now concerned that traffic congestion, high housing costs, increased air pollution, and other sprawl-related problems could complicate employee retention and recruitment. The Silicon Valley Manufacturing Group (SVMG), a trade association representing over 130 of the largest Silicon Valley employers, is focusing on the economic and social impacts of sprawl on the region.

Founded in 1977 by David Packard of Hewlett-Packard, SVMG was established to “involve principal officers and senior managers of member companies in a cooperative effort with local, regional, state, and federal government officials to address major public policy issues affecting the economic health and quality of life in Silicon Valley.” Representing businesses that provide approximately 250,000 of the local jobs, including Hewlett-Packard, Intel, and the IBM Corporation, SVMG has sought to address the unintended economic impacts of sprawl on Silicon Valley businesses and employees.

Initiatives Take On Sprawl
SVMG has launched several innovative initiatives to tackle the impacts of sprawl. SVMG’s key accomplishments include the following:

Improving Housing Opportunities for Employees: The Housing Authority of Santa Clara County reports a waiting list of more than 10,000 for affordable rental housing. In the past four years, SVMG has successfully advocated for 74 new housing developments in 14 Silicon Valley cities, representing more than 24,000 new homes. SVMG was a key proponent of Santa Clara County’s affordable housing ballot initiative, Measure A, which streamlines the housing development process and allows an additional 500 affordable rental homes to be built each year in the county. SVMG is also a leader in an effort to raise $20 million in the next 24 months to establish Silicon Valley’s first Housing Trust Fund. In 1999, SVMG is conducting an inventory of vacant and underused land in the Silicon Valley to identify further housing opportunities.

Improving Transportation Opportunities for Employees: SVMG has aggressively pursued opportunities to increase transportation choices in the region that reduce traffic congestion. SVMG led the state’s first countywide transportation sales tax initiative in 1984. In 1996, SVMG led the state’s first successful effort to
renew a countywide transportation sales tax for an additional nine years to raise $1.4 billion toward specific transportation projects, 65 percent of which will fund rail, transit, bus, and bicycle improvements. SVMG has successfully advocated for state and federal funding to launch a third commuter train from the Central Valley to Silicon Valley and extend the county’s existing light rail system. SVMG also sponsored legislation enabling the construction of a carpool lane across the Sunol Grade. In 1999, SVMG will research consumer demand for transit to facilitate the design of new services.

Improving Silicon Valley’s Air Quality: SVMG has successfully engaged member companies to reduce air pollution. Member companies have initiated voluntary efforts to reduce mobile source emissions, including ridesharing, bicycle projects, and telecommuting. SVMG will continue seeking creative voluntary solutions to meet federal air quality standards. In a three-way partnership with the Regional Air District and the Bay Area Council, more than 1,000 employers with over 800,000 employees are participating in the “Spare the Air” campaign to encourage pollution-reduction measures by commuters on hot smoggy days when the region is at risk of violating state and federal air quality standards.

“High-tech employers recognize that we will only be as successful as the employees that we attract. When it comes to transportation, environmental, housing and land use decisions, we don’t view investments as tax and spend, but rather as invest and prosper.”
—Carl Guardino, Silicon Valley Manufacturing Group

For more information, contact: Carl Guardino at (408) 501-7864.

“High-tech employers recognize that we will only be as successful as the employees that we attract,” says Carl Guardino, president and CEO of the Silicon Valley Manufacturing Group. “When it comes to transportation, environmental, housing, and land use decisions, we don’t view investments as tax and spend, but rather as invest and prosper.”
In southeast Florida, the westward push of sprawl threatens to further disrupt the balance of the Everglades ecosystem. With limited land remaining for growth, local and state leaders have adopted a strategy to increase density through infill development. Several Florida developers are recognizing this niche market and are investing in historic urban neighborhoods to preserve Florida’s natural environment and economic development opportunities.

Confined by the natural barriers of the Atlantic Ocean and the Everglades, urban sprawl in southeast Florida has increased development pressure on sensitive lands in the west that are needed to restore the Everglades ecosystem and protect the region’s future water supply. The Eastward Ho! initiative, based on voluntary involvement and partnership, seeks to direct future growth along a 150-mile corridor of denser and older areas, including Miami, Fort Lauderdale, and West Palm Beach. Eastward Ho! is introducing strategies that reduce market disincentives to infill development and redevelopment, promote smart growth, and revitalize southeast Florida’s urban core.

Developers Support Eastward Ho!
Several southeast Florida developers, including the Arvida Company and the Pulte Home Corporation, have partnered with Eastward Ho! to bring economic activity to bypassed areas. As demand for infill development in many eastern Florida communities increases, these developers have identified new economic opportunities to capture a large share of the market with little competition.

“Eastward Ho! is the right strategy to ensure a sustainable south Florida,” says Roy Rogers, senior vice president for the Arvida Company. “It can revitalize our urban areas while protecting Florida’s fragile Everglades. However, there remain significant barriers to successful infill development projects.”

Breaking Down Barriers
Local governments should address some of the negative perceptions the public associates with urban communities today, suggests
“Eastward Ho! is the right strategy to ensure a sustainable south Florida. It can revitalize our urban areas while protecting Florida’s fragile Everglades. However, there remain significant barriers to successful infill development projects.”
—Roy Rogers, Arvida Company
On a farm in scenic northwest Michigan, it is possible to gaze on landscapes that America’s early settlers witnessed hundreds of years ago. Vistas such as those overlooking Lake Michigan drive a multi-million dollar tourism industry on which the region’s economy largely depends. But that farmland and the view it provides into the past are threatened by development practices that could destroy the spectacular panoramas of the region. Local business leaders, aware that unmanaged growth could harm economic opportunities, have organized a community-based project, New Designs for Growth, to identify alternative patterns of development that would preserve the natural environment and regional character.

Chamber Seeks Sensible Growth
While development within the region is inevitable, local businesses have realized that growth can and must be managed to strengthen the economy and protect the environment. Enlisting the support of educational, environmental, and government organizations, the Traverse City Area Chamber of Commerce established the New Designs for Growth project “to formulate new patterns for land use that enhance northwest Michigan’s natural features, regional economy, and cultural heritage by joining with communities to establish innovative tools to prepare for change.” With additional funding provided by the Traverse City Convention and Visitor’s Bureau and the Rotary Charities of Traverse City, New Designs for Growth is working with community leaders to promote model land use practices in the region.

“We see growth as desirable for this region,” says Keith Charters, former restaurant owner and project leader for New Designs for Growth. “What is not desirable is how we are growing. Growth needs to be managed. This project is about trying to build the will in the region to do that.”

A Guide for Local Planning
Using the Grand Traverse Bay Region Development Guidebook, developed by the Grand Traverse County Planning Commission in 1992, New Designs for
Growth is conducting public workshops to implement the principles of the guidebook into actual master plans and ordinances. Workshop leaders meet with elected officials to identify the proponents and opponents of growth within a community and thereby give all stakeholders a voice in the discussion. Workshop participants are shown the alternatives to current growth practices and are asked to plan for population growth within their communities while protecting open space. The plans that workshop participants develop are then compared with current community ordinances to determine if growth can occur the way the stakeholders have planned. When a community's master plan or ordinances do not support growth that is consistent with a community's vision for the protection of open space, New Designs for Growth can work with local governments to rewrite master plans and ordinances to conform with the guidebook's principles.

New Designs for Growth has completed workshops in 47 of the 93 units of local government within their five-county target area. New Designs for Growth is also working with 45 of those communities to rewrite their master plans and ordinances to protect open space.

“If you don't have a place for development to occur, development goes everywhere, and if development goes everywhere, you start to look like anywhere,” says Charters.
With the potential for electric utility competition looming on the horizon, Wisconsin Electric Power Company (WEPCO) has taken steps to ensure that the communities it serves remain economically robust, and that the company has a stable base of customers. WEPCO has taken action to promote the revitalization of established neighborhoods and former industrial areas, and to minimize greenfield development at the suburban fringe. WEPCO’s motivation for promoting brownfields redevelopment, downtown investments, and smart growth planning is to preserve community strength, realizing that the company’s fortunes are dependent on the economic vitality of the people, neighborhoods, and cities within its service area.

Company Retains Downtown Headquarters
WEPCO’s commitment to the preservation of established communities was demonstrated by the company’s 1996 decision to retain WEPCO’s corporate headquarters in downtown Milwaukee, spending $30 million in the restoration of a grand, historic building rather than moving staff to other buildings potentially located outside the core downtown area. WEPCO’s locational decision was driven in large part by the desire of the company’s chairman and CEO Richard A. Abdoo to maintain a diverse workforce that reflects the broad customer base of the utility. As wholesale and retail electric utility markets shift from a system of regulated monopolies to a competitive marketplace where customers can choose their energy supplier, WEPCO seeks to maintain relationships with the local communities and the one million customers it has traditionally served.

Restoration of the Public Service Building was symbolic of the company’s commitment to maintaining the economic vitality of Wisconsin’s largest urban area. “What kind of message would we send to our customers if we abandoned the Public Service Building and downtown Milwaukee for a short-term cost savings?” asks Brian Borofka, WEPCO’s manager of environmental affairs. The building is now listed on the National Register of Historic Places.

Brownfields Redevelopment Strengthens Service Area
In addition to maintaining its commitment to the central city, WEPCO supports and participates in brownfields redevelopment. WEPCO’s brownfields activities seek to keep its service area economically strong, and to build competitive advantage for the company in serving the electric load in that area. Further, the utility seeks to avoid the need for new infrastructure to build load in lower-density greenfield areas. WEPCO has led the redevelopment of brownfield sites that include:

- the redevelopment of the Lakeside Power Plant on the shore of Lake Michigan as the headquarters for Harnischfeger Industries, an international heavy equipment manufacturer;
- a $5.4 million cleanup of the formerly used Commerce Street Power Plant site for redevelopment on the shores of the Milwaukee River and a “Riverwalk” on the edge of downtown Milwaukee;
WEPCO’s brownfields and smart growth initiatives will help ensure that “we do not create tomorrow’s brownfields today.”
—Brian Borofka, Wisconsin Electric Power Company

- redevelopment of a former 30-acre ash landfill site for industrial use in St. Francis, Wisconsin;
- cleanup and reuse of manufactured gas plant sites in several cities in southeast Wisconsin; and
- assistance to the 30th Street Industrial Corridor Corporation and Milwaukee County in successfully obtaining an EPA Brownfields Pilot grant to address redevelopment in Milwaukee’s near northeast side.

WEPCO has also led regional efforts to educate other businesses and local communities on the benefits of brownfields redevelopment and smart growth planning. Since 1995, WEPCO has sponsored several workshops on brownfields redevelopment. In addition, WEPCO initiated the Brownfields Forum, involving participants from regulatory agencies, local communities, citizen groups, site owners, and professionals from the legal, business, financial, and development sectors, to gather and exchange information and formulate proposed solutions to the state’s brownfields challenges. Through these brownfields and smart growth initiatives, WEPCO seeks to help ensure, as Borofka comments, that “we do not create tomorrow’s brownfields today.”

Utility Support Eco-Industrial Park
WEPCO hopes to build on its brownfields and smart growth experience to support an ambitious initiative to reuse the hundreds of acres of abandoned brownfields along the Menomonee River Corridor. WEPCO has partnered with the Menomonee River Valley Business Association, a nonprofit environmental organization, and local government and state participants to plan for the redevelopment of the Menomonee Corridor as a potential “ecological-industrial park.” The Menomonee “E-Park” would promote the efficient use of energy, water, and raw materials and the minimization of waste and pollution, by designing the industrial activities to work in a coordinated and efficient fashion. “The Menomonee Valley concept presents an opportunity to promote site reuse, materials reuse, and environmentally preferable industrial manufacturing, all at a lower cost to the companies involved in the eco-park,” says Borofka. “With the flexibility and support of state and federal environmental regulators, the project could be a model for sustainable development practices.” Indeed, U.S. EPA recently awarded the participants a Sustainable Development Challenge Grant to pursue the E-Park.
Recommended Business Actions to Promote Smart Growth

The NALGEP Smart Growth Advisory Council has found that business leadership in communities is critical to address the challenge of sprawl and promote smart growth. NALGEP recommends the following actions that can be taken by business leaders concerned about sprawl:

1. Increase awareness within your business of the economic impacts of sprawl and consider policies that facilitate analysis and mitigation of these impacts.

2. Participate in studies and analysis of sprawl and smart growth.

3. Foster business-to-business education on the issues of sprawl, smart growth, and better development practices.

4. Get involved in land use and transportation planning activities at the local and metropolitan level.

5. Support downtown revitalization initiatives, including upgrades to existing infrastructure.

6. Support the redevelopment of brownfields and other smart growth development practices, such as infill and mixed-use developments, as alternatives to single-use development of greenfield areas.

7. Promote alternatives to automobile-dependent commuting for employees, such as transit benefits and subsidies, cash-out of employer-paid parking, and ride-sharing programs.

8. Publicize smart growth practices and success stories involving your business.

“Smart growth is pro-growth. We know that developers, banks, and the entire community rely on growth to fuel the economy. The goal is not to limit growth, but to channel it to areas where infrastructure allows growth to be sustained over the long term.”

—Hugh L. McColl, Jr., Chairman and Chief Executive Officer, Bank of America

“Growing smart isn’t anti-growth. Rather, it aims to examine and refocus a pattern of development so that already established cities, towns, and villages can thrive and remain tangible manifestations of our state’s outstanding quality of life.”

—James Dodge, Chairman, President, and CEO, Providence Energy Corporation

“Business leaders are serious about this, and they’ve put their money where there mouths are. Now we need to go out and build broad support for solving our problems—not with our narrow self-interests in mind, but with our collective best interests at heart.”

—George A. Ranney, Jr., CEO, Chicago Metropolis 2020
### Smart Growth Resources

**Business Leaders on Smart Growth**

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<tr>
<th>Company</th>
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<td><strong>Initiative for a Competitive Inner City</strong></td>
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<td>727 Atlantic Avenue, 4th Floor Boston, Massachusetts 02111</td>
<td>(617) 292-2371</td>
<td><a href="http://www.icic.org">www.icic.org</a></td>
</tr>
<tr>
<td><strong>Metro Atlanta Chamber of Commerce</strong></td>
<td>Jim Durrett</td>
<td>235 International Boulevard, Atlanta, Georgia 30303</td>
<td>(404) 586-8406</td>
<td><a href="http://www.metroatlantachamber.com">www.metroatlantachamber.com</a></td>
</tr>
<tr>
<td><strong>Norris, Beggs &amp; Simpson</strong></td>
<td>Clayton Hering</td>
<td>121 S.W. Morrison Street, Suite 200, Portland, Oregon 97204</td>
<td>(503) 273-0333</td>
<td><a href="http://www.nbsrealtors.com">www.nbsrealtors.com</a></td>
</tr>
<tr>
<td><strong>Providence Energy Corporation</strong></td>
<td>James Dodge</td>
<td>100 Weybosset Street, Providence, Rhode Island 02903</td>
<td>(401) 272-5040</td>
<td><a href="http://www.provenergy.com">www.provenergy.com</a></td>
</tr>
<tr>
<td><strong>Pulte Home Corporation</strong></td>
<td>Tim Hernandez</td>
<td>1350 E. Newport Center, Drive, Suite 200, Deerfield Beach, Florida 33442</td>
<td>(954) 426-6100</td>
<td><a href="http://www.pulte.com">www.pulte.com</a></td>
</tr>
<tr>
<td><strong>The Rouse Company</strong></td>
<td>Alton Scavo</td>
<td>10275 Little Patuxent Parkway, Columbia, Maryland 21044</td>
<td>(410) 992-6031</td>
<td><a href="http://www.therousecompany.com">www.therousecompany.com</a></td>
</tr>
</tbody>
</table>
Sierra Business Council
Contact: Tracy Grubbs
P.O. Box 2428
Truckee, California 96160
Phone: (530) 582-4800

Silicon Valley Manufacturing Group
Contact: Carl Guardino
226 Airport Parkway, Suite 190
San Jose, California 95110
Phone: (408) 501-7864
www.svmg.org

Traverse City Area Chamber of Commerce—New Designs for Growth Project
Contact: Keith Charters
P.O. Box 5316
Traverse City, Michigan 49685
Phone: (616) 947-7566
www.tcchamber.org

Wisconsin Electric Power Company
Contact: Brian Borofka
333 W. Everett
P.O. Box 2046
Everett, Wisconsin 53201
Phone: (414) 221-4872
www.wepco.com

The Wolf Organization
Contact: Tom Wolf
20 West Market Street
York, Pennsylvania 17405
Phone: (717) 852-4800

OTHER SMART GROWTH RESOURCES

American Farmland Trust
1200 18th Street, N W, Suite 800
Washington, D C 20036
Phone: (202) 331-7300
www.farmland.org

The Brookings Institution
1775 Massachusetts Avenue, N W
Washington, D C 20036
Phone: (202) 797-600
www.brookings.org

Joint Center on Sustainable Communities (coordinated by the National Association of Counties and the U.S. Conference of Mayors)
440 First Street, N W, Suite 800
Washington, D C 20001
Phone: (202) 942-4224
www.naco.org/programs/special/center/index.cfm

Northeast-Midwest Institute
218 D Street, SE
Washington, D C 20003
Phone: (202) 544-5200
www.nemw.org

Smart Growth Network (coordinated by the International City/County Management Association)
777 North Capitol Street, N E, Suite 500
Washington, D C 20002
Phone: (202) 962-3591
www.smartgrowth.org

Surface Transportation Policy Project
1100 17th Street, N W, 10th Floor
Washington, D C 20036
Phone (202) 466-2636
www.transact.org/stpp.htm

The Urban Land Institute
1025 Thomas Jefferson Street, N W,
Suite 500W
Washington, D C 20007
Phone: (800) 321-5011
www.uli.org
# List of Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company/ Organization</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Harry Alford</td>
<td>President &amp; CEO</td>
<td>National Black Chamber of Commerce</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>Helen Anderson</td>
<td>President</td>
<td>Rayvern Lighting Supply Company, Inc.</td>
<td>Paramount, California</td>
</tr>
<tr>
<td>Louis Appell</td>
<td>President</td>
<td>Susquehanna Pfaltzgraft</td>
<td>York, Pennsylvania</td>
</tr>
<tr>
<td>Ken Aupperle</td>
<td>Vice President</td>
<td>Team Associates, Inc.</td>
<td>Chattanooga, Tennessee</td>
</tr>
<tr>
<td>D. J. Baxter</td>
<td>Scenarios Manager</td>
<td>Envision Utah</td>
<td>Salt Lake City, Utah</td>
</tr>
<tr>
<td>Brian Bochner</td>
<td>Senior Vice President</td>
<td>Parsons Transportation Group, Inc.</td>
<td>Chicago, Illinois</td>
</tr>
<tr>
<td>Brian Borofka</td>
<td>Manager of Environmental Affairs</td>
<td>Wisconsin Electric Power Company</td>
<td>Everett, Wisconsin</td>
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<tr>
<td>Laslo Boyd</td>
<td>Vice President</td>
<td>Greater Baltimore Committee</td>
<td>Baltimore, Maryland</td>
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<tr>
<td>Sam Brooks</td>
<td>President</td>
<td>S. Brooks &amp; Associates</td>
<td>Portland, Oregon</td>
</tr>
<tr>
<td>Keith Charters</td>
<td>Project Coordinator—New Designs for Growth</td>
<td>Traverse City Area Chamber of Commerce</td>
<td>Traverse City, Michigan</td>
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<tr>
<td>Jim Clark</td>
<td>Chief Planning Officer</td>
<td>American Stores</td>
<td>Salt Lake City, Utah</td>
</tr>
<tr>
<td>Ellison Clary</td>
<td>Senior Vice President</td>
<td>Bank of America</td>
<td>Charlotte, North Carolina</td>
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<tr>
<td>Robert Colangelo</td>
<td>Publisher</td>
<td>Brownfield News</td>
<td>Arlington Heights, Illinois</td>
</tr>
<tr>
<td>James Dodge</td>
<td>Chairman, President &amp; CEO</td>
<td>Providence Energy Corporation</td>
<td>Providence, Rhode Island</td>
</tr>
<tr>
<td>David D’Onofrio</td>
<td>Director of Governmental and Public Affairs</td>
<td>National Small Business United</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>Jennifer DuBose</td>
<td>EcoSense Program Manager</td>
<td>Interface Research Corp.</td>
<td>Kennesaw, Georgia</td>
</tr>
<tr>
<td>Ed Duffy</td>
<td>Vice President—Special Projects</td>
<td>Philadelphia Industrial Development Corporation</td>
<td>Philadelphia, Pennsylvania</td>
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<td>Tom Estock</td>
<td>Environmental Director</td>
<td>Quad Graphics</td>
<td>West Suffox, Wisconsin</td>
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<tr>
<td>Rob Fowler</td>
<td>Executive Director</td>
<td>Council of Smaller Enterprises</td>
<td>Cleveland, Ohio</td>
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<tr>
<td>John Goff</td>
<td>Vice President of Development</td>
<td>Cousins Properties Incorporated</td>
<td>Charlotte, North Carolina</td>
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<td>David Goss</td>
<td>Director</td>
<td>Build Up Greater Cleveland</td>
<td>Cleveland, Ohio</td>
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<tr>
<td>Tracy Grubbs</td>
<td>Director of Special Projects</td>
<td>Sierra Business Council</td>
<td>Truckee, California</td>
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<td>President and CEO</td>
<td>Silicon Valley Manufacturing Group</td>
<td>Santa Clara, California</td>
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<td>Anne Habiby</td>
<td>Director of Research and Communication</td>
<td>Initiative for a Competitive Inner City</td>
<td>Boston, Massachusetts</td>
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<tr>
<td>Kenneth Heller</td>
<td>General Manager</td>
<td>NuTech Environmental Corporation</td>
<td>Denver, Colorado</td>
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<tr>
<td>Clayton Hering</td>
<td>President</td>
<td>Norris, Beggs &amp; Simpson</td>
<td>Portland, Oregon</td>
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<td>Tim Hernandez</td>
<td>Vice President of Land and Marketing</td>
<td>Pulte Home Corporation</td>
<td>Deerfield Beach, Florida</td>
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<tr>
<td>Dick Herring</td>
<td>General Manager</td>
<td>Gloucester Company, Inc.</td>
<td>Franklin, Massachusetts</td>
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<tr>
<td>Jan Herrold</td>
<td>Executive Director</td>
<td>BetterYork</td>
<td>York, Pennsylvania</td>
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<tr>
<td>Nancy Hirshberg</td>
<td>Director of Natural Resources</td>
<td>Stonyfield Farms</td>
<td>Londonderry, New Hampshire</td>
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<tr>
<td>Fred Hoffman</td>
<td>Director for State Relations</td>
<td>DaimlerChrysler</td>
<td>Auburn Hills, Michigan</td>
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<tr>
<td>Tom Hubbard</td>
<td>Vice President of Development and Analysis</td>
<td>MassachusettsTechnology Collaborative</td>
<td>Westborough, Massachusetts</td>
</tr>
<tr>
<td>Harold Igdaloff</td>
<td>President</td>
<td>Sungro Chemicals, Inc.</td>
<td>Los Angeles, California</td>
</tr>
<tr>
<td>Alistair Jackson</td>
<td>Director of Values and Vision</td>
<td>The Body Shop</td>
<td>Wake Forest, North Carolina</td>
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<tr>
<td>Thomas Kennedy</td>
<td>Community Relations Coordinator</td>
<td>Florida Power Corporation</td>
<td>Clearwater, Florida</td>
</tr>
<tr>
<td>Bruce Liimatainen</td>
<td>President</td>
<td>A. Finkl &amp; Sons, Co.</td>
<td>Chicago, Illinois</td>
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<tr>
<td>Don Margenthaler</td>
<td>President</td>
<td>John Deere Foundation</td>
<td>Moline, Illinois</td>
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<tr>
<td>Dee Miller</td>
<td>Managing Director</td>
<td>Staubach Company</td>
<td>Vienna, Virginia</td>
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<tr>
<td>Ed Mongan</td>
<td>Manager of Environmental Stewardship</td>
<td>DuPont</td>
<td>Wilmington, Delaware</td>
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<tr>
<td>Randy Muller</td>
<td>Vice President &amp; Manager of Environmental Risk</td>
<td>Bank of America</td>
<td>Chicago, Illinois</td>
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<tr>
<td>Paul Redcliffe</td>
<td>Economic Development Manager</td>
<td>Electric Power Research Institute</td>
<td>Palo Alto, California</td>
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<td>George Ranney</td>
<td>President and CEO</td>
<td>Chicago Metropolitan 2020</td>
<td>Chicago, Illinois</td>
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<tr>
<td>Bruce Rasher</td>
<td>Vice President</td>
<td>Consumers Renaissance Development Corporation</td>
<td>Jackson, Michigan</td>
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<tr>
<td>Roy Rogers</td>
<td>Senior Vice President</td>
<td>Arvida Company</td>
<td>Weston, Florida</td>
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<tr>
<td>Alton Scavo</td>
<td>Senior Vice President</td>
<td>The Rouse Company</td>
<td>Columbia, Maryland</td>
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<tr>
<td>Regina Schofield</td>
<td>Manager—Environmental Issues</td>
<td>International Council of Shopping Centers</td>
<td>Alexandria, Virginia</td>
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<tr>
<td>Jean Scott</td>
<td>Executive Director</td>
<td>BluegrassTomorrow</td>
<td>Lexington, Kentucky</td>
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<tr>
<td>Tommy Shealy</td>
<td>Senior Vice President</td>
<td>Bank of America</td>
<td>Charlotte, North Carolina</td>
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<tr>
<td>Alan Sprott</td>
<td>Environmental Manager</td>
<td>Cascade General</td>
<td>Portland, Oregon</td>
</tr>
<tr>
<td>John Stranix</td>
<td>President, MCI Center Operations</td>
<td>Washington Sports &amp; Entertainment</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>Bill Struever</td>
<td>CEO</td>
<td>Struever Bros. Eccles &amp; Rouse</td>
<td>Baltimore, Maryland</td>
</tr>
<tr>
<td>Joan Thompson</td>
<td>Executive Vice President</td>
<td>Minnesota Wire &amp; Cable</td>
<td>Saint Paul, Minnesota</td>
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<tr>
<td>Louis Van Daele</td>
<td>President</td>
<td>Diamond Animal Health</td>
<td>Des Moines, Iowa</td>
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<tr>
<td>Dolores Wilson</td>
<td>Vice President of Business Development</td>
<td>Denver Metro Chamber of Commerce</td>
<td>Denver, Colorado</td>
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<tr>
<td>Thomas Wolf</td>
<td>President</td>
<td>The Wolf Organization</td>
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