

# REGIONAL CITIES TOUR

## FREQUENTLY ASKED QUESTIONS (FAQ)

During the last week of October 2014, the Indiana Economic Development Corporation (IEDC), assisted by Fourth Economy Consulting, traveled across the state to present and discuss the findings of the Regional Cities Initiative benchmarking study. The tour included stops in the following communities:

- Evansville
- Sellersburg
- Indianapolis
- Crown Point
- Fort Wayne

With approximately 250 community leaders attended the meetings, many great questions came up about the initiative, so the following represent the most frequently asked questions and the common responses provided by the IEDC and Fourth Economy (organized by subject).

## MOTIVATION

**Q: Were the transformations in most of the benchmark communities driven by crisis or a desire to be better?**

A: It generally was a mix of regions in crisis and others that were “good enough” but wanted more. Even now, when all of the communities are arguably great, they are still searching for ways to improve- not just in relation to their peer cities but also to those above their weight class. None of these cities are resting, which is further evidence that the time for Indiana to act is now.

**Q: When did the mindset change from being content with the status quo to demanding more?**

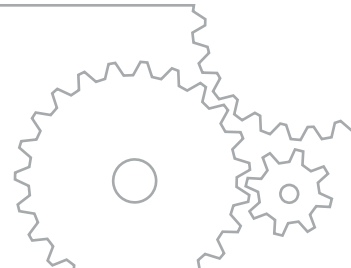
A: In most cases, private sector leadership drove that change in thinking and led the development of strategic plans, which gave public sector leaders political cover and allowed them to make progress.

**Q: Do you think we have the necessary visionaries in our community?**

A: Every community in Indiana likely has a surplus of leadership, but what made the transformational communities unique was that their leaders aligned behind a strategy and focused on execution.

**Q: Did you find any regions that were past the point of revitalization?**

A: Though today it's hard to imagine that these transformed regional cities were in poor condition, many of them really were in disrepair. The prior economic transformations and cycles negatively impacted the vast majority of the communities. For instance, Raleigh was described as “Deadville” by Forbes Magazine; people drag-raced in downtown Denver because it was so vacant; and Durham was full of vacant buildings. The communities undertook full-scale redevelopment of their downtowns—investing in new infrastructure, housing, civic amenities, and parks.



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## FREQUENTLY ASKED QUESTIONS (FAQ)—cont.

### SELECTING THE COMMUNITIES

**Q: Many of the communities have major universities. Was that a criteria or simply a common theme?**

A: It was not a criterion for selecting the regional cities. However, this was not a surprise as colleges and universities are often key to attracting and retaining young talent, can support place-based development through campus and residential planning, and can support industry growth through tailored curriculum and engagement in R&D. However, their presence alone is not sufficient to create transformation. In many cases, it wasn't until the university increased their community engagement that they positively impacted regional talent attraction, development, and industry growth.

**Q: Many of the benchmark regional cities are state capitals. Is that a coincidence?**

A: Again, that was not a criterion. In fact, many of the communities were at odds with their state and being a capital wasn't a huge economic driver.

**Q: Were there any regional cities in Indiana, or the Midwest, that ranked high? How did Indiana regional cities compare with the benchmarks?**

A: In general, the South and the West have been the winners in terms of attracting talent. Indiana regional cities were not benchmarked against the case study regional cities though, due to interest that may be a follow-on piece to this project. For now, however, these regions should be considered Indiana's competition.

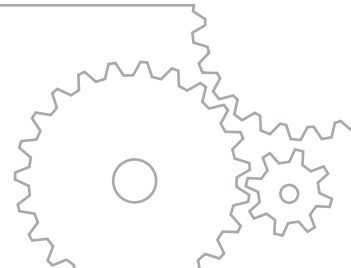
### DEFINING REGION

**Q: Were there any communities that bordered another state or whose core was in a different state?**

A: None of the regional cities had that dynamic, but we truly believe that it would not have made a difference – the disregard for political borders was one of the key variables that led these regional cities to transformation. Private sector leaders who encouraged cross-border collaboration and public sector leaders who recognized that what was good for one community was good for the region were seen in every transformed regional city.

**Q: What made these plans regional? How many counties on average were part of the region? How were counties incorporated into the strategies?**

A: On average, each regional city included about 10 counties. A common theme from representatives was that they recognized the direct connection between the success of surrounding communities and the success of the urban core. However, regional success did not just happen. It was because of the inclusive involvement in the regional planning and strategy execution that all stakeholders were able to advance. The actions articulated in the strategies were for all communities and were complementary. There was purposeful thinking about how to come together as a region to make a holistic plan.



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## FREQUENTLY ASKED QUESTIONS (FAQ)—cont.

### **Q: What transformation happened to outlying communities?**

A: Often times, companies were attracted to the region by the amenities of the central city but ultimately wanted to be located in the outlying communities. Suburban and rural communities understood the profile of companies being attracted and responded by making sure they had the appropriate amenities. Individual counties defined their niche in the region and deals naturally followed those strengths. Jobs, assessed value, and population increased everywhere as companies were attracted to the region. This experience was backed up by data, which showed exponential growth in both the center city and the surrounding counties.

## COLLABORATION

### **Q: Describe any common civic infrastructure. Were there institutions that provided a framework for local political leadership to meet on a regular basis?**

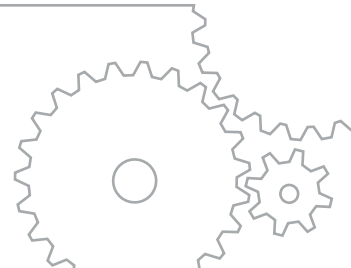
A: Often a civic intermediary (e.g. a regional economic development organization or chamber of commerce) facilitated collaboration amongst public leaders. However, it also took leadership from a few public leaders to demonstrate regional collaboration, which then encouraged others.

The level of formality varied from community to community. Denver was by far the most formal; they have a code of ethics signed by the public leaders from every community and a tribunal of peers that reviews infractions and doles out punishment. The first to be “convicted” was the leader of the regional economic development corporation who had led the creation of the code of ethics. He was required to write a letter in the paper admitting his transgression and publicly apologize. The action demonstrated the true level of accountability and commitment to regional collaboration.

### **Q: What were the relationships like as the vision was being developed? Was the vision put out by a leader and everyone rallied around it? Was there trust already established across political boundaries?**

A: Private sector leaders demanded collaboration across borders and sectors and gave public leaders political cover to work together. Furthermore, private sector leaders often have greater longevity within the community. The creation of a regional strategy – and the regular review of progress and updating of the plan – allowed for a process that was inclusive, transparent, and action-oriented. Moreover, the civic infrastructure that brought all of the stakeholders together and facilitated the development of the plan was often an organization with longevity that supported collaboration over time.

This sense of regional collaboration began to spill over into other areas of political and civic life. Though many of the regional cities would tell you that a decade ago there was major competition and ill will between communities, during the interviews conducted for this study, no one said anything negative about another leader. Trust had been forged through mutual commitment towards a common goal.



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## FREQUENTLY ASKED QUESTIONS (FAQ)—cont.

**Q: Our community has a strategy, now it's a matter of implementation. Was there a common catalyst behind progress?**

A: The role of a civic entrepreneur was an important part of that equation in every community. There were individuals who took responsibility for specific actions within their plan and who had support from the public-private civic infrastructure. Every community needs to identify and empower those civic entrepreneurs and hold them accountable. As the name implies, they made money by developing projects but also took substantial risk for the positive transformation of their community.

## FINANCING MODELS

**Q: What was the mix of public versus private financing?**

A: Most transformation efforts started with the development of a strategy, largely funded by the business community. To implement the strategy, the public partners were often the first money in and majority funder. They took the first-loss position, and they signaled to the private sector where they wanted investment to occur by funding infrastructure and quality-of-place investments. Eventually, as success was demonstrated and the market strengthened, the private sector became the major funder of projects, with public investment dwindling to 20 percent or less. One common theme was the use of public-private partnerships.

**Q: What was the role of the state, especially in allowing for self-taxing or regional revenue sharing?**

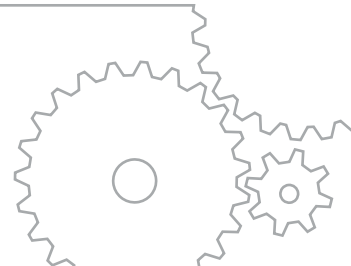
A: Local leaders used a variety of funding tools, such as local sales and hotel taxes. There were several examples of community ballot measures to enact regional penny taxes. Special financing districts for discreet projects were also seen in several communities. Local financing tools were used creatively and to maximum impact.

However, aside from the ability to enact local taxes, many of the regional cities had little support from their state government. Several, including Denver, Austin, Nashville, and Raleigh/Durham, actually articulated that they transformed in spite of their state. The impetus and vision always came from local leadership, and the financial support of the private sector enabled them to make change despite a lack of state resources.

## MOVING FORWARD

**Q: What are the next steps? What can we do with the study?**

A: Encourage leaders in your community to read the study. From there, begin to rally the community—some of these communities did more than 100 public forums to start the planning process. Also, identify your civic entrepreneurs and deal makers who can make things happen and then set deadlines. Pick a few items to accomplish quickly to show progress and develop momentum.



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## FREQUENTLY ASKED QUESTIONS (FAQ)—cont.

**Q: What is the focus and scale of what you are taking to the legislature?**

A: The state's intentions are to figure out how to partner with local/regional leaders. The state can't require planning or dictate the definition of "quality-of-place" – it's looking to the regional cities to define their own path.

The state's next steps are to negotiate internally and with the general assembly, which will likely be a six-month process, to determine the proper role for the state. The IEDC has been meeting with individual legislators to draft model legislation and ensure there are no surprises.

**Q: How can local and regional leaders truly send a message to the state that quality of place is core economic development and we need the tools to do it?**

A: The general assembly is comprised of people elected by local and regional stakeholders. Please have a conversation with your elected officials to express your views and support of this project.