Metropolitan Economic Strategy, Sustainable Innovation, and Inclusive Prosperity for Rio Grande do Sul

CEGOV, UFRGS
GT Democracia Participativa, Sociedade Civil e Territorio
Porto Alegre, October 7, 2014

Dr. Marc A. Weiss
Chairman and CEO
Global Urban Development (GUD)
Rio Grande do Sul: Most Sustainable and Innovative Place in Latin America by 2030
Oportunidades de Desenvolvimento Local e Regional relacionados a Implementação do Estaleiro EBR de São José do Norte, no Rio Grande do Sul

Relatório do Global Urban Development (GUD) para o Grupo Empresarial M. Stortti Consultores, Federação das Indústrias do Rio Grande do Sul (FIERGS) e para a Agencia de Desenvolvimento e Promoção do Investimento do Rio Grande do Sul (AGDI)

Dezembro de 2012

Introdução

O Global Urban Development (GUD) foi contratado para complementar o Relatório Avaliação dos Impactos Locais e Regionais devidos à Implantação do Estaleiro EBR de São José do Norte, do Grupo Empresarial M. Sortti para a FIERGS. A avaliação
RELATÓRIO PARA A OCDE E O GOVERNO DO PAÍS DE GALES SOBRE A INICIATIVA DE DESENVOLVIMENTO ECONÔMICO ESTRATÉGICO DA NOMA (NORTE DA AVENIDA MASSACHUSETTS) EM WASHINGTON, DC

Dr. Marc A. Weiss, Presidente e CEO, Global Urban Development

Maio 2008

[Nota: em 18 de junho de 2012, a Estação de Metro New York Avenue foi oficialmente rebatizada como Estação de Metro NoMa.]

1. Base lógica para a iniciativa

Problema alvo: Em 1997 a cidade de Washington, DC estava sofrendo de baixo crescimento de empregos, desenvolvimento e novos investimentos insuficientes, perda de população, receitas governamentais declinantes, e vizinhança de baixa renda problemática. Formular e implementar uma grande e nova estratégia de desenvolvimento econômico orientada para o setor privado tornara-se uma necessidade vital.

Contexto político: Durante agosto de 1997, o Congresso dos EUA aprovou legislação, assinada pelo Presidente Clinton, intitulada Ato de Revitalização da Capital Nacional. Essa lei foi primariamente projetada visando os desequilíbrios fiscais estruturais de longo-prazo prejudicando a viabilidade financeira do Governo do Distrito de Columbia, que estava operando sob déficits orçamentários substanciais, incapaz de levantar receita suficiente para cumprir suas despesas obrigatórias. Dois anos antes, o governo federal criou a Autoridade de Responsabilidade Financeira e Assistência Administrativa do Distrito de Columbia (a “Controladoria”) para ordenar substanciais reduções em gastos e pessoal, e para gerenciar diretamente o governo de DC. Em 1997, a Controladoria recebeu a incumbência do Congresso de produzir um plano de desenvolvimento econômico estratégico para aumentar negócios do setor privado e empregos para os residentes de DC, entre outras razões, com o intuito de ampliar a base de receitas e impostos.
A Post-Industrial Brazilian Neighborhood Aims to be Latin America’s Silicon Valley

BY GREG SCRUGGS | NEXT CITY | JUNE 19, 2014

On June 9, Nós hosted its latest working group on the 4º Distrito and invited Dr. Marc Weiss, international professor of economics and business management at Unisinos Porto Alegre. Weiss is chairman and CEO of Global Urban Development, a network of urban affairs leaders, and currently advising the Rio Grande do Sul state government on metropolitan economic strategy.

In 1998, he authored a strategic economic development plan for Washington, D.C. that fingered the area north of Massachusetts Avenue, which he coined “NoMa,” as a potential development opportunity in a blighted area, anchored by media companies and accessible by a new Metro station. The results today are total assessed real estate values in the billions of dollars and 40,000 workers daily, which have injected activity into the neighborhood.

Weiss presented the NoMa story as a parable for the 4º Distrito. He tells Next City, “Porto Alegre could become a major center for software development, computer and video games, and music studios. SAP, Dell and HP all have major software developers here.” Thinking big, Weiss argues that the 4º Distrito represents a larger potential shift in the local economy by diversifying into services and away from Brazil’s historic reliance on natural resources.

“What California did over the last three decades, Rio Grande do Sul could do over the next two decades,” he says. Indeed, the rise of Silicon Valley hasn’t meant the death of agriculture in the Central Valley (drought conditions notwithstanding) as the state has shown that a new industry, like tech, can keep an economy resilient when other sectors suffer.
MARC A. WEISS

Metropolitan Economic Strategy: The Key to Prosperity

Metropolitan Economic Strategy is now essential for every nation and urban region to generate sustainable prosperity and quality of life.
METROPOLITAN ECONOMIC STRATEGY: ADVANCING INNOVATION AND PROSPERITY

- Knowledge and Information-Based
- Technology and Communications-Intensive
- Urban and People-Centered
- Resource Efficient and Sustainable
- Globally Oriented
Urban Development and Economic Prosperity

Figure 1. In every nation, the urban share of national income is higher than the urban share of the national population.

Source: Based on the World Bank World Development Report and WB World Development Indicators
Why Urban Areas are More Economically Productive

They combine **SPECIALIZATION** and **DIVERSITY**: 

- the critical mass of skills and resources;
- the necessary population density and concentration of market incomes;
- the range of specialized knowledge and institutions;
- the wide diversity of vitally needed facilities and services;
- and the fully developed physical and human infrastructure that are prerequisites for new ideas, products and production methods, technological and organizational innovations, and dynamic economic growth and investment.
KEY ECONOMIC ROLES FOR CENTRAL CITIES AND URBAN REGIONS

• centers of innovation and services, including advanced and highly specialized services
• centers of communication, culture, sports, entertainment, conventions, and tourism
• centers of education, research, and health care
• centers of transportation and trade
• centers of manufacturing and technology development
• market centers
• workforce centers
Investing in Fundamental Assets and Building Dynamic Industry Networks

A good economic strategy consists of two key elements:

1) building from strength — investing in the fundamental assets and activities that make people more productive and places more valuable;

2) generating dynamism — promoting modern, globally competitive industry networks that accelerate the pace of innovation and growth.
PEOPLE are the most vital economic asset in the world

INVESTING IN FUNDAMENTAL ECONOMIC ASSETS:

– Transportation
– Infrastructure
– Education
– Workforce Development
– Research
– Technology
– Markets
– Capital
– Health
– Safety
– Environment and Amenities
– Culture
– Quality of Life
### INDUSTRY NETWORKS IN THE US, 1996

**Figure 2: America’s Industry Networks: Selected Economic Indicators**

<table>
<thead>
<tr>
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<td>Business &amp; Professional Services</td>
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<td>2.5%</td>
<td>-32%</td>
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<td>$33,399</td>
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<td>Health Services</td>
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<td>3.6%</td>
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<td>13%</td>
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<td>Entertainment &amp; Tourism</td>
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<td>Financial Services</td>
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<td>16%</td>
<td>34%</td>
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<td>Housing &amp; Construction</td>
<td>49%</td>
<td>0.6%</td>
<td>0%</td>
<td>-9%</td>
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<td>Medical Products</td>
<td>45%</td>
<td>-0.4%</td>
<td>66%</td>
<td>16%</td>
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<td>Transportation &amp; Trade Svs.</td>
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<td>2.0%</td>
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<td>Industrial Supplies</td>
<td>31%</td>
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<td>Printing &amp; Publishing</td>
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<td>-0.8%</td>
<td>3%</td>
<td>1%</td>
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<td>Electronics &amp; Communication</td>
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<td>-1.3%</td>
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<td>14%</td>
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<td>Transportation Equipment</td>
<td>7%</td>
<td>2.9%</td>
<td>64%</td>
<td>8%</td>
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<tr>
<td>Materials Supplies</td>
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<td>60%</td>
<td>3%</td>
<td>$32,103</td>
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<tr>
<td>Aerospace &amp; Defense</td>
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<td>-8.5%</td>
<td>54%</td>
<td>10%</td>
<td>$44,119</td>
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<td>Agriculture &amp; Food Processing</td>
<td>-17%</td>
<td>-1.5%</td>
<td>75%</td>
<td>18%</td>
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<tr>
<td>Natural Resources</td>
<td>-18%</td>
<td>-3.7%</td>
<td>77%</td>
<td>9%</td>
<td>$43,076</td>
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<tr>
<td>Industrial Machinery</td>
<td>-20%</td>
<td>-0.1%</td>
<td>86%</td>
<td>-5%</td>
<td>$38,391</td>
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<tr>
<td>Consumer Goods</td>
<td>-23%</td>
<td>-0.9%</td>
<td>79%</td>
<td>12%</td>
<td>$37,796</td>
</tr>
<tr>
<td>Apparel &amp; Textiles</td>
<td>-28%</td>
<td>-1.7%</td>
<td>117%</td>
<td>0%</td>
<td>$20,754</td>
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</table>

METROPOLITAN ECONOMIC STRATEGY

TWO TYPES OF MOTIVATION

Crisis: Barcelona, Singapore

Opportunity: Shanghai, Austin
THE VALUE OF INCLUSIVE ECONOMIC DEVELOPMENT

Cape Town, South Africa: “Our Golden Thread”

“It is not a question of choosing global competitiveness or the reduction of poverty — Cape Town will achieve both or neither. Reducing poverty will strengthen global competitiveness, and global competitiveness will permit reduction of poverty through economic growth and job creation.”
An old adage states: “Give a person a fish, and he or she will eat for a day. Teach a person to fish, and he or she can eat for a lifetime.” Public policies for reducing poverty reflect these two approaches, providing either subsidies or training. But what if most low-income people are already “fishing” by working diligently to produce and distribute goods and services, yet they simply are not earning enough? If this is the real problem, then it calls for comprehensive solutions based on “Inclusive Economic Development Strategies” with mainstream society actively supporting the efforts of low-income people to enhance their incomes, productive capabilities, and entrepreneurial opportunities. Global Urban Development (GUD), an international non-profit organization founded on the principle of “Inclusive Economic Development: Treating People and Communities as Assets” is launching the Community Productivity Project (CPP) together with Shack/Slum Dwellers International (SDI) and the United Nations. The CPP is designed to establish a new policy paradigm by documenting how productive low-income people are, how hard they work, how much value they create, and the close relationships of their economic activities to the formal economic system.
KEY LESSONS FOR ECONOMIC DEVELOPMENT

LESSON 1: THINK AND ACT STRATEGICALLY
LESSON 2: CREATE COMMON IDENTITY AND SENSE OF PURPOSE
LESSON 3: INVOLVE EVERYONE
LESSON 4: TAKE ACTION AND PRODUCE RESULTS
LESSON 5: BUILD ON THE FUNDAMENTALS
LESSON 6: FOCUS ON THE BIG RESOURCES
LESSON 7: BE YOURSELF
LESSON 8: COLLABORATE WITH AND SUPPORT THE PRIVATE SECTOR
LESSON 9: BE COMPREHENSIVE – LINK GROWTH OF BUSINESSES, JOBS, AND INCOMES TO PEOPLE AND PLACES
LESSON 10: CONNECT TO THE DYNAMICS OF THE REGIONAL ECONOMY
LESSON 11: WORK WITH AND STRENGTHEN CIVIL SOCIETY
LESSON 12: IMPROVE QUALITY OF LIFE – SUSTAINABILITY AND INCLUSIVENESS

The Origins and Legacy of Urban Renewal

Marc A. Weiss

“I just hope that we’ll be very careful that you don’t use the words ‘urban renewal’ too often. That has a bad connotation.” This was Senator Hubert Humphrey’s response in the summer of 1977, to a suggestion that the federal urban renewal program, which had terminated at the end of 1974, should be revived.¹

A decade of riots and protest in ghetto communities, much of it aimed at the unpopular “Negro removal” program, had the former vice-president and his colleagues on the defensive. And with good reason. Urban renewal agencies in many cities demolished whole communities inhabited by low income people in order to provide land for the private development of office buildings, sports arenas, hotels, trade centers, and high income luxury dwellings.
Sustainable Economic Development Strategy for Berkeley, California, 1979-84

PENSION FUND INVESTMENTS:
THE ISSUE OF CONTROL

STUDIES IN PENSION FUND INVESTMENTS

By Marc A. Weiss
Copyright 1978
Published in conjunction with the Center for Economic Studies
457 Kingsley Avenue,
Palo Alto, California 94301

CENTER FOR ECONOMIC STUDIES
CONFERENCE ON ALTERNATIVE STATE AND LOCAL POLICIES
Urban & Regional Economic Development and National Policy

URBAN IMPACTS OF DEVELOPMENT OF
THE HACKENSACK MEADOWLANDS

Michael B. Teitz
Marc Weiss

March 3, 1979

Report to Marshall Kaplan,
Deputy Assistant Secretary for
National Urban Policy
U.S. Department of Housing and
Urban Development
Order No. HUD-5173-79
High-technology industries and the future of employment

MARC A. WEISS

How should high-technology be defined? What type of employment does it create and what is its effect on other employment sectors? What part can economic development policy play in the overall employment process?

Discussions of deliberate government policy to subsidize and encourage the growth of high-technology industry confront three sets of problems: first, how to define high-technology industry; second, how to determine the goals and distributional impacts of an economic
State and Local Government Roles in Industrial Innovation

Michael Peltz and Marc A. Weisz

A rapidly increasing number of state and local governments are creating programs to stimulate technological innovation and growth of high-technology industries. Most of these governments have adopted strategies to attract relocating or expanding high-technology firms. Others are trying to encourage local innovation and business development by supporting basic and applied research and the commercial application of innovative products and processes through new business startups and the expansion or modernization of existing firms. Government programs for economic development through technological innovation can be categorized as follows: policy development; education and training; support for research; technical and management assistance; and financial assistance. Many of the programs are new, and their results are difficult to evaluate. Nevertheless, experience to date suggests that successful strategies are likely to be those that (1) integrate various programs under consistent policy objectives; (2) tightly target programs to maintain control over costs and benefits; and (3) adopt as a primary goal the development of an indigenous and economically diverse industry/technology/employment base.
Sustainable Innovation
“Getting Richer by Becoming Greener”

Sustainable Economic Development Strategies generate substantial economic and employment growth and sustainable business and community development by demonstrating that innovation, efficiency, and conservation in the use and reuse of all natural and human resources is the best way to increase jobs, incomes, productivity, and competitiveness.

In addition, Sustainable Economic Development Strategies are the most cost-effective method of promoting renewable energy and clean technologies, protecting the environment, and preventing harmful impacts from climate change.
PROTECTING AND SUSTAINING THE PHYSICAL AND NATURAL ENVIRONMENT OF URBAN REGIONS TO PRESERVE AND ENHANCE QUALITY OF LIFE

- encouraging energy efficiency and resource conservation;
- improving clean air and conserving clean water;
- cleaning up and redeveloping toxic and polluted “brownfield” land;
- renovating historic structures and investing in urban cultural heritage;
- maintaining the beauty of natural landscapes and preserving agricultural land;
- increasing the accessibility of biking and hiking pathways and open spaces;
- curbing metropolitan sprawl and traffic congestion;
- reinvesting in older towns, cities, and inner-ring suburbs;
- expanding transit and other pedestrian and public transportation alternatives;
- promoting ecological and heritage tourism;
- developing parks and recreational amenities;
- developing “green” buildings, infrastructure, and communities;
- increasing recycling and the use of renewable energy sources;
- reducing greenhouse gas emissions;
- strengthening community planning and design.
The Economic Value of Quality of Life

“Over the long term, places with strong, distinctive identities are more likely to prosper than places without them. Every place must identify its strongest, most distinctive features and develop them or run the risk of being all things to all persons and nothing special to any. [...] Livability is not a middle class luxury. It is an economic imperative.”

MIT Economics Professor Robert M. Solow
Winner of the 1987 Nobel Prize in Economic Sciences
From the California Commission on Industrial Innovation to Green Innovation and Clean Technology
California’s $56 Billion Green Savings

Per Capita Electricity Sales (not including self-generation) (kWh/person) (2006 to 2008 are forecast data)

United States

2005 Differences
= 5,300kWh/yr
= $165/capita

California

Per Capita Income in Constant 2000 $

<table>
<thead>
<tr>
<th>Year</th>
<th>US GDP/capita</th>
<th>US GDP/capita % change</th>
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</thead>
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<tr>
<td>1975</td>
<td>16,241</td>
<td>94%</td>
</tr>
<tr>
<td>2005</td>
<td>31,442</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Cal GSP/capita</th>
<th>Cal GSP/capita % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>18,760</td>
<td>79%</td>
</tr>
<tr>
<td>2005</td>
<td>33,536</td>
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</table>

Source: *Energy Efficiency: The first and most profitable way to delay Climate Change*
UCLA Institute of the Environment Oppenheim Lecture February 25, 2008
Arthur H. Rosenfeld, Commissioner California Energy Commission
Green Savings

(Pathways to a Low-Carbon Economy, McKinsey & Company, 2009)
$5.7 Trillion Global Business Investment in Green Opportunities since 2007

GREEN TRANSITION SCOREBOARD®

More than $5.7 trillion has already been invested by the private sector in sustainable companies and technologies globally since 2007. www.greentransitionscoreboard.com
Sustainable Innovation in Business

CONFESSIONS OF A RADICAL INDUSTRIALIST
PROFITS, PEOPLE, PURPOSE—DOING BUSINESS BY RESPECTING THE EARTH

RAY C. ANDERSON
with ROBIN WHITE
Types of Sustainable Businesses

**Clean Tech Businesses**

- Develop and market environmental products and services that are resource efficient and benefit the environment

  - Clean Energy Sources
  - Energy Efficiency
  - Green Production Practices
  - Pollution Mitigation, Conservation, and Restoration
  - Support Services

**Green Businesses**

- Manage their business enterprises in ways that are resource efficient and benefit the environment
The Four Greens

• **Green Savings** — cutting costs for businesses, families, communities, and governments by efficiently using renewable resources and by reducing and reusing waste

• **Green Opportunities** — growing jobs and incomes through business development and expanding markets for resource efficiency, sustainability, and clean technologies

• **Green Talent** — investing in fundamental assets such as education, research, technological innovation, and modern entrepreneurial and workforce skills, because people are now the world’s most vital green economic resource

• **Green Places** — establishing sustainable transportation and infrastructure, and protecting and enhancing the natural and built environment, to create more attractive, livable, healthy, vibrant, prosperous, productive, and resource-efficient areas and communities.
Real Estate Development, Community Economic Development, and National Housing Policy 1984-1992
Community Planning for Technological Development
A New Bargaining Process

Marc A. Weiss
and
John T. Metzger

This article outlines a process of "community collective bargaining" where community representatives join workers, corporate managers, and investors in negotiating trade-offs to achieve conflicting goals for technological development. The bargaining model is constructed from experiences in Chicago and Pittsburgh. The Chicago case, in which neighborhood organizations bargained with the city's large banks to increase inner-city lending, provides a general framework for understanding broadly based negotiations over structural economic issues. The Pittsburgh case offers an example of this negotiating framework applied to high-technology development.

High-technology industries are increasingly becoming the focus of attention for economic planners around the country. State and local governments are designing programs to stimulate technological innovation and the growth of high-technology industries. These economic development programs, geared to attracting and supporting new and expanding high-technology firms, range from policy development, education and training to support for research, technical and management assistance, and financial assistance (Peltz and Weiss). While
Recommendations for the Establishment of A Multibank Community Development Corporation for Economic Development in South Central Los Angeles

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Own Your Own Home: The Triumphs and Challenges of American Homeownership Policy

Marketing and Financing Home Ownership: Mortgage Lending and Public Policy in the United States, 1918-1989

Marc A. Weiss
Columbia University

Since the early part of this century, there have been extensive efforts by business, government, and the media to promote urban and suburban home ownership as a superior way of life to tenancy. President Hoover captured this attitude in an important national speech in 1931: "they never sing songs about a pile of rent receipts" [15, p. 2]. Ironically, one of the main goals of this broad coalition was to make owning more like renting in one crucial respect: the flow of cash expenditures. If people could purchase a house with a small initial outlay and modest monthly payments, then the economic barriers to home ownership would disappear for the majority of moderate income families. Installment selling was the key to success and the essential instrument was the long-term, high-leverage, amortized first mortgage loan. Dramatic institutional changes in mortgage lending, public policy, and the real estate industry brought about an increase in the percentage of non-farm owner occupied housing in America from 37% in 1900 to 64% today.
Hammering Out Clinton's Housing Plan

By Kenneth R. Harney

The heck with my lips. Read my button: “Housing equals jobs.”

If you want a clue about where the Clinton administration plans to go on housing and real estate next year, check out the lapel of Marc A. Weiss, senior policy adviser on urban issues.

Weiss, a professor at Columbia University's Real Estate Development Research Center, served as the Clinton-Gore spokesman on housing throughout the campaign. He's likely to land a key position in the new administration.
President’s Council on Sustainable Development

Towards a Sustainable America

May 1999
Advancing Prosperity, Opportunity, and a Healthy Environment for the 21st Century
The President's Council on Sustainable Development
The National Homeownership Strategy and Partnership

THE WHITE HOUSE
WASHINGTON
MAY 4, 1993

Our nation’s greatest promise has always been the chance to build a better life. For millions of America’s working families throughout our history, owning a home has come to symbolize the realization of the American Dream. Yet sadly, in the 1980s, it became much harder for many young families to buy their first homes, and our national homeownership rate declined for the first time in forty-six years. Our Administration is determined to reverse this trend, and we are committed to ensuring that working families can once again discover the joys of owning a home.

This past year, I directed HUD Secretary Henry Cisneros to work with leaders of the housing industry, with nonprofit organizations, and with leaders at every level of government to develop a plan to boost homeownership in America to an all-time high by the end of this century. The National Homeownership Strategy: Partners in the American Dream outlines a substantive, detailed plan to reach this goal. This report identifies specific actions that the federal government, its partners in state and local government, the private, nonprofit community, and private industry will take to lower barriers that prevent American families from becoming homeowners. Working together, we can add as many as eight million new families to America’s homeownership rolls by the year 2000.

Expanding homeownership will strengthen our nation’s families and communities, strengthen our economy, and expand this country’s great middle class. Rekindling the dream of homeownership for America’s working families can prepare our nation to embrace the rich possibilities of the twenty-first century.

Bill Clinton
New American Neighborhoods: Building Homeownership Zones To Revitalize Our Nation’s Communities

President Clinton, in a recent speech to the White House Conference on Community Empowerment, made the following commitment to expanding homeownership and revitalizing America’s communities:

“Finally, let me say we have to do more to create housing that will encourage vibrant neighborhoods in our inner cities and rural areas. You know, cities used to be places where teachers and firefighters and police officers wanted to live, and they can be again if we can help communities to develop good, affordable housing.

“If we really want all of our communities to be revitalized again, we not only have to create opportunities for poor people, we have to make the environment so that middle-class people will want to live in them again, and that the poor and the middle class will live side by side, as they did in the neighborhoods when I grew up. We have to do that. We have to be committed to helping all Americans achieve this large part of the American dream known as homeownership.

“I’m very proud of what Secretary Cisneros has done with dwindling resources at HUD, working with the private sector to see homeownership reach a 15-year high this year, and we have to do more. We propose to reclaim tracts of vacant or blighted land and to renovate whole neighborhoods; to bring back to the city hard-working, middle-income families; to stimulate business and private investment. We want to work with the private sector and other investors to create scores of livable, inviting, inner-city neighborhoods.

(PHOTOS BY CAMILO JOSÉ VARGAS.)
"One of the unsuitable ideas behind projects is the very notion that they are projects, abstracted out of the ordinary city and set apart. To think of salvaging or improving projects, as projects, is to repeat this root mistake. The aim should be to get that project, that patch upon the city, rewoven back into the fabric—and in the process of doing so, strengthen the surrounding fabric too."


Nearly 40 years later we are finally taking Jane Jacobs’ advice. The U.S. Department of Housing and Urban Development, which tore down slum neighborhoods to make way for high-rise projects during the 1960s and 70s, is now razing some of the worst projects to make way for old-fashioned neighborhoods, designed according to neotraditional planning principles. Henry Cisneros, the HUD secretary from January 1993 until January 1997 who steered his department on this new course, told me during a telephone interview that his thinking began to change when he was exposed to Marc Weiss, a former Columbia University urban planning professor. Weiss is an aficionado of the New Urbanism, the planning and architecture movement...
Clinton Administration *Metropolitan Economic Strategy*
National Policy Initiative
Metropolitan Economic Strategy for America’s Cities and Regions

Henry G. Cisneros and Marc A. Weiss

The New American Economy
After a quarter-century of sweeping change in the global economy, the metropolitan regions of the US are positioned for prosperity. Metropolitan regions have been centers of manufacturing and commerce since the beginning of the industrialization and urbanization of America in the 19th century. In more recent years, the new knowledge and information-based, technology and communications-intensive, globally oriented economy has changed the economic dynamic of metropolitan regions. Some regions have prospered as centers of the New Economy by growing new types of service industries – business, professional, financial, health – and by spawning whole new manufacturing sectors – computers, electronics, telecommunications, multimedia. Other regions have become more competitive by transforming older manufacturing industries, such as automobiles or apparel, into more productive, technology-driven industry “networks”.

Our study, based on evidence from case studies of 12 U.S. metropolitan regions and analysis of quantitative data on 114 of the country’s largest metropolitan regions, finds that most U.S. metropolitan regions are freshly positioned to succeed in the new global economy and to bring increased prosperity to America’s families and communities in the 21st century.
Comeback Communities: The Revival of America’s Cities

In this cycle of renewal, what many urban observers have found is that because of the institutions and investment base left behind, cities are not only relevant to the New Economy — knowledge and information-based, technology-intensive, globally-oriented — they are vital. HUD’s recent report, America’s New Economy and the Challenge of the Cities, clearly demonstrates this dynamic new economic relationship. America’s cities are still the principal engines for our great universities, hospitals, research centers, corporation, banks, and governments. Our national economy and metropolitan economies cannot thrive and compete in the global marketplace without urban America.

With their museums, festival marketplaces, convention centers and sports arenas, America’s cities are focal points for cultural and entertainment activities, and international meeting places for conventions and tourists. Central cities serve as the nation’s major water ports, railroad hubs and trucking centers. Even as we build more highways and airports on the metropolitan fringe, most cities still are the regional and international hubs for the distribution of products and services within the region and across the world.

Our new report, Comeback Communities: The Revival of America’s Cities, provides detailed statistics of the nationwide urban economic recovery, along with case studies of economic and community revitalization in 12 of our nation’s cities. These recovery efforts have been greatly aided by the economic growth of the past four years under President Clinton’s leadership, as well as through targeted federal programs to help rebuild cities, ranging from community banking to community policing, HUD’s own partnership efforts to support urban revitalization, such as the Empowerment Zones and Enterprise Communities, Homeownership Zones, and Economic Development Initiative, along with our actions enabling cities to reconnect with their regional economies, including Bridges to Work and the Metropolitan Economic Strategy, are contributing to the recent revival of prosperity and quality of life for people in urban communities. The challenge ahead is to continue working together, building on this economic momentum. This report is a work-in-progress in meeting such a vital challenge.
The Wealth of Regions and the Challenge of Cities

Henry G. Cisneros and Marc A. Weiss

If we are to fully revitalize the cities, we must begin to look beyond the cities. This is not as paradoxical as it sounds. Even a cursory look at the new economy reveals that metropolitan regions have become the fundamental building blocks of national prosperity and improved quality of life. The dynamic industry networks that are driving economic growth operate regionally in all their facets—production, research, labor, supply, sales, and distribution. The fates of urban, suburban, and outlying communities are inextricably linked by the metropolis, which cuts across city and county boundaries and, in some cases, even state and national borders.

The future health of urban communities depends on regional thinking and action. We must act regionally because businesses do. When they make decisions to locate or expand a facility, they look at the entire metropolitan area—its transportation and infrastructure, its workforce, its educational and cultural institutions, its environment and amenities, and its existing industry networks. We must act regionally because all of our major institutions do. Universities, hospitals, museums, sports teams, print and broadcast media, performing arts groups, convention centers, churches and synagogues, labor unions, civic groups, foundations, and charities—all serve a metropolitan population rather than hiding behind municipal neighborhood walls.

We also must act regionally because problems once confined to the inner city have spread to the suburbs. Unemployment, anemic tax bases, troubled schools and neighborhoods, deteriorating housing stock, crime, and environmental degradation are now part of our suburban legacy, particularly in older inner-ring suburbs. From south of Chicago, to north of Minneapolis-St. Paul, to east of our nation’s capital, the revitalization of urban America must include suburban America.

Regions as diverse as Austin, Texas, and Akron, Ohio, are pointing the way to successful metropolitan economic renewal. During the past decade, Austin has transformed itself from a state capital and university town to one of the nation’s fastest growing computer-technology centers. Akron, meanwhile, reacted to the demise of its tire manufacturers by becoming the world capital of science and engineering for polymer-based synthetic materials. In both cases, civic leaders from the public and private sectors and research and educational institutions worked in partnership to design and implement a winning regional strategy.

Efforts to expand economic prosperity and improve the quality of life throughout our metropolitan regions cannot succeed
THE SECRETARY

In America today, nearly 80 percent of the population and almost 90 percent of the employment growth is in metropolitan regions. We are individuals and families looking to the future for good jobs and business opportunities, for rising incomes to own homes, for children to get a worthwhile education, for communities to thrive in health and safety. All of us share a common fate in a new metropolitan economy that will determine our nation's prosperity and quality of life in the 21st Century.

This New Economy -- knowledge and information-based, technology-intensive, and globally oriented -- demands new skills in education, research, and workforce development. To be competitive now requires regional collaboration and innovative leadership: a Metropolitan Economic Strategy for investment in transportation and infrastructure, environmental preservation, and community revitalization.
Clinton Administration *Metropolitan Economic Strategy*
National Policy Initiative
STATE POLICY APPROACHES TO PROMOTE METROPOLITAN ECONOMIC STRATEGY

BY
DR. MARC A. WEISS

PUBLISHED BY
THE NATIONAL GOVERNORS ASSOCIATION CENTER FOR BEST PRACTICES

OCTOBER, 2002
Recent Wilson Center National Conference on Metropolitan Economic Strategy, and Upcoming International Conference on Metropolitan Quality of Life

KENT H. HUGHES
Woodrow Wilson International Center for Scholars

More than 100 senior practitioners and distinguished experts from across the nation gathered at the Woodrow Wilson International Center on September 20th through September 23rd. They focused on creating new policies and partnerships that enable America’s metropolitan regions to implement coordinated public and private investment strategies designed to enhance technological innovation, productivity, and competitiveness.


The main conference themes are drawn from a book entitled Teamwork: that Marc Weiss is co-authoring with Henry Cisneros, former Secretary, US Department of Housing and Urban Development. “Our book,” stated Henry Cisneros, “is exploring and promoting the best ways that public, private, civic, and community leaders can work together to ensure that cities and suburbs will thrive in the fast-changing international economy of the 21st century.”

Featured speakers included Philip Angelides, Treasurer, State of California; Earl Blumenauer, Member, US Congress, from the City of Portland (Oregon), and Co-Chairman, Livable Communities Task Force; Henry Cisneros, Chairman, American CityVista, former Secretary, US Department of Housing and Urban Development, and former Mayor, City of San Antonio (Texas); Brent Coles, Mayor, City of Boise (Idaho), and President, US Conference of Mayors; Lee Cooke, Chairman, Habitek International, and former Mayor, City of Austin (Texas); Richard Erickson, President, Regional Business Council of Northeast Ohio, and former President, Akron Regional Development Board; Parris Glendening, Governor, State of Maryland, and President, National Governors’ Association; Stephen Goldsmith, Domestic Policy Adviser, Bush-Cheney 2000, and former Mayor, City of Indianapolis (Indiana); Javier Gonzales, Commissioner, Santa Fe County (New Mexico), and President-elect, National Association of Counties; Lee Hamilton, Director, Woodrow Wilson International Center.

Kevin Hanna, President, Atlanta Development Authority; Alice Rivlin, Chairman, District of Columbia Control Board, and former Director, White House Office of Management and Budget; Gene Sperling, Director, White House National Economic Council; Susan Wachter, Assistant Secretary, US Department of Housing and Urban Development; Marc Weiss, Public Policy Scholar, Woodrow Wilson International Center; and Anthony Williams, Mayor, City of Washington, DC.

The conference participants spent many hours each day in breakout discussion groups developing recommendations for new policies, programs, and research efforts. The results of this conference will be summarized in a 32-page conference report to be published and widely disseminated by the Wilson Center. The Metropolitan Economic Strategy conference received financial support from the US Federal Conference Fund, and the Fannie Mae Foundation.

“We had a full agenda and tackled some very tough issues, such as workforce development, smart growth, and urban reinvestment,” said Marc Weiss. “It is so important that we focused on this fundamental challenge, because America’s and the world’s future prosperity—the success and vitality of our nation’s families and communities—depends on creating a state-of-the-art metropolitan policy agenda.”

The Wilson Center will be holding a follow-up international conference—Metropolitan Quality of Life: How Communities, Cities, Counties, Regions, and States Sustain and Improve Transportation and Infrastructure, Housing and Services, Land-Use and Environment, and Urban Amenities—to be held on September 12-15, 2001 in Washington, DC. This conference is also being coordinated by Marc Weiss.

For additional information on the conference and to receive copies of the conference overview materials and summary report, please contact Marc Weiss by phone at (202) 691-4229, by fax at (202) 691-4001, or by email at weissma@wwic.si.edu.

Kent H. Hughes is a Public Policy Scholar at the Woodrow Wilson International Center for Scholars in Washington, DC. He is currently writing a book on America’s global economic competitiveness.
Metropolitan Economic Strategy: How Urban Regions Innovate and Prosper in the Global Marketplace

MARC A. WEISS
Woodrow Wilson International Center for Scholars

POINT ONE
America’s future prosperity depends on the productivity and competitiveness of its metropolitan regions, the key centers of innovation and business activity, where over 90 percent of the nation’s job growth is currently taking place, and where nearly 90 percent of the nation’s Gross Domestic Product is now being generated.

The nature and volume of investment, production, and trade in and through America’s metropolitan regions is one of the basic structural building blocks of our country’s macroeconomic growth and global competitiveness, and thus is at least as important as fiscal and monetary policy, international trade, education, and other economic issues regularly considered and debated by the executive, legislative, and judicial branches of the federal government, including the Board of Governors of the Federal Reserve System.

Metropolitan Economic Strategy is vital for national economic policy in the new global marketplace, both in the USA and in countries throughout the world.
Strategic Economic Development Plan for Washington, DC 1997-99
The Strategic Economic Development Plan for Washington, DC, and The Economic Summit are co-sponsored by the District of Columbia Government, the Financial Responsibility and Management Assistance Authority, the United States Department of Commerce Economic Development Administration, the Local Initiatives Support Corporation, Fannie Mae, and the World Bank.

Coordinators: Richard Monteilh and Dr. Marc Weiss
District of Columbia Department of Housing and Community Development

November 1998
1998 WASHINGTON, DC ECONOMIC PLAN
3-PART STRATEGIC FRAMEWORK

STRATEGIC INDUSTRIES
• Industry Networks
• Growing Businesses and Jobs across the Private Sector

STRATEGIC POPULATIONS
• Workforce Development
• Attracting and Retaining Residents

STRATEGIC AREAS
• Downtown
• Neighborhoods
1998 WASHINGTON, DC ECONOMIC PLAN
INDUSTRY NETWORKS

- Business/Professional/Financial/Association Services
- Hospitality/Entertainment/Tourism/Specialty Retail
- Universities/Educational/Research Institutions
- Biomedical Research/Health Services
- Media/Publications
- Information Technology/Telecommunications
GLOBAL URBAN DEVELOPMENT

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SOUTHWEST WASHINGTON, D.C.

A Strategy for Revitalizing Waterside Mall and the Waterfront

Marc Weiss (center), GWNA president, leads panel members and local representatives on a tour of the study area.
Washington, DC: January - March 1998

_Inclusive Citywide Participatory Budgeting Competition for $73 million in Federal Funds (CDBG, HOME, & LIHTC)_

$73 million grants and tax credits generated $300 million investments in low and moderate-income communities, which produced:

Recent public and private community investment of $300 million is creating 6,000 neighborhood jobs, 1,700 new and renovated homes and apartments, affordable homeownership opportunities for 1,500 families, 250,000 square feet of neighborhood retail and office space, the revitalization of 16 community business districts, and nearly 50 new or renovated neighborhood service centers – including health care and child care, arts and recreation, education and job training, parks and playgrounds.
NoMa
1997-2014
1998 WASHINGTON, DC ECONOMIC PLAN

NoMa

ACTION 26: Develop NoMa as a Technology, Media, Housing, and Arts District

ACTION 29: Build a Metro Station at New York Avenue to Spur Development
North of Massachusetts Avenue ("NoMa") Noma
NoMa’s Fundamental Assets in 1998

• Centrality of Location/Regional Accessibility
• Rail Infrastructure
• Large Development Sites
• Industrial Loft-Style Buildings
• Broadband Fiber Optic Cable
• Washington, DC as a Global Media Center
• IT and Telecom in Metropolitan Washington
• Urban Multimedia Arts/Tech Lifestyle
Visions of NoMa Renaissance

By David Montgomery
Sunday, March 12, 2000; C1

Unlike the office and arena developers south of Massachusetts, the NoMa planners hope to preserve the artists and residents—even attract more. They argue that this is also an opportunity to achieve a broader goal: Attract the Internet entrepreneurs who are flocking to the suburbs. It’s a high-tech twist on the SoHo model. As arts, media and technology increasingly blend and feed off each other, the consultants envision NoMa as a place to encourage that ferment.

“If we pull it off, this will be the most successful, consciously designed, full-blown economic development initiative that this city has ever done,” says Marc Weiss, who coined the term NoMa two years ago when he was a consultant to the city.

The planners see NoMa as a 24-hour neighborhood where people would continue to live and work. “We don't want the city to turn into a suburban office park,” says Peter Calthorpe, a Berkeley, Calif.-based sage of the “new urbanism” philosophy that favors eclectic, pedestrian-friendly neighborhoods.

Using a $200,000 city grant, a civic group called the Cultural Development Corp. hired Calthorpe, Patrick Phillips of Economics Research Associates in Washington and Donald Carter and Ray Gindroz of Urban Design Associates in Pittsburgh. A final report is due next month.

Besides lower Manhattan, their models include SoMa—south of Market Street in San Francisco—and LoDo—Lower Downtown in Denver. Much of NoMa is anchored by Shaw, a mixed-income neighborhood increasingly popular with young home buyers looking for bargains. The consultants’ most dramatic proposals are for two sections with vacant and city-owned land. First is the 18-block Mount Vernon Triangle just east of Mount Vernon Square. Second is a proposed 10-block “technology district” north of Union Station.
Uline Arena/Washington Coliseum
Peoples Drug Store warehouse
Woodward & Lothrop Department Store warehouse
Abandoned buildings and vacant land in NoMa, 1997
Yale Steam Laundry
Judd & Detweiler Printers converted to Sirius XM Satellite Radio
Hecht’s Department Store warehouse
New York Avenue Station: A New Stop, A New Start

With bands playing and pennants flying, people thronged to the groundbreaking of New York Avenue station on Saturday, December 16, 2000. The turning of the earth for the first “in-fill” station came less than a month before completion of the 103-mile Metrorail system and the opening of the Green Line in Prince George’s County, Md.

As with past Metro stations, New York Avenue station is at the core of a revitalization initiative. In this case, it’s the redevelopment of Washington’s New York Avenue corridor that is expected to emerge as a prime site for high tech companies, federal agencies and retail activity. The development plan for the new station comprises three funding partners: the District of Columbia, the federal government and private interests. Creation of this unique funding arrangement was spearheaded by a stakeholder group known as the New York Avenue Metro Station Corporation under the leadership of Dr. Marc Weiss, a District of Columbia public policy specialist.
Financing NoMa Metro Station

Private Sector: $35 million

District of Columbia Government: $44 million

Federal Government: $31 million
US Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF)
NoMa/Gallaudet U Station

50%

growth in NoMa Metro ridership since January 2010
NoMa Community Outreach and Neighborhood Benefits

- McKinley Technology High School
- NoMa Community Outreach & Marketing Center
- Employment training and placement
- Infrastructure improvements
- Exempt from Metro Station special property tax assessment
- Rhode Island Place shopping center
- New retail stores and services in several locations
- City First Bank (community development financing)
- New and renovated affordable housing
- Promoting affordable homeownership
- Metropolitan Branch Trail (hiking and biking)
- Capitol Bikeshare
- Neighborhood commercial & arts center (H St. NE)
- New light rail line (H St. NE)
- NoMa Business Improvement District (NoMa BID)
NoMa Business Improvement District (NoMa BID)
NoMa’s New Fundamental Assets

Getting Richer by Becoming Greener

- Compact
- High-Density
- Resource-Efficient
- Transit-Oriented
- Walkable
- Bicycle-Friendly

- Mixed-Use
- Green/LEED Buildings
- Broadband Infrastructure
- Smart Growth
- New Urbanism
- Livable Community
Input from Stakeholders

The planning process began with review of previous planning efforts and community outreach. More and more residents and workers identify their neighborhood as NoMa and their opinions and preferences should guide public realm enhancements. The BID and the planning team interviewed a number of NoMa residents, workers, property managers, developers and individuals involved in previous planning efforts. The goal of this stakeholder engagement was to understand the motivations and aspirations of each constituent group and solicit suggestions from the people who will use the public realm every day.

Overall, the people who currently live in, and will likely move to, NoMa can be considered an active, social group of young professionals who commute largely via transit, bicycle or on foot. The surrounding neighborhoods are more mixed in age and include a greater number of families.

The resident group consistently identified the need to overcome barriers like New York Avenue and North Capitol Street and connect the community better in an east/west direction. The employee group was most interested in new outdoor amenities that could be enjoyed at lunch. A common theme between all groups was that one central park would not be sufficient, that a system of connected, flexible open spaces with a variety of amenities would better serve the community.

The design team asked a few specific questions to help shape recommendations. The questions and the most common answers are listed below.

What is NoMa's greatest strength?
- Transit accessibility
- Proximity to employment
- Emphasis on "green" development
- Events like summer screen and the farmer's market

What is NoMa's greatest weakness?
- Sterile or uninviting east/west streets
- Lack of park space
- Low visibility from outside the neighborhood

What is the most important element to add within the public realm?
- Comfortable places to sit
- Outdoor fitness facilities
- Lush landscaping
- Gathering space for events
- Place to throw out a blanket and picnic/read
- Places to eat lunch
- Additional facilities for bicycles
- Playgrounds
- Community dog parks
- Art installations
- Gateway elements that announce the neighborhood
- Signature "post card" moments
NoMa is DC’s most connected neighborhood, with green, contemporary spaces and vibrant history. To learn more, visit www.nomabid.org.
NoMa video

http://youtu.be/OqS2epTdCuI
Office Net Absorption in DC 2009-2010

Nearly half of all office growth in DC occurred in NoMa in the past 2 years.
Recent Development (2005 – 2010)

$3 Billion Private Investment

8 Million Square Feet Mixed Use

- 6 million SF Office
- 200,000 SF Retail
- 1,700 Housing Units
- 400 Hotel Rooms
Top, a 2007 image of NoMa shows empty development sites, parking lots and fields just blocks from the U.S. Capitol.

- More than $4 billion in assessed values in 2012
- $1 billion under construction
The view up First Street, NE in 2011 shows completed Class A office buildings
FIRST STREET/PUBLIC REALM

Above: DC Bocce behind 1200 First Street, NE
Right: First Street, NE before construction started.
NoMa – DC’s Newest Neighborhood

At Full Build-Out:

26 million SF planned

• 14 million SF office
• 10,000 residential units
• 1,300 hotel rooms
• 1 million SF of retail

$9 billion private investment
DC's Next Engine for Economic Growth

- $6 billion in net new tax revenues over 20 years
- 41,000 permanent jobs
- 28,000 construction jobs
- 12,000 new residents

Source: Robert Charles Lesser and Company/Green Door Advisors, February 2008
Next in NoMa video

http://youtu.be/UDQOjX3sH8A
For more information,

please visit the GUD website:

www.globalurban.org

email me at:
marcweiss@globalurban.org