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## Section 3

# Universities as Economic Engines

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### Section 3: Universities as Economic Engines

The U.S. Department of Commerce identifies universities as an economic engine in today's economy. Articles from a range of sources are included in this section describing the relationships of cities and universities that have combined their assets for mutual gain.

1. [Universities and Cities Need to Rethink Their Relationships](#), Chronicle of Higher Education
2. [Tapping Universities Economic Power](#), The Boston Globe
3. [Rooted in Growth: Understanding and Communicating Institution's Roles as Engines of Economic Development](#), Council for Advancement and Support of Education
4. [Higher Education: Cities Hidden Asset](#), Philadelphia Daily News
5. [Colleges Embracing Towns Once Held at Arms Length](#), Washington Post
6. [Wake Up Call for Academia](#), Washington Post
7. [Report Praises VCU's Efforts: University helped revitalize city](#), Richmond Virginia
8. [Come for a Diploma, Stay for Life](#), USA Today
9. [Colleges Play Key Part in Urban Revivals](#), The Boston Globe
10. [In the Knowledge Economy, Universities are Powerful Resources](#)
11. [Universities as Economic Engines](#), INC. Magazine excerpt
12. [Best Cities for Business](#), Inc. Magazine excerpt
13. [City Campus Revitalization](#), Article excerpt from University Business Magazine
14. [Top 10 Cities to Start an Entrepreneurial Venture](#),

# "Universities and Cities Need to Rethink Their Relationships"

Chronicle of Higher Education

May 13, 2005

By Richard M. Freeland,  
President of Northeastern University

As president of a major urban university, I believe that academic institutions have much to offer their communities. Too often, however, longstanding suspicions on both sides of the relationship impede constructive collaboration. We need to change the way universities think about their cities and the way cities think about their campuses.

Three kinds of interactions have historically characterized universities' relationships with their surrounding communities. First are what I call incidental impacts. Universities provide jobs. We spend money. We construct buildings. We attract research dollars. All of those things benefit our cities, and we are quick to claim credit. But those effects are byproducts of our efforts to strengthen our institutions.

A second category is intentional contributions, which occur when universities consciously set out to strengthen their cities. We create research institutes focused on regional development. We support the public schools. We enroll students from our neighborhoods. Our students and faculty members work in local clinics. Such activities draw upon a rich tradition of community service dating from the land-grant movement of the mid-19th century.

As we think about intentional contributions, though, it is useful to distinguish between defensive actions taken to protect our institutions from harm and civic-minded actions that strengthen the community. An initiative to ameliorate urban blight around a campus because such conditions adversely affect admissions is different in spirit than a program to enhance K-12 education by housing a city high school in university facilities and enriching the school's curriculum.

A third kind of interaction is the extracted benefit, frequently confused with an intentional contribution. An extracted benefit is something the city demands of the university as a quid pro quo. The classic case involves campus expansion. The institution needs a zoning change. The city wants a park, scholarships, or affordable housing. The latter becomes the price of the former.

Historically the most-significant positive effects of universities on cities have been incidental impacts, and a large percentage of what we label intentional contributions have really been extracted benefits or substantially defensive in nature.

For their part, cities have often viewed universities as a burden because our tax-exempt status denies the city revenues. That perspective has led cities to resist the growth of universities or to demand that any approved expansion be accompanied by payments in lieu of taxes. Also in city officials' minds are the iconic town-gown tensions: the impact of student populations on housing, parking, and municipal services. Cities often want universities to compensate them for those demands on local resources.

Cities and communities have also seen universities as sources of subsidy for municipal activities. In responding to requests for financial assistance from public agencies and neighborhood organizations, a university can never forget that it will need political support for future growth.

Recently cities have begun to realize that successful universities can promote economic, social, and cultural vitality. The report "Leveraging Colleges and Universities for Urban Economic Revitalization," from the Initiative for a Competitive Inner City and CEO's for Cities, concluded that "leveraging academic assets ... remains one of the greatest untapped urban revitalization opportunities in the country."

Understanding the benefits academic institutions can bring to cities might well lead civic leaders to work actively with a campus to help it develop. However, in my experience during more than three decades at

urban universities, private and public, they have been perceived as problems, and politically squeezed for funds, far more often than they have been treated as assets to be nurtured. The rhetoric regarding universities' economic value has, for the most part, not yet been translated into practice.

The negative patterns of town-gown relations are no longer viable. The old impulses toward separation on one hand, or coercion on the other, must be set aside. Once, perhaps, universities could flourish by setting themselves apart from their communities. Over the last four decades, however, it has become evident that city-based universities ignore at their peril the well-being of their communities. The strength of some of our greatest institutions, including Columbia and Yale Universities, and the Universities of Chicago and Pennsylvania, has been threatened by urban decay in nearby neighborhoods that has diminished campus safety and attractiveness. And, as David C. Perry and Wim Wiewel point out in their new book, *The University as Urban Developer* (M.E. Sharpe, 2005), campus planners have learned from experience that old-fashioned solutions to such problems, through which powerful institutions attend to their own interests at the expense of local communities, are no longer politically workable.

Universities also have solid academic reasons to become involved in their communities. At Northeastern, for example, education is greatly enhanced by a service-learning program that places students in community-based organizations, and by student participation in local architecture, civil engineering, and business endeavors. Moreover, our flagship program of cooperative education, in which students are employed by local companies in a series of semester-long paying jobs linked to their majors, depends on the economic strength of the region.

Similarly, the research of our faculty in a range of fields, including sociology, political science, criminal justice, and law, is consistently informed by work with city agencies and neighborhood organizations. Scholars associated with our Center for Urban and Regional Policy have greatly enriched their understanding of housing issues -- and contributed to a vital public-policy discussion -- by working with a statewide task force seeking solutions to Massachusetts' desperate need for affordable housing.

Cities are equally dependent on universities. In Massachusetts, for example, at a time when economic cycles, corporate mergers, and patterns of outsourcing have resulted in major losses of corporate-sector jobs, university-based employment has increased. Three of the state's top 25 employers are now academic institutions, and an additional five are teaching hospitals linked to area medical schools.

In a period when major companies are relocating their operations with startling frequency, universities are among the most likely institutions to still be where they are today in 10, 25, or 50 years. In addition, the local presence of a world-class research community in the life sciences is directly responsible for a surging biotech industry that has led, in recent years, to new offices in Boston and Cambridge for major pharmaceutical companies like Merck, Pfizer, and Novartis.

Both universities and cities need to act on the basis of these new realities. Universities should move from merely coexisting with our communities, or reaching out to them only when we need something, to incorporating regional vitality into our planning for institutional growth. Civic leaders should think less about what they can extract from local universities and more about how they can help those institutions flourish.

Some initiatives have pointed the way. In the mid-1990s the University of Pennsylvania, working with leaders from west Philadelphia, committed millions of dollars to enhancing the neighborhood, reducing crime, improving the schools, and promoting economic growth. The resulting progress has been a national model of constructive town-gown interaction. Clark University in Worcester, Mass., has been widely recognized for its University Park Partnership with local residents to improve public safety, promote economic development, support K-12 education, and increase recreational opportunities. Similar collaboration has occurred at Yale in New Haven, Marquette in Milwaukee, the University of Southern California in Los Angeles, Case Western Reserve in Cleveland, Virginia Commonwealth in Richmond, and Trinity College in Hartford.

At Northeastern, where urban engagement is central to our institutional character, we are participating in two efforts to take the idea of university-community partnership to a new level. We are working with the Boston Redevelopment Authority and a city-appointed, community-based task force to review the development needs of both the university and the surrounding areas, with the goal of crafting a physical master plan for the university that also advances the interests of our neighbors. Simultaneously, we are part of a coalition of local colleges and universities and representatives of key nonacademic constituencies, working under the auspices of the Boston Foundation to improve our region while also promoting Boston's all-important academic sector.

I hope such efforts will create the much-needed new paradigm for town-gown interactions, leaving behind the old obstructionist and coercive behaviors. Colleges and their surrounding communities have much to gain in seeking new understandings, and much to lose by maintaining the status quo.

Richard M. Freeland is president of Northeastern University.

# Taking the Initiative

The Village of Hamilton NY and its college stride ahead, together  
by James E. Leach

*The following is an edited version of a speech given by Leach, assistant to the president and secretary to the board of trustees, to the Eastern Association of College and University Business Officers. He spoke about two efforts in Colgate's hometown -- the Partnership for Community Development and Hamilton Initiative -- that are helping knock down barriers to town-gown cooperation.*

When those early Hamiltonians gathered to talk about founding a seminary in their hometown, they probably couldn't have imagined it would one day become a liberal arts college with an operating budget 25 times that of their village. But here we are, 184 years later, and Colgate is trying to play a hand in community development without taking over the community.

Colgate will invest \$10 million in its hometown in the next two years. Ten million dollars is a big number in a small town and can easily be seen as a threat. In fact, there are some anxious residents who would rather the college weren't so heavily involved in shaping Hamilton's future -- and their voices help govern the college's efforts.

Fortunately for those of us presently at Colgate, a long line of our predecessors established a record for working as good neighbors in collaboration with the community. Now, with people from the village and town, we've happened on an innovative and effective model for small-town community development.

About a thousand people live in the Village of Hamilton, not counting Colgate's 2,750 students. The village operating budget is \$4 million this year; the college's is \$100 million. For more than 40 years, in recognition of both its dependence on the village and the strains that dependence can create, the college has been making payments in lieu of taxes to support the village, surrounding township and local schools. This year, those payments and property taxes will total more than \$400,000.

Over the years the college has been a good citizen in other ways, too: giving the land for the community hospital and contributing lead gifts in the hospital's capital campaigns; covering three-quarters of the cost of the fire department's new ladder truck; sustaining the volunteer ambulance corps; and getting behind projects like the community day care center, the playground, the Little League fields and the village library. The whole town turns out when the college shoots off fireworks on July 4.

## Village Green Restoration

Then there's the human capital. Colgate's people, as residents and citizens, do their share in the community. Students, faculty and staff volunteer as firefighters, EMTs, school board members, tutors and coaches. They take part.

Four years ago the Town of Hamilton wrote a long-range plan built around a survey of community opinions and presented its elements at a public forum that packed the high school auditorium. Colgate was in a position to help.

Neil Grabois, president of the college at the time, invited leaders of the village and town to meet with his staff. He offered Colgate's support if those groups would like to pursue a collaborative approach to community development. There were some skeptical looks around the room. But the mayor and the chairman of the town board signed on, and a small group of volunteers began to meet and hammer out a mission and goals. Colgate was the principal funder, with underwriting from the village and town.

Maybe it was just a happy accident of timing, but the mix of volunteers who came to the table turned out to be extremely important. The author of the town's planning document was a lawyer -- Eve Ann Shwartz -- who had given up her practice to run the family cattle farm. The then-college treasurer, Betsy Eismeier, had been a leader on the village day care project -- and her kids were day care alumni. Stella Brink, who was in her second term as Hamilton's mayor, was focused on economic development. Walt Jaquay, chairman of

the town board, longed for new jobs that might attract his grown kids back to town. Colgate sociologist Adam Weinberg saw the effort as a real-life practicum. Scott Mills, a young town politician, brought the views of an independent businessperson. RuthAnn Loveless, Colgate associate vice president for alumni affairs, was a longtime village resident and school board member. They are all "doers" with a shared commitment to the community.

Inviting the participation of anyone else who had an interest, the group met for nearly a year -- often once or twice weekly -- to draft a plan of action and operating principles. I'm not much of a politician and I hate meetings, but that was one of the most creative processes I've ever witnessed. Hours at a time, in the little meeting room in the back of the village library, we came to terms with one another's interests and learned just how much we had in common. As we became believers, we were able to make the case more effectively to the village and town governing boards and the college's administration and trustees.

In May 1999 the group incorporated as a non-profit community development corporation -- the Partnership for Community Development (PCD) -- and was subsequently awarded 501(c)3 status, which enabled it to receive and administer gifts for the public's benefit. Shwartz, the lawyer/cattle farmer, was elected president.

Community development projects such as the Village Green restoration and the Hamilton Initiative's Palace Theater (above) may help attract new businesses like Maxwell's candy store. The group set out to be as apolitical as possible, while supporting the work of local government. One of the stated goals -- to "enable community development efforts to proceed through changes in government and local leadership" -- may sound trite, but in the three years since the partnership incorporated, the village has had three mayors and the college has been led by three presidents and served by two treasurers. Young as it is, the PCD has played a stabilizing role in community development efforts. But its influence is based more on goodwill than on politics.

The partnership is committed to protecting the character of the village and town. Whatever it does to enhance economic vitality and quality of life has to be consistent with the prevailing community values. As time-consuming as it can be to develop plans based largely on community input, the result has been a broad base of support and interest.

With its operating principles in place, the PCD undertook its first set of initiatives: help the village raise funds to revitalize the green, which has long been the center of community activity; start a program to improve façades and streetscapes downtown; and launch programs to help small businesses develop and to recruit suitable new business to the area.

More than 50 local residents packed into the Barge Canal Coffee Company on Lebanon Street for a public meeting to help a team of architects identify ways to improve the façades and streetscapes. Subsequent meetings provided opportunities for public input as the plans developed. The final work product -- including a set of before-and-after renderings of downtown buildings -- hung in the same coffeehouse and generated more community interest. The volunteer committee that spearheaded the project nicknamed itself FAST (for Façade and Streetscape Team). The chairman was a public-spirited general contractor, Roger Bauman, who took the FAST nickname to heart. He was relentless, talking with residents and business owners, developing a request for proposals, recruiting architects, pressing the committee toward selection and, ultimately, bringing the plans to table.

The façade program is approaching its third season. A lead gift from Colgate has attracted some foundation funding, and the partnership has been able to offer the owners of commercial buildings a financing package that is 50 percent outright grant, 40 percent no-interest loan and 10 percent owner equity. The only requirement is that owners work with architects provided by the partnership. To date, the partnership has invested more than \$150,000 in restoring the façades of nearly half the eligible buildings in Hamilton's small downtown.

The streetscape portion of the plan has been more complicated because it affects public roads -- the PCD has plans and funding, and the approvals are gradually lining up. With luck, the first changes will appear this summer.

Jim Dickson, David Sohn, Betsy Vantine, Larry Canning, Scott Mills and Sheila Fenton (from left) attend a PCD information session in April. Restoration of the Village Green has been a study in community involvement. The village administration had commissioned a design before the partnership got organized. When that first plan was unveiled, it attracted a troubling amount of criticism that didn't bode well for a gift-supported project. As one of its first assignments, the partnership joined in the fundraising and collaborated with village committees to sponsor a series of public hearings, coordinated by Dudley Breed, a skilled and thoughtful landscape architect, that resulted in a completely revised design. The restoration includes a new bandstand/pavilion and a fountain that was funded by a \$70,000 graduation gift from the college's Class of 2000. All told, the cost will exceed a half million dollars, and except for a \$100,000 grant from the state, virtually all of the money will have come from the community.

Small business development has centered around two programs. "Life's Work" funds a mentoring program that provides experienced advisors and technical assistance to help emerging small businesses to grow. In its first two years of operation, Life's Work has provided assistance for 20 small businesses, underwritten by \$32,000 in grant support. Meanwhile, the staff and volunteers concentrating on business recruitment are developing materials that promote business opportunities in Hamilton. The Colgate network became involved in business recruitment through a project called CARE, for the Colgate Alumni Recruiting Effort, coordinated through the alumni office.

#### Hamilton Initiative

Throughout the development of the partnership, the enthusiasm has been infectious. "Action gets action," we've learned. That enthusiasm has manifested itself in many forms, but in none more ambitious than the Hamilton Initiative.

Energized by the early successes of the PCD, a handful of Colgate trustees, headed by Tony Whaling '59, a charismatic entrepreneur with small-town roots, hatched a plan to buy and restore a building downtown. College staff members worked with the interested trustees to research business arrangements that would allow them tax credit for their investments in the downtown properties, which are almost certain to be loss leaders, at least at the outset. We settled on a limited liability company, wholly owned by the college and funded by donations from alumni, parents and friends. The group labeled the project "Hamilton Initiative" and set out to buy a fixer-upper.

There were several on the market, and most were declining rapidly. Hamilton Initiative made offers on three buildings, with the expectation of buying one. All three offers were accepted -- and the largest of the commercial properties came in a package deal with three other smaller but no less needy properties.

The renovated public library Suddenly, Hamilton Initiative was a major property owner downtown. Imagine the anxiety that produced in a small town where the majority of the properties are already tax-exempt. Hamilton Initiative addressed that sentiment head on. In press releases, calls to village leaders and appearances before service clubs, the group laid out the goals: the properties would stay on the tax rolls, and while Hamilton Initiative was nominally "for profit," its operating principal was based not on making money at the outset, but on restoring commercial spaces in a way that could contribute to the economic vitality of downtown -- consistent with the ongoing work of the PCD. In its most optimistic moments, Hamilton Initiative can foresee a profit some day, but this is not what you'd call a typical venture capital investment.

To manage the whole process, Hamilton Initiative hired Bauman, the volunteer who had launched the partnership's façade project. Working from a downtown storefront, he has brought a mix of skills and community goodwill that have mitigated a lot of tensions. He has put a face -- a happy one -- on Hamilton Initiative's work downtown.

One of the initiative's purchases enabled Vantine Studios, a large manufacturing concern owned by Edward Vantine '56, to move out of downtown and anchor a new, state-of-the-art plant at the village airport. The old manufacturing facility is being restored as retail space -- its original purpose. Once the renovation of that vacated structure is complete this summer, the college will move its bookstore downtown. It will expand its offerings of trade books and music with the expectation of attracting more traffic and therefore more business for other village merchants. Hamilton Initiative is being careful not to compete with any existing businesses in town.

Most of Hamilton's downtown was destroyed by fire in 1895, and many of the commercial properties that make up the business district today were built during a narrow window of time between the fire and about 1915. They really are period pieces, though some of the building details have been masked or lost through remodeling over the years. Hamilton Initiative is on the restoration fast track. The façades of all six of its buildings should be restored by this summer -- complementing the work being done on other commercial structures through the program sponsored by the PCD./td>

The renovated public library and the Hamilton Initiative's restoration of the Hotel Maxwell building have spruced up the downtown area, complementing the PCD's façade-improvement program. Colgate parents have adopted one of the initiative's structures -- the Palace Theater. The picture house was ahead of its time when it opened with a showing of *Quo Vadis* in 1914, but it soon began a gradual decline that led to its latest life as a warehouse. With \$1.5 million in funding, primarily from the gifts of parents, Hamilton Initiative is converting the warehouse to a dance and entertainment venue that will fill a pressing need of the town and the college. Managed as an independent enterprise, the Palace will offer a mix of programming from jazz to comedy, but mostly R&B and hip hop -- student dance music. Alcohol will be available but carefully controlled, and the success or failure of the Palace won't hinge on profits from the bar. Parents are talking about raising a dedicated endowment that will underwrite operating expenses.

Last fall, at a daylong workshop of the board of the PCD, the members looked back on where they'd been over their first three years, and looked ahead to new projects -- reaching out to other crossroads villages in the township, advocating buy-local campaigns and supporting efforts that sustain local agriculture and preserve our rural environment. Bob Kuiper, the oldest member of the board and a former mayor, former town supervisor and village businessman, commented that in all his years in Hamilton there had never been more change in the air. To him, that was good. There are a handful of detractors, but the prevailing sentiment in town is one of enthusiasm and encouragement. We still negotiate our differences, but from a base of trust that has been built from spending hours together, working for interests that we now know benefit us all.

To a casual observer, the changes in our village might seem sudden -- something akin to the rebuilding after the fire of 1895. But I think the changes are evolutionary -- the Partnership for Community Development and Hamilton Initiative are just the latest manifestations of years of cooperation between a village and its college.

# Something's up downtown

by James Leach

At 7:00 on an April morning, two local bankers, a contractor, two students, their professor, a community developer, and two college administrators huddled over coffee and pastries downtown at the Barge Canal Coffee Company. They were brainstorming ways to jump start economic development in the community.

On a Friday evening, a merchant, a contractor, an artist, a realtor, a grantsperson, a dean, an executive director, a writer and two preservationists gathered around a table in the back of a Hamilton shop, munching pizza as they reviewed architects' proposals. Their project will restore facades in Hamilton's business district.

Colgate students stopped area residents as they left the Hamilton Post Office one week last fall, collecting data on their use of the village green. The research supported a proposal to renovate the popular center of community activity. Months later, at the Village Hall, Hamilton's mayor convened a conservationist, an architect, a music professor, a grant writer and three former mayors to critique the drawings for the revitalized green and a new bandstand.

Yet another meeting in the Village Hall, and a special committee gathered to talk about the village's newly acquired municipal airport. Their plan is to attract small businesses to locate at the site.

At the Village Courthouse, the town supervisor opened a public hearing to discuss a long-range plan to preserve open spaces and aquifers, support local agriculture, and develop the town's hamlets. The plan later won the town board's approval.

Last summer, Colgate students scoured the countryside and produced a census of more than 60 home-based businesses. Their research would lead to a proposal for small business development.

At the statehouse in Albany, Governor Pataki heard President Neil Grabois describe the college's desire to apply even more of its intellectual and economic resources to issues in its neighborhood. Already Colgate underwrites local governments, schools and community services, and the college-owned inn, golf course and coffee shop attract townspeople and visitors. The governor supports the collaboration.

On four early Friday mornings since the new year, the Hamilton Forum has attracted upwards of 100 people to hear speakers address community issues. Sponsored by the village and the college, the open forum convenes at the Colgate Inn.

At Merrill House one winter day, the chair of Colgate's trustee committee on buildings and grounds (Bill Finard '68), sat with the mayor, the town supervisor, the author of the town's long-range plan and a handful of others to talk about the growing movement for area revitalization. The college's trustees, Finard said, are invested in the community's future, as well.

In Ho Lecture Room on campus, the Alumni Corporation's board of directors spent a Saturday afternoon discussing community initiatives. The board voted \$10,000 to support a newly formed, non-profit group that fosters area development.

In a room at the back of Hamilton's Public Library one April evening, a coalition of local folks reached a milestone after nine months of planning when they approved a mission statement, adopted bylaws, and elected as the first president of the Partnership for Community Development a woman who left her law practice to return to the family farm. With a board representing village, town and college, the partnership has set out to provide coordination and continuity for an array of community projects -- essentially to harness a level of community energy that many longtime residents say is unprecedented.

Assessing the possibilities

So many independent initiatives were sparking community interest late last summer that organizers seized the opportunity to combine their efforts. At an August meeting in President Grabois' office, representatives

from the village, town and college agreed to engage the help of a Troy, NY, planning group (River Street Planning & Development) to coordinate their ventures.

The Village of Hamilton's mayor attended, as did the Town of Hamilton's supervisor and the author of the town's proposed long-range plan. Grabois, Treasurer Elizabeth Eismeier, and sociologist Adam Weinberg represented the college. River Street's principals were accompanied by their local representative, Kate Lucey of Hamilton.

By the end of the session, all agreed that they were presented with a rare opportunity to join forces and advance the community. Just how to do that became the winter's work.

In meeting upon meeting where a core group was joined by an evolving cast of volunteers, conversations ranged across organizing structures and the identification of priority projects that had a reasonable chance to succeed. One goal was formation of a not-for-profit organization to receive and administer gifts and grants for area development and provide continuity as administrations inevitably changed in the village and town.

River Street led the group through discussions that focused on a mission statement. The town and village boards met in joint session to review the planning, then voted funds to support the project. An attorney prepared papers of incorporation. And in March, the Partnership for Community Development met with a goal of "advancing initiatives that enhance economic opportunity and community vitality in and around the Town and Village of Hamilton."

By spring the group was focused on four priority projects:

*Improvements to the Hamilton village green.* Hamilton's village green is a center for activities year 'round. But an active farmers' market from spring through late fall, outdoor concerts, the annual Town/Gown Picnic, a holiday tree lighting and carol sing, and informal gathering and relaxation every day have taken a toll. Vegetation is aging, and benches, tables, the fountain and bandstand are showing signs of wear.

Mayor Stella Brink's park committee is finalizing architect's plans, and the partnership, through Lucey and local volunteers, is raising money. The \$300,000 plan includes grant requests totaling \$150,000, to be matched by \$150,000 in local fundraising.

*Facade and streetscape renovation.* Over the years some of the architectural character of Hamilton's building facades has been hidden as businesses and tenants remodeled. After surveying building owners to determine their interest in renewing the downtown, the partnership has applied for grants to hire architects who will research and present a plan for downtown restoration. The partnership is developing a program of grants and low-interest loans to help owners fund the renovations.

*Small business development.* This summer Colgate student interns will be working with the partnership staff to identify sources of technical assistance to teach a class or serve as mentors to small businesses. The program is slated to begin in January 2000. Any alumni interested in volunteering or learning more about the program are invited to contact Lucey in care of the Scene.

*Arts initiative.* The partnership is in the early stages of developing a facility to foster the work of local artists and crafters by creating a retail and marketing center in downtown Hamilton. Funding sources will be approached early next year.

Layered over all these initiatives is work with the village committee that seeks to develop a business park at Hamilton Municipal Airport. Already the efforts of a new airport manager have resulted in a large increase in airport traffic.

"This is all very exciting," said Eve Ann Schwartz, the attorney/farmer whose work on the town's long-range plan provided much of the momentum for the current projects. Newly elected as the partnership's first president, Schwartz said, "We welcome the interest and involvement of Colgate alumni." She and the other members of the Partnership for Community Development can be reached in care of The Colgate Scene.

# Connecticut and the University Economic Engine

Jim Miara

URBAN LAND

The Urban Land Institute

October, 2004

"In the past 15 years, colleges and universities have increasingly come to realize that their fortunes are linked with those of their host communities," explains James Rooney, director of policy at CEOs for Cities, a national nonprofit organization that promotes collaboration among mayors, university presidents, and corporate executives. "Schools like Trinity College in Hartford, Clark University in Worcester, and the Rhode Island School of Design in Providence, to name just a few, have spearheaded bold new real estate development partnerships that have helped to catalyze rebirth in those cities."

Rooney points out that in most cases, university intervention in the host community's economic affairs is not simply an act of goodwill, but smart strategic policy.

Trinity College, a small, liberal arts school in Hartford, saw its applicant pool steadily diminish in the 1980s. Surveys found that Trinity's location in a high-crime, inner-city neighborhood of Hartford was a factor in the decision of prospective students to apply elsewhere. In the 1990s, Trinity began investing in local real estate and partnering with the city government in economic development projects. As a result, the area surrounding the campus improved, crime was reduced, and by the end of the decade the number of applicants to Trinity had grown by 77 percent.

The lesson was not lost on other urban New England universities, particularly Yale, where the Ivy League college has played a leading role in the revival of New Haven. "New Haven was a manufacturing town, and when that left, there was a vacuum," explains Bruce Alexander, Yale's first vice president and director of New Haven and State Affairs. "With more than 10,000 employees, Yale is the largest employer in the city. The university came to the realization that as a business leader it had to take an active role as a civic leader. It was in our self-interest and consistent with our values."

Alexander, who had retired from the Rouse Company in 1996 after 20 years, has experience in building communities. In 1999, Yale purchased 16 mixed-use properties in downtown New Haven that had been foreclosed by the FDIC. The portfolio includes 190,000 square feet of retail space, a small amount of office space, 112 apartment units, and 200 surface parking spaces. After renovations, Yale's University Properties leased the properties to 70 retail tenants, 65 of whom are local. The remaining five are national chains.

"In the retail district, Alexander explains, "we have a coordinated merchandizing plan, uniform evening operating hours, restaurants, and movies. We also made sidewalk improvements and planted trees; we have litter patrols, and we enforce design standards." Yale's retail real estate investments, Alexander is quick to note, make money. "We look for a social return," he explains. "I don't like to lose money for two reasons: Losing money takes away from school dollars, and retail properties that lose money are not successful projects."

To stop the population decline in the downtown area, Yale instituted a homeownership incentive program for all employees. It offered a \$25,000 cash grant to anyone, from professor to custodian, who buys a home in New Haven. To date, 625 Yale employees have taken advantage of the offer, according to Alexander. As a result, he says, property values have stabilized, new retail shops are flourishing, and residents are walking to work, restaurants, and cultural events.

City and state governments have also made substantial contributions to the city's renaissance. "We have overcome the reality of a bad image," insists Henry Fernandez, New Haven's economic development administrator. "Crime has fallen 50 percent from what it was ten years ago. It's now a safe city, a clean city, no graffiti or litter." A new IKEA store opened in July, and this past June, city and state officials announced that they will provide \$180 million in financing for a \$230 million development project, the

largest development in New Haven in 30 years. It will include the relocation to downtown of the Gateway Community College and the Long Wharf Theatre along with a hotel, a conference center, retail shops, residential units, and parking spaces. According to city estimates, the community college alone will bring 11,000 students downtown, and they will spend an estimated \$13 million annually.

Yale also supports New Haven's small but growing biotechnology industry. Most of the approximately 20 active companies originated out of research in the university. In the first quarter of this year, New Haven biotech firms raised \$210 million in investment capital, more than the total amount raised during the entire previous year. "Biotech is a hidden thing here," says Alexander. "New Haven should be getting more attention. No one knows what's happening here except venture capitalists."

New Hampshire-based Lyme Properties, which specializes in facilities for biotech use, plans to build 2.5 million square feet of mixed-use space in New Haven's Science Park. Half will go to biotech space with the rest for office, light manufacturing, and retail.

# Tapping Universities' Economic Power

Paul Grogan  
The Boston Globe  
June 25, 2003

BOSTON -

THE STUNNING ANNOUNCEMENT LAST WEEK OF AN UNPRECEDENTED MIT-HARVARD PLAN FOR A \$300 MILLION INSTITUTE TO UNLOCK THE MEDICAL POTENTIAL OF THE HUMAN GENOME PROJECT IS A POTENT REMINDER THAT RESEARCH UNIVERSITIES ARE THE REGION'S PREMIER ECONOMIC ASSET.

This joint venture signals a new willingness on the part of our two leading research universities to cooperate in a critical scientific undertaking. The question now is whether the political, business, and civic communities can cooperate with the universities to deliver the maximum benefit to the region.

The stakes are clear. In the new global economy, the key to commercial success is knowledge. The asset with the greatest leverage in a knowledge economy is the modern research university, an asset Greater Boston possesses in abundance.

Recently the region's eight major research universities released a joint economic impact study. The numbers are eye-popping: direct employment of more than 50,000 people at an average wage of \$51,000, \$2.5 billion annually in research funding, average construction activity of \$850 million per year, and total direct expenditures of nearly \$4 billion annually in the metro area. Our universities actually added jobs in the last two years, a claim no other sector can make.

As these statistics make clear, higher education is a big business. But it also underlies many other sectors of our economy - health care, technology, arts and culture, and tourism, to name only a few.

Given all this, it might be expected that helping these economic engines flourish would be everyone's priority. This is far from the case. Indeed, the best the universities get from us is classic local complacency. But the universities often experience far worse - endless squabbles with neighborhood groups over building projects, shakedowns for various forms of tribute by municipal officials, and periodic efforts to breach their tax exemption.

The crux of university-community conflict is often over the tax exemption these institutions enjoy. Whether the tax exemption of colleges and universities actually constitutes a fiscal drain is debatable. These institutions attract large numbers of taxable uses, and adjacent residential and commercial values are elevated by their presence.

If universities were really a drain, Cambridge would be in dire straits. Yet the city is among the most fiscally healthy in Massachusetts, with a \$7.5 billion tax levy, a triple-A bond rating, and the highest per pupil expenditure on public education in the state.

But if we persist in believing that universities are a local burden, we ought to do what Connecticut did 25 years ago: enact a measure that offers reimbursement to cities for the theoretically lost revenue. New Haven alone gets \$32 million from the state to alleviate the supposed burden of Yale and its other major nonprofits.

Are the universities to blame for some of their ill treatment? You bet. University leaders, particularly in the past, have exhibited their own brand of indifference to their host communities, failing to develop and nurture key government and community relationships.

But all that is changing. Both nationally and locally, there is a new breed of university leadership that recognizes that their ability to attract students and faculty depends on the health and vitality of their host

city. Presidents such as Richard Freeland of Northeastern University, Lawrence Bacow of Tufts University, and Larry Summers of Harvard University are giving significant attention to local relations, as they should.

While conflicts between universities and communities won't completely disappear, there is a new basis of cooperation based on a fundamental alignment of interests. The question is whether Boston and the region will take advantage of this opportunity.

Other cities and states already are. Atlanta, Pittsburgh, Philadelphia, and Chicago are well along in building cross-sector alliances to boost local higher education. Though less well endowed than Boston, these cities reveal a more advanced understanding of the payoff from thriving universities. States like Colorado, Ohio, Michigan, and Arizona have created "university-business-state roadmaps" to maximize the potential of in-state research institutions. Not Massachusetts. Others are coming after our students, faculty, and research dollars. When will we wake up?

Eli Broad, the California philanthropist who committed the first \$100 million to the Genome Initiative, passed over elite institutions in his home state to make his big bet on Boston. Maybe that kind of recognition, coming from 3,000 miles away, will help all of us see what is in front of us.

Paul Grogan is president of the Boston Foundation and co-author of "Comeback Cities: A Blueprint for Urban Neighborhood Revival." Copyright (c) 2003 Globe Newspaper Company  
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# Come for a diploma, stay for a life

By Mary Beth Marklein

USA Today

April 23, 2003

PHILADELPHIA - Drexel University vice president Joan McDonald has just made her final pitch, playing up the school's renowned co-op program, its gleaming fitness center, its "long tradition of educating leaders."

Now, the composition of this fall's freshman class rests in the hands of the 3,000 or so students and parents who have filled the campus athletic center to capacity on this afternoon in April, the month most students who received multiple offers of admission must decide which they'll accept.

About 500 students already have put down deposits to Drexel. As for the undecideds, this carnival-like event, with peppy cheerleaders, photo ops and Philadelphia cheese steaks, either will give them a feeling that Drexel is where they belong, or it won't.

"It's a critical day for us," McDonald says. But the festive mood belies the stakes, both for Drexel and beyond. Because when it comes to attracting the best and brightest, colleges and universities aren't the only stakeholders.

Civic, business and government leaders here also want prospective students to fall in love with their college experience — so much so that they'll stay in the area after they graduate. To that end, a regional coalition this month announced a nearly \$8 million three-year initiative to attract and keep college students in the greater Philadelphia area. Other areas of the USA, too, are rolling out the welcome mat. Pittsburgh now markets itself as "The College City." Last year, St. Paul adopted the slogan: "A City of Colleges and Universities." Montreal a few years ago boasted of having the most university students per capita among large North American cities. Milwaukee, Memphis and Cleveland are among cities exploring ways to attract the college-going crowd. Even Boston, that quintessential college town, has a Web site to attract more visitors to its campuses.

It's all part of a push, primarily in large metro areas, to become more competitive in a rapidly changing economy fueled increasingly by the ideas, knowledge and talent produced inside the ivory tower."

Civic leaders are increasingly recognizing that colleges and universities are major enterprises in their own right," says Jim Rooney, a director of CEOs for Cities, a Boston-based non-profit aimed at revitalizing urban areas. And, he adds, "In this age of corporate mergers and acquisitions, colleges and universities are obviously that much more enduring components of the urban economy. They're not going anywhere."

Consider, for example, that colleges and universities added 300,000 jobs nationally in the 1990s, says a report last year by CEOs for Cities and another non-profit, the Initiative for a Competitive Inner City. It said U.S. colleges were spending \$200 billion a year on salaries, goods and services in the late 1990s.

It's no coincidence that Philadelphia aspires to be grouped with places like Silicon Valley, the greater Boston area and the Raleigh-Durham area in North Carolina. All are leading centers for what experts call the "knowledge industry." All are home to well-known research universities which have served as incubators, their discoveries and innovations spun off into start-up companies. And to run those entrepreneurial ventures, all have produced — or attracted — a young, skilled workforce.

Home to more than 80 institutions, including the research-intensive University of Pennsylvania and top-ranked Swarthmore College, "Philadelphia has the same raw material," says Penn president Judith Rodin, who chairs the regional coalition, the Knowledge Industry Partnership, or KIP.

Together, institutions in the five-county area anchored by Philadelphia enroll more than 213,000 full-time students and produce some 55,000 graduates each year. Yet because there's no pipeline to funnel fresh talent toward rewarding careers, brain drain has set in. The region's 20- to 34-year-old population has dropped 18% in the past decade, according to a 2000 report by the Pennsylvania Economy League. And, it says, a "surprisingly low" 40% of the area's working-age population has a college degree or is in college. In contrast, 60% of the Raleigh-Durham population fits that description."

Cities get so focused on attracting companies, they forget that young people want to be in a city that not only has jobs but is also a fun place to be," says Richard Florida, professor of regional economic development at Carnegie Mellon University and author of *The Rise of the Creative Class*.

West Philly, where Penn and Drexel are located, has recognized the value of a strong university presence. Since Rodin became Penn's president in 1994, she has worked to revitalize the neighborhood. Today, many homes in the area have been restored, crime is down, and the bustling commercial sector boasts dozens of new businesses. A few years ago, Rodin and several other college presidents joined with tourism officials to launch a marketing effort persuading more kids and parents to spend the night in Philadelphia during their college search.

Now, local leaders want to broaden and deepen those initiatives. Soon, Rodin says, banners that identify the area as student-friendly will hang from airport and train station walls. Visitors who stay in participating hotels get discounts, along with campus maps, a disposable camera and a "report card" to record their impressions.

The outreach is to continue once students enroll. Brochures and magazines featuring young faces against vibrant backdrops urge students to explore a dozen "student zones," including South Street, Chinatown and Fairmount Park. This fall, the city plans to lure students downtown for its fourth annual college festival, featuring live music and other entertainment. Other promotions offer discounts to museums, clubs and restaurants. And a Web site ([campusphilly.org](http://campusphilly.org)) lists events off campus.

Finally, the coalition is developing plans to entice new college graduates to stick around. A KIP team is working with businesses to create 5,000 internships over the next three years. In May, it will sponsor a minority internship fair, and a Web site with career information is in the works.

Early signs of the initiative's progress are promising, though hardly conclusive. Annual hotel bookings have jumped more than 300% to 1,700 rooms this year, says Campus Visit president Todd Hoffman, whose Wellesley, Mass., company is involved in campaigns in Philadelphia, Pittsburgh and Boston.

But other trends are helping, he says. More students are going to college. Urban campuses are enjoying a boom; since 1996, Drexel's undergraduate student body has ballooned from 4,500 to 9,200.

Yet proximity to Philadelphia may not resonate equally from campus to campus or even among students. Biomedical engineering junior Jeff Dugger, 22, who grew up in Martinsburg, W. Va., says the opportunity to live in a city factored into his decision to come to Drexel. And Tim Kramer, 19, a freshman architecture and civil engineering major from Myerstown, Pa., says moving to Philadelphia, "with all of (its) historical architecture, was like heaven to me."

But 14 miles northwest of Drexel, at Bryn Mawr College, the city connection seems a non-issue to four prospective students taking a break from their activity-filled visit. Yes, the city center is just a train ride away, but two of them heard the same pitch at Wellesley and Mount Holyoke, near Boston.

Meanwhile, Lauren Faber, 18, of Bel Air, Md., is weighing admission offers from Bryn Mawr and Columbia University in New York.

"Philadelphia seems to have exactly what I like," Faber says. But she also says she thinks the challenge of living in Manhattan "would be good for me. So do I want four years of summer camp or four years of boot camp?"

Therein, perhaps, lies the test facing Philadelphia and other regions competing with the knowledge industry's biggest players.

"We're not the only ones who have figured this out," says David Thornburgh of the Pennsylvania Economy League and a KIP manager. To catch up with the San Francisco Bay area, Philadelphia would have to add almost 100,000 full-time students; to achieve a student concentration similar to Boston's, it would need more than 60,000.

"We've got to do something a little more dramatic and a little different," Thornburgh says. "Philly is right at the edge; it's our game to win. But we need efforts like this to get us through."

# Universities Learn Value of Neighborliness

Tamar Lewin  
New York Times  
National Report  
March 12, 2003

CLEVELAND - Tensions between town and gown stretch from the Middle Ages. The concept of the ivory tower has been around a long time, too. But Case Western Reserve University is reaching out to the community here.

On a practical level, Case Western dental students visit the public schools, where half the children have never seen a dentist, to apply sealant to the teeth of the 15,000 second and sixth graders. And talks have begun about bringing the Cleveland Health Department onto the campus next year, a move that could involve additional medical students in basic public health issues while saving the city money on rent.

Dr. Edward M. Hundert, the new president of Case Western, is exploring other ideas, like how the university might work with the nearby Rock and Roll Hall of Fame and how to bring the university's research and technology advances to market. Finding new ways to give students real-life experience while helping the community is Dr. Hundert's refrain.

"It's something for every department to think about," he said. "At one reception, I was talking to an English professor about how poets choose particular words to have an emotional impact, and we talked about the possibility of having her students spend time in the mayor's speech-writing office, another place where people think about that."

Case Western is not the only university thinking along these lines. A few - most notably Yale - have been doing so for a decade. In recent years, far more of the top urban research universities have become engaged in supporting the communities around them.

Some say their efforts were designed to make it easier to lure top faculty members and students. Others, like Dr. Hundert, say it is a pedagogical decision, a way to enliven the education they offer by engaging students and faculty members in real-world problems.

Whatever the motivation, many kinds of partnerships are flourishing. Some universities - like Clark in Worcester, Mass. - are involved with local school systems, reorganizing middle and high schools.

Others are involved in biotechnology. Washington University in St. Louis has used a \$40 million venture capital fund taken from its endowment to encourage startup biotechnology companies. Virginia Commonwealth University in Richmond, with the city and state, is building a biotechnology research park to house 3,000 researchers, scientists, engineers and technicians.

The University of Rochester, where Dr. Hundert was dean of the medical school, has focused on public health and eliminating disparities in care among ethnic groups.

Such programs, however, face obstacles. Success often depends on building ties to leaders who have histories of university bashing, and marketing projects to communities that mistrust universities.

Then, too, some universities are wary of projects in which they have to share control. Others are uncomfortable with the idea of moving beyond their academic sphere.

"When I became president of Johns Hopkins in 1996, I said we're not into community redevelopment," said Dr. William R. Brody, who is now committed to redeveloping the adjoining East Baltimore neighborhood with 1,500 new and rehabilitated housing units and a biotechnology park. "I was like George W. Bush,

saying we're not into nation building. But we are in the middle of urban terrorism, with one of the worst drug areas in the nation one block north of campus. We have to build a viable neighborhood."

Yet as endowments shrink, it is no easy matter to find money for ambitious new projects, especially when faculty members see the projects as impinging on the money available to them. But even in tough times, Dr. Hundert says, those who understand the benefits of closer ties to their cities will find the money to create the programs.

"Our philosophy is that the external things we're doing are the things that will set our university apart," Dr. Hundert said. "If we look outward and combine our funds with outside institutions, we can create something greater than the sum of the parts, something that will attract top faculty and students."

In New Haven, Yale's decade-long investment in overcoming urban blight is paying off, the university president says.

"In the two years before I became president, a student was murdered on campus and major national magazines conveyed the impression that violent teenage drug gangs ruled the streets," said Dr. Richard C. Levin, who became president of Yale in 1993 and made community outreach a criterion for evaluating faculty members and administrators. "By contrast, last year, a feature article in The New York Times Travel section called New Haven 'an irresistible destination.' "

At Dr. Hundert's inaugural colloquium on universities and their cities in January, Dr. Levin described a Yale program offering subsidies to university employees to buy houses in New Haven, where housing prices had been declining and vacancy rates were high. Starting in 1994, employees who bought houses in the city received \$2,000 a year for 10 years. A year later, the two upper-middle-class neighborhoods in the city had stabilized, so Yale stopped offering the subsidy in those neighborhoods and expanded it in lower-income neighborhoods.

Yale, the largest employer in New Haven, has not overcome its long, dismal record on labor relations, but has made strides in revitalizing downtown and engaging in civic life.

At Case Western, Dr. Hundert began wooing the community at a reception in August where hundreds of Clevelanders met him and shared their ideas on what the university should do with a former hospital site it had acquired.

The site may be the new home of the municipal health department. "It would a great opportunity to have the medical school and the university and the community stitched together," Mayor Jane L. Campbell said.

But for now, the dental sealant program is the symbol of engagement with the city, helping students both to understand the needs in poor communities and to help fill that need.

"It's a wonderful thing on all sides," said Dr. James Lalumandier, the chairman of community dentistry. "In this country, 80 percent of dental disease is in 20 percent of the children, and these are the 20 percent. Students arrive at medical school and dental school with a desire to help people, and if you get them into clinical work quickly, they don't lose that desire."

The dental students said their weeks in the schools were the high point of the year.

"When you sit down for the first time to use a probe in the mouth, it's a big moment," said Oliver Thuernagle, a student from Idaho who has been startled by what he saw in the schools and the children's mouths.

"I'm from a place where you don't lock the door when you go on vacation, and here I am at schools where you sign in, and they check you for guns," Mr. Thuernagle said. "We saw children whose teeth had erupted

only five months ago and were already rotten to the core. You refer them to someone who will take care of the cavities. But you just wish you were there five months ago."

School officials say the program is a godsend.

"Having Case Western here, what a blessing," said Eugenia Cash, a health administrator. "It hasn't always been the case that they reached out to the community, but now they truly are."

# Rooted in Growth

Understanding and communicating institutions' roles as engines of economic development

By Jennifer J. Salopek  
Council for the Advancement and Support of Education  
November/December Issue

Washington, DC-Knowledge is power. More than a ubiquitous catch phrase used in numerous public awareness campaigns, it's a truth that education institutions universally embrace. The collective knowledge that professors, researchers, and students gather and share is the force that keeps campuses running. It drives not only mission statements and campus ideals, but also bottom lines as a growing number of campuses transform that knowledge into wealth for their communities.

In a July 2000 speech before the National Governors Association, U.S. Federal Reserve Chair Alan Greenspan said, "In a global environment in which prospects for economic growth now depend importantly on a country's capacity to develop and apply new technologies, our universities are envied around the world.... If we are to remain preeminent in transforming knowledge into economic value, the U.S. system of higher education must remain the world's leader in generating scientific and technological breakthroughs and in preparing workers to meet the evolving demand for skilled labor."

Education administrators have long known the economic impact their institutions have on surrounding communities and beyond. Increasingly, they are telling this important story as a way to build and strengthen good will.

In 2002, two national organizations, CEOs for Cities and the Initiative for a Competitive Inner City, released the results of their national study on the impact of higher education on urban economies. Although the study focused specifically on urban institutions, the insights it offers and action steps it outlines are applicable to virtually any institution.

The report, "Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda," points out that higher education institutions, in particular, are a stable economic influence. "More than half of the nation's colleges and universities are located in central cities and their immediate surroundings," it states. "Unlike corporations that relocate or are transformed by mergers and acquisitions, colleges and universities are largely enduring components of urban economies."

The report outlines six major ways in which these institutions can have "meaningful impact" on their communities: by purchasing goods and services, employing community members, developing real estate, incubating business, advising business and building networks, and developing and training segments of the larger workforce.

Whatever their size or location, virtually all education institutions participate in at least some of these economic development activities as a function of conducting their daily business. Recognizing the value of this economic development role and positioning and conveying it to important constituents are significant tasks for campus communicators. To carry them out successfully, they need to become informed advocates who think carefully about what to assess, how to coordinate the research and gather the data, and ultimately how to explain them.

## REASONS FOR ASSESSMENT

Knowing why to assess economic impact is an important first step. "Campuses are increasingly called upon to prove themselves good neighbors," says Don Smith, vice president of economic development for the Mellon Pitt Carnegie Corp., a joint venture of the University of Pittsburgh and Carnegie Mellon University.

For public institutions, "It is a larger effort to explain how investments in the college or university benefit not only students but the public at large," says Trey Davis, director of special projects for the University of

California System. “We want to communicate a better sense of the value of the system as a whole as opposed to that of just one individual campus.”

Because public and many private institutions don’t pay property taxes, “The municipality may feel that it is not being compensated. An economic impact study brings those contributions to light,” says Irene Hegarty, director of community relations at the University of California, Berkeley.

Aligning an institution’s economic development role with its mission helps ensure that the assessment of economic impact gets the attention it needs. This task is easier for some institutions than others. “The business and economic development of the greater community is one of the college’s eight main mission purposes,” says Jana Kooi, president of Pima Community College’s Community Campus in Tucson, Arizona. And in the mid-1990s, the University of Illinois “almost made economic development our fourth mission, after teaching, research, and public service. However, some people got nervous; now we call it an ‘overarching role,’” says Lex Tate, associate director of university relations.

#### WHAT TO ASSESS

Deciding what and how to measure also varies by institution. For Carnegie Mellon and the University of Pittsburgh, technology transfer is an important factor in attracting and keeping business in Pittsburgh. “CMU’s fortunes are tied to the fortunes of Pittsburgh,” Smith says. “We are dependent on the health and vitality of the local economy. Therefore, sharing our own contributions is enlightened self-interest.”

Technology transfer, a major area of activity that wasn’t included in the CEOs for Cities strategic framework, is “a formal transferring of new discoveries and innovations resulting from scientific research conducted at universities to the commercial sector,” according to the Association of University Technology Managers. Smith says tech transfer is an economic development activity that somewhat levels the playing field for institutions because “impact is no longer directly proportional to institutional size.”

In an impact study released in October, the University of Hong Kong decided to define its impact in the broadest sense of the term. “[The study assesses] the impact of HKU graduates vis-à-vis the general economic, social, and political development of Hong Kong in the last century,” says Kitty Wong, assistant director of development and alumni affairs. One of the study’s major goals, according to a planning document, was to “bring out the role of the university as a breeding ground for leaders and pioneers, as a catalyst for change, and as a magnet for attracting expertise and talent.” It focused on the university’s role in preparing graduates for medicine, law, architecture, engineering, education, politics, social and civil service, and cultural endeavors.

Most of the information-gathering was done in-house; instead of number-crunching, however, the assessment was conducted mainly through interviews with alumni, faculty, staff, and prominent Hong Kong figures.

UC Berkeley communicators decided what to measure by asking themselves two questions: What is our story and to whom do we want to tell it? “We wanted a story that was not exclusively about Berkeley but about the whole Bay Area economy and how a major research institution fuels the economy,” Hegarty says. “But we also wanted to focus on the cultural and quality-of-life benefits, the ripple effect that results in things like an arts district, coffeeshouses, and restaurants,” not just dollars and cents.

#### COMMUNICATOR'S ROLE

The role of campus communicators is especially vital because “the notion of schools as engines of economic development has taken root but is poorly understood,” Smith says. Deciding what to say to constituents and how to say it should not be communicators’ sole responsibility, however. Instead they should be part of the decision-making processes.

Hegarty urges communicators to take an active role early on and help design the study. “For example, we wanted to include the volunteer activity at Berkeley in our report, so we asked for that at the start,” she says. Communicators also can provide a great deal of information to the consultants who often research and write the impact studies, she notes.

Knowing early on how the institution intends to use the information also can help determine the best vehicles for explaining economic impact results, something campus communicators know best. The University of California System will be releasing the results of a new study in spring 2003. "The information will be used to help tell the university's story, and will take many forms," Davis says.

## STORYTELLING

Once campus officials have assessed economic impact, they may choose to tell the whole story or to emphasize certain parts of it, depending on the audience and goals of the communication. Davis identifies city, county, and state government officials; business and industry leaders; and alumni as the primary audiences for the economic impact message of the UC System.

When the University of Illinois conducted its last economic impact study in 1998, the goal was to assess the "impact of a dollar spent" on the university, Tate says. Having studied other institutions' reports, she concluded they were "too big, too dense, too detailed." So out of the 100-plus pages of economic impact information U of I compiled, the communications staff spelled out 13 key facts and created a six-panel brochure for a general audience. "Impact Illinois: 13 Ways the University of Illinois Benefits the State" makes the numbers accessible and focuses on things most people can readily understand, including spending impact (\$1 of state money equals \$7.41 in economic activity), direct and indirect job creation, graduates' lifetime earnings (more than double those of the average high school graduate), tax revenues garnered from those higher earnings, and long-term wealth, which compares the annual return of a U of I education to Treasury bills, stocks, and bonds. "You want people to say, 'I didn't know that!'" Tate says.

"Economic impact reports are usually so dry," Hegarty says, so Berkeley staff members identified three goals for their communications effort: Make information accessible, put it in a format people can understand, and get the message across. The resulting eight-panel brochure her office created, "The Buck Starts Here," focuses on four themes: jobs, business, talent, and ideas. UC Berkeley also created an interactive Web site based on the brochure that allows users to click directly to their main area of interest. "The data gathering took much longer than expected and delayed the release of the report" because some of the data were not routinely kept, Hegarty says. "In the future, we are likely to collect data annually and to publish it more often."

A UC Berkeley newsletter, "Cal Neighbors," which it distributes to 55,000 area residents quarterly, was also used to publicize the results of the impact study; a front-page story conveyed some of the most significant findings about direct and indirect spending, employment, and quality of life. As is the case with other institutions, Berkeley's publication makes the information easily digestible with facts like these: "Every dollar UC Berkeley spends generates another 67 cents in Bay Area spending—a total of \$1.4 billion annually"; "Bay Area companies have been founded by 247 UC Berkeley alumni"; and "Every \$1 million UC Berkeley spends generates more than 20 Bay Area jobs."

The University of Hong Kong published the results of its study in a book that breaks down the university's contributions to the community into five major categories: a supplier of human capital, a provider of education opportunities, a seed for growth and prosperity, a pioneer, and a source of ideas, leadership, and problem-solving skills. The book takes an anecdotal approach, telling the stories of prominent roles played by graduates in industry and in the campaign to make Chinese the official language of Hong Kong.

Pima Community College's story is about work-force development. Pima updates its economic impact data annually and presents it both through the college's Web site and through the "pocket profile," a small printed publication. "The general community is not aware of our capabilities and the resources that are available," Kooi says. "We try to send a consistent message through marketing and public relations efforts using advertising and mailings, including the pocket guide, which we issue every year." Pima's five campuses also produce community newsletters that tell success stories and reach out to their respective regions.

Tate offers these tips on communicating economic impact:

Do a reality check. Assess what you have and what your institution is about. For example, U of I makes a great story out of its Institute for Competitive Manufacturing, which sends students to small to mid-size Illinois companies to help them solve problems.

Be imaginative with your interpretation of the numbers, without making things up. "It doesn't have to be a harsh calculus," Tate says.

Live in your niche. Know how people think about your institution, and tread carefully. "Economic impact may cause people to look at the university in a different way," Tate says. "Many don't like to think of it as businesslike; for them, it's all about teaching. You need to think through what you're saying so as not to seem like just another corporate entity."

Do honest research, and be extremely conservative in your estimates of impact.

Use everyday language and calculations to be clear and unambiguous. "Once you get the basic information and develop it as an important message, you can find lots of audiences," Tate says. "For the most part, people are very receptive. It turns their brains around as they learn to think of the university as more than a producer of students."

Find ways of recycling economic impact data. You can repeat the same message 10 different ways and it will still get an "Oh, wow" reaction from the audience, she says. "We use it until it's stale, then we use it a little more."

The University of Wisconsin System takes a somewhat different approach to publicizing impact. For three years it has sponsored an annual economic summit, most recently in October. "The summits have involved bringing together university, government, and private sector leaders in the state to address the state's economic development challenges," says Linda Weimer, the system's vice president for university relations. "They are part of our strong public service mission and the summits represent the only statewide conversation on these issues. They also serve as a communications tool to showcase what the university is doing in economic development."

#### IS THE STORY HEARD?

The success of these efforts depends in part on the initial goals. For some institutions, financial results are key. "Our efforts were broadly recognized to the point that legislators added some funding for the university to the governor's budget in this biennium to enable us to do some special economic development projects," Weimer says. "I think our work on the economic summit helped make that happen." Tate suggests a different financial goal. "If you take the message to alumni and donors, they can then express their gratitude and approval by directing gifts to specific areas of interest," she says.

For other institutions, a heightened sense of community awareness is all that counts. Ultimately, success depends on always keeping in mind the people on the receiving end of your economic impact messages. After all, Davis says, "The value of an economic impact report is measured by the extent to which you communicate the results."

Jennifer J. Salopek is a freelance writer in McLean, Virginia.

# Colleges play key part in urban revivals

Anthony Flint, Globe Staff

The Boston Globe

October 24, 2002

NEW BEDFORD - Over the years, this city has tried just about everything to breathe life into its downtown: a whaling museum and aquarium have been added, along with arts festivals on Thursdays. Ferry service to Martha's Vineyard is scheduled to start next year from a downtown pier, and commuter rail has been proposed to link this old seaport to Boston and beyond.

But one downtown asset was there all along: the College of Visual and Performing Arts, part of the University of Massachusetts, which moved from a nearby low-profile site to a renovated 1915 Star department store building two years ago. Now Purchase Street, the main commercial area, is flooded with students buying burritos, coffee, and arts supplies.

"Having the university here cements it all together," said Tony Souza, head of the Waterfront Historic Area League, a nonprofit downtown improvement group. "It extends the days down here beyond 9 to 5. All the restaurants are doing well and we've got more on the way. People are moving into renovated lofts. It's a great part of the formula."

Across the country, colleges and universities - once the perennial villains in town-and-gown conflicts - are earning new recognition as partners in urban revitalization efforts. Higher education institutions once known for expanding intrusively into local neighborhoods, taking property off the tax rolls, and flooding streets with unruly students are being prized as economic engines in cities striving to become centers of activity and downtown living.

In Cambridge, the Massachusetts Institute of Technology is promising to turn Vassar Street into a new "urban boulevard," and Harvard University has been providing space for community libraries.

Former mayor Vincent "Buddy" Cianci's Providence renaissance received a big boost from relocations by the Rhode Island School of Design and Johnson and Wales University, while Worcester officials are pleased with Clark University's efforts to integrate its campus into the city.

Trinity College in Hartford has reached out to what once was a neighboring urban crime zone, while the University of Pennsylvania provides bus service for the transforming West Philadelphia neighborhood beyond its ivy-covered walls.

"Cities are realizing that colleges and universities are a stationary economic base, at a time of rootlessness in the private sector," said Paul Grogan, head of the Boston Foundation and before that a vice president for community relations at Harvard University. "They import capital, they buy loads of stuff, they hire people, and they bring cultural vitality and young people in, when some other populations are leaving."

Educational institutions, meanwhile, realize they will need to be in attractive - and safe - surroundings to be competitive in the years ahead, particularly as the applicant pool dwindles, Grogan said.

In New Bedford, the relocation of the College of Visual and Performing Arts, as well as a branch of Bristol Community College, has put roughly 700 students in the once-vacant department store building. The move isn't considered a silver bullet in downtown revitalization efforts, but the fact that the building now hums with activity and stays open late has made a big difference, area business owners say.

"There are more people down here generally," said Craig Paiva, co-owner of No Problema Taqueria on Purchase Street.

The college, part of UMass-Dartmouth, is also happy to be part of an urban revival. "The interaction, the people walking the streets - it's just a much richer environment," said James Martin, a professor in the ceramics program.

Colleges and universities have been in urban areas for hundreds of years and have not done enough to integrate themselves in those communities, said Evan Dobelle, a former president of Middlesex Community College. It was Dobelle, as head of Trinity College in the late 1990s, who initiated a \$175 million plan to improve the adjacent Barry Square and Frog Hollow neighborhoods in Hartford.

"Some institutions just expand in their own image, and knock neighborhoods down and build classrooms and dormitories, which is inexcusable," said Dobelle, who is now president of the University of Hawaii. Trinity's efforts were in part motivated by self-preservation. For a time, prospective students were brought to campus by a circuitous route that avoided the immediate neighborhood, which was beset by prostitution and drugs. The college helped build a job training center and a Boys and Girls Club.

Today, colleges and universities are moving away from offering token "goodies" to communities to get approval for new projects, real estate development specialists say.

At MIT, the redevelopment of Vassar Street is seen as more critical for Cambridge than the bold architectural statements by noted architects Steven Holl and Frank Gehry at either end of the street. The university wants to integrate the street's redevelopment as a potential stop on the proposed circumferential transit line known as the Urban Ring, said William Mitchell, dean of the architecture school and key adviser in MIT's development efforts.

In Philadelphia, the University of Pennsylvania established the University City District, a kind of business improvement district that has been responsible for improvements in public safety, public spaces, streetscapes, and a new shuttle service that augments the city's transit system.

The effort is in stark contrast to the 1970s, when the university was seen as alternatively walling itself off or expanding insensitively into the neighborhood. "Penetration," a play on gentrification, was coined to characterize the adversarial relationship that existed, said Omar Blaik, vice president for facilities at Penn.

As universities change their approach, city leaders are also gradually accepting such institutions as strategic partners. The trend is taking place in both down-at-the-heels urban neighborhoods and more established areas, said Grogan, who founded the CEOs for Cities program, which joins mayors with leaders in business and higher education.

"We often treat our universities as something to extract things from, as opposed to partners in the urban future," Grogan said. "But cities have a huge interest to maximize the potential of higher-ed institutions to thrive. Just lining up with the neighborhood, when a new project is proposed that they don't want, isn't good governance at this point."

New Bedford Mayor Frederick M. Kalisz Jr. said the UMass relocation was welcomed by the city, which chipped in with funds to restore the facade of the Star building.

The school fits perfectly with the city's efforts to make downtown a hub for the arts, he said. Student work is routinely displayed in storefront exhibit space, and a restored theater a block away also will benefit from college programs, he said.

"People walk out of that theater at 11 at night and they look up and see the [Star] building all lit up, with the ceramics and painting studios," said Kalisz. "There's a sense of life. It's a breath of fresh air."

# In the Knowledge Economy, Universities Are Powerful Resources

Jim Miara  
Banker & Tradesman  
October 7, 2002

Boston- Large corporations leave cities all the time, floating in and out of town on the economic tides, or like Enron, sinking like a stone. On the other hand, colleges and universities are part of the urban furniture and will never leave. So, why are corporations continually cosseted while academic institutions often feel the lash of city government? In the long run, which one – corporations or colleges and universities – has more to contribute to the economic health of a city? The truth is, both are important, but corporations get a lot of attention while academic institutions don't get nearly enough, especially considering their starring role in the new knowledge economy.

Today, even a city's signature corporations can be packed off to a nouveau berg. It's readily acknowledged that Fleet Bank (swallower of Bank of Boston) could itself be gobbled up by a banking behemoth and its headquarters moved elsewhere. It happens all the time, and not just in Boston, of course. Cleveland, which used to boast of one of the highest concentrations of corporate headquarters anywhere, watched helplessly as 11 major corporations relocated out of the city during the 1990s. The city and its economy are left to cope with the loss.

That doesn't happen with colleges and universities, as Boston can attest. Boston University and Boston College share their names with the city, but the 60 or so other colleges and universities that have all or part of their facilities located within Boston's boundaries are no less attached. All Boston-area colleges, including the big guys across the river, use the city as a selling point for prospective students. For its part, the city benefits in myriad ways from the presence of the schools and their students. The social and environmental connections are firm. It's the economic connections that need a new look.

Battles of ancient origin continue between cities and universities related to taxes, city services and rowdy students. But those fights, both sides agree, are small potatoes. So why haven't cities and universities formally acknowledged their symbiosis and honed their operations into more mutually beneficial strategies?

The answer, says Linda Kowalcky, Boston's liaison with the city's higher educational institutions, is: "We are trying, but it's not as easy as it seems." City government is highly segmented, and at universities some of the administrative detritus left behind by years of isolationist, ivory-tower policies can get in the way.

But that's changing. Universities are now major corporations with sophisticated administrators who are very much in the world. They are extremely sensitive to the economic relationship with their host cities. Nevertheless, a recent study conducted by the Initiative for a Competitive Inner City (ICIC) and CEOs for Cities, two Boston-based nonprofit national urban economic development organizations, found that colleges and universities are a resource that cities across the country have not fully tapped.

More than half of the institutions of higher education in the country (1902) are located in urban areas. In 1996, the latest year for which statistics are available, urban colleges and universities spent \$136 billion on salaries and goods and services. They are also proven money magnets. In 1999, according to the report, Harvard spent \$1 billion more in the Boston metropolitan area economy than it raised locally from tuition and fees. The report also notes that Boston-area universities and colleges employ more than 94,000 workers, the overwhelming majority of them in nonacademic administration and maintenance jobs.

But the report concludes that this economic firepower is not being used to the best effect in its own backyard. Boston does better than most. But Kowalcky says that although many positive ad hoc cooperative projects take place, an integrated long-range strategy between the city of Boston and its many colleges and universities does not exist.

It should exist, because potential economic benefits are tremendous. The report cites six areas in which universities and colleges, with only minor jiggling, can align their operations with municipal economic development strategies: 1. As a purchaser: buying locally; 2. As an employer: hiring locally; 3. Workforce training: aligning their skills with the area's employment needs; 4. As an advisor and network builder: putting their skills to use for local businesses; 5. As an incubator: supporting new-economy start-ups; and 6. As a real estate developer: partnering with local developers and community groups on projects that stimulate the economy while meeting university and community needs.

This last recommendation is eye-catching. Colleges and universities own acres of urban real estate, with an assessed value nationally of about \$100 billion in 1996. Of the 20 universities nationwide surveyed for the report, each one had capital improvements projects underway, with the most expensive costing \$800 million. But beyond their own projects, universities can stimulate the local economy by investing in incubator spaces and other university-connected entrepreneurial ventures that attract businesses, capital and jobs.

In a better atmosphere, universities can play a larger role as development partners. Virginia Commonwealth University (VCU), a state university located in Richmond, has become an active developer in its area. It built a recreation center, a parking garage, a bookstore, a 396-bed dormitory, and an art school in a long-neglected area near its campus. The private-sector then responded by adding 455 units of housing, a large home-improvement retail store and a giant supermarket.

Of course, in Boston where land is scarce and fiercely contested nothing is easy to build. But if the city, the business community and universities coordinate their plans and present a united front, projects will flow and everyone wins. Boston is renowned for the intellectual power of its colleges and universities. Now the city and its academic institutions should show how, in a knowledge economy, that power can be harnessed.

# Wake-up call for academia

Neal Peirce  
Washington Post  
May 29, 2002

For years I've suspected that universities could and should be a resource, a secret asset, for the health and growth of great cities.

Not only are they big employers and big purchasers of goods. Their students and staff have buying power. They're rooted in town -- they're not footloose corporations. They can be seed beds, incubators for entrepreneurial growth. In a knowledge-based economy, universities are without question the mind specialists.

Now comes a study that not only expands on the role of universities, but gives real numbers to underscore their importance. The organizations -- the Initiative for a Competitive Inner City and CEOs for Cities -- report that America's colleges and universities, in the mid-to-late '90s, were spending \$200 billion yearly. That's a fifth of a trillion dollars on salaries, goods and services.

But the location is the stunner. Just over 1,900 universities and colleges -- more than half the national total -- are located in the urban core. And they're big operations. They spend \$136 billion -- 68 percent of academia's national total. Universities on the urban fringe spend another \$38 billion. Only \$26 billion, or 13 percent, comes from universities and colleges in small towns or rural locations.

So if academia's such a massive presence in cities, why have cities endured such a painful half century of urban decline? The story pulses with missed opportunities, not to mention some outright abuse where universities crushed nearby neighborhoods for office space and parking lots.

Recent years have seen a constructive turn as a fairly narrow roster of universities have undertaken model partnerships with their surrounding communities. Among them are the University of Pennsylvania in West Philadelphia, Columbia in Upper Manhattan, the University of Southern California in L.A., Howard in Washington and Trinity College in Hartford. Several of their stories are told in the new report, available online at [www.ceosforcities.org](http://www.ceosforcities.org).

Columbia's turnaround, from raw land aggrandizement that prompted mass protests in the '60s to conscious community-building under President George Rupp in the '90s, has been one of the most remarkable. Columbia is unquestionably a huge academic plus for New York -- not only the concentration of talent it brings into the city, but dollars. Of its \$2-billion budget, 74 percent comes from outside New York. But 68 percent is spent inside the city.

Acutely aware of its proximity to Harlem, Columbia in recent years has planned strategically to better its ties with nearby communities, including appointing high-level staff to work closely with its neighbors. It's rolled out programs to increase its employment of people who live near the campus. Through networking, it's upped purchases from local vendors past \$60 million yearly. It counsels local small businesses with teams of MBA students. An urban technical improvement program has helped community-based groups draw over \$100 million in development.

And in dramatic contrast to the years of confrontation -- which Rupp estimates may have cost Columbia \$1 billion in contributions -- the university now regularly presents capital plans for feedback at community board meetings, often implementing suggestions it hears. Even so, says Eugene Trani, president of Virginia Commonwealth University in Richmond, more exciting opportunities lie ahead for urban universities. The list of America's top 50 universities will change profoundly in this century, says Trani, based on three issues.

First, location -- students will go overwhelmingly for college experience in lively cities. Isolated campuses with six big football games a year won't cut it; 24-hour-a-day towns will. Smart universities must bolster

urban revitalization and variety, as Virginia Commonwealth did through investments to bring retail and private housing to the distressed Broad Street area the university abuts. (Trani himself served recently as Richmond Chamber of Commerce president -- a role I've heard a university president fill before.)

Second, says Trani, universities must have imaginative programs. He cites the life sciences initiative his university has just created, tied in with its new bio-tech park for research and start-up firms, offering students hands-on biotechnology experience.

Third, Trani asserts, successful universities will collaborate extensively and carry education outside the classroom. In Virginia Commonwealth's case, he suggests, that will mean the Virginia Museum of Fine Arts, the Virginia General Assembly, Theater Virginia, the Virginia Ballet, and the Richmond public schools. "The experience must be dramatically enriched for students, both in terms of educational experience and research opportunities," says Trani.

To say all this is premature, way ahead of most universities, would be accurate. Most American faculty still get rewarded if they "publish or perish" in a narrow discipline -- not for cross-disciplinary innovation, or lively outreach to their communities. Few trustee boards push constructive change.

But there is an appetite out there for attuned universities, truly engaged with their communities. Call it a market, if you like. It's new, it's different, and my bet is it can only grow.

# Can St. Paul capitalize more on being a great college town?

Ronald D. Clark, Editorial Page Editor  
The Plain Dealer  
April 28, 2002

Saint Paul- Here's a little useful history that some newcomers may not know and some longtime residents may have forgotten.

St. Paul was incorporated as a city in 1854. That same year, Minnesota's first institution of higher education, now known as Hamline University, was opening its doors in Red Wing. By 1880, Hamline, established by a pioneering group of Methodists, had relocated to St. Paul, where it would later be joined by more private liberal arts colleges than perhaps any other American city could claim.

In 1885, Macalester, with Presbyterian ties, embraced St. Paul, after an earlier life in Minneapolis.

In 1885, St. Thomas opened its doors to Catholic men, then in 1894 began operating independently of the St. Paul Seminary.

In 1893, Concordia put down its roots in St. Paul, first to provide a Christian learning environment for high school students preparing to enter the professional ministries of The Lutheran Church-Missouri Synod. Concordia began offering college classes in 1905.

In 1905, the College of St. Catherine began educating Catholic women.

Do you see a pattern here?

The picture becomes even more impressive when you add to the mix the public universities - the University of Minnesota's St. Paul campus and Metropolitan State (1971) - as well as specialty institutions, such as William Mitchell College of Law, 100 years old in 2000, and Musictech College of Music and Recording Arts, St. Paul's newest higher education campus, which opened its doors in January after relocating from Minneapolis.

If you expand your view to include St. Paul's suburbs and also count community colleges and technical institutes, you have an industry that without question entitles St. Paul to proudly proclaim itself a college town - just as much as Madison, Wis., or Ann Arbor, Mich.

The only difference is, St. Paul's students, faculty and staff are spread over a number of campuses.

Yet, St. Paul has never put together any full and lasting partnership between its higher education community and its business, non-profit and government sectors.

Why not? Perhaps because St. Paul takes its higher education institutions for granted. Perhaps because the community too often has asked what higher education could do for the city, without seriously asking what the city could do to help higher education.

Regardless, last week produced some pledges and enthusiasm to change all that. The inspiration came from St. Paul Mayor Randy Kelly, the Capital City Partnership and a new national organization known as CEOs for Cities, of which St. Paul is a member.

Officials of CEOs for Cities came to town with a new research report that appealed to cities and their colleges and universities to create new partnerships to spur economic growth.

Kelly pulled together some of St. Paul's college and university presidents or their representatives to receive the report. They agreed to take two immediate steps:

o Update a 1987 study by the St. Paul Area Chamber of Commerce on the economic impact of higher education on the community. The 1987 study identified 20 institutions in Metro East enrolling 50,000 students and employing 8,000 people, with operating budgets totaling \$425 million.

o Develop joint marketing messages and branding strategies that showcase St. Paul's bountiful colleges and universities in national and regional communications.

"I was extraordinarily enthused, as were the rest of the presidents," said Kelly. The mayor, a former state senator from the East Side, said he became a believer upon seeing the importance of Metropolitan State University's growth in offering hope to the East Side and stimulating renewal.

The Rev. Dennis Dease, president of the University of St. Thomas, noted that "what really got my adrenalin pumping is that St. Paul is one of the most important college towns in America." A joint marketing program could help campuses keep their enrollments steady in the face of projected declines in the college-age population over the next decade and a half, he added.

Robert Holst, Concordia University president in his 11th year, noted that for selfish reasons if not others, colleges and universities need to be involved in the welfare of their host cities. The CEOs for Cities study pointed to examples of some urban universities that had trouble attracting students because of urban decay and high crime rates in surrounding neighborhoods.

Noted Michael McPherson, Macalester president, "The city is a huge asset for the colleges, and the colleges are a huge asset for the city."

Howard Orenstein, a top Kelly aide who is working with the University of Minnesota to explore a possible St. Paul site for a biotech incubator park for new businesses, says Kelly plans to work hard to keep a higher education partnership alive and productive. One way will be to continually ask how to involve campus leaders in discussions about housing, economic growth, school challenges and other topics.

Helping the University of St. Thomas resolve long-standing disputes with Summit Avenue neighbors about campus expansion also could strengthen this new town-gown coalition.

# Report praises VCU's efforts: University helped revitalize city

Michael Martz, Times-Dispatch Writer  
Richmond Times-Dispatch

Virginia Commonwealth University is setting a national example for how academic institutions can help revitalize cities and boost the economic development of a region.

VCU, based in Richmond, is one of two universities showcased in a report released yesterday by two national organizations proposing a long-term strategy for reversing the decline of cities. The other is Columbia University in the Morningside Heights neighborhood of New York City.

"They offer examples of strong leadership, effective institutional setup, and meaningful community engagement," states the study by CEOs for Cities and Initiative for a Competitive Inner City, two Boston-based organizations established in the past decade to promote solutions to urban problems.

VCU and Columbia were chosen from among 20 colleges and universities studied in the report, called "Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda."

The report focuses on the roles of large academic institutions as purchaser of goods and services, employer, real estate developer, incubator for new businesses and technologies, adviser and network builder, and work force developer. It calls urban universities and colleges untapped sources for economic growth, citing \$136 billion spent on salaries, goods, and services in 1996.

"What you've got in cities across the country are major economic engines," says Dr. Eugene R. Trani, president of VCU and the principal architect of its growth strategy in the past 12 years.

Trani said he was delighted with the report. "We believe they captured a lot of what VCU is doing," he said.

VCU gained the most attention for its role in promoting regional economic development as well as boosting Richmond's economy through the creation of the Virginia Biotechnology Research Park and School of Engineering. The university's revitalization of the Broad Street corridor also was held up as an example of how to develop real estate to reach out to city and neighborhood leaders while enabling the institution to grow.

"Broad [Street] was an utterly abandoned corridor," said John Woodward, Richmond's director of economic development in the report. "VCU single-handedly turned it around."

Recent VCU developments along Broad Street include the Siegel Center, the School of the Arts Building, The Sports Medicine Center, student housing, parking decks and the campus bookstore. The report attributes VCU's role in generating spin-off commercial and residential development along the corridor.

"We clearly are a partner with our community," said Trani, who became VCU's president in 1990.

One reason for VCU's success is Trani's "brash, go-getter approach, an approach that works particularly well in Richmond - a city with a weak mayoral form of government, which often results in a citywide leadership vacuum," the report says.

Trani is a member of CEOs for Cities, which includes university, political, and business leaders from each of 11 cities in the United States. Richmond's other representatives in the organization are Mayor Rudolph C. McCollum Jr. and James S. Ukrop, chairman of Ukrop's Super Markets Inc.

The report was welcomed yesterday by the American Planning Association, which was holding its national convention in Chicago with more than 5,000 planners from across the country.

"I think it's tremendous that they've come out with a report that demonstrates the value of universities collaborating in the revitalization of urban areas," said Jeff Soule, director of policy for the national organization. "We often are the brokers between the universities, the neighborhoods, and the communities. It's so much easier if the university sees itself as a partner."

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## Program Models : Arts In Service Programs : "Place-Based" Service-Learning program

Other Categories: Arts In Service Programs Campus-Community Partnerships (And/Or Campus/Corporate/Community Partnerships) Community Building Initiatives Community Service Centers - Establishing And Maintaining Engaged Campus Faculty Service-Learning Development Programs Service By Population - Children, Youth, And Families Service-Learning In Other Courses

School: Denison University

State: Ohio

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Denison's Center for Service-Learning has taken very seriously the issue of how university-sponsored service-learning programs can sustain their community contributions on an ongoing basis. Students leave for the summer and other breaks, students graduate, courses end, professors go on sabbatical, but our community partners and clients and their interests and needs remain.

Drawing on the work of Ken Reardon, Professor of Urban Planning at the University of Illinois-Urbana-Champaign, Denison's Center for Service-Learning, under the leadership of Director Dave Ball, has developed what we call "Place-Based" Service-Learning to address this issue. While we continue to encourage students and faculty to pursue a wide variety of service ideas, we as an institution have made a commitment to two places, or neighborhoods, in Newark, Ohio, where we do most of our service. Year-in, year-out, the Center for Service-Learning seeks to steer and inspire professors and students to connect with community groups and leaders in Newark's East Side and Near North neighborhoods.

While this "place-based" approach has been in practice for little more than one year, it has already proved fruitful. One of our faculty members, Sociology Professor Tammy Lewis, took a one course release to work with her faculty peers to connect them with service-learning projects in the Near North neighborhood. Our Service-Learning Assistant, Carol Whitt, and Art Professor Ron Abram have been included in the initial stages of planning for a community center on the East Side, which will include extensive studio space for drawing and printmaking. Carol Whitt and several professors have been instrumental in the founding of a Teen Center on the East Side, and students in several courses have provided after-school programming at the Center.

All of these efforts have emerged as the result of our commitment to being engaged in an ongoing basis in two specific neighborhoods. Our involvement in various agencies, schools and other sites continues, but our commitment to these two neighborhood partners has helped us to overcome the problems of discontinuity due to the interruptions of the academic calendar. According to Juanita Hess, a Near North community activist, "They've helped us a lot and deserve a lot of credit. They're a smart group and they know what they're doing." (The Columbus Dispatch, May 12, 1999, p. 3B).

Contact person: Roberta Larson , Director, Denison Center for Service-Learning,

Web: <http://www.denison.edu/service-learning>

## Union-Schenectady Initiative (USI): revitalizing the surrounding neighborhoods

Other Categories: Business And/Or Economics In Service Programs Community Building Initiatives Engaged Campus Scholarships And Fellowships Service By Issue - Housing And Development Service By Issue - Urban Issues Service By Population - Low Income  
School: Union College  
State: New York

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In October 1998, Union College announced the Union-Schenectady Initiative (USI), a broad-based plan to invest \$10 million in a declining neighborhood to the west of campus. The Initiative is designed to revitalize the target neighborhood by offering homeownership incentives and by the development/enhancement of community resources. USI enhances the College's competitive position by expanding housing options for students, faculty and staff, and by beautifying the area surrounding the west border of campus.

The Initiative is a partnership that strengthens the relationship between Union College and the City of Schenectady now and into the future. For the City, a Schenectady neighborhood receives a much-needed infusion of capital; and the College benefits by enhancing student, staff, and faculty housing, as well as by improving the environment outside our gates.

The US Initiative attacks the ever-worsening problem of urban decay at its core. By offering a number of incentives—attractive mortgage programs, full-tuition scholarships for neighborhood residents, the construction of a community center, the creation of a neighborhood association, and the establishment of a security office in the neighborhood—the US Initiative encourages home ownership, a crucial factor in stabilizing and strengthening a community.

As part of the effort, the College has acquired 40 properties in the initiative area that will be completely renovated for student, staff, and faculty housing by Fall 2000. Many of the properties in the USI area were absentee-owned residences; houses were neglected, tenants paid unreasonable rents. The US Initiative addresses that issue by providing tuition-free scholarship funds, which gives prospective buyers an incentive to turn absentee-owned properties into family homes. Today, the neighborhood is transformed. With the vast majority of Union's work on houses complete, and with major streetscape improvements underway, the neighborhood is now considered one of the more striking areas in the entire City of Schenectady. And, USI incentives have generated more than ten home purchases in the Initiative area, which reverses an ongoing trend of slumping home sales in the City of Schenectady.

Another benefit that resulted from Union's Initiative is improved town/gown relations, which represents a significant measure of the overall success of the program. The key to this success is keeping the lines of communication open. Public meetings with Union's neighbors and the City of Schenectady to both provide information and seek feedback enabled the College to move forward as a community to better the neighborhood.

Finally, in addition to the community benefit, students gain from being engaged in Union's revitalization efforts. Within the target neighborhood and beyond, Union students participate in such activities as Big Brothers and Big Sisters, tutoring in Schenectady schools, mentoring, neighborhood watch programs, and community work projects.

Gretchel Tyson, director of affirmative action and community outreach, [ysong@union.edu](mailto:ysong@union.edu)  
Union-Schenectady Initiative web site: <http://www.union.edu/News/CollegeNews/USI/>

## Colleges Embracing Towns Once Held at Arm's Length

Reprinted from The Washington Post - June 6, 1999

SCHENECTADY, N.Y. -- General Electric has pulled the plug on the Electric City, shifting its corporate campus to the Connecticut suburbs, scattering its factories around the world. But Union College cannot just pack up and move to a better place. It's stuck in Schenectady.

So in the tradition of the old GE slogan, Union president Roger Hull is trying to bring good things to life. He co-founded Schenectady 2000, a major effort to rejuvenate the city's dismal downtown. He launched the Union-Schenectady Initiative, pouring Union money into the blighted College Park neighborhood at the western edge of his campus. And he revived town-gown relations in a city where Union was once known as "the Island," the ivory tower oasis in this urban desert. Mayor Al Jurczynski now calls the College Park project "the best thing to happen to this city in 50 years."

"Union was always like the Vatican in Rome, a city isolated within the city," said Jurczynski, who now refers to College Park as Dr. Roger's Neighborhood. "Now Roger's providing the vision for all of Schenectady. The rest of us are just scrambling to keep up."

Union's newfound commitment to its rather un-Rome-like host city reflects a national sea change in higher education, as universities from San Francisco to Milwaukee to New Haven try to help the troubled communities they once tried to keep at a distance. Some are offering incentives for faculty and staff to buy houses nearby. Others are buying more from local suppliers, training local entrepreneurs or investing in local projects. Many are pushing students to do more community service. Several, including Trinity College in Hartford, Conn., and Clark University in Worcester, Mass., are taking lead roles in major revitalization efforts.

It's a great deal for impoverished cities, which are increasingly reliant on the vast financial and intellectual resources of academia at a time when other industries are more mobile than ever. At the same time, more college presidents are beginning to realize that it's smart competition to address the world outside their gates, that students tend to prefer colleges in safe and vibrant neighborhoods. A Union survey found that 60 percent of the prospective students who turn down its admission offers do so because of Schenectady.

"Some of these schools have enormous investments in crummy communities," said Liz Hollander, director of Campus Compact, a national town-gown organization that has expanded from 240 to 620 campuses since 1990. "Look, it's scary to come to Schenectady. So there's some idealism involved here, and there's also enlightened self-interest."

The landscape has certainly changed from the "urban renewal" era of the 1960s and 1970s, when city schools such as Columbia and the University of Chicago tried to create buffers between their campuses and their neighborhoods. Now the emphasis is on development and on the duties of universities as citizens. Harvard's newest vice president, Paul Grogan, came from the Local Initiative Support Corp., a national bank for community revival projects; Yale vice president Bruce Alexander was a developer at Rouse Corp. In Connecticut alone, Yale has awarded cash grants to more than 400 faculty and staff members for buying homes in New Haven; Trinity has spearheaded a \$175 million reinvestment in a decrepit section of Hartford, and the president of Connecticut College is now chairing the New London Economic Development Authority.

The Clinton administration has become involved as well, awarding more than \$40 million in grants through the Department of Housing and Urban Development's five-year-old Office for University Partnerships. The money is funding projects from an Arizona State University tutoring program in a Phoenix elementary school to a DePaul University welfare-to-work program in Chicago to a Stillman College entrepreneur training center in Tuscaloosa.

"It's the opposite of the old siege mentality, when you tried to get rid of the offending neighborhoods," said National Association of Independent Colleges and Universities president David Warren, a former deputy

mayor of New Haven and town-gown representative at Yale. "Now there's an effort to resuscitate neighborhoods. There's an embrace of the city."

Schenectady could use a hug. Half a century ago, it was an engine of Upstate New York, with 40,000 jobs at GE and 12,000 at American Locomotive Co. Now GE has transferred all but 4,500 employees, AmLoc is long gone and the city's population has dropped 40 percent. Today, three-fifths of Schenectady's public school students get subsidized lunches, and its once-proud downtown is a desolate mix of dollar stores, pizza joints and vacant storefronts.

Just a few blocks and a world away from downtown stands America's first planned college campus, a 200-year-old gated enclave of expansive lawns and gray-stucco neoclassical buildings. Schenectady may be suffering, but Union isn't. Since Hull took over in 1990, its endowment has tripled, to \$260 million. Hull has raised \$50 million to renovate nine buildings, including the historic Nott Memorial, a 16-sided, multicolored Victorian Gothic extravaganza that had deteriorated into a pigeon cemetery but is now the focal point of the campus. Its giant dome is ringed by Hebrew words that seem to sum up Hull's decade at Union: "The work is great, the day is short, the master presses the workmen."

Hull, who once sued the city over zoning, says he knows there will always be tensions between a downtrodden city with a \$17,000 per capita income and an exclusive liberal arts college with a \$30,000 tuition. (Some Union students refer to locals as "Doids," short for "Schenectoids.") But in his last job, as president of Beloit College in Wisconsin, Hull led a \$6 million riverfront redevelopment. Even during his lawsuit against the city, he decided that once he had Union's house in order, he would try to help fix Schenectady's.

"The problem with this place was the attitude," said Hull, 56, a child of refugees from Nazi Germany who once served as counsel to former Virginia governor A. Linwood Holton Jr. (R). "Everyone was stuck in the past, all that GE nostalgia. We had to get people thinking about the future."

The first thing Hull did was send his students into the community. He reserved one day of Union's orientation for "mandatory volunteerism," cleaning parks, planting flowers, painting bridges. Now 60 percent of the students perform community service on their own time.

Then Hull and a Union trustee launched Schenectady 2000 and successfully lobbied Gov. George E. Pataki (R) to create a local authority to float bonds for downtown projects. So far, the progress has been slow--an unused hockey rink has been converted into an indoor soccer arena, an abandoned building has been reborn as an arts center and a state agency has moved into a shuttered Woolworth's--but plans are in the works for a new train station, a new state office building, loft apartments and a multiscreen theater.

Finally, there is Dr. Roger's Neighborhood, which is now dotted with red diamonds that announce A Partnership at Work. Before the Union-Schenectady Initiative began, the College Park neighborhood had shifted from middle class and stable to poor and transient, with 188 of the 258 properties owned by absentee landlords. So Hull is spending \$10 million to buy and rehabilitate 40 shabby two-family homes into attractive off-campus apartments, a security office, a Montessori school and a community center. Union will also assume the down payments and closing costs for any faculty and staff members who buy homes in College Park and will subsidize their mortgages as well. And in an unusual touch, Hull is offering free tuition for the qualified children of any homeowners who stay in College Park for more than five years.

This, Hull says, is real urban renewal, as opposed to the urban removal of the past. Property values are climbing. The College Park Neighborhood Association has been reborn after a long hiatus. The first 13 renovated homes will be ready for students in the fall.

"It's spectacular: Union is saving this neighborhood," said association president Judy Goberman, 57, a musician who is restoring a grand but rundown Italianate Victorian she bought for \$88,000. Even Marv Cermak, a grizzled Albany Times Union reporter who has been covering Schenectady for 44 years, said he thinks the initiative is changing the city for the better.

"I've looked for the rat in this, but . . . I can't find it," Cermak said. "Is he doing it for selfish reasons? Of course. He doesn't want a ghetto on his doorstep. But what isn't done for selfish reasons? People give their girlfriends flowers for selfish reasons."

Hull has hit some disappointments on the road to a renewed Electric City. Union's \$10 million investment has yet to attract much private capital to College Park. He has also fought local politicians over his plans for downtown: Schenectady 2000 has support from the Republican mayor, county Democrats and the Republican state senator, but it has battled the independent city manager, county Republicans and the Democratic state assemblyman.

But the keys to Hull's plans for Schenectady may lie with his constituents at Union. Two years ago, Hull wanted to relocate the school's hockey rink in College Park; students protested because of safety. Now he is floating the idea again, and students seem to be warming to the idea. But there is widespread impatience with the pace of change in Schenectady, even for a civic-minded student like Ed Lallier, a junior who lives in a community service house and organized a lecture series on town-gown relations.

"It's good that Union's trying to help, but the kids still hate Schenectady," he said. "I mean, we don't care what downtown will look like in 2010. We want a decent restaurant now."

# Higher Education: Cities' Hidden Asset

The Philadelphia Daily News, February 14, 1999

Bruce Katz, Senior Fellow and Director, Center on Urban and Metropolitan Policy

Evan Dobbelle, President, Trinity College

In numerous recent articles on urban revival, we have read about the role of government, the role of the private sector, and even the role of ordinary citizens in renewing the greatness of America's cities. Amid the call for public/private partnerships, and civic responsibility, however, we have seen almost no reference to the role of urban universities and colleges.

Bound by history and economic reality to their respective cities, these institutions are uniquely positioned to spur community revival. Unfortunately, as America's cities have declined steadily over the last half century, too many urban colleges and universities have remained aloof, creating physical and psychological barriers between themselves and their communities.

But other institutions—Trinity College in Hartford, the University of Pennsylvania, the University of Southern California, SUNY Stony Brook, Berkeley, to name a handful—have taken the opposite and, we argue, much better approach, embracing their neighborhoods, and the attendant challenges of cities. They are redefining the relationship between cities and urban colleges and universities.

Some of the motivation for this interest in urban problems is practical. Schools located in stressed neighborhoods cannot wall off problems—neighborhood decline will eventually breach the barriers. An institution in an unsafe or even a merely unpleasant area will lose some prospective students and faculty members. And, unlike private firms, universities and colleges generally cannot afford to rebuild their specialized facilities in a new part of town, particularly if high crime and low investment have reduced the value of their existing properties.

But a commitment to a healthier city and neighborhood does not come from self-interest alone. It also comes from a sense of the mission of higher education. What kind of citizens should a college or university create? What should it contribute to civic culture? We believe that institutions of higher education want to create citizens who recognize that justice, or compassion, or social change has a practical as well as a theoretical component; who understand how to reflect and how to act. Similarly, we think that institutions want to help create a culture of engagement, openness, and respect. These citizens and this culture cannot be created in fortresses, no matter how distinguished their reputations, how lovely their landscaping, or how heavily policed their perimeter.

It is time for colleges and universities to reclaim a position of moral leadership in our country, and restore their historic place in the success of American cities.

Trinity College, for example, has committed \$6 million of its endowment to the revitalization of Hartford. This investment, which could grow to about \$10 million, has been leveraged into more than \$200 million of public, private, and foundation funding for three new schools, neighborhood recreational facilities, home ownership opportunities, and retail expansion in the city. Imagine what could happen if just 100 other colleges and universities invested \$6 million in their communities. Arguably, such investments could leverage almost \$20 billion—not to mention the opportunities created for student involvement. More than half of Trinity's students have joined the revitalization effort in Hartford, and 150 out of 500 freshman have volunteered to help operate a new Boys and Girls Club on campus. As a result of these efforts, General Colin Powell, who dedicated the new Boys and Girls Club, designated Trinity as a college of promise—the first in the nation; the Kellogg Foundation has contributed a \$5 million grant to further Trinity's involvement.

More than a dozen institutions in or near seriously needy communities have endowments of more than \$1 billion. And yet many have not tapped their wealth to benefit their communities. Their endowments are untouchable rainy-day reserves. Well, just outside the campus gates, it is raining. For all the talk of revived

cities, new-model mayors and a downtown renaissance, urban neighborhoods are still struggling. One out of every five urban families live in poverty. More than half of the students in the 20 largest urban school districts in the country never graduate. Clearly, a genuine urban revival is still far away.

A short survey of other higher education investments (using endowment or other monies), conducted by Ira Harkavy and Harmon Zuckerman of the University of Pennsylvania for the Brookings Institution shows an array of possibilities for colleges and universities who want to invest in their cities. The University of Pennsylvania has made a \$130 million commitment to the construction of a new hotel and the renovation or construction of retail space and is helping to create more than a dozen university-assisted community schools in Philadelphia.

Colleges and universities can also have a significant impact through their hiring and purchasing policies. These institutions are among the top employers in the twenty largest American cities. They spend millions of dollars on everything from office supplies to laundry services. Virginia Commonwealth University and the University of Illinois at Chicago have a buy- and hire-local program, aimed at community residents and businesses. Penn will make \$35 million in purchases in its West Philadelphia neighborhood this year; MIT's "Cambridge First" policy results in \$30 to \$50 million in annual revenues for Cambridge businesses. These programs do not require large capital investments—only will and conviction.

Community renewal is not a distraction from the "real" mission of higher education. It is vital to it. Colleges and universities must recognize that they have a moral imperative to invest in the streets beyond their campuses, and to inspire students to apply the lessons of the classroom and laboratory to the service of community. This leadership will set a compelling example of citizenship and civic responsibility. We can think of no more appropriate role for this nation's institutions of higher learning.

It is time for those in urban universities and colleges to exercise their responsibility not only to the life of the mind, but also to the lives on the streets.

## Urban Universities and their Role in Central City Economics

Trinity College

Other Categories: Business And/Or Economics In Service Programs Campus-Community Partnerships (And/Or Campus/Corporate/Community Partnerships) Funding

School: Trinity College

State: Connecticut

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Trinity College's strategy for developing its community is to offer employees and residents housing and mortgage assistance if they live in the surrounding community and to offer family and job-training service to local residents. It also creates retail establishments to serve the university and surrounding community.

Trinity funds these activities through \$10 million in seed money from local partners such as Hartford hospital, Connecticut Public Television, and Hartford-based companies. It also has received \$1.6 million in ISTEAs and HUD monies and a \$75 million pledge from the Fannie Mae Foundation for low-rate mortgage financing.

## Urban Universities and their Role in Central City Economics

Yale University

Other Categories: Business And/Or Economics In Service Programs Campus-Community Partnerships (And/Or Campus/Corporate/Community Partnerships) Funding

School: Yale University

State: Connecticut

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Yale participates in real-estate developments and an employee home-buying cash incentive program. The real estate development activities include a cooperative agreement established between university and city to renovate a retail area, a \$2 million university investment. It has also rehabilitated and purchased property adjacent to the university to create 333 housing units, 45,000 square feet of retail space which culminates into a \$12.5 million investment. \$2,400 cash payments are awarded for ten years to university employees who purchase homes in the New Haven neighborhood. It has also invested in a business incubator/science park.

The University is working in tandem with private developers, the city of New Haven, local banks, and other groups to conduct the revitalization. It also received financial assistance through tax-credits and a \$2.3 million HUD grant and an ISTEAs grant.

So far the project has had positive effects on the community. As of May 1997 Yale had invested \$41,715,000 in these and other revitalization projects.

Excerpted from the Brookings Institute Center on Urban and Metropolitan Policy's "Urban Universities and their Role in Central City Economics", December 1997

## Urban Universities and their Role in Central City Economics

Virginia Commonwealth University

Other Categories: Business And/Or Economics In Service Programs Campus-Community Partnerships (And/Or Campus/Corporate/Community Partnerships) Funding

School: Virginia Commonwealth University

State: Virginia

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Virginia Commonwealth University has implemented a "Carver First" hiring policy to train and hire residents from the Carver community for permanent employment positions with the university. It also looks to Carver when purchasing goods and services for the school.

It has partnered with the Richmond City public school system, the city of Richmond, and a Carver non-profit. It is financially supported by CDBG monies, a \$400,000 Community Outreach Partnership Grant, and the United Way.

## Urban Universities and their Role in Central City Economics

University of New York, Stony Brook

Other Categories: Business And/Or Economics In Service Programs Campus-Community Partnerships (And/Or Campus/Corporate/Community Partnerships) Funding

School: University of New York, Stony Brook

State: New York

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Stony Brook has created an incubator program that fosters development in the biomedicine industry. It has also established a venture capital firm for small technology businesses and a private fund.

It has received \$6 million for the incubator program which is comprised of state grant and loan money and a conventional loan.

Excerpted from the Brookings Institute Center on Urban and Metropolitan Policy's "Urban Universities and their Role in Central City Economics", December 1997

## Urban Universities and their Role in Central City Economics

University of California at Berkeley

Other Categories: Business And/Or Economics In Service Programs Campus-Community Partnerships (And/Or Campus/Corporate/Community Partnerships) Funding

School: University of California at Berkeley

State: California

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UC Berkeley participates in regional and neighborhood economic development through a consortium of Bay Area universities that provides technical support to urban development and housing initiatives. UC Berkeley's Institute of Urban and Regional Development assisted in planning the "New Asia Town" commercial district.

It is supported by Berkeley's City and Regional Planning Department and the US Department of Housing and Urban Development.

# City Campus Revitalization

Cities have to run like any business -- they have to have enough revenues to cover expenses. The difference for cities is that they don't actually generate any revenues on their own; they rely on the economic success of local businesses. That's why smart cities pay attention to what's happening to the major employers in town and they work hard to help their major industries grow and succeed.

Kent State University is the largest employer in Kent so I keep a close watch on what's happening in the business of higher education. I want to understand the economic trends in higher education so that I can make sure that the city is doing what we can to support our largest employer and position ourselves to take advantage of all the economic opportunities that the university creates in Kent.

The good news is that overall higher education is outperforming a lot of sectors in our economy. As the US economy transitions from a traditional manufacturing base to more knowledge and technology based industries, universities are playing a critical role in leading this economic change. In our rapid pace, globally connected marketplace, economic performance isn't so much about being in the right place at the right time as it is anticipating where the next right place will be and getting there first -- that's a core function of universities and that's why 9 out of the 10 top rated cities for business vitality are university cities.

It's an exciting time for cities with universities as major employers because the universities also understand that their success is linked to the vitality of the town they call home. More than ever before, universities are partnering with cities to revitalize campuses and downtowns to drive economic success. The challenge is figuring out how to convert all this emerging economic potential into actual business activity in Kent. A few examples are provided in an article that I downloaded from University Business magazine that provides a good example of the kinds of activities cities and universities are doing for mutual gain:

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 **UniversityBusiness** "It's not enough to add shops. It's not enough to build housing. As universities all over the country are discovering, university-led urban revitalization is all about creating an environment where an institution and its neighboring community cannot only coexist, but also benefit from one another.

The **University of Pennsylvania** has occupied several core blocks in West Philadelphia since 1870 and has steadily revitalized and expanded its 269-acre campus over the past 134 years. Until the 1950s and the advent of "urban renewal," West Philadelphia had been a thriving neighborhood of Victorian

homes and small businesses. Then, it gradually slid into decay in the 1970s becoming dilapidated and dangerous. As little as 15 years ago, it was not uncommon for students to be warned against venturing into certain parts of West Philadelphia. "The 1992-93 year was rock bottom," recalls Omar Blaik, senior vice president for Facilities and Real Estate Services at Penn. A student was killed and a professor was stabbed. Local businesses were closing, and students had to be bused downtown just to grocery shop. "The neighborhood was empty," Blaik recalls. About that time, Penn made the decision to engage in urban renewal in its pure sense, recreating a neighborhood of local shops and homes.

First, Penn had to address its campus issues. The Ivy League campus was designed to face inward toward the central tree-lined walkways and common areas and toward other campus buildings. "The buildings didn't even have street addresses. We were saying 'We're not part of this neighborhood,'" Blaik explains. Existing buildings were re-designed to have their main entrances on the city streets. The campus turned itself around and looked out over the neighborhood instead of turning its back on the streets. "We realized we cannot exist in a desert and imagine we are not part of what surrounds us," he says.

At the same time, the university put into effect its West Philadelphia Initiative, a five-pronged plan, developed with neighborhood input, to revitalize the struggling neighborhood and make it a livable, workable community. All five were implemented concurrently. The first issue was to make the environment cleaner and safer. The newly formed University City District, in partnership with other large entities like the University Hospital, began patrolling the neighborhood and organizing cleanup of graffiti and garbage.

To increase home ownership and decrease absentee landlordism, the university paid mortgage incentives of \$15,000 to university employees who bought a house in the neighborhood, and \$7,500 to homeowners who improved their existing property. By making ownership and beautification a priority, Penn hoped to increase the stability of the whole neighborhood and create a sense of pride in West Philadelphia instead of the perceived stigma. Penn also went out of its way to contract with local businesses for goods and services required by the university, such as laundry and catering. This policy of economic inclusion kept neighborhood money in the neighborhood, and went a long way toward convincing skeptics that Penn was sincere in its desire to do right by West Philadelphia.

"It took a lot of hard work to get the community to believe we weren't pulling a fast one," says Blaik. Building a new elementary school and turning it over to the public school district, while continuing to fund \$1,000 per child helped, the cause. Creating a neighborhood where university employees would want to live goes a long way toward cementing the relationship between Penn and the neighborhood. "We live in the community. My kids go to the new public school. I am the community," says Blaik.

### Keeping Dollars in the Community

Also on 40th Street, a 24-hour grocery store, movie multiplex, parking and restaurants, surround Smoky Joe's bar, a campus landmark. "When we initially put out the red carpet to the big grocery store chains," says Blaik, "no one wanted to come. We had to build an independent grocery from scratch." Penn knew that the purchasing power of the population was bigger than it looked on paper.

Neighborhood census numbers may have had the annual average income of the surrounding neighborhood set at \$15,000, but that was only because so many of the residents are students and technically have no income. That didn't mean they didn't have money to spend. Now there's 24-hour activity. Hospital workers grocery shop after their shift, and students and residents come and go at all hours. This is a complete turnaround from the previous decade's "don't go out after dark" policy.

### Revenue Generator

Penn worked with retail planners to recruit and maintain diverse and local retail tenants, and helped create a rich neighborhood tapestry by keeping unique buildings and creating new structures in harmony with the existing architecture. Despite all efforts, however, there are still mixed reactions to Penn's policies. Joyce White, a 30-year resident of West Philadelphia and an employee of the university's museum, is enjoying the benefits of increased property values and cleaner, safe streets. "I often feel I live in a heaven of some sort: sitting on the back deck of a home with three fireplaces and three sets of pocket doors, listening to the crickets and birds under old-growth trees, chatting with neighbors across adjoining yards, all within walking distance of my job at Penn," White says. Though she admits that she couldn't afford to buy in now that house prices are catching up with the rest of the city, she's glad the university is creating greener, safer streets. Others question Penn's right to "revitalize" a neighborhood that was in many ways already a vital and functioning community, and accuse Penn of co-opting the neighborhood and creating, in effect, a Penn colony. Those who can't afford to buy into the neighborhood, like George Poulin, a Drexel University architecture student, criticize Penn for creating "a yuppie enclave. It's great to see a neighborhood become so popular and well-maintained, but it's disheartening to know that I'll be left out of the picture because of my income level," Poulin says.

### Coffee for Credit?

Redding sees the real potential for campus retailing about five years out. At the rate Starbucks is growing, the need for employees is getting dire. Starbucks is "looking to take a more holistic approach" to coffee on campus by setting up reciprocal arrangements with a university to develop cross-programming with the school and make Starbucks an attractive place for students to work. The hope is, that by having Starbucks on campus, it will be a way to get students into a Starbucks management track and use Starbucks as more than a way to sell coffee but as a management training ground.

### The Great Expansion

To that end, in 1995 UIC secured a master developer and created an overall plan for the purchase and development of the 80-acre area south of the existing campus. The redevelopment agreement was approved in 1997, and in January 2000 UIC started acquiring the property they did not yet own and began demolition and construction. Two 750-unit student apartment residences, a 750-unit dorm, 120,000 square feet of office space, and 80,000 square feet of retail space have all been built, as well as parking structures for hundreds of cars and 600-plus private for-sale housing units, all but 20 of which have already sold. As of now, the estimated \$750 million project is currently 75 to 85 percent complete, with full completion, including the reservation of two land banks for future expansion, expected in 2008.

As a state university, UIC had to jump through several hoops and endure many rounds of approvals before the plan could go ahead. Permission had to be obtained before any land could be sold to a private developer. But UIC could clearly show that its expansion would help the city by increasing property tax revenue; the money from the taxes on the development would pay for the infrastructure of the entire project, while the housing and retail were funded by auxiliary bonds. The university took things one step at a time, meeting with neighborhood groups and making sure it was doing right by everyone involved.

To maintain the look and feel of the Chicago cityscape, eight unique old buildings had their facades adapted and restored instead of demolished. "They took them apart brick by brick and then put them back together on the face of the new building," says Hamilton. Style elements like these helped give the whole development a pleasing appearance that blends nicely with the surrounding area.

UIC also planned to attract big retail and create a mix of shops. "It isn't as if there weren't retail outlets in Chicago. It's not that we created a unique opportunity for shopping, it's just that now people didn't have to go and find it. It's right here," Hamilton says. And what's here? Caribou Coffee, Jamba Juice, Cold Stone Creamery, Cingular Wireless, 7/11, Post Net, Wells Fargo Bank as well as MidAmerica Bank, restaurants, a dry cleaner, a haircut joint, a mattress store, and more. The faculty especially is thrilled that Barbara's Bookstore, a Chicago institution, that holds author's events and generates a lot of traffic, is in a key location.

"I took a potential tenant on a tour of the South Campus," says Hamilton, "and took the risk of asking the tenants we met, 'How do you like being on South Campus?' I didn't know what they were going to say. But they all said it's great. It's nice to see people out walking with their babies. One tenant said that it had been difficult being the first in a new neighborhood but now things were going very well." It's clear that the new development is good for the city, good for the university, and good for the students and faculty to have a lively, more well-

rounded campus. As Hamilton puts it, "We're proving we're in this for the long term by creating a real live-learn campus."

When the **University of Illinois at Chicago** was looking to expand its campus and increase its profile as a desirable place to go to college, they looked south to a dilapidated area of boarded-up buildings and warehouses. The university had been slowly acquiring property over the years, but there was no coherent plan for what to do with it. "We wanted to give people a reason to stay on campus," says Ellen Hamilton, director of Real Estate at UIC. "The campus was virtually lifeless after 4 p.m. We wanted to populate it and create a 24-hour environment," she says. The university needed to become a neighborhood instead of just a school. It isn't just the university benefiting from the retail boom on campus. Companies that set up shop on campus reap the rewards of not only the built-in foot traffic from students but from the neighborhood as well. Ken Redding, vice president of Business Development at Starbucks Coffee, says that Starbucks approaches a campus location as it would any other potential retail location. "It's all about studying traffic patterns," he says. "The two sources of traffic--student life and neighborhood--make them a good market." There are roughly 100 Starbucks on college campuses nationwide.

The new grocery store is earning \$750 per square foot and the gross sales per year from the two developments has topped \$200 million. Retail rents have gone from \$7 per square foot to \$20 per square foot with Penn owning the majority of space. "We've proved the concept, and now [retailers] are flocking to us," says Blaik, but it's not like the neighborhood had suddenly gotten rich. It was the result of diverting the money that had previously been leaking out to the shopping centers downtown and outside the city.

But the cornerstone of the entire approach was retail. In the 10 years since the initiative began, almost 40 new businesses have opened on Penn property. One development is located on what used to be the university border on West 40th Street, and the other is along the north side of campus, an outdoor urban shopping center called University Square. It contains the Hilton Inn at Penn above and shops like Urban Outfitters, Ann Taylor Loft, and Barnes & Noble below. The university funded and built the \$100 million project, which it now owns and operates. The latest addition, Cereality, a new food-service concept that touts "all cereal, all day, all ways," is opening its first sit-down cafe in University Square in November. The university acquired money to construct the project by floating bonds, while acquiring debt. Fortunately, the revenue from the retail rent is helping to pay the debt service.

# Best Cities for Business

Kent360.com Blog Posted by City Manager

In today's hyper-competitive global economy, Kent is literally competing with the thousands of cities for new businesses. The odds sound daunting but a recent report by University of Pepperdine Professor Michael Shires gives hope for small cities like Kent as he found the nation's hotbeds for new entrepreneurial activity to be in unexpected places like Bellingham Washington, Morgantown West Virginia and St. George Utah.

Inc. Magazine calls it the "revenge of the boondocks" as smaller cities that were not historically considered business centers have discovered the power of being small. The rise of small cities is described as the most important emerging trend in 2006 and has centered around new businesses built around the internet, medical services and universities.

A look at the map shows the states that have benefitted most and those like Ohio that have struggled View the Map. Perhaps not surprisingly Ohio has few cities anywhere near the top of the list with Columbus landing at 266 and Akron at 314 out of a total of 393 cities analyzed.

The good news seems to be that the traditional economic advantages enjoyed in major urban business centers are increasingly less important and small cities have indeed broken through the glass ceiling. Now it's up to us to say **WHY NOT?** in Kent.

With a growing list of companies like Alpha Micron, Kent Displays, RocketCalc and Liquid Learning, Kent is building a genuine entrepreneur community and as a result we're raising our innovation quotient as a city. We need to put our growing innovation expertise into high gear with a deliberate focus on entrepreneurship and innovation. Rather than just benefiting from fortunate innovations and spin-offs that happen serendipitously in Kent, I want the city to be a catalyst to trigger more of them.

My goal is to create a frenetic entrepreneurial environment that has the ability to accelerate innovation. I want Kent to be a "Business Innovation Factory" with easy access to research, business and government. Ubiquitous experimentation and innovation must become synonymous with the Kent brand. We have a great opportunity to position the city of Kent as the inventor's playground where great ideas take shape and are put to work in the name of innovation.

As a city, I always try to ask "what problem can we solve?" and I've come to believe that our strength is being able to help small businesses do what big businesses already do for themselves. Small businesses can't afford R&D but that's where the university can help fill-in. Small businesses typically have cash

flow issues and that's where the city can provide incubator space and tax incentives. And perhaps most importantly small businesses need networks and access to entrepreneur communities which is where our local businesses come into play. Together we create the synergy that makes our economic success possible.

In the speculative world of entrepreneurship we may fail 9 times out of 10, but there's nothing stopping us from trying 10 times. I like those odds.

# City Campus Revitalization

Cities have to run like any business -- they have to have enough revenues to cover expenses. The difference for cities is that they don't actually generate any revenues on their own; they rely on the economic success of local businesses. That's why smart cities pay attention to what's happening to the major employers in town and they work hard to help their major industries grow and succeed.

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Neighborhood census numbers may have had the annual average income of the surrounding neighborhood set at \$15,000, but that was only because so many of the residents are students and technically have no income. That didn't mean they didn't have money to spend. Now there's 24-hour activity. Hospital workers grocery shop after their shift, and students and residents come and go at all hours. This is a complete turnaround from the previous decade's "don't go out after dark" policy.

### Revenue Generator

Penn worked with retail planners to recruit and maintain diverse and local retail tenants, and helped create a rich neighborhood tapestry by keeping unique buildings and creating new structures in harmony with the existing architecture. Despite all efforts, however, there are still mixed reactions to Penn's policies. Joyce White, a 30-year resident of West Philadelphia and an employee of the university's museum, is enjoying the benefits of increased property values and cleaner, safe streets. "I often feel I live in a heaven of some sort: sitting on the back deck of a home with three fireplaces and three sets of pocket doors, listening to the crickets and birds under old-growth trees, chatting with neighbors across adjoining yards, all within walking distance of my job at Penn," White says. Though she admits that she couldn't afford to buy in now that house prices are catching up with the rest of the city, she's glad the university is creating greener, safer streets. Others question Penn's right to "revitalize" a neighborhood that was in many ways already a vital and functioning community, and accuse Penn of co-opting the neighborhood and creating, in effect, a Penn colony. Those who can't afford to buy into the neighborhood, like George Poulin, a Drexel University architecture student, criticize Penn for creating "a yuppie enclave. It's great to see a neighborhood become so popular and well-maintained, but it's disheartening to know that I'll be left out of the picture because of my income level," Poulin says.

### Coffee for Credit?

Redding sees the real potential for campus retailing about five years out. At the rate Starbucks is growing, the need for employees is getting dire. Starbucks is "looking to take a more holistic approach" to coffee on campus by setting up reciprocal arrangements with a university to develop cross-programming with the school and make Starbucks an attractive place for students to work. The hope is, that by having Starbucks on campus, it will be a way to get students into a Starbucks management track and use Starbucks as more than a way to sell coffee but as a management training ground.

### The Great Expansion

To that end, in 1995 UIC secured a master developer and created an overall plan for the purchase and development of the 80-acre area south of the existing campus. The redevelopment agreement was approved in 1997, and in January 2000 UIC started acquiring the property they did not yet own and began demolition and construction. Two 750-unit student apartment residences, a 750-unit dorm, 120,000 square feet of office space, and 80,000 square feet of retail space have all been built, as well as parking structures for hundreds of cars and 600-plus private for-sale housing units, all but 20 of which have already sold. As of now, the estimated \$750 million project is currently 75 to 85 percent complete, with full completion, including the reservation of two land banks for future expansion, expected in 2008.

As a state university, UIC had to jump through several hoops and endure many rounds of approvals before the plan could go ahead. Permission had to be obtained before any land could be sold to a private developer. But UIC could clearly show that its expansion would help the city by increasing property tax revenue; the money from the taxes on the development would pay for the infrastructure of the entire project, while the housing and retail were funded by auxiliary bonds. The university took things one step at a time, meeting with neighborhood groups and making sure it was doing right by everyone involved.

To maintain the look and feel of the Chicago cityscape, eight unique old buildings had their facades adapted and restored instead of demolished. "They took them apart brick by brick and then put them back together on the face of the new building," says Hamilton. Style elements like these helped give the whole development a pleasing appearance that blends nicely with the surrounding area.

UIC also planned to attract big retail and create a mix of shops. "It isn't as if there weren't retail outlets in Chicago. It's not that we created a unique opportunity for shopping, it's just that now people didn't have to go and find it. It's right here," Hamilton says. And what's here? Caribou Coffee, Jamba Juice, Cold Stone Creamery, Cingular Wireless, 7/11, Post Net, Wells Fargo Bank as well as MidAmerica Bank, restaurants, a dry cleaner, a haircut joint, a mattress store, and more. The faculty especially is thrilled that Barbara's Bookstore, a Chicago institution, that holds author's events and generates a lot of traffic, is in a key location.

"I took a potential tenant on a tour of the South Campus," says Hamilton, "and took the risk of asking the tenants we met, 'How do you like being on South Campus?' I didn't know what they were going to say. But they all said it's great. It's nice to see people out walking with their babies. One tenant said that it had been difficult being the first in a new neighborhood but now things were going very well." It's clear that the new development is good for the city, good for the university, and good for the students and faculty to have a lively, more well-

rounded campus. As Hamilton puts it, "We're proving we're in this for the long term by creating a real live-learn campus."

When the **University of Illinois at Chicago** was looking to expand its campus and increase its profile as a desirable place to go to college, they looked south to a dilapidated area of boarded-up buildings and warehouses. The university had been slowly acquiring property over the years, but there was no coherent plan for what to do with it. "We wanted to give people a reason to stay on campus," says Ellen Hamilton, director of Real Estate at UIC. "The campus was virtually lifeless after 4 p.m. We wanted to populate it and create a 24-hour environment," she says. The university needed to become a neighborhood instead of just a school. It isn't just the university benefiting from the retail boom on campus. Companies that set up shop on campus reap the rewards of not only the built-in foot traffic from students but from the neighborhood as well. Ken Redding, vice president of Business Development at Starbucks Coffee, says that Starbucks approaches a campus location as it would any other potential retail location. "It's all about studying traffic patterns," he says. "The two sources of traffic--student life and neighborhood--make them a good market." There are roughly 100 Starbucks on college campuses nationwide.

The new grocery store is earning \$750 per square foot and the gross sales per year from the two developments has topped \$200 million. Retail rents have gone from \$7 per square foot to \$20 per square foot with Penn owning the majority of space. "We've proved the concept, and now [retailers] are flocking to us," says Blaik, but it's not like the neighborhood had suddenly gotten rich. It was the result of diverting the money that had previously been leaking out to the shopping centers downtown and outside the city.

But the cornerstone of the entire approach was retail. In the 10 years since the initiative began, almost 40 new businesses have opened on Penn property. One development is located on what used to be the university border on West 40th Street, and the other is along the north side of campus, an outdoor urban shopping center called University Square. It contains the Hilton Inn at Penn above and shops like Urban Outfitters, Ann Taylor Loft, and Barnes & Noble below. The university funded and built the \$100 million project, which it now owns and operates. The latest addition, Cereality, a new food-service concept that touts "all cereal, all day, all ways," is opening its first sit-down cafe in University Square in November. The university acquired money to construct the project by floating bonds, while acquiring debt. Fortunately, the revenue from the retail rent is helping to pay the debt service.

## Top 10 Cities to Start an Entrepreneurial Venture

April 2005

By: Lee Ann Woods

Webster's New Collegiate Dictionary first entered the word "entrepreneur" in 1933, defining it as: "one who organizes, manages and assumes the risks of a business or enterprise."

The term entrepreneur actually comes from the French word: *entrepredre* - which means "to undertake." This word has been around by some accounts since 1852.

A few years before Miriam Webster entered the word into our American dictionaries, my grandfather was an independent businessman. After working various odd jobs -- some more highly regarded than others -- he decided to take a chance when he identified an opportunity: in this small, growing town (thanks to petrochemicals, oil and gas) there was no hardware/lumber store. Through his drive and stick-to-it-iv-ness, and the on-going family involvement, that store grew until my dad wanted to retire...70 years after it opened its doors.

I'm proud of that story. I'm proud of my family - and, hey! That store put me through school!

Clearly my grandfather wasn't some high-tech guru. Instead he was the very essence of an entrepreneur - able to identify an opportunity; a risk-taker; creative; with the ability to marshal resources; he also had personal drive, and a desire to create value.

Entrepreneur is now more generally defined as someone who creates a new product, usually further defined as being in technology. BUT, an entrepreneur can create and market anything from a new beer (Pete's Wicked Ale) to office supplies (Liquid Paper) to a fine eating establishment (Wolfgang Puck's *Spago*). For the purposes of generating this "Top 10 Cities for Entrepreneurs" list, the criteria for ranking is based in one of the above listed traits as the primary factor: **CREATIVITY**.

I have owned a couple of companies along the way, and I do have a music background. At some point I realized that my 'juices really got flowing' around other creative types. (Who wants to kick around great ideas with a log, OR the bump on it?!) So, creative juices are flowing, cue the music, throw in a trip to a couple of cutting-edge galleries for visual inspiration...(my senses are really at work now)...lots of great energy! It's a great setting for creative thinking. It's a great setting for creative enterprise.

This is the premise of this "Top 10" list: **Creative Environments Welcome and Stimulate Entrepreneurship**. More important to note - where there is creativity, there are: **Open Minds, Encouragement of New Ideas, Money (philanthropic and otherwise), and ENERGY!**

Not surprisingly, working through the created, "creative" criteria, as cities began to emerge as "centers of creativity," these same cities were also at the top of many business lists: "Hot Cities," "Best Places to Work," "America's Wealthiest." Yes. Indeed there does seem to be a genuine connection.

Think: Music, Art, Museums, Art Schools, Theatre, Culinary Schools, Film...many of the places you just thought of are probably on this list.

And, there's back-up. Other criteria utilized in creating this ranking included:

**Population** - minimum one million...there has to be depth to the market for potential consumers/buyers, as well as a pool of suppliers and resources

**High-Growth Market** - reviewed consumer marketing data to view population growth trends...we want to be in a "happening" market

**Small Business Resources** - entrepreneurs need help, support, mentoring, money

**Universities with Entrepreneurship Programs** - largely these programs have been developed in RESPONSE to demand - a market that demands these programs, needs these programs

**Median Income and Housing** - the livin'-on-the-high-horse-dot-com days are long gone...our entrepreneurs don't have fat bank accounts, and they really are putting all their money into their ideas - so, we need a reasonable cost-of-living market (yes - there went the West Coast!)

All-in-all, these elements, combined with a focus on a CREATIVE environment of art and filled with artists, create an ENERGY and desire for Supporting and Stimulating an Entrepreneurship Culture.

So, Drum Roll Please....The Top 10 Cities for Entrepreneurs:

- 1 Austin, Texas
- 2 Dallas, Texas
- 3 Phoenix, Arizona
- 4 Houston, Texas
- 5 Atlanta, Georgia
- 6 Charlotte, North Carolina
- 7 Nashville, Tennessee
- 8 Memphis, Tennessee
- 9 Kansas City, Missouri
- 10 Chicago, Illinois

Category	Weight	Why?
Art Schools, Museums, Galleries	30%	The visual mediums - perhaps more than others - are highly stimulating; strength in this category also speaks to the level of "creative"/new ideas support and monies available in the area
Music: Venues, Schools, Studios, Events/Notoriety Film Production, Facilities, Education	35%	There is perhaps no better understood/appreciated creative outlet than that of music; whether you play, or just appreciate, music can stir the soul...creativity can unleash itself through music any night of the week
Culinary/Schools Architecture	5%	Over the last several years, the art of food has emerged in a big way - it

Schools/Programs		is an incredible creative outlet for people of all walks of life; an incredible gastronomic experience where "it's all in the presentation" can be manna...
Resources: money, small biz centers, universities/business schools, VC activity	15%	An entrepreneur and small business person must have resources for start-up, as well as for growth - a market must be deep enough to support business development and "creative" enough to work creative finance solutions while also offering mentoring, support and product & service resources
Affordability	15%	You gotta eat! An entrepreneur has to constantly s-t-r-e-t-c-h that dollar! Until that Big Idea becomes reality...well, you've got to make it to the end of THIS month...!

### Why is Austin, Texas, Ranked #1?

You're not that surprised, are you? And, yes - we double- and triple-checked. While there might be a little personal bias, the numbers don't lie.

So, let's take a look at Austin, Texas: "Live Music Capital of the World." These folks have been crankin' out all styles of music for years. Everybody from Willie Nelson to ZZ Top has received at least a "bump" in their careers playing Austin. And, film - it's big business in Austin. South by Southwest (SXSW) is one of the country's largest film AND music festivals, lasting two weeks in length, and garnering national and international attention - stars are "born" at SXSW. Austin is known as the Third Coast for film - this year's Hall of Fame awards honored Texas' own Marcia Gay Harden, Dennis Quaid, and Robert Rodriguez, (one of the industry's hottest new filmmakers).

As if that weren't enough, Austin City Limits (ACL) has produced their award-winning show on PBS since 1976, featuring artists like BB King, Leonard Cohen, Mary Chapin Carpenter, and even Ray Charles. Two years ago, ACL decided a festival of its own was in order, and in 2004 packed in over 75,000 people in a three-day period, in its first year!

Museums, art - OK, Austin's no NYC...it's not even Houston, Dallas, or Kansas City - but, it's growing; and, most notably in the number of leading-edge galleries, touted recently by Southwest Art magazine. Austin boasts one of the nation's most respected folk art galleries, in the heart of its very creative SoCo (South Congress) area.

Austin is 'Foodie' Heaven, with culinary programs "sprouting" up in response. Austin is home of Whole Foods Market, the first Central Market (by HEB).

Theatre is becoming more a part of the culture, as well - Zachary Scott Theatre Center is the professional theatre, where several playwrights of regional and national acclaim have debuted works.

And, the other stuff:

**Population** - 1.2 million

**High-Growth Market** - 3% annual growth rate

**Small Business Resources** - there are any number from both the public and private sector (individuals and venture capitalists), and because it is the State Capitol, there is a lot of attention given to this area

**Universities with Entrepreneurship Programs** - the University of Texas boasts one of the strongest MBA programs, as well as Entrepreneurship tracks in the country, it is also home of IC2 one of the most admired University-driven incubators in the country, and there are 4 other universities in the area with business degree programs

**Median Income and Housing** - there's a reason all those Californians are flocking to Austin - median income: \$47,396, median home price: \$120,769

The rest of the Top 10 list...

The surprises to you may be **#7 Nashville** and **#8 Memphis**. In case you haven't heard, there are an incredible number of creative people (think Country, Gospel and Blues music here) in the State of Tennessee. Memphis is home to the blues -- Beale Street is still hoppin'. And, of course Nashville still can claim its Country Music empire - and, there is so much more these days, with all types of music coming out of this city's studios. In addition, the state is filled with visual arts. Memphis is home to some of the most noted galleries in the country. There is a real energy in this state these days. It is a "hot" market (see February '05 *Expansion Management Magazine*). Additionally, these two cities offer a variety of financing programs, well-respected colleges and universities, the state is by some accounts 'leading the pack' in medical research and development, as well as medical services (State Senator Bill Frist has had a helping hand in this phenomena). Tennessee is an affordable state, with a nice year-round climate; it is complete with people who enjoy outdoor activities. The Governor is very pro-business; state-led business programs and initiatives reflect this focus. And, with the "Music Capitol of the World," Elvis and so many other musicians, playwrights, poets, and visual artists carrying the creative banner...well, let's just say these cities are "juiced" about their future, and they are looking for a few good entrepreneurs!

**#2 Dallas** - there probably doesn't need to be a whole lot written here on this market. Dallas continues to be a strong, ideas-driven area of the country where (in spite of itself at times) great things just keep happening! In Dallas, if you don't have a new idea, you're financing a new idea; or you're the middle-man putting two highly creative types together for the execution of one of their new ideas...it's all about that in Dallas, Texas. Creativity is a part of one's everyday in Dallas - and, the "creative factor" is high with world-class museums, an internationally regarded symphony, nationally-watched galleries; Dallas is home of the Texas blues phenomenon of the '40's, and the city still cranks out its share of leading musicians (Steve Miller, Boz Skaggs, Dixie Chicks, Erykah Badu, Leann Rhimes). The North Texas Film Commission boasts any number of productions on-going at any time, and The Studios at Las Colinas play host to much of the area's in-studio work. The Studios is home to a TV and Film Museum, attracting tourists each year. FOODIES - well, the statistic still holds true: *there are more restaurants per capita in DFW than in NYC*. Dallasites love their food - and, it is absolutely a social occasion. With great chefs like Dean Fearing, Kent Rathbun and Matt Martinez calling Dallas home, the Culinary Arts are actually *competitive* in Dallas, Texas. Dallas is a very dynamic, creative, arts-enthralled city. Dallas can bring out the creative entrepreneur in almost anyone!

**#3 Phoenix** - arts, arts, arts...this city is teeming with them! People mistakenly still view Phoenix as a market where any "art" has a cowboy hat stuck on the top of it. This is very far from reality. This city has come alive in the last five years with an incredible 'underground' arts scene - First Fridays are not to be missed (one of the galleries was in the back of an 18-wheeler!). There are over 100 area galleries, and counting - offering everything from museum pieces to American abstract; Southwest contemporary to traditional bronzes; native fiber pieces to glass works. Western art is represented well - Phoenix is home to The Heard Museum for which people travel the globe to view the huge collection of Native arts and culture. And, music. Phoenix has a symphony that is growing in reputation each year. The city is BIG on jazz. Back in the mid-'70s, **Jazz in AZ** was formed and has since been at the heart of the evolution and revolution of jazz throughout the area; they produce the Chandler Jazz Fest each year, bringing in internationally-acclaimed jazz artists.

Theatre: multiple venues support various local groups, as well as a semi-professional and a professional corps of actors in the area. Film, too - Phoenix has one of the most respected film offices in the country; they are hosting their fifth annual Phoenix Film Festival in April. The picturesque nature of the area lends itself to all sorts of film scenes and backdrops, and an energy and inspiration (think: Sedona) that is all about creativity. Architecture is sacred in Phoenix - it boasts of its connection to Frank Lloyd Wright, with the Taliesin West complex, which Wright called his Winter home - it served as a studio and continues today supporting upcoming architects through its apprentice program and Fellowship. Many artists of different genres call Phoenix home, including Fleetwood Mac's Stevie Nicks, Alice Cooper, Stephen Baldwin, and Bill Keane (creator of "Family Circus" cartoon) - they all contribute to the growing arts scene throughout the area. If a creative environment coupled with the meditative desert sounds good - this is the place for you!

**#4 Houston** - Long known and appreciated for its arts community, Houston is right at the top of the list. Houston's cosmopolitan make-up equates to an arts community that is incredibly diverse: Asian Arts alongside the Houston Museum of Fine Art, next to the Houston Center for Photography. And, theatre and music are "king" in Houston - the city brags about its 17-block theatre district. Houston touts some of the best artistic venues in the country; home to the Internationally acclaimed Houston Symphony, the Houston Grand Opera in its 50th season, the Houston Ballet, and The Alley theatre known for launching careers including that of Patrick Swayze. Music talent from Houston includes: Sissy Houston and her very (in)famous daughter, Whitney; more current: Destiny's Child, and favorite son, Clint Black, among many, many others. The film "scene" is not as strong as that of Austin or Dallas, but this Texas town also brings in its share of film industry dollars. Houston is home to one of the original Art Institutes, as well. Houston meets the criteria for this list in all of the other areas, too: cost of living, entrepreneurship programs, and growth market profile. The Bayou City can definitely brag about its level of commitment and enthusiasm for entrepreneurs - it has the "want to," and the money to make things happen, in a wonderfully creative environment.

**#5 Atlanta** - In the heart of the South, peach trees are the sub-text for what has become one of the nation's most dynamic and headline-grabbing parts of our country when it comes to business. Atlanta is consistently at the top of business lists, for getting business "done," including numerous and growing numbers of small business success stories. And, then there's that Creative Energy that abounds. Atlanta - also affectionately known as "Hot-Lanta," is that and more. Art schools, museums, a terrific film commission, a diverse music scene...it all culminates in a very creative environment, set in a very diverse and new-ideas-driven community. Atlanta's Woodruff Arts Center is recognized as one of the top four in the country, the High Museum of Art continues to land high-demand exhibits...from fine to folk to contemporary art, Atlanta has it. Even the Buckhead area has drawn attention due to its arts scene that has taken a cue from SoHo. The music in Atlanta spans all genres and continents - it is known for its mark in the Hip Hop scene - Atlanta is home to Sean "P Diddy" Combs, as well as Jermaine Dupri; they have helped "spin" a lot of music out of Atlanta. Atlanta is also known as

a leader in poetry, with literaries emerging from area Poetry Slams. Atlanta offers a very diverse culture, full of life and energy...full of creativity. AND, it delivers in business services, funding availability, multiple Universities and their entrepreneurial and business programming, as well as with a cost of living index that fits well into any entrepreneur's pocketbook. Hot-Lanta, indeed.

[#6 Charlotte](#), [#7 Nashville](#) and [#8 Memphis \(see above\)](#), [#9 Kansas City](#), [#10 Chicago](#) - Each of these cities presents many of the same elements as do the top five markets - all with their own "flair," of course. They are all strong cities, and worthy of any entrepreneurs' consideration when looking for a great place to generate and EXECUTE Big Ideas. Go to any of these cities' websites and check out their Creative Juice.

Just below the "Top 10" radar screen, three others are standing by:

- 1 [Boulder, Colorado](#)
- 2 [Seattle, Washington](#)
- 3 [Tampa, Florida](#)

Seattle was oh-so-close - but, the cost of living couldn't compete with the other markets; nor was it as strong in the creative categories. Boulder was "shy" on depth in all categories - but, offers real strength in overall creative environment. Tampa (surprised ?) is beginning to generate quite a bit of attention on all fronts, business and the arts - it's certainly worth taking a look.

While "Creative Environment" drives this ranking, affordability was a critical factor, too - not only with regard to the individual and his/her costs, but also with the cost of goods and service providers in mind as these entrepreneurs work to get things started.

Again, the premise is: **strong arts scenes and creative places are the best environments for creative ideas and entrepreneurship.** Utilizing the selected criteria and then reviewing the outcome alongside other and varied "best business cities" lists...the symmetry is certainly evident.

So, grab all those sticky notes you have stuffed in that file labeled "Big Ideas," and head on over to one of these towns...they'll help you get YOUR Creative Juices flowing!

NOTE: one other interesting tidbit, and some "food for thought" - with just a couple of exceptions, each of these cities also claims to have the **best barbeque in the world...hmmmm....maybe THAT's the "Creative Juice...!"**

