

# SMART GROWTH

is Smart Business

*Boosting the Bottom Line & Community Prosperity*

NALGEP and Smart Growth Leadership Institute • 2004





# SMART GROWTH

is Smart Business



## National Association of Local Government Environmental Professionals (NALGEP)

Founded in 1993 by a group of local officials, NALGEP is a nonprofit national organization representing local government professionals responsible for environmental compliance and the development and implementation of local environmental policy. NALGEP's membership includes more than 150 local government entities located throughout America. NALGEP brings together local environmental officials to network and share information on innovative practices, conduct environmental policy projects, promote environmental training and education, and communicate views on national environmental issues. NALGEP is conducting projects on a wide range of environmental issues, including brownfields, smart growth, USTfields, clean air, transportation innovation, and clean water. NALGEP is managed by Spiegel & McDiarmid, a national law and government affairs firm based in Washington, DC. Please visit NALGEP's website at [www.nalgep.org](http://www.nalgep.org).



## Smart Growth Leadership Institute

The Smart Growth Leadership Institute, a project of Smart Growth America, was created by former Maryland Governor Parris N. Glendening to help state and local elected, civic and business leaders design and implement effective smart growth strategies. The Smart Growth Leadership Institute (SGLI) is dedicated to helping communities achieve diversified employment, a broadened tax base, more choice in housing and transportation, convenience, healthier neighborhoods, and quality of life. SGLI believes that growth and prosperity can be achieved without many of the growing pains associated with sprawl—crushing traffic congestion, car-dominated neighborhoods, the loss of farmland and open space, crowded schools, and rising taxes to pay for services and ever expanding rings of new infrastructure. Please visit SGLI's website at [www.sgli.org](http://www.sgli.org).

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### Contributors to this report include:

**Jessica Cogan**, Smart Growth Leadership Institute  
**Danielle Glaros**, Smart Growth Leadership Institute  
**Ken Brown**, NALGEP  
**Matt Ward**, NALGEP  
**David Dickson**, NALGEP  
**Bridget Thorsen**, NALGEP  
**Peter Fox**, NALGEP  
**Hannah Lambiotte**, NALGEP

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## Smart Growth Business Partnership Advisory Council

**Steven Austin**, Bluegrass Tomorrow,  
Lexington, KY

**Charles Bartsch**, Northeast Midwest  
Institute, Washington, DC

**Frank Beal**, Chicago Metropolis 2020,  
Chicago, IL

**Peter Bell**, Metropolitan Council,  
St. Paul, MN

**Bill Bishilany**, Smart Growth Education  
Foundation, Chagrin Falls, OH

**Jon Campbell**, Wells Fargo Bank,  
Minnesota, St. Paul, MN

**Christina Casgar**, Global Insight,  
Washington, DC

**John DeVillars**, BlueWave Strategies,  
Boston, MA

**Laurence M. Downes**, New Jersey  
Natural Gas, Wall, NJ

**Jim Durrett**, Urban Land Institute  
Atlanta, Atlanta, GA

**Elizabeth Ferguson**, Bay Area Family of  
Funds, San Francisco, CA

**Richard Gilbert**, BellSouth  
Corporation, Atlanta, GA

**David Goss**, Greater Cleveland Growth  
Association, Cleveland, OH

**Kevin Green**, Metro Atlanta Chamber  
of Commerce, Atlanta, GA

**Carl Guardino**, Silicon Valley  
Manufacturing Group, San Jose, CA

**Ann Habiby**, Initiative for a Competitive  
Inner City, Boston, MA

**Stephen Holbrook**, Envision Utah,  
Salt Lake City, UT

**Elizabeth Humstone**, Vermont Forum  
on Sprawl, Burlington, VT

**Jim Jacoby**, Jacoby Development, Inc.,  
Atlanta, GA

**Bruce Katz**, Brookings Institution,  
Washington, DC

**Ann Lang**, CEOs for Cities, Boston, MA

**Doug Luciani**, Traverse City Area  
Chamber of Commerce, Traverse City, MI

**Doug MacCourt**, National Association  
of Local Government Environmental  
Professionals, Portland, OR

**Andrew Michael**, Bay Area Council,  
San Francisco, CA

**Toby Millman**, Eakin-Youngentob, Assoc.,  
Arlington, VA

**Joe Molinaro**, National Association of  
Realtors, Washington, DC

**Randy Muller**, Bank of America,  
Environmental Services, Atlanta, GA

**John Parr**, Alliance for Regional  
Stewardship, Denver, CO

**Michael Pawlukiewicz**, The Urban  
Land Institute, Washington, DC

**Roger Platt**, Real Estate Roundtable,  
Washington, DC

**Michael Porter**, Initiative for a  
Competitive Inner City, Boston, MA

**Paul Radcliffe**, Electric Power Research  
Institute, Palo Alto, CA

**Reba Raffaelli**, National Association  
of Industrial & Office Properties,  
Herndon, VA

**Lee Ronning**, 1000 Friends of  
Minnesota, St. Paul, MN

**Michael Ryan**, Narragansett Electric,  
Providence, RI

**Jim Sayer**, Sierra Business Council,  
Truckee, CA

**Jesse Silverstein**, Development  
Research Partners, Littleton, CO

**Candace Skarlatos**, Bank of America,  
San Francisco, CA

**C. William Struever**, Struever Bros.  
Eccles & Rouse, Inc., Baltimore, MD

**Laura Stuchinsky**, Silicon Valley  
Manufacturing Group, San Jose, CA

**Lisa M. Ventriss**, Vermont Business  
Roundtable, South Burlington, VT

**Paul Weech**, Fannie Mae, Washington, DC

**Scott Wolf**, Grow Smart Rhode Island,  
Providence, RI

**Tom Wolf**, Better York / Wolf  
Organization, York, PA

Communities can be shaped  
by choice, or they can be shaped  
by chance. We can keep on  
accepting the kind of  
communities we get, or we can  
start creating the kind of  
communities we want.

— Richard Moe, National Trust  
for Historic Preservation



# Contents

<b>1</b>	<b>Introduction</b> .....	1
<b>2</b>	<b>The Costs of Sprawl</b> .....	5
<b>3</b>	<b>Business Strategies for Smart Growth</b> .....	9
<b>4</b>	<b>Profiles of Business Leadership on Smart Growth</b> .....	21
	Bank of America: Commitment to Community Development .....	22
	The Bay Area Council: Funding Fiscally Sustainable Growth .....	24
	BellSouth: Metro Consolidation Enhances Employee Productivity .....	26
	Envision Utah: Quality Growth Plan Moves into Action .....	28
	Johnson Development Corporation: Investment in Inner Cities Scores Big .....	30
	Metro Atlanta Chamber of Commerce: CEOs Lay Tracks for Smart Growth Transportation Planning .....	32
	New Jersey Natural Gas: Providing Smart Growth Infrastructure .....	34
	ShoreBank Corporation: Shoring Up Underserved Communities .....	36
	Sierra Business Council: Growing Jobs and Communities in Rural America .....	38
	Silicon Valley Manufacturing Group: Affordable Housing Critical to Regional Economic Growth .....	40
	Struever Bros. Eccles & Rouse, Inc.: Tapping Benefits of the Smart Growth Movement .....	42
	Traverse City Area Chamber of Commerce: Charting New Designs for Growth in Michigan Communities .....	44
	Vermont Business Roundtable: CEOs Boost the Benefits of Managed Growth .....	46
	Whole Foods Market: Growing Healthy Communities and Lifestyles .....	48
	Wisconsin Realtors Association: Building Better Communities Helps Sell Homes .....	50
	Zipcar and Flexcar: Car Sharing Capitalizes on the Urban Lifestyle .....	52
	<b>Smart Growth Resources</b> .....	57

Increasingly, businesses are recognizing the benefits of investing in well-planned livable communities.





# Introduction

**A**cross America, communities are grappling with the economic, environmental, and civic impacts of sprawl, including traffic congestion, crowded schools, pollution, loss of open space, and decaying infrastructure. Community leaders and local government officials have been on the front line, trying to manage the enormous changes affecting their hometowns. Many local officials have discovered that strong partnerships with the private sector, particularly with businesses that are promoting “smart growth” alternatives to sprawl, can be critical to addressing the challenges of sprawling development.

The National Association of Local Government Environmental Professionals (NALGEP) and the Smart Growth Leadership Institute partnered to produce this report, **Smart Growth is Smart Business**. The report profiles 17 businesses and business groups that are putting smart growth into action in communities across the nation. It outlines the reasons why these business leaders are supporting smart growth policies and projects, and it puts forth five key smart growth business approaches.

**Smart Growth is Smart Business** follows a study originally published by NALGEP in 1999, *Profiles of Business Leadership on Smart Growth: New Partnerships Demonstrate the Economic Benefits of Reducing Sprawl* (see [www.nalgep.org](http://www.nalgep.org)). This groundbreaking work profiled how business leaders such as Providence Energy, the Greater Cleveland Growth Association, and the Commercial Club of Chicago, were beginning to take steps in their communities to curb sprawl and promote smart growth in their communities. Citing a number of significant ways sprawl is undercutting business profitability and competitiveness, the study identified the beginnings of a major attitude shift in the business community away from resisting growth control initiatives and toward supporting efforts to channel the pattern and character of local economic development. That study identified 19 examples of businesses across the country that were addressing the threat of sprawl, and it examined how and why they were championing smart growth locally. One thread was found throughout the case studies – businesses were

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The nation and the economy have changed dramatically...Yet smart growth is as strong as ever.

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## Smart Growth is growth that achieves six goals:

- Neighborhood livability
- Better access, less traffic
- Thriving cities, suburbs, and towns
- Benefits for all residents
- Lower costs, lower taxes
- Keeping open space open



taking action on smart growth because it was good for business, that is, good for their bottom line.

In this new study, **Smart Growth is Smart Business**, NALGEP and the Smart Growth Leadership Institute sought to determine whether the private sector's interest in smart growth had increased or whether it was merely a passing fad. We wanted to learn whether business leaders would still promote smart growth during times of economic downturn, declining profits, and downsizing. We sought to identify additional successful and profitable businesses that brought vitality and prosperity to their communities. We expanded our Advisory Council of business and local government leaders. We conducted substantial research to identify new businesses engaged in smart growth, and we interviewed a broad cross section of

business leaders, including manufacturers, developers, retailers, real estate professionals, utilities, and financial institutions.

Here is what we found:

- **Quality of Life Is Still Critical to Business** – Business leaders continue to emphasize that quality of life directly affects their bottom line and that sprawl undercuts their employees' quality of life. For example, the Silicon Valley Manufacturing Group and BellSouth have a commitment to smart growth strategies that provide transportation and housing choices for their employees, because they know that they must improve local quality of life to attract and maintain a highly qualified workforce. “For us, business and environmental issues go hand in hand. We care about protecting the environment because the health of the environment directly affects the quality of life for our associates, our customers and our communities,” says Kenneth Lewis, Chairman and CEO of Bank of America.
- **Reinvestment in Established Communities Makes Business Sense** – Businesses are promoting reinvestment in established communities and existing infrastructure over the costly approaches of providing new infrastructure to new growth areas. These investments are reducing costs and boosting profits over the short- and long-term. For example, New Jersey Natural Gas is working in partnership with the City of Asbury Park and the State of New Jersey to encourage the revitalization of older urban and suburban communities by creating new models for upgrading existing infrastructure.
- **Smart Growth Is an Emerging Market Opportunity** – Retailers, developers, and other businesses are pursuing emerging smart growth

market opportunities to gain competitive advantage, tap new customer demand, and increase profits. The Whole Foods Market food chain now has an aggressive strategy to locate new stores in transitional neighborhoods on the verge of revitalization. By specializing in brownfields redevelopment, infill and transit-oriented development, and other smart growth strategies to reuse historic areas and properties, Struever Bros. Eccles & Rouse, Inc. has grown from a small company to a \$150 million real estate development and general contracting company ranked among the top five in Baltimore.

- **Leading Businesses Seek to Improve Growth Management in Their Regions** – Business leaders are joining with localities, states, and grass roots organizations to encourage smart growth planning and management. The Wisconsin Realtors Association, for example, is an active supporter of the state’s 1999 Comprehensive Planning Law because as the Association’s Tom Larson remarks, “nobody has a larger stake in quality of life issues or a greater awareness of what is going wrong within communities than realtors.”
- **Smart Growth Sells in Both Up and Down Economies** – Businesses are making long-term investments in smart growth because smart growth makes economic sense in both growing and slowing economies. Smart growth projects are often stable investments, smart growth services sell, and smart growth public policies help avoid the costs and inefficiencies of sprawl. Despite the slowing of the economy in recent years, Bank of America has expanded its commitment to smart growth projects, dedicating \$350 billion to community development over a 10-year period. Likewise, 275 employers in the San Francisco Bay Area have raised more than \$150 million to invest in brownfields redevelopment, affordable housing and other smart growth projects.

When NALGEP released its *Profiles of Business Leadership on Smart Growth* report in 1999, the American economy was at an extraordinary peak. The nation and the economy have changed dramatically since 1999. The country is struggling to recover from a major economic downturn. State and local governments are facing declining tax revenues and increasing demands for services. Businesses have been downsizing and streamlining. Yet, smart growth is as strong as ever. The businesses profiled in our earlier report have maintained and expanded their efforts. Many new companies and whole new sectors are now engaged in smart growth. Business leaders are reaping the returns of smart growth strategies. This **Smart Growth is Smart Business** report shows how building better communities boosts the bottom line. We expect that the smart growth movement will continue to grow, and that private sector leaders like those showcased here will help make smart growth the standard way of doing business in communities across America. ●

**Sprawling development patterns increase traffic, impact air and water quality, and threaten the fiscal health of cities, suburbs, and the private sector.**





## The Costs of Sprawl

**I**n more and more American communities, people are experiencing sprawl each day – retail establishments are located miles away from the customers they serve, housing is separated from recreational opportunities, and employment centers are distant from workers. Because land uses are separated, sprawl fosters an overwhelming dependence on cars and SUVs, because the automobile is usually the only way to get from home to work, school, or the grocery store.

As people and businesses move further out from the urban center, they abandon cities and older suburbs, and shift investments to the metropolitan fringe. Improvements to our nation’s air quality have been undermined because sprawling development patterns create an increase in vehicle travel and associated air pollution. Increases in contaminated runoff from roads, parking lots, rooftops, and driveways threaten our water resources. Housing that is reasonably priced is difficult to find near retail and employment centers. Schools are crowded and community infrastructure and institutions are overwhelmed.

The inherent inefficiency of sprawl threatens the fiscal health of cities, suburbs, and the private sector alike. New roads and highway interchanges need to be built. Schools, firehouses, and police stations need to be constructed and personnel need to be hired. Sprawling growth also requires the costly expansion of infrastructure and utilities into new areas which depletes resources for maintaining aging, existing systems.

As communities struggle to pay for these additional costs, taxes often are increased for residents and businesses alike. The Urban Land Institute (ULI) studied the cost to taxpayers to provide new or upgraded streets, utilities, and schools to service new homes. ULI found that the average home 10 miles from downtown on a lot that is a third of an acre costs taxpayers \$69,000. A home near downtown on a compact lot costs taxpayers \$34,500 – half the amount of the home 10 miles from downtown.<sup>1</sup> In Loudoun County, Virginia, a fast-growing Washington, DC, suburb, property taxes have

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On average, a new home 10 miles from downtown costs taxpayers twice as much as one near downtown.

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Sprawl development dominates the American landscape, and is characterized by scattered, poorly planned growth on the fringe of established communities in which jobs, homes, schools, and shops are segregated over long distances.

<sup>1</sup> James E. Frank, *The Costs of Alternative Development Patterns: A Review of the Literature* (Washington, DC: The Urban Land Institute, 1989).



increased by \$764 per house between 2001 and 2003 just to cover infrastructure costs related to the new development, including a growing county debt.

Other costs to businesses include the clogged roadways that reduce employee reliability and productivity. According to the Texas Transportation Institute's 2003 *Urban Mobility Study*, 59% of major roadways systems were congested in 2001.<sup>2</sup> The study found that highway congestion cost the nation \$69.5 billion in wasted fuel and lost time last year – \$4.5 billion more than the previous year.<sup>3</sup> Freight companies that use the nation's busiest roads also are losing productivity as these clogged roads limit the number of possible deliveries. The efficiency of the entire freight distribution system is hindered, resulting in higher costs to businesses and their customers.<sup>4</sup>

Poorly managed growth increases pollution levels, which can result in regulatory costs and burdens to businesses. Poor air quality affects worker productivity as employees miss work to care for themselves or their children with health problems such as asthma. In some cases, very bad air quality over an extended period of time can result in the loss of federal transportation funding.

In sprawling areas, there are typically few opportunities for people to walk to destinations, limiting employees' choices to get exercise in their daily routine. Poorly designed growth decreases the ability of citizens to maintain their health through walking, which increases employee absenteeism and lost productivity.

These trends are making some communities take drastic measures to curb runaway growth and escalating costs. In some cases, the costs and impacts of sprawl can lead localities to issue strict regulations or even moratoria on growth. The rapidly growing suburb of Carroll County, Maryland, for example, recently issued a moratorium on all new development.

None of these trends bode well for business success. Fortunately, businesses are discovering that there are better ways to manage growth and keep costs down, and communities across the country are leading efforts to foster smarter growth. ●

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None of these trends bode well for business success, and all of these challenges call for smarter ways to grow our communities.

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<sup>2</sup> Texas Transportation Institute, 2003 *Urban Mobility Study* (College Station, Tex.: Texas Transportation Institute, September 2003), p 17.

<sup>3</sup> *Ibid.*

<sup>4</sup> Department of Transportation, Federal Highway Administration, 2002 *Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance: Report to Congress* (Washington, D.C.: GPO, 2003), chapter 22.



**Strong partnerships between  
the public and private sector  
are critical in addressing the  
challenges of sprawling  
development.**





## Business Strategies for Smart Growth

**T**here is growing recognition that smart growth encourages economic development that can simultaneously promote fiscal health, protect environmental assets, and build community livability. Ultimately, smart growth creates more and better choices for our communities – more options in housing, transportation, community amenities, and employment opportunities – as well as greater efficiency and convenience. Although much has been written about the links among smart growth, quality of life, and environmental protection, relatively few publications describe the benefits of smart growth for the economy and businesses.

The profiles in this report demonstrate that more and more businesses are putting smart growth into action because it is good for business – that is, good for their bottom line. Most importantly, businesses are engaged in smart growth for business reasons first and the environment and community livability second. Increasingly, business leaders are recognizing that smart growth *is* smart business.

A wide variety of business sectors are joining in smart growth efforts – including developers, realtors, utilities, bankers and financiers, chambers of commerce, technology companies, industrial manufacturers, retail and service companies, tourism businesses, transportation companies, and numerous others. Many companies, including those profiled in this report, are integrating smart growth into their daily business operations.

Companies are seeking to protect and enhance the quality of life and increase the vitality of their local communities, in order to increase the vitality of the places in which they do business. These companies are finding creative ways to meet a growing demand for convenience and choice in transportation, housing, services and products, for both employees and customers. Some companies are engaged in efforts to promote reinvestment in established communities and existing infrastructure rather than demanding new infrastructure to serve new areas of development. Other businesses are using smart growth attributes to competitively market their products and tap new opportunities. Still others are aggressively investing in infill development, brownfields revitalization, and development near public transit. And more private

## Business Strategies for Smart Growth

### 1 Enhance Quality of Life

Business leaders recognize that quality of life affects economic prosperity, that sprawl undercuts quality of life, and that smart growth approaches can boost quality of life for communities, customers, and employees.

### 2 Reinvest in Established Communities

Businesses are promoting reinvestment in established communities and existing infrastructure over the costly approaches of providing new infrastructure to poorly planned new growth areas.

### 3 Tap Emerging Markets

Businesses are pursuing emerging smart growth market opportunities to gain competitive advantage, tap new customer demand, and increase profits.

### 4 Plan for Community Growth

Business leaders are joining with localities and states to encourage growth management and enhance housing and transportation choices.

### 5 Use Smart Growth in Growing and Slowing Markets

Businesses are finding that investing in smart growth makes economic sense in growing and struggling economies.

sector leaders are joining with their state and local governments to promote better growth management. Together, these examples show how smart growth can boost the bottom line for business and broaden business opportunities in the twenty-first century American economy.

Based on our interaction with the Smart Growth Advisory Council convened for this project and our research, NALGEP and the Smart Growth Leadership Institute have profiled 16 examples of business leadership on smart growth. These profiles highlight five key strategies that American businesses are using to pursue smart growth *and* boost their bottom line. We encourage other business leaders to review these strategies, follow the examples, and likewise seek to profit from these smart growth and smart business approaches.

### Business Strategy 1 – Enhance Quality of Life

Business leaders recognize that quality of life affects economic prosperity, that sprawl undercuts quality of life, and that smart growth approaches can boost quality of life for communities, customers and employees.

Businesses increasingly recognize that quality of life is a key economic asset, and they seek locations in “livable communities” where people want to live, work and play. In 1999, Arthur Andersen Consulting asked business executives why they located where they did. A majority cited high quality of life.<sup>5</sup> Small businesses recently reported that open space and parks were among their highest priorities when deciding where to locate.<sup>6</sup> In a survey of Sierra Nevada area business owners, 82 percent identified high quality of life as one of the most significant advantages of doing business in the region.<sup>7</sup> Considerations such as “fewer regulations than urban areas” and “lower costs of doing business” were ranked by only eight percent and 11 percent as a significant advantage.

<sup>5</sup> Steve Lerner and William Poole, *The Economic Benefits of Parks and Open Space: How Land Conservation Helps Communities Grow Smart and Protect the Bottom Line*. Trust for Public Land, 1999.

<sup>6</sup> John L. Crompton, Lisa L. Love, and Thomas A. More, “An Empirical Study of the Role of Recreation, Parks and Open Space in Companies’ Location Decisions.” *Journal of Park and Recreation Administration* (1997), 37-58.

<sup>7</sup> Sierra Business Council website, [www.sbcouncil.org](http://www.sbcouncil.org).

In today's global marketplace, where capital and employees are extremely mobile, quality of life is especially important for attracting and maintaining a highly qualified workforce. Businesses hope to gain a competitive edge by attracting employees to communities with a unique identity and a high quality of life. Attributes such as cultural amenities, restaurants, subway or light rail systems, and open space and parks attract economic growth in part because they appeal to highly educated, highly mobile "knowledge workers."<sup>8</sup>

There is growing evidence that smart growth strategies can enhance employee productivity. For example, economists have shown that average labor productivity increases with the employment density of counties.<sup>9</sup> Higher productivity levels can be found in cities that are compact and served by efficiently integrated transportation systems.<sup>10</sup> In addition, a positive association between the presence of growth management and the improvement of a metropolitan area's overall personal income levels has been found.<sup>11</sup>

Sprawling development, however, can drain the energy and life from existing communities. Deteriorating quality of life can, in turn, undercut the business climate of a community. In some of the fastest growing metropolitan areas, companies are slowing down their business expansion plans or opting to move elsewhere because traffic congestion and a declining quality of life are stifling worker productivity. For instance in Atlanta in 1998, Hewlett-Packard delayed plans to build a second 20-story tower for some 1,700 workers because the metropolitan region had a mobility crisis. The average driver traveled 34 miles daily – more than any other major metro area in the country – and workers complained about commute times.<sup>12</sup> At the time, Atlanta was consuming an acre of land for every two new arrivals and traffic was unpredictable. Unplanned growth and a poor public transportation network were destroying the city's potential economic growth and hampering business expansion. Worsening air quality threatened regulatory gridlock and costly burdens on business. The result? The business community supported the creation of a regional super-agency, the Georgia Regional Transportation Authority, to coordinate land use, build new transit lines, and maintain economic growth in the region.<sup>13</sup>

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Traffic congestion, poor schools, lack of affordable housing, and a degraded environment make it tough for companies competing to attract and retain high performing employees.

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<sup>8</sup> Antonio Ciccone and Robert E. Hall, "Productivity and the Density of Economic Activity." *American Economic Review* 86 (1): 54–70, 1996.

<sup>9</sup> Robert Cervero. "Efficient Urbanization: Economic Performance and the Shape of the Metropolis." Working Paper, *Lincoln Institute of Land Policy*, 2000.

<sup>10</sup> Nelson, Arthur C., and David Peterman, "Does Growth Management Matter: The Effect of Growth Management on Economic Performance." *Journal of Planning Education and Research* 19: 277–285, 2000.

<sup>11</sup> Richard Florida, "Competing in the Age of Talent: Quality of Place and the New Economy. Pittsburgh: R.K. Mellon Foundation, Heinz Endowments, and Sustainable Pittsburgh, 2000.

<sup>12</sup> *Urban Roadway Congestion Annual Report-1998*, Texas Transportation Institute.

<sup>13</sup> Keith Schneider, "Think Your Commute is Bad," *New York Times*, October 20, 1999.



Traffic congestion, poor schools, lack of affordable housing, and a degraded environment make it tough for companies who are competing to attract or retain high performing employees. As businesses move away from the urban core to areas that are not served by transit, they are finding it increasingly difficult to attract entry-level workers to low-wage jobs.<sup>14</sup> In Howard County, Maryland (approximately 20 miles from downtown Baltimore), so little housing is affordable to working families that shuttle buses run into downtown Baltimore to pick up service sector workers and deliver them to Howard

County malls.<sup>15</sup> This geographic mismatch also is occurring for companies seeking employees right out of college. Fidelity recently built a big, new 2,500-employee facility in northern Rhode Island, only to discover that the young financial employees they wanted to attract wanted to work in the city rather than in a suburban campus.<sup>16</sup>

In response to these concerns, business leaders are increasingly promoting smart growth as a strategy to preserve and enhance quality of life for their employees and their communities. In metropolitan areas of California struggling with the impacts of sprawling growth, business associations have stepped forward to help lead the charge to smarter growth. The Bay Area Council, representing 275 major employers in the San Francisco area, has established the Bay Area Smart Growth Fund to make financial investments in smart growth real estate projects with the goal of providing a “natural environment that is vibrant, healthy and safe, where the economy is robust and globally competitive, and where all citizens have equal opportunities to share in the benefits of a quality environment and prosperous economy.” Projects qualify for funding consideration if they are part of a mixed-use project in one of the Council’s 46 designated target areas.

The Silicon Valley Manufacturing Group, which represents 180 companies employing 225,000 people, has helped lead a campaign to extend an existing half-cent local sales tax to build transit and improve roadways because worker time is being wasted in traffic.<sup>17</sup> The Group also has led efforts to create affordable housing for all Silicon Valley employees who are facing the challenges of excessive commutes and high-priced housing.

<sup>14</sup> Kaid Benfield, Matthew D. Raimi and Donald D.T. Chen, *Once There Were Greenfields: How Urban Sprawl is Undermining America’s Environment, Economy and Social Fabric*. Natural Resources Defense Council (1999) 124-125.

<sup>15</sup> Jacqueline E. Burrell, “County Jobs for City Workers.” *The Business Monthly*, December 1999.

<sup>16</sup> James H. Dodge, “Business Interests and Smart Growth,” *NJ Future Newsletter* v21 Summer 2000. James H. Dodge is the former chairman, president and chief executive officer of Providence Energy Corporation.

<sup>17</sup> Silicon Valley Manufacturing Group website [www.svmg.org](http://www.svmg.org).

In Stamford, Connecticut, a coalition of business leaders, including Pitney Bowes, Inc., have joined with the local government to seek expansion of commuter transit facilities and programs, because they fear the gridlock on Interstate 95 will make their region uncompetitive in regional, national and global markets.

When BellSouth decided to avoid a headquarters office campus on the urban fringe and, instead, merged its employees into three office locations near transit in downtown Atlanta, it integrated smart growth into the design and location of the new offices. The firm decided to invest in parking at transit centers, rather than build additional parking at individual office locations, giving employees more choice on how they travel to work. The company also decided to strategically design their offices to connect to the existing community to maximize walkability and create a lively interaction with the neighborhood.

Similarly, when Bank of America decided to build a new technology center in Charlotte, the company designed a space that not only supported a high-tech office, but also included retail, residential, parking, and public green space. The center is within walking distance of an elementary school and the rest of downtown Charlotte. Other business decision-makers are providing smart growth choices to employees, including alternatives to auto-dependent commuting, such as transit benefits and subsidies, cash-out of employer-paid parking, and ride-sharing programs.

These business leaders know that if our cities and towns fail to combat sprawl, they will fail to create a climate in which business can thrive.

### **Business Strategy ② – Reinvest in Established Communities**

*Businesses are promoting reinvestment in established communities and existing infrastructure over the costly approaches of providing new infrastructure to poorly planned new growth areas.*

One key to smart growth is reinvesting in central cities, older suburbs, and established communities and improving existing infrastructure; rather than spending limited resources on new infrastructure and development in far-flung places. This approach makes sense both for public sector expenditures and private sector investment.

Sprawl creates economic inefficiencies by increasing business operating costs as well as costs for local governments, because new infrastructure and services – roads, schools, utilities, water and sewer, and police and fire protection – must be provided to support the new development. The burden of these major infrastructure costs on local, state, and federal



governments is likely to increase as budget pressures make it difficult to help fund the tremendous backlog of infrastructure improvements and other public sector needs. The costs of providing and maintaining new infrastructure, while still maintaining the old infrastructure, are passed on to businesses as well as residents.

Grow Smart Rhode Island's *Costs of Sprawl* study found that over the next 20 years, building according to the current development pattern would cost the state about \$1.43 billion more than building in a more compact and efficient pattern.<sup>18</sup> According to Federal Reserve Vice Chairman of the Board of

Governors, Edward Gramlich, a well-known economist, "the application of smart growth strategies over the next twenty-five years could save as much as \$250 billion, mainly in the form of infrastructure investment."<sup>19</sup> A March 2004 study by the Brookings Institution concluded that more compact development patterns and investments in the urban core could save taxpayers money and improve overall regional economic performance. It finds that smarter growth patterns over the next 25 years could save governments 11.8 percent, or \$110 billion from road-building costs, 6 percent or \$12.6 billion from water and sewer costs, and 3.7 percent or \$4 billion from annual operations and service delivery.<sup>20</sup> Likewise, the Research Institute for Housing America found that \$15.5 billion could be saved in land costs and \$145 billion in housing-related expenses.<sup>21</sup>

Businesses are taking action in response to these costs of sprawl. Some utilities, including New Jersey Natural Gas Company and Narragansett Electric, have found that providing utility infrastructure to a compact population would result in lower operating costs than building new infrastructure that encourages sprawl. Envision Utah found that by growing smart – investing in public transportation, supporting walkable communities, and encouraging housing at various price points – the region around Salt Lake City, Utah, could save \$4.5 billion in infrastructure costs.<sup>22</sup>

<sup>18</sup> H.C. Planning Consultants, Inc., and Planmetrics, LLP, "The Costs of Suburban Sprawl and Urban Decay in Rhode Island: Executive Summary," December 1999.

<sup>19</sup> Governor Edward M. Gramlich at the Federal Reserve Bank of Cleveland Conference "Livable Communities: Linking Community Development and Smart Growth," Cincinnati, OH November 7, 2002.

<sup>20</sup> Mark Muro and Robert Puentes, "Investing in a Better Future: A Review of the Fiscal and Competitive Advantages of Smarter Growth Development Patterns," The Brookings Institution Center on Urban and Metropolitan Policy, March 2004.

<sup>21</sup> Robert W. Burchell and David Listokin, *Linking Vision with Capital: Challenges and Opportunities in Financing Smart Growth* (Washington, D.C.: Research Institute for Housing America, September 2001).

<sup>22</sup> Information on Envision Utah's Quality Growth Strategy can be found at: [www.envisionutah.org](http://www.envisionutah.org).

Moreover, companies across the nation are directing their resources and efforts back to established communities. For example, Magic Johnson established the Johnson Development Corporation to foster local economic growth in underserved urban and inner-ring suburban neighborhoods. By developing new coffee houses, restaurants, movie theaters, and retail centers, the Corporation supports smart growth by locating in existing neighborhoods and stimulating local economic growth. Many businesses, such as the corporate coalition represented by Chicago Metropolis 2020, are promoting reinvestment in formerly developed, but now abandoned or under utilized, properties such as brownfields and vacant shopping centers. Discovery Communications' new building in Silver Spring, Maryland, was built without a cafeteria specifically to encourage employees to visit local restaurants.

ShoreBank, founded in Chicago and now located nationwide, has found that its investments in established communities have yielded business success and profits as well as social benefits to the communities in which these bankers live and work. ShoreBank's investment strategy has been to build a powerful financial institution by entering markets where traditional banks are afraid to invest, focusing on redevelopment and business investments in downtrodden neighborhoods, and establishing a competitive advantage in key emerging markets. ShoreBank is now a corporation that includes a venture capital fund, a real estate development firm, and a worldwide consulting group.

As a key part of your local community, you too can support downtown revitalization, infill development, brownfields redevelopment, and well-designed mixed-use projects.

### Business Strategy ③ – Tap Emerging Markets

*Businesses are pursuing emerging smart growth market opportunities to gain competitive advantage, tap new customer demand, and increase profits.*

Today, many businesses engaging in smart growth are doing so to gain a competitive advantage, maximize shareholder value, and tap unmet market demand for goods and services. Our nation's urban centers and older suburbs offer untapped market demand. The Initiative for a Competitive Inner City (ICIC) estimates that approximately 25 percent of inner city retail demand is unmet by retailers. ICIC also estimates that 54 percent of workforce growth over the next 10 years will come from minority communities, which are heavily concentrated in cities and older suburbs.

Communities investing in smart growth strategies are creating new opportunities for businesses. Leading economists such as Robert Lucas, Paul Romer, and Edward Glaeser describe how in the "knowledge economy" the clustering of talented people or "human capital" acts as a



prime driver of economic growth in urban areas. Cities are prime locations for the sharing of ideas, information, and technology because they take advantage of “agglomeration” efficiencies and because they provide easy access to suppliers and a regionally based labor pool.<sup>23</sup>

Niche markets are opening up for innovative businesses looking to take advantage of the lifestyles that spring from smarter patterns of growth and development. Some businesses are using lifestyle issues as a matter of brand identity. Businesses such as Starbucks and Kinkos are looking for the next revitalizing neighborhood, hoping to find the ideal location and increase their business as investment follows them into these areas. Flexcar and Zipcar, two private car-sharing companies, have

discovered a previously untapped national market – a desire for short-term car access where people live or work, without the expense and hassles of ownership. The success of these companies and the rising interest in lifestyle issues are changing the way universities, businesses, developers, and individuals think about mobility, parking, and development opportunities.

In Baltimore, Mark Foster created Second Chance, an architectural antiques and salvage group, to provide historical, period pieces for people investing in historic restoration, and now cities across the country are contacting the business to start similar enterprises in their own community. The Whole Foods Market Corporation has become the nation’s largest natural and organic food supermarket chain, in part by targeting retail space in transitional neighborhoods, attracting new residents to them, and becoming a centerpiece of community interaction.

Communities that encourage smarter growth are creating new markets and companies are taking note of the competitive advantage that can be obtained by investing early. Even “big box” retailers, such as Wal-Mart and Target, who have typically steered away from downtowns, have recently developed new store prototypes to fit on Main Street. At the “Quarry” redevelopment project in Minneapolis, a shopping center developer reclaimed a brownfield, and established design plans in cooperation with the community, to produce one of the most profitable shopping centers in the state. Other corporations, such as Struever Bros. Eccles & Rouse, Inc. and the Brownfields Recovery Corporation, have developed competitive niches by reclaiming brownfields and investing in infill and mixed-use development projects.

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<sup>23</sup> Mark Muro and Robert Puentes, “Investing in a Better Future: A Review of the Fiscal and Competitive Advantages of Smarter Growth Development Patterns,” The Brookings Institution Center on Urban and Metropolitan Policy, March 2004.

## Business Strategy 4 – Plan for Community Growth

Business leaders are joining with localities and states to encourage growth management and enhance housing and transportation choices.

Even businesses that invest in existing communities and take advantage of emerging market opportunities realize that they cannot avoid the costs of sprawl on their own. Because the bottom line for businesses can be impacted by sprawling growth, many business leaders are joining forces with local government, state government and other key allies to proactively decide where and how their communities should grow and develop. More specifically, these businesses are engaging in regional planning activities to protect open space, enhance transportation and housing choices, reduce pollution, and channel growth in ways that will protect quality of life and ensure long-term economic prosperity.

Recognizing the economic benefits of growth management, the Vermont Business Roundtable worked with the Vermont Forum on Sprawl, to draft a set of smart growth principles and five new models for development using a test sample of three sites that they hoped could foster new approaches to commercial and industrial development in Vermont. The Business Roundtable and the Forum will use the lessons learned from the project to educate local planners and regional and state economic development officials on identifying specific ways land use regulations can be improved to *encourage* rather than discourage smart growth. Likewise, the Envision Utah initiative, which includes corporations as major participants, is promoting future development approaches for this fast-growing region that include new transit choices and transit-oriented development, compact development designs, and mixed-use and affordable housing investments.

In Michigan, the Traverse City Area Chamber of Commerce is promoting local land use planning in order to maintain the quality of life, tourism economy, and positive business climate that have long been their key economic assets. Realtors, like those represented by the Wisconsin Realtors Association, are advocating for smart growth planning approaches, because these real estate professionals know that they are selling quality of life, not just houses. The Sierra Business Council is helping the rural communities in the Sierra Nevada region develop new planning strategies that protect their unique character and landscapes, while also ensuring that local economies continue to grow and prosper. Another example of business leadership on smart growth is the CEOs for Cities organization, a national alliance of mayors, corporate executives, university presidents and other nonprofit leaders with a mission of advancing the economic competitiveness of cities. CEOs for Cities undertakes policy projects designed to foster public-private collaboration on urban economic development. For example, CEOs has partnered with the Brookings Institution on a vacant land reform project, including a 10-step agenda for urban land use reform.



Business leaders also can educate their customers about the benefits of smart growth and can support local officials who make tough decisions to support smart growth over sprawl. Business leaders can help their trade associations and chambers of commerce get involved in smart growth activities, and they can support business-to-business education on the issues of sprawl, smart growth, and better development practices.

### Business Strategy 5 – Use Smart Growth in Growing and Slowing Markets

Businesses are making long-term investments in smart growth because smart growth makes economic sense in growing and struggling economies.

Businesses are increasingly recognizing that smart growth practices create the right economic conditions to survive a downturn in the economy as well as help businesses to profit in a growing market. Reinvestment in existing communities creates healthy business climates and yields a variety of positive returns. For example, smart growth generates jobs. A recent study released by Good Jobs First indicates that metropolitan areas engaged in smart growth generate more construction related jobs than areas without growth management policies.<sup>24</sup> Well-designed, walkable communities with amenities and transportation choices are good investments in *all* economic conditions. Concentrating development also creates new synergies and business opportunities. Moreover, smart growth investments can help businesses avoid the most costly impacts of sprawl, including deteriorating or overwhelmed infrastructure, overcrowded schools, tax increases, and regulatory and political gridlock. These cost efficiencies are particularly important when the economy is stressed and resources are limited.

Even in a tighter economic environment, companies are moving to and investing in communities with a high quality of life. According to *Emerging Trends in Real Estate 2002*, investments in established downtowns and neighborhoods “hold their value better in bad times and show greater appreciation in the good.” The report also continues to confirm that areas with mixed uses, green space, and street grids with sidewalks will age better than sprawl. They also are better financial investments.<sup>25</sup>

For example, when Denver’s Alexan City Center apartment complex was sold, it commanded a \$5,000–\$10,000 premium per unit because it was

<sup>24</sup> *Emerging Trends in Real Estate 2002*, PriceWaterhouseCoopers and Lend Lease Real Estate Investments, LLP, 2002.

<sup>25</sup> *The Jobs are Back In Town: Urban Smart Growth & Construction Employment*, Good Jobs First, 2003.

within walking distance of a light-rail station.<sup>26</sup> In fact, land values adjacent to planned – but still unbuilt – light-rail stations in Charlotte, North Carolina, have gone up 10 percent beyond comparable properties in the past year. Charlotte developers are already building transit-oriented development projects in anticipation of the rail lines.<sup>27</sup>

Although the economy has slowed in recent years, companies are still willing to pay a premium to be in prime locations – locations that offer amenities, a 24-hour live/work/play environment, and quick access to transportation. Boston Properties surprised many in the real estate sphere with its decision, in summer 2003, to purchase two office buildings in the Reston Town Center at a price of \$205 million, a local record. The deal came even as many lower-priced vacant office buildings were available throughout the region.

Reston Town Center is the commercial center of a planned community in Northern Virginia, one of the fastest-growing areas in the country. But unlike the broader Reston-Herndon high-tech enclave, which has a 23 percent vacancy rate, Reston Town Center has a vacancy rate of less than five percent. The low commercial vacancy rate reflects people's willingness to pay a premium to be in a town center. It is considered a prime location because of its 24-hour environment, nearby residential areas, proximity to prime restaurants and nationally known retailers, and proximity to major commuting routes.

According to Jon Kaylor, a senior vice president at Boston Properties, “Even in a soft market, there's a flight to quality. Tenants want to be as close as possible to amenities, the restaurants and retail.” He is convinced his firm's purchase was a wise decision, saying that, if the buildings were not in Reston Town Center, “either we wouldn't have done it, or we would have had many more concerns.”

Other indications of the business commitment to smart growth, even in a slow economy, can be seen in the increased smart growth activity of major financial institutions in the past few years. Banking institutions such as ShoreBank are demonstrating that investing in urban communities yields positive financial gains. Fannie Mae has expanded their smart growth products since NALGEP's smart growth business report was issued in 1999.

Smart growth is an approach to simultaneously achieving a strong economy, enhanced quality of life, and superior environmental quality. As more and more business leaders come to understand the link between their economic success and the quality of life experienced by their employees and their clients or customers, more and more businesses will begin promoting smart growth in their communities. Expect to see additional leadership from the business community in the years to come. ●

<sup>26</sup> “Proximity to Light-Rail Helps Boost Sale Price of Englewood's Alexan City Center Apartment Complex,” *Rocky Mountain News* May 2, 2003.

<sup>27</sup> “Property Values Rise Along Charlotte's Light-Rail Route,” *Charlotte Observer*, July 7, 2002.

**B**usiness innovation on smart growth is taking place in more ways and in more communities than ever before. This section provides 16 profiles of private sector leaders whose business strategies promote smart growth. These strategies demonstrate a range of activities: from efforts to boost local quality of life and employee choices to reinvestment in established communities and existing infrastructure; from strategies to tap new markets for smart growth to collaboration with local and state governments to plan and manage future growth. By highlighting these examples of business smart growth innovation, NALGEP and the Smart Growth Leadership Institute hope to encourage even more businesses to explore how sprawl may be impacting their bottom line and to consider smart growth strategies as a promising alternative approach.





# 4

## Profiles

- 1 Bank of America: *Commitment to Community Development*
- 2 Bay Area Council: *Funding Fiscally Sustainable Growth*
- 3 BellSouth: *Metro Consolidation Enhances Employee Productivity*
- 4 Envision Utah: *Quality Growth Plan Moves into Action*
- 5 Johnson Development Corporation: *Investment in Inner Cities Scores Big*
- 6 Metro Atlanta Chamber of Commerce: *CEOs Lay Tracks for Smart Growth Transportation Planning*
- 7 New Jersey Natural Gas: *Providing Smart Growth Infrastructure*
- 8 ShoreBank Corporation: *Shoring Up Underserved Communities*
- 9 Sierra Business Council: *Growing Jobs and Communities in Rural America*
- 10 Silicon Valley Manufacturing Group: *Affordable Housing Critical to Regional Economic Growth*
- 11 Struever Bros. Eccles & Rouse, Inc.: *Tapping Benefits of the Smart Growth Movement*
- 12 Traverse City Area Chamber of Commerce: *Charting New Designs for Growth in Michigan Communities*
- 13 Vermont Business Roundtable: *CEOs Boost the Benefits of Managed Growth*
- 14 Whole Foods Market: *Growing Healthy Communities and Lifestyles*
- 15 Wisconsin Realtors Association: *Building Better Communities Helps Sell Homes*
- 16 Zipcar and Flexcar: *Car Sharing Capitalizes on the Urban Lifestyle*



# Bank of America

## *Commitment to Community Development*

**B**ank of America, the largest provider of commercial real estate finance in the country, continues to provide corporate leadership on smart growth issues facing local communities. Originally profiled in 1999 in NALGEP's *Profiles of Business Leadership on Smart Growth* for its early recognition that sprawling, poorly planned development threatens long-term economic prosperity, Bank of America has continued to help communities pursue sustainable development practices.

Through community development lending, contaminated properties redevelopment, and inner city revitalization, Bank of America has made a commitment to support sustainable, managed growth that promotes the overall economic vitality of the nation's metropolitan areas. Speaking before the International City/County Management Association's national conference in September 2003, Bank of America's Vice Chairman and Chief Financial Officer, James Hance, Jr., pointed out, "At Bank of America, our objective is to achieve superior growth – but also growth that is predictable, consistent and sustainable. Neither investors nor taxpayers want to invest in episodic growth."

"Our commitment recognizes that, for us, business and environmental issues go hand in hand. We care about protecting the environment because the health of the environment directly affects the quality of life for our associates, our customers and our communities," says Kenneth Lewis, Chairman and CEO of Bank of America. "For Bank of America, that means commitment to the communities in which we do business. Community involvement is built into the nature of our business because we can only thrive where there are thriving, healthy and growing communities."

### **Providing the Financial Tools to Drive Urban Renewal**

Bank of America recognizes that investing in communities and creating a climate for investment and growth in urban centers is critical to the long-term success of the bank's investment strategy. Therefore, it is working proactively to encourage investment in urban centers by removing impediments to revitalization. Because smart growth projects are often misperceived as risky and difficult to finance, they often require unique investment models. The Bank of America Community Development Bank stimulates investment in low- and moderate-income areas through debt and equity lending for affordable housing and new business construction. To make these investments attractive, the division capitalizes on various public sector incentives, such as the federal historic preservation tax credit, which provides a 20 percent tax credit for the rehabilitation of certified historic structures and a 10 percent tax credit for the rehabilitation of any nonhistoric, nonresidential buildings built before 1936.

In addition, Bank of America's Environmental Services Division helps loan officers assess and quantify environmental risks associated with brownfield sites before the initial property transaction. The Environmental Services Division can suggest ways to mitigate these risks, amortize costs and find appropriate insurance or indemnification for local governments as they attempt to revitalize existing infrastructure and attract redevelopment.

### **Developing Partnerships for Community Revitalization**

Building on the success of the company's \$350 million investment in Gateway Village, a 15-acre technology, retail, and residential center in downtown Charlotte, North Carolina, Bank of

“Community involvement is built into the nature of our business because we can only thrive where there are thriving, healthy and growing communities.”

—Kenneth Lewis, Chairman and CEO, Bank of America

America has expanded its revitalization efforts nationwide. A few examples of these efforts include:

- In Kansas City, Kansas, Bank of America partnered with City Vision Ministries and Douglass National Bank to support Turtle Hill Townhomes, providing \$1.25 million in construction financing and an additional \$167,000 in equity for this 58-unit mixed-income housing development. The project is the first new multi-family residential project in Kansas City’s Northeast Corridor in 30 years and has revitalized this once blighted and neglected urban neighborhood.
- Bank of America has made a substantial investment in California’s Environmental Redevelopment Fund, a statewide resource to finance the investigation and cleanup of contaminated properties that could be redeveloped.
- In Baltimore, Maryland, the Bank worked with more than 60 partners to spur the redevelopment of an abandoned public housing site, which now contains the fully leased Parren J. Mitchell Business Center and the Lexington Terrace mixed-income housing development, immediately adjacent to downtown Baltimore.
- Promoting collaboration among many stakeholders, Bank of America also established a partnership with the Urban Land

Institute to provide leadership training and national policy forums on smart growth issues facing local communities.

- The Dynamic Metals project in southwest Atlanta, Georgia was also done in partnership with the Bank’s Community Development Corporation and the Historic District Development Corporation of Atlanta, a minority-owned corporation. Remediation costs for this site were \$700,000 over five months, and it will become a \$10 million mixed-use building, including 9 first floor retail units and 39 residential units.

### **A Lasting Commitment to Smart Growth**

In May 1998, Bank of America formally launched a 10-year, \$350 billion commitment to community development, exceeding all previous industry standards. At the end of 2003, Bank of America had already fulfilled over half of this pledge, making over \$232 billion available for small business financing, affordable housing investments, and consumer lending to promote economic development and smart growth practices. In January 2004, the bank announced a new goal of \$750 billion over ten years, beginning in 2005.

“We care about diversity, community development, and environmental responsibility because we know from experience that doing the right thing contributes to our success,” says Chairman and CEO Lewis.

For more information, please contact Randy Muller, Vice President and Manager of Environmental Services at (404) 607-4173 or Candace Skarlatos, Senior Vice President, Public Policy, by email at [Candace.Skarlatos@bankofamerica.com](mailto:Candace.Skarlatos@bankofamerica.com), or visit [www.bankofamerica.com/environment](http://www.bankofamerica.com/environment).



# The Bay Area Council

## *Funding Fiscally Sustainable Growth*

The San Francisco Bay area has been one of the nation's fastest growing regions since the end of World War II. Poor land use planning that resulted in the development of prime farmland fueled sprawling development patterns, forcing workers to live farther from work centers, creating longer commutes, compounding traffic congestion, increasing air pollution, and affecting critical environmental habitats. When the Bay Area Council was established in 1945 by 275 prominent employers in the San Francisco Bay region, they aspired to create a successful, affluent and innovative region. Since that time, the Bay Area Council is focusing on these issues by promoting regional public policy that addresses the challenges to economic well-being and quality of life caused by sprawling development.

The Bay Area Council developed the Bay Area Family of Funds to tackle issues such as affordable housing, traffic congestion and employee recruitment and retention in the urban core and inner-ring suburban neighborhoods. The Family of Funds works to simultaneously reduce poverty and promote smart growth in existing urban areas where there is a persistency of poverty. The Family of Funds, now worth more than \$150 million, receives support from private investors, banks, foundations, and individuals, including Bank of America, Washington Mutual, and the Heron Foundation. Market feasibility studies were conducted to demonstrate to investors that the creation of the fund, and its investments in smart growth projects, would yield a sound return. These studies highlighted the fact that real estate trends called for mixed-use, mixed-income developments with access to a variety of transportation choices. The Family of Funds includes the Bay Area Smart Growth Fund, a real estate development fund; the California Environmental Redevelopment Fund (CERF), a brownfields clean-up fund; and the Bay Area

Equity Fund, a business equity fund to support projects with "double bottom line" returns (defined as investments producing both long-term market returns for investors and significant social and environmental benefits for the community).

The Bay Area Smart Growth Fund invests in mixed-use and mixed-income real estate development projects that have potential commercial viability, but are not yet sufficiently attractive to private developers and financiers. To avoid the common problem of gentrification of long-neglected areas, the Smart Growth Fund requires that projects benefit, rather than displace, the people who live in these neighborhoods. In August 2003, the Smart Growth Fund, in partnership with the Marin City Community Land Corporation, announced the purchase of the Gateway Retail Center in the heart of Marin City, a small, predominantly minority community of 2,500 where approximately 25 percent of residents live in poverty. In addition, the Council's Community Capitol Investment Initiative draws on the talent of the private sector, providing catalyst investment funds to yield double-bottom line returns with social and environmental priority to neighborhoods and their residents.

The California Environmental Redevelopment Fund is a bank-funded company that lends money for the remediation of contaminated sites in California, and it has committed 25 percent of its funds for use in the Bay Area. Analysis in California showed that lack of financing has been a major barrier to brownfields redevelopment and has indicated that there was a special niche for a fund like CERF. The Bay Area Council is nearly halfway to its goal of raising \$75 million to support the brownfields efforts of CERF. For example, CERF recently lent \$1 million to a non-profit developer for site remediation and

The Bay Area Council has developed the \$150 million Bay Area Family of Funds to address issues such as affordable housing, traffic congestion and employee recruitment and retention in the urban core.

construction, which will provide eight low- and moderate-income housing units to families now living in substandard housing.

The Bay Area Equity Fund invests in growing businesses capable of substantial job creation in low-income neighborhoods. The Equity Fund, which will make its first investment in 2004, works to bring together traditional venture capitalists with community and government leaders to improve the overall sustainability of the Bay Area region by extending the reach of venture capital to lower-income areas.

A key component to the success of the Bay Area Council is the extensive outreach done to connect business leaders with community groups on smart growth principles. Multi-stakeholder council meetings sponsored by the Bay Area Council on smart growth deals are showing the double

bottom line sought by these businesses. Other Bay Area Council efforts focus on ensuring that current residents are involved in the planning process for their neighborhoods.

Overall, the Bay Area Council is striving to provide a “natural environment (that) is vibrant, healthy and safe, where the economy is robust and globally competitive, and where all citizens have equitable opportunities to share in the benefits of a quality environment and a prosperous economy.” The Council is reaching its goals by educating local and state elected leaders, providing a framework for future investments in infrastructure, sharing the best land management practices, and pursuing broad public outreach and education. Although the Council’s smart growth investment funds are relatively new and just beginning their investments, these resources are bound to have long-term positive impacts on the community.

For more information, please contact Andrew Michael at (415) 981-6600 or visit [www.bayareacouncil.org](http://www.bayareacouncil.org).



# BellSouth

## *Metro Consolidation Enhances Employee Productivity*

**W**hen BellSouth, an Atlanta-based telecommunications corporation, announced an ambitious plan in 1999 to consolidate 10,500 employees scattered in 25 different suburban offices to three urban centers adjacent to transit, the decision was praised locally for its foresight. “Corporate Atlanta is finally getting it,” wrote Atlanta *Journal-Constitution* columnist Maria Saporta. Then-Governor Roy Barnes was effusive, “BellSouth’s innovation is a model for responsible action. This plan means fewer cars, less pollution and congestion, and a greater reliance on public transportation. That’s good for Georgia.”

For Atlanta’s second-largest employer to undertake this smart growth plan was good news for a region with three of the nation’s fastest growing counties on its exurban fringe. In the Atlanta metropolitan area, one acre of land is consumed by development for every two new residents who move to the region. Furthermore, metro Atlantans drive 34 miles per day per person - more than any other major metropolitan area in the country.

### **Quality of Life**

BellSouth Chairman and CEO F. Duane Ackerman insisted that the socially and environmentally beneficial aspects of the plan were secondary to the business implications. At the time the consolidation plan had been announced, the company had grown into a \$23-billion-a-year telecommunications powerhouse. Meanwhile, the increasingly dicey traffic situation led to unpredictable travel times to work and between its scattered sites. Both costs and employee frustrations had been growing.

With many of its leases set to expire, BellSouth began to consider consolidating its many offices. Consolidation was expected to improve productivity

by easing those frustrations and taking advantage of the “synergies” possible with proximity. In making the announcement, Ackerman said, “We have business issues to fix, and, while doing that, we are looking ahead to tomorrow to help with Atlanta’s pollution problem and also help move our people.”

In 1998, about 6,500 of BellSouth’s roughly 18,000 metro area employees worked in the city of Atlanta. By 2004, up to 17,000 of those employees will be located within the Interstate-285 beltway surrounding the city. In 1998, only 30 percent of workers had access to transit. That will grow to more than 80 percent when the plan is fully implemented in 2004.

The company built 2.7 million square feet of office space in six buildings, two at each of the three sites - Lindbergh, Midtown, and Lenox Park. At the Lindbergh site, BellSouth’s broadband unit is the prime tenant in a transit-oriented development built on ground that was formerly a mass transit parking lot. The BellSouth towers overlook the Lindbergh MARTA (Metropolitan Atlanta Rapid Transit Authority) Station, a regional rail system. In Midtown, BellSouth’s network services are located across the street from the North Avenue MARTA Station, which can be accessed from the BellSouth Center building. In Buckhead, the city’s silk-stocking district on the north side, a mixed-use development on a former golf course about a mile from the Lenox MARTA Station houses the company’s customer and marketing operations. A shuttle service transports employees to the MARTA station. All three sites have a variety of housing options close by to encourage workers to live within walking or biking distance of the office.

### **Developing the Consolidation Plan**

In devising its so-called “Metro Plan,” BellSouth considered several key questions: What is the best

“We have business issues to fix, and while doing that, we are looking ahead to tomorrow to help with Atlanta’s pollution problem and also help move our people.”

— BellSouth Chairman and CEO F. Duane Ackerman

design for the telecom workplace of the future? What is our part in helping Atlanta’s congestion and air quality problems? Where do our employees live, where are they likely to live in the future, and how will they get to work?

The company began by plotting the geographical distribution of its employees’ home addresses on a map. As they suspected, workers were commuting from every direction, but a majority of employees lived slightly to the north of downtown Atlanta. However, the temptation to go to the city’s northern fringe was tempered by two additional factors: (1) the tenuousness of highway capacity and lack of rail service beyond the downtown core and (2) the knowledge that many of the young, highly skilled knowledge workers they hoped to attract preferred an urban environment.

Attracting and retaining employees, travel times, and quality of life issues all factored into BellSouth’s decision on where and how to consolidate. For instance, at the Midtown site, the buildings are built to the sidewalk, with a smaller scale façade, so that the office towers are set back and do not overshadow pedestrians below. A pocket park and plaza are incorporated into the building design. BellSouth’s redesign of this area into a transit-oriented development represents an opportunity to replicate and extend the moderate-

density design of Midtown north along the commuter rail line.

### Encouraging Mass Transit

By design, the three business centers do not provide parking for the entire workforce. Instead, based on employees’ preferences, BellSouth constructed 3,000 parking spaces at four end-of-line MARTA transit stations. According to BellSouth spokesman Joe Chandler, “We believe that as time goes on, the ability to have a more predictable trip to work will come to be seen as an advantage to the workers and to the company, in the form of better productivity.”

On any given day, BellSouth expects about a third of its employees will arrive by MARTA. Employees who use MARTA will be assured of a parking space at one of the four remote parking facilities, which will be free and secured. Those who park at the corporate centers will expect to pay up to \$60 a month for the privilege. The company also heavily subsidizes MARTA passes, which cost about \$50 per month, but are sold to employees at \$20 on a pretax basis.

Richard Gilbert, the lead director of the Metro Plan, is delighted, “The move has produced all the benefits anticipated. The new facilities are fantastic, and we are proud to be helping to improve air quality and reduce congestion in Atlanta.”

For more information, please contact Richard Gilbert at (404) 249-5766.



# Envision Utah

## *Quality Growth Plan Moves into Action*

**B**y 2020, the population of Salt Lake City and the surrounding area is expected to increase by one million residents.

Nevertheless, Utah's business leaders and elected officials are helping the region to prepare to face these growth challenges. In fact, through the Envision Utah partnership, they have developed multiple scenarios to manage the demands on infrastructure and natural resources that this population expansion will bring to the Greater Wasatch Area.

Envision Utah is an innovative public/private partnership that promotes economic vitality while protecting quality of life in the metropolitan Salt Lake City region. Recognizing that increased development is inevitable, this coalition of business leaders, elected officials, and citizens set out to gauge the Greater Wasatch communities' concerns regarding growth. Citizens evaluated different development scenarios and a majority preferred development scenarios with smaller lot sizes, slow land consumption, multiple transportation choices, and low infrastructure costs.

By examining local public opinion in this way and working closely with local governments, planning organizations, and state agencies, Envision Utah is having a significant impact on regional land management decisions. Since 2002, Envision Utah has helped 36 communities adopt new transportation approaches and implement quality growth principles. The organization is also an active voice on the Transit 2030 Committee, formed in 2002 to review and develop the state's Long Range Transportation Plan.

“Without Envision Utah and a high level of community cooperation and involvement, Utah will continue to move forward on an uncharted course. Preparing to meet future challenges will help us

preserve the quality about living in Utah and may even help us avoid serious and costly pitfalls,” says Robert J. Grow, Founding Chair of Envision Utah and former COO of Geneva Steel Mill.

### **Identifying Transportation Choices that Promote Livability and Economic Growth**

Partnering with Utah's Department of Transportation, the metropolitan planning organization (MPO) for the 10-county Greater Wasatch Area, Wasatch Front Regional Council, several local governments, and other concerned stakeholders, Envision Utah has continued engaging communities in a dialogue about what types of transportation choices they would like to have in 2030 and how land use planning can help to achieve these goals.

Throughout 2003, Envision Utah held six workshops in communities located along the Mountain View Transportation Corridor, which is the last corridor that could provide a second major transportation connection between Salt Lake City and northern Utah counties. According to the Governor's Office of Planning and Budget, the population in this area is expected to increase from 267,000 to 635,000 and employment opportunities will rise from 82,000 to 268,000 by 2030. The current transportation network is clearly inadequate to support this projected growth and commercial expansion. Envision Utah's workshops have helped these communities understand the potential economic impacts of various land use choices and develop transportation plans that can meet their needs.

Having previously assisted Layton, South Salt Lake, and Murray, Envision Utah is now helping additional communities located along existing light-rail and proposed heavy-rail commuter

“Without Envision Utah and a high level of community cooperation and involvement, Utah will continue to move forward on an uncharted course. Preparing to meet future challenges will help us preserve the quality about living in Utah and may even help us avoid serious and costly pitfalls.”

—Robert J. Grow, Founding Chair of Envision Utah and former COO of Geneva Steel Mill

lines to prepare comprehensive transit-oriented development plans. In West Valley City, the state’s second largest metropolitan area, Envision Utah helped integrate transit-oriented development into the city’s master plan for future commercial development at their proposed 3500 South TRAX light-rail station. In Sandy, Envision Utah is working with key stakeholders to develop the area surrounding their 9400 South TRAX light-rail station in a way that ensures continued economic development in the immediate vicinity and enhances the overall quality of life for residents and employees in the area.

As a member of the Transit 2030 Committee, Envision Utah has been highly involved in assessing regional transit needs, evaluating proposed projects, identifying potential funding resources, and expediting the construction timetable for approved new projects. Envision Utah has been granted membership in the Wasatch Front Regional Council and representation on the Metropolitan Planning Organization’s Regional Growth Committee. Most importantly, Envision Utah has developed a collaborative relationship with the Wasatch Front Regional Council and continues to have a direct effect on long-range transportation planning in the region.

### Realizing Tangible Results and Increased Commercial Activity

In June 2003, Envision Utah held its third annual Governor’s Quality Growth Awards to further promote the benefits of transit-oriented development. Former Governor Mike Leavitt, now the Administrator of the U.S. Environmental Protection Agency, bestowed the Grant Achievement award to the Utah Transit Authority for its rail corridor preservation. Other recipients include Midvale Junction, a major land/lease development that includes 106 affordable housing units and 8,000 square feet of ground-floor retail space adjacent to a light-rail station, and Emigration Court, a retail and residential infill development in Salt Lake City with 428 apartments and 5,000 square feet of commercial space within walking distance of a key downtown transit center.

Given this record of success, it is no surprise that business leaders across the state applaud Envision Utah’s sensible approach to long-range land use planning. Spencer Eccles, Chairman of Wells Fargo Intermountain Banking Region and Envision Utah’s Honorary Co-Chair, says, “I’ve been a big supporter of Envision Utah because it supports property rights and local control while helping citizens, developers and local elected officials see what ideas can enhance our quality of life and still maintain a vibrant economy.”

For more information, please contact Lorena Riffo-Jenson, Esq., at (801) 303-1452 or by email at [Lriffo-jenson@cuf-envision.org](mailto:Lriffo-jenson@cuf-envision.org) or visit [www.envisionutah.org](http://www.envisionutah.org).



# Johnson Development Corporation

## *Investment in Inner Cities Scores Big*

**K**nown worldwide for his tremendous ability on the basketball court, Earvin “Magic” Johnson is now scoring profits *and* delivering assists to underserved communities by investing in new business ventures in America’s inner cities. Through the Johnson Development Corporation and the related Canyon-Johnson Urban Fund, Magic and his partners are demonstrating the many financial and quality of life benefits of pursuing a smart growth approach to development that focuses on investing in entertainment, housing, retail, and restaurants in America’s long-neglected urban neighborhoods.

In the 1980s and early 1990s Magic Johnson led the Los Angeles Lakers to five NBA Championships, appeared in 12 all-star games, was voted the league MVP three times, and won an Olympic gold medal at the 1992 Barcelona games. When he retired from professional basketball, Magic Johnson sought to use his wealth, notoriety, and business acumen to revitalize underserved urban communities. In 1993, the Johnson Development Corporation (JDC) was formed to “serve as a business stimulus fostering local economic growth and financial empowerment in long-neglected minority urban and suburban neighborhoods.”

JDC recognizes that over the past 20 years, major retailers, restaurants, supermarkets and developers have helped encourage sprawl by abandoning ventures in urban areas and relocating in rapidly growing and expanding suburban communities. As a result, urban residents were forced to travel to suburban areas for shopping, entertainment, and other services. As some suburban communities begin to impose land use restrictions to slow unchecked growth, the company has keenly noted that urban areas are once again a financially wise and socially responsible investment.

The company’s first venture was a shopping center in west Las Vegas. In 1994, JDC opened its first movie multiplex in an underserved section of Los Angeles. The Magic Johnson Theater proved to be wildly successful, and the company has since opened multiplexes in four more minority communities in Texas, New York, Georgia, and Ohio. The theatres serve as a business stimulus, fostering local economic growth, job development, and financial empowerment in the communities they serve.

JDC parlayed its success and was able to convince Starbucks to join them in a partnership to develop “Urban Coffee Opportunities” in disadvantaged areas. To date, JDC is the only outsider to form a partnership with the Starbucks Corporation. JDC now owns 42 Urban Coffee Opportunity/Starbucks coffee shops, 90 percent of which are located in minority urban communities. The shops have proven to be very profitable and have become social centers in their communities. JDC has also joined with the Carlsons Restaurant Company to open Magic Johnson’s TGIFridays in Atlanta, Georgia and Los Angeles, California.

The Johnson Development Corporation is now a \$500 million company. In 1999, JDC joined with Canyon Capital Realty Advisors, a money management firm based in Los Angeles, to form the Canyon-Johnson Urban Fund. The mission of the fund is to invest in the acquisition, development, and redevelopment of urban areas while fostering employment, shopping, and entertainment opportunities for underserved residents. According to Johnson, “the viability of inner city neighborhoods and their surrounding metropolitan areas is a critical issue to building a strong America. Canyon-Johnson will deploy nationally the expertise and capital necessary to redevelop these urban neighborhoods, providing jobs and business opportunities.”

“The viability of inner city neighborhoods and their surrounding metropolitan areas is a critical issue to building a strong America.”

—Earvin “Magic” Johnson, CEO, Johnson Development Corporation

The Canyon-Johnson Urban Fund is now one of the largest urban real estate investment firms in the country and is prepared to facilitate the investment of over \$1 billion in America’s distressed urban areas. It is currently pursuing several smart growth redevelopment projects in inner city neighborhoods with mixed incomes where the demand to live and shop is not met, including:

■ **Midtown Center in Milwaukee, Wisconsin:** Canyon-Johnson is partnering with Boulder Venture to redevelop the Capital Court Mall in downtown Milwaukee. In the early 1990s, the urban mall had declined and major tenants such as Target and Sears abandoned the site to focus on stores outside the urban core. Canyon-Johnson recognized that the population density around the mall was five times the metropolitan Milwaukee average with nearly double the purchasing power of the metropolitan average, but the community had only one-third of the retail choice. With more than half of the mall redeveloped already and renamed Midtown Center, the development’s anchor tenants, Wal-Mart and Pick-n-Save Supermarket, are exceeding sales expectations. The project has generated 1,500 new jobs and significant tax revenues for the community.

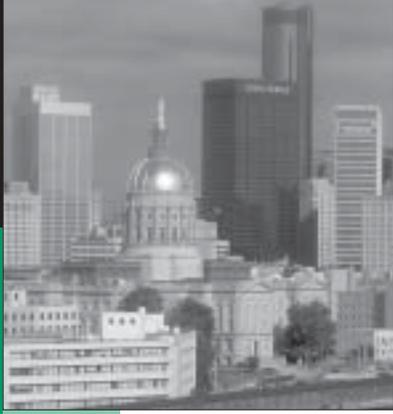
■ **Sunset and Vine in Hollywood, California:** Fifty years ago, the corner of Sunset and Vine was a key location during Hollywood’s golden era. It housed the ABC Network, Capitol Records, and Merv Griffin Studios, and it marks the start of Hollywood’s “Walk of Fame.” However, as the surrounding

neighborhood began to decline, the site was abandoned and set on fire by homeless drifters in the 1990s. Canyon-Johnson is now leading an effort to turn the site into a modern urban village with housing, neighborhood retail and historic preservation. The project is the largest new residential project undertaken in Hollywood in 50 years.

■ **Park Place Condominiums in Brooklyn, New York:** Canyon-Johnson has launched a mixed-use development in Brooklyn’s Park Slope community with 47 condominiums, street-level retail space, and an underground parking garage. The proposed eight-story building is being built on the former site of the Brooklyn Tabernacle auditorium and will integrate the design of the auditorium into the building’s facade. The project is a model of smart growth, located near two subway stops and the historic Prospect Park and within walking distance to the many retail businesses and restaurants on Seventh Avenue, the Brooklyn Zoo and the Botanical Gardens.

The success of the Johnson Development Corporation lends support to one of the core tenants of smart growth - that businesses do not have to continue to build further and further outside of the urban core to be profitable. As suburban communities begin to implement land restrictions to rein in sprawling developments and their negative impacts, Magic Johnson’s company is leading an effort to remold the business world’s view of urban communities as attractive investment opportunities.

For more information, please visit [www.johnsondevelopmentcorp.com](http://www.johnsondevelopmentcorp.com).



## Metro Atlanta Chamber of Commerce *CEOs Lay Tracks for Smart Growth Transportation Planning*

Since 1980, the Atlanta metropolitan area has doubled in population, making it home to more than half the residents of the State of Georgia. With this dramatic growth has come unintended consequences, such as reduced open space, sprawling development, diminished air and water quality, and traffic congestion that ranks among the worst in the nation. Over the next 25 years, Atlanta's population is expected to increase by an additional 2.5 million.

According to the Census Bureau, Atlanta currently has the least dense urbanized area of the nation's top 15 metropolitan areas. This low-density development has strained the capacity of the region's infrastructure, and analysis has increasingly demonstrated that further investment in new infrastructure investments alone will not preserve the quality of life and economic competitiveness of Atlanta. The low density of the region's growth patterns must be addressed.

Recognizing the range of impacts unmanaged growth can have on economic vitality and quality of life, the Metro Atlanta Chamber of Commerce launched a multistakeholder effort to encourage development that makes use of existing infrastructure, protects the environment, and invigorates the metropolitan region. "I think there's great concern that the kind of growth we've experienced, while economically successful, is going to threaten our quality of life and [will], in turn, threaten our economic success," said Metro Atlanta Chamber President Sam Williams.

The Metro Atlanta Chamber's leadership on regional coordination in planning for growth has paid-off, leading to the creation of the Georgia Regional Transportation Authority (GRTA) in 1999 and the Metro Atlanta Quality Growth Task Force in October 2003.

### Regional Transportation Planning

As Atlanta's population grew exponentially in recent decades, unmanaged growth led to low-density housing and employment centers stretching out along once rural highways and farmland. Lack of appropriate transportation alternatives left much of the area's population dependent on cars to get around. As of 2001, Atlanta residents drove an average of 34 miles a day, more than anywhere else in the country. More than 50 percent of the area's workforce commutes to a different county from the one where they live.

Apart from the economic costs associated with delay, fuel consumption, and loss of workforce productivity, these trends also threaten public health. Atlanta's smog level is among the worst in the nation, and the city was designated as being in severe non-attainment with federal air quality standards for ground level ozone. In the late 1990s, the region's failure to have a transportation plan that conformed to clean-air standards prompted the U.S. EPA to shut off federal funding for highway and road construction until a transportation plan that conformed to clean air standards was adopted.

Atlanta's business leaders saw the writing on the wall. According to Kevin Green, Vice President of Environmental Affairs for the Chamber, "When the region fell out of conformity with national air quality standards, threatening our transportation funding, this was the train wreck that really got the attention of the business community."

The Metro Atlanta Chamber of Commerce immediately convened the Metropolitan Atlanta Transportation Initiative, to identify solutions to the region's infamous traffic congestion. The initiative recommended overhauling the transportation planning process and strengthening public and private sector involvement in crafting

“The goal ... is not to limit growth. It is to better plan for inevitable growth, taking care to preserve the desirability of the region for our employers, their workforce, and families.”

—Kevin Green, Vice President, Environmental Affairs, Metro Atlanta Chamber of Commerce

transportation solutions. In particular, the Initiative’s report recommended the creation of a state authority with broad powers to deal with transportation and development issues.

Cited as a key legislative priority for then-Governor Roy Barnes, the 15-member Georgia Regional Transportation Authority (GRTA) was created in spring 1999. GRTA was charged with planning and implementing a multimodal transportation system that will improve mobility and reduce congestion; encouraging land use policies that make efficient use of existing infrastructure; and improving overall air quality. GRTA is currently developing the Regional Transit Action Plan to guide improvements to Atlanta’s transit system over the next 30 years. One notable accomplishment of GRTA is the creation of an enhanced regional express bus system for 11 counties within the Atlanta metropolitan area. Counties pay the operating costs for the service in return, GRTA purchases the buses and makes necessary road improvements.

### Linking Transportation and Land Use

Although GRTA and the Atlanta Regional Commission are addressing the many transportation needs of the region, business leaders also recognize that building and development patterns must change to accommodate the area’s projected growth without reducing quality of life. “You can’t separate transportation and land use, because it’s a chicken-and-egg question,” said Sam Williams. “The whole issue of [traffic] congestion is about how we accommodate future growth.”

With clear goals in mind, the Metro Atlanta Chamber convened the Quality Growth Task Force, a group of 47 leaders representing local government, state government, business, academia, civic leaders, and advocacy groups. In the Task Force’s first meeting in October 2003, members laid out a detailed plan to: 1) select specific growth strategies and focus on making them action-oriented; 2) identify policies and tools necessary to achieve these key strategies in ways the market would support; and 3) marshal the business, public and political momentum necessary to drive the required changes to the region’s current growth trends.

By its third meeting, the Chamber had hired transportation and land use consultants to model the effect of different land use patterns on transportation performance and land consumption. The results of the modeling were eye opening. By directing a greater share of future growth into the region’s existing centers and transportation corridors, the amount of time residents spend stuck in traffic in 2030 could be *less* than it is today, even after accommodating an additional 2.3 million residents. At the same time, the region could accommodate employment growth while saving 107,000 acres of green space.

“No region exists in an equilibrium. It is either getting better or getting worse. The goal of the Quality Growth Task Force is not to limit growth. It is to better plan for inevitable growth, taking care to preserve the desirability of the region for our employers, their workforce, and families” said Kevin Green.

For more information, please contact Kevin Green, Vice President, Environmental Affairs, Metro Atlanta Chamber of Commerce at (404) 586-8544 or by email at [kgreen@macoc.com](mailto:kgreen@macoc.com).



# New Jersey Natural Gas

## *Providing Smart Growth Infrastructure*

**W**hen developer James Bradley first came to the New Jersey shoreline in 1869, he found a beautiful, undeveloped beach within close range of both Philadelphia and New York City. He quickly saw its potential as a vacation resort and purchased the property. Soon he was building the town's original boardwalk.

By the 1930s, Asbury Park was one of New Jersey's premier resort destinations, drawing visitors to the beach, the boardwalk, and its many entertainment venues. The town boasted many grand buildings, with names like the Santander and the Berkeley-Carteret, and it was famous for its bathing pools, the paddleboats on Wesley Lake, and the big band music that filled the air.

Like many resort towns, however, Asbury Park fell into decline after World War II. By the 1970s, race riots and economic decline sent the town into a downward spiral of disinvestment. Thanks to the title of Bruce Springsteen's debut album, *Greetings from Asbury Park, NJ*, the town would eventually come to symbolize the struggle to reclaim a faded glory.

### **Sowing the Seeds of Change**

In 1994, New Jersey identified Asbury Park as a priority area for smart growth and reinvestment. The town was designated an Urban Enterprise Zone, which provides a series of state tax benefits, including a 50 percent reduction in the state sales tax. In 2002, the town approved a 10-year, \$1.2 billion waterfront redevelopment plan proposed by Ocean Front Acquisitions. The plan calls for up to 3,000 new townhouses and condominiums and as much as 450,000 square feet of commercial space. To accelerate redevelopment, the New Jersey Department of Community Affairs even established a local office to speed the processing of permits and provide other assistance.

In the face of such a massive project, the town's aging infrastructure presented a major barrier to redevelopment. Although Asbury Park may have been the first seaside town in America to install a sewer system and the second town in the entire United States to build an electric trolley, these were 19th century advances. By the end of the 20th century, the eroding tax base had made it nearly impossible to update and maintain the public infrastructure necessary to support redevelopment.

More recently, the state has been focusing on planning for future growth in the state and those statewide efforts have included the redevelopment of urban areas. In conjunction with that focus, the New Jersey Board of Public Utilities (NJBPU) has been working on a pilot program where utility infrastructure can be upgraded through the installation of pipelines with the increased capacity needed to serve anticipated growth.

### **Partner in the Community**

New Jersey Natural Gas (NJNG) has been an active partner in the rebirth of Asbury Park for many years through its involvement in various community initiatives and programs that support the educational system and local economy. For example, by partnering with local organizations and schools, NJNG works to provide properties for first-time homebuyers, improve the technology available in the public libraries, and support a middle school mentoring program.

Now, NJNG is putting its resources into urban revitalization. In support of the state's redevelopment goals and plans for the future growth of the state, NJNG submitted a proposal in 2003 to the NJBPU and the Division of the Ratepayer Advocate (RPA) to initiate an innovative program to provide the necessary infrastructure in Asbury Park and in the nearby community of

“The boarded up windows/ The empty streets/ While my brother’s down on his knees/ My city of ruins/  
My city of ruins/ Come on, rise up!”

—Bruce Springsteen, “My City of Ruins” (from *The Rising*)

Long Branch to spur redevelopment. In Asbury Park, this means replacing 15.6 miles of low-pressure, cast iron natural gas mains at a cost of \$7 million. To support these smart growth expenditures, the NJNG has asked NJBPU to allow the company to increase customer prices by approximately 0.5 percent annually to recover the company’s infrastructure investment through this pilot program.

The smart growth pilot program proposed by NJNG to the NJ BPU and the RPA would provide for new infrastructure that typically requires a large capital investment. It puts NJNG’s resources and effort into community revitalization, a better approach than focusing on infrastructure construction in open and agricultural spaces. If approved, this project would allow NJNG to

provide service to its new and existing customers in both these towns more quickly and efficiently, hopefully speeding up the pace of redevelopment. If this program is approved, all of the partners – the state, the NJBPU, the RPA, NJNG, Asbury Park, and Long Branch – will have created an economic environment where land use planning, regulations, and public infrastructure are all coordinated to help encourage private sector redevelopment.

Discussions among NJNG, the NJBPU, and the RPA are in progress and resolution is anticipated soon. If this pilot project is successful, NJNG plans to expand the program to other older, urban communities in its service territory that would benefit from this innovative approach to growth and redevelopment.

 For more information, please contact Roseanne Koberle from New Jersey Resources at (732) 938-1112 or by email [rkoberle@njresources.com](mailto:rkoberle@njresources.com).



# ShoreBank Corporation

## *Shoring Up Underserved Communities*

Once known throughout Chicago for fine boutiques, the South Shore neighborhood fell victim to steady disinvestment during the 1960s. A symptom of the area's economic decline was the South Shore Bank, which was floundering in the face of tremendous economic and demographic changes.

In 1974, however, four friends took over the tiny South Shore Bank (now ShoreBank) and sought to build a powerful financial institution. They created a strategy to enter markets where traditional banks were afraid to invest, and to turn around the South Shore and other low-income urban neighborhoods by giving local businesses the capital they need to flourish.

### **Building a New Way of Banking**

Within two years, ShoreBank was growing. It began investing in small businesses, mortgages, and the rehabilitation of apartment buildings throughout the South Shore neighborhood. Through these investments, the bank began to almost single-handedly rebuild the neighborhood's housing stock and profit from a segment of the market in which traditional lenders refused to compete. As its assets expanded, ShoreBank's capacity to finance innovative redevelopment projects grew, and, by the 1980s, the bank was attracting national attention. America's first community development bank, ShoreBank had developed a competitive advantage in markets that traditional lenders had ignored.

ShoreBank also created a series of affiliate organizations, including a minority venture capital fund, a real estate development firm, and a worldwide consulting firm. These profitable entities empowered ShoreBank to provide an expanding network of financial services to distressed communities.

As a "triple bottom line" company, ShoreBank evaluates its investment performance not only on earnings, but also on its ability to revitalize priority communities and create a healthier environment. In the Pacific Northwest and Michigan's Upper Peninsula, ShoreBank links the economic well-being of communities and environmental health, particularly communities whose economies are based on logging, fishing or mining. In these communities, ShoreBank fosters economic growth by assisting businesses that diversify the local economy, provide local jobs, and use natural resources in sustainable ways.

### **Investing in Existing Infrastructure**

In urban areas, ShoreBank places emphasis on renovating existing structures, mainly near public transportation, to increase the local tax base and shift perceptions that the neighborhood is in decline. Rehabilitating residential real estate not only changes the perception of that community, but, as the value of the rehabilitated property increases, the owners' net worth also increases.

In addition, ShoreBank finances the cleanup and redevelopment of brownfields into vibrant commercial and residential areas. They have helped urban neighborhoods address the abandoned gas stations and manufacturing sites that lie vacant, degrade the tax base, pose health risks, depress the value of surrounding real estate, and add to the perception of neighborhood decline.

### **Community Success AND Financial Success**

Although ShoreBank rarely uses the words "smart growth" in discussing their financing interests, by investing in existing communities, diversifying the local economy, cleaning up brownfields, and supporting local homeowners and businesses, it

“If you want your community to grow steadily over the next 20 years, invest in small businesses and rehabilitation of real estate – support local entrepreneurial activity that builds the basis of your community’s economy. Think long-term, not short-term.”

—Mary Houghton, ShoreBank Founder

has helped to create communities that are wonderful places to live, work, and play.

Thirty years after it was taken over by four friends, ShoreBank is a profitable and powerful agent of economic change. With more than \$1.4 billion in assets, it offers loans for multifamily, commercial, and individual home projects; provides financial management to companies, nonprofit organizations, and religious institutions; and provides a wide array of traditional retail banking services. Recently, ShoreBank’s lead bank, based in Chicago/Detroit, was listed in *Independent Banker* magazine as 17th for its return on equity for banks with over \$1 billion in assets. In fact, the return on equity of their lead bank often rivals that of traditional banks.

As Mary Houghton, one of the founders of ShoreBank reminds us, “If you want your community to grow steadily over the next 20 years, invest in small businesses and rehabilitation of real estate—support local entrepreneurial activity that builds the basis of

your community’s economy. Think long-term, not short-term.”

With offices in Illinois, Michigan, Ohio, Oregon, and Washington, ShoreBank has become a national force for economic and, increasingly, environmental change. Its affiliated consulting business, ShoreBank Advisory Services, now operates in international markets such as Romania and the Republic of Georgia. Even more importantly, the ShoreBank has paved the way for a new generation of community development financial institutions (CDFIs), which are entering untapped markets and unlocking previously ignored economic value. As of 2001, there were more than 500 CDFIs operating around the country, managing assets of more than \$8 billion. The net loan loss rate for these companies has been less than one percent. Following ShoreBank’s lead, CDFIs are becoming a powerful agent of community change, revitalizing neighborhoods and making them attractive alternatives to expensive new growth on the suburban fringe.

 For more information, please contact bank co-founder Mary Houghton by email at [mary\\_houghton@sbk.com](mailto:mary_houghton@sbk.com) or visit [www.sbk.com](http://www.sbk.com).



# Sierra Business Council

*Growing Jobs and Communities in Rural America*

**R**ural communities have a unique challenge: embracing new growth and jobs while protecting the very qualities that make these communities attractive. In the rural mountainous areas of eastern California and western Nevada, the Sierra Business Council is helping small communities meet this challenge.

The economic boom of the 1990s placed great strain on the Sierra Nevada region, bringing new residents and overwhelming local planning departments with new development proposals. Growth for this region shows no sign of abating, and three of the fastest growing counties in California are in the Sierras. The picturesque natural surroundings have made tourism and second home development the major economic drivers, whereas traditional industries such as mining and timber have declined dramatically. Although growth brings many advantages to the area, it also can undermine rural communities and their quality of life. Unchecked sprawl will bring traffic congestion, a loss of open space, elevated housing costs, and the degradation of air and water quality to rural and small communities.

At a time when many communities in the region began to recognize the need to plan for growth, the Sierra Business Council (SBC) was launched in 1994. The SBC works with more than 500 businesses, agencies, and individuals to “secure the social, natural, and financial health of the Sierra Nevada.” The SBC publishes books and develops tools that can inform decision makers about the threats and opportunities facing the region. Their most recent publication, *Investing for Prosperity*, features tactics for building vibrant rural communities with diversified economies, all of which are backed up by 40 real-life case studies of people and communities who have achieved genuine success in rural settings. They also publish the *Sierra Nevada Wealth Index*, an

analysis of the social, natural, and financial capital that sustain the Sierra region. The *Index* helps business owners and community leaders track important trends regionwide, from the quality of schools to health care access, water and air quality, job growth and personal incomes. The SBC and its members throughout the Sierras are committed to finding solutions that maintain economic revitalization and environmental quality in the region.

## Key Partnerships Preserve Ranchland

The SBC has launched an innovative partnership to preserve the health of rural ranches and native species in the Sierra Valley, the largest alpine valley in California. Over the past two years more than 20,000 acres have been protected through conservation easements mostly by working with ranchers to help protect their way of life. Partnering with ranchers and environmental organizations such as the Feather River Land Trust, the California Rangeland Trust, and The Nature Conservancy, the SBC is demonstrating that the economic vitality of ranches is a critical component to maintaining the beauty and environmental health of the region and its many wetlands.

## Old Timber Mills May Provide New Jobs

The timber industry has been a stronghold in the Sierra Nevada region for over 150 years, but most mills have closed in recent years. The SBC is working to help both Truckee and Loyalton capitalize on old mill sites. In partnership with the town of Truckee and the California Center for Land Recycling, the SBC developed a successful funding request for a brownfield redevelopment project on the old Truckee Mill site and railyard. In November 2002, the town was awarded \$350,000 through California’s Pollution Control Financing Authority to plan for development and negotiate with Union Pacific, the current owner. Truckee was the only rural community to receive

“The Sierra Business Council is to be congratulated – and heeded – for its thoughtful work in trying to measure and safeguard the Sierra’s resources. Clearly, this is a business group that knows how its bread gets buttered.”

—*Sacramento Business Journal*

a grant. This development project will contribute to a more vibrant downtown, promote affordable housing, generate more tax revenue for the town, and provide an alternative to further expansion into natural habitat. A similar process is underway in Loyalton to help revitalize the economy by securing an improved sewage system that would enable a mill to be converted into a small business park.

Although smart growth is usually associated with urban areas, its principles are equally important to

rural areas. As these communities continue to grow, it is critical that they prepare for the impacts of growth and do not lose the quality of life and open space that make them attractive places to live. The SBC is helping the rural communities in the Sierra Nevada protect their unique character, historic town patterns, and rural livelihoods, while encouraging increased diversification of the local economies. The SBC, with its publications and ongoing programs, is a stellar model for assisting small and rural communities with growth challenges.

For more information, please visit [www.sbcouncil.org](http://www.sbcouncil.org) or call (530) 582-4800.



# Silicon Valley Manufacturing Group

## *Affordable Housing Critical to Regional Economic Growth*

In Silicon Valley, business leaders recognize that quality of life matters when you are striving to attract and retain a talented workforce as well as generate a vibrant economy. The Silicon Valley Manufacturing Group (SVMG), first profiled for its efforts in the 1999 *Profiles of Business Leadership on Smart Growth*, has continued to campaign vigorously on behalf of quality of life issues, including regional growth challenges. Representing 180 of Silicon Valley's most respected employers, including Bank of America, General Electric, and Microsoft Corporation, SVMG has a strong track record of developing partnerships to tackle challenging regional issues such as transportation, housing, education, energy, and the environment.

### **Affordable Housing Is Critical**

Between 1990 and 2000, residential rent costs in the Silicon Valley increased at a rate that was more than double that of median household income growth. Although rental rates have begun to fall in recent years as the economic growth in the area has cooled, it is estimated that nearly 170,000 new jobs will be created between 2003 and 2010, creating the need for more than 56,000 new housing units. As the economy rebounds, the rental market is expected to resume an upward trajectory.

Silicon Valley businesses recognize the potentially damaging effects that a lack of affordable housing in a region can create. With affordable housing in the area difficult to find, many workers in Santa Clara County are forced to live far from their workplace and commute three to five hours a day. Longer commutes not only increase air pollution, they also create traffic congestion, increase employee stress, and undermine worker productivity. Unreliable commutes also affect morning meetings and business meetings outside the office.

Because housing opportunities are limited, companies must increase their costs by paying more in salaries and incentive packages to attract and retain employees. Furthermore, workers who are critical to the community, such as teachers, nurses, entry-level physicians, firefighters, police officers, and transit operators, have difficulty finding affordable housing the Valley. As a result, key social services suffer and some businesses choose to relocate outside the region.

### **Unique Trust Funds Provide Housing Opportunities for Local Workforce**

To tackle the housing shortages in the region, SVMG has taken many proactive steps. The organization has a Housing & Land Use Committee that is currently co-chaired by Larry Burnett (Cisco Corporation) and Gregory Hines (Solectron Corporation). The Committee works to expand the supply of affordable homes; encourage compact development near transit and services; and advocate for stable funding streams for housing at the local, state, and federal level.

In addition, the Housing Leadership Council, an executive-level policy development partnership organized by SVMG, has helped launch a local housing trust, Housing Trust of Santa Clara County (HTSCC). The HTSCC is a unique revolving loan fund and grant-making program that encourages the development of affordable housing projects to promote smart growth principles. "By having affordable housing close to employment, companies can improve employee morale, productivity and commitment to excellence," says Daniel Perez, Corporate Vice President and Chief Administrative Officer for Solectron Corporation.

Using a thorough evaluation process, the HTSCC is the only housing trust in the country that ties



“By having affordable housing close to employment, companies can improve employee morale, productivity, and commitment to excellence.”

—Daniel Perez, Corporate Vice President and Chief Administrative Officer for Solectron Corporation

each dollar it loans to smart growth criteria to ensure that homes are linked to transit, schools, parks, and other vital services. Unlike the other 140 housing trusts nationwide, the HTSCC was created entirely through voluntary donations—not through additional fees or taxes on local citizens. More than half of its resources are derived from the private sector, with corporate donations from Adobe, AMD, Applied Materials, Cisco Systems, Hewlett-Packard, Intel, and other corporations based in Silicon Valley.

Leveraging both corporate and community investments, the HTSCC has exceeded its initial \$20 million investment goal. As of December 2003, the Trust has leveraged investments of over \$400 million for affordable housing projects and helped

create 2,778 housing opportunities. Specifically, 852 loans were granted for single-family, first-time home ownership; 11 loans were made for the creation of 741 multifamily rental units; and 524 new units were built for people who are homeless or have special needs across Santa Clara County. Looking forward, the SVMG is committed to establishing a consistent revenue stream for the HTSCC. They are also supporting efforts for a similar housing trust in San Mateo County.

By taking action to increase the availability of affordable housing, SVMG is seeking to maintain Silicon Valley’s high employment rate and promote economic growth, while also preserving the quality of life and healthy environment that is the hallmark of the region.

 For more information, please contact Laura Stuchinsky by email at [lstuchinsky@svmg.org](mailto:lstuchinsky@svmg.org) or visit [www.svmg.org](http://www.svmg.org) or [www.housingtrustscc.org](http://www.housingtrustscc.org).



## **Struever Bros. Eccles & Rouse, Inc.**

### *Tapping Benefits of the Smart Growth Movement*

**F**or more than 25 years, Struever Bros. Eccles & Rouse, Inc. (SBER) has revitalized urban neighborhoods in Baltimore and other communities on the East Coast by rehabilitating existing buildings and initiating new infill projects. Since their first major venture in 1976, in which 40 vacant storefronts on Cross Street in Baltimore were transformed into specialty food shops, retail, and restaurants, SBER has developed an extensive portfolio of successful commercial and residential projects.

According to SBER Development Director Amy Bonitz, the company has effectively tapped into the economic benefits of smart growth and brownfields revitalization, “discovering hidden value where no one else sees it.” Their strategy has created an anomaly in the city of Baltimore – 98 percent of SBER properties are currently leased in a market with a 16 to 20 percent vacancy rate. According to Bonitz, “we’ve succeeded in projects no one else wanted to do.” By specializing in the adaptive reuse of historic areas and properties, SBER has grown from a small company to a \$150 million real estate development and general contracting company ranked among the top five companies in Baltimore.

The use of creative financing techniques is one of the things that make SBER’s business strategy unique. The company has used federal and state historic preservation tax credit programs and brownfields funding and incentives to put defunct industrial property back into active use. By building strong partnerships with the public sector, the company has been able to carry out important projects that would not have been economically viable otherwise. “The state in particular has been very responsive, enabling our business to minimize risk and meet project timelines,” says Bonitz.

#### **Transforming Brownfields**

In eastern Baltimore’s Canton neighborhood, SBER utilized Maryland’s brownfields program to revitalize an abandoned can manufacturing plant. The property of the American Can Company, which shut its doors 15 years ago, required an extensive cleanup because of lead contamination. The site was the first Maryland property to receive approval under the State’s Brownfields Voluntary Clean-Up Program (VCP). Under the program, the state certifies that a property has been cleaned up sufficiently to protect public health and the environment.

The state’s brownfields program and historic preservation tax credits helped SBER redevelop the Baltimore waterfront site, transforming it into a thriving business center. Now home to more than 40 new businesses, including restaurants, bookstores, cafes and high-tech companies, the Can Company has generated more than 700 jobs and helped propel Canton’s rate of home ownership to new heights. A centerpiece of the project is a 50,000 square foot business incubator for high-tech companies called the Emerging Technology Center. Run by the non-profit Baltimore Development Corporation, the incubator was funded by federal, state and local grants. The Can Company project has earned SBER numerous awards, including the Maryland Economic Growth, Resource Protection and Planning Commission’s Smart Growth Redevelopment Award in 1998 and the National Commercial Builders Council’s Grand Award in 2000.

#### **Revitalizing Inner City Neighborhoods**

In a June 7, 2002, article “Like Spreading a Good Virus,” *Builder Online* praised SBER’s plans to build a new residential community in a previously deteriorating section of Harrisburg, Pennsylvania’s, Midtown District. The proposal

“People are tired of traffic and sedentary lifestyles. This is a trend of people who want a vibrant lifestyle.”

—Bill Zahler, Director of Struever Rouse Homes

aims to revitalize an area of empty lots and to draw the middle class back into the city. Bill Zahler, Director of Struever Rouse Homes, said, “We go into an area, create a critical mass of good things and build out.” The strategy contributes to a nationwide trend of movement back into cities. “People are tired of traffic and sedentary lifestyles,” says Zahler. “This is a trend of people who want a vibrant lifestyle.” Block by block, SBER is helping Harrisburg redevelop its community by revitalizing a neglected urban neighborhood.

### Preserving and Modernizing

In a south Baltimore neighborhood rich in character and history, SBER has transformed the former Procter & Gamble soap factory into “Tide Point,” a 15 acre, 400,000 square foot corporate office campus. By extending the city’s waterfront promenade to the campus, the \$67 million project has helped reinvigorate south Baltimore, which had lost 10,000 jobs. The project provided much needed public access to the waterfront, which has spectacular views of the scenic Inner Harbor, Fells Point, and Canton. Tide Point was also one of the first projects to benefit from a brownfields tax

credit program that is coordinated by Baltimore. Tenants of the five buildings at Tide Point enjoy a state-of-the-art day care center, an athletic club, and an on-site cafe, housed within carefully preserved buildings with original facades from the once thriving manufacturing plant. The new complex, which won various awards including a Maryland Smart Growth Award in 2001, now houses SBER’s corporate headquarters.

### Commitment to Smart Growth

Working with partners in the public and private sectors, SBER has created development solutions through adaptive reuse, mixed-use, and urban infill strategies. By recognizing opportunities in existing communities that are often overlooked and using critical incentives that make challenging urban projects viable, the company has led the way in revitalizing landmark properties in the Baltimore area and beyond. Because of their forward-looking smart growth strategies in both the commercial and residential redevelopment spheres, SBER has helped make commercial growth and quality metropolitan living not only feasible, but also rewarding.

 For more information, please contact Amy Bonitz at (443) 573-4000 or by email at [aab@sber.com](mailto:aab@sber.com) or visit [www.sber.com](http://www.sber.com).



## Traverse City Area Chamber of Commerce

### *Charting New Designs for Growth in Michigan Communities*

**D**ense forests, towering dunes, and crystal clear lakes and streams are just a few of the unique natural landscapes that have drawn residents to settle in northwest Michigan. Over the past decade, however, this region has experienced vast commercial expansion, as the information technology boom combined with an already thriving tourism industry to create rapid population growth in the five-county area surrounding Traverse City. Faced with tremendous growth pressures, community leaders were left asking: how do we continue to strengthen our regional economy without destroying the natural resources that draw people to live and work here in the first place?

Interested in balancing economy and environment, the Traverse City Area Chamber of Commerce formed a coalition of concerned business leaders, government officials, and community organizations. So far, their work has resulted in a unique strategy for land management and planning that has gained attention from government leaders in Lansing. At the National Cherry Festival this past July, Governor Jennifer Granholm praised the region's land use practices, saying, "We are modeling our statewide efforts on what you have done in the Traverse City area." By providing technical assistance to township planning departments, training programs for local leaders, and necessary funding for open space preservation, the Traverse City business community is promoting managed growth and, at the same time, ensuring continued economic development for the area.

#### **Education and Technical Assistance**

The Traverse City Area Chamber realizes that the adverse consequences of unmanaged development, such as increased traffic congestion, reduced open space, and diminished water quality, can threaten the unique sense of place and quality

of life that makes northwest Michigan an attractive and vibrant commercial center. In order to help the region face these challenges, the Chamber launched a dynamic community-based planning effort in 1992 called New Designs for Growth. Directed by Keith Charters, a former restaurant owner; Marsha Smith, executive director of Rotary Charities; and Ralph Bergsma, owner of the Waterfront Inn, this organization began its work with the publication of a *Grand Traverse Bay Region Development Guidebook*, which still serves as a practical, visual resource for local townships seeking to incorporate smart growth principles into their development plans.

In addition, New Designs for Growth's Peer Site Review Committee, comprised of planners, developers, real estate agents, and land use specialists, reviews 10 to 14 development proposals per year and has recommended modifications to the project plans that meet the *Guidebook's* smart growth development principles. By fall 2003, New Designs for Growth will have helped integrate the *Guidebook's* principles into the long-range land management plans of 86 of the 97 local government units in the Grand Traverse Bay region.

Building on this momentum, the Traverse City Area Chamber has continued to refine Leadership Grand Traverse, a local training program for business leaders, to provide the strategies and tools necessary for the successful implementation of smart growth principles.

"In our region, an important part of being a business leader is understanding how to achieve the right balance between economic development and preservation using smart growth practices and environmental design," says Chamber President, Doug Luciani. With more than 600 graduates, Leadership Grand Traverse serves as a vital tool for local leaders who must coordinate

“We are modeling our statewide efforts on what you have done in the Traverse City area.”

—Michigan Governor Jennifer Granholm

sustainable land management decisions across multiple government jurisdictions.

Evidence of the impact of these efforts can be found in the recent completion of the West M-72 Corridor Study. Made possible through funding from the Traverse City Area Chamber and the Kellogg Foundation’s People and Land Grants, the West M-72 study, which spans seven localities, created a long-range development plan for the corridor aimed at preserving both community character and existing natural landscapes.

### Support for Open Space

Another major achievement of the Traverse City Area Chamber is its work to structure an innovative land deal that will place the last privately owned parcel on the West Arm of Grand Traverse Bay in public ownership. A former Smith Barney investment office situated on a half-acre parcel along the picturesque Lake Michigan waterfront is the last piece of the puzzle needed to create a two-mile stretch of open space across from Traverse City’s vibrant Front Street and Old Town district, an area that has come alive in recent years with unique dining and shopping opportunities.

Working with the Grand Traverse Regional Land Conservancy and the Traverse City Convention and

Visitors Bureau, the Traverse City Area Chamber agreed to help fund a \$200,000 exclusive 2-year option that will allow the community to raise the \$2.6 million needed to purchase the Smith Barney property. As part of the proposal, voters must approve the formation of a new park that will levy property taxes to raise the amount necessary to meet the purchase price and place the valuable land in public trust. Business leaders understand that their initial investment will reap financial benefits into the future through increased commercial activity in the downtown district across from the new recreational area along the Lake Michigan waterfront.

In this relatively small midwestern city, businesses have placed themselves on the front lines of the growth debate. With 95 percent of the commercial activity in the region driven by small business, the private sector commitment to smart growth strategies is truly unique. With its potential for replication, the Traverse City Area Chamber of Commerce provides a useful model for other communities across the nation who face similar development challenges. By recognizing that continued economic growth for the region depends on responsible land use management decisions, businesses can protect their bottom line while protecting their quality of life and natural resources.

For more information, please contact Chamber President Doug Luciani at (231) 947-5480 or by email at [Luciani@tchamber.org](mailto:Luciani@tchamber.org).



# Vermont Business Roundtable

## *CEOs Boost the Benefits of Managed Growth*

**W**ith increased traffic congestion and haphazard commercial expansion eating up farmland and open space, sprawl has become a hot topic in Vermont in recent years. A 2003 poll conducted by the Center for Rural Studies for the Vermont Forum on Sprawl reported that seven in 10 Vermonters believe action needs to be taken to avert sprawl and that 80 percent believe current development trends only reinforce the growing problem. Another recent survey suggests that three quarters of the population would seriously consider moving to a downtown, urban neighborhood, or village center if there was low traffic, if properties were well cared for, and if the area was quiet.

As a result, the Vermont Business Roundtable (VBR) has become interested in developing strategies to address sprawl. Like other business organizations throughout the country, VBR understands that a strong regional economy thrives on the vitality and uniqueness of local communities and rural areas. Furthermore, these objectives depend on planning and land use decisions made at the state and local level. However, current regulatory policies and ordinances tend to make smart planning decisions neither desirable nor feasible for developers.

Created in 1987, the Vermont Business Roundtable is a non-profit, public interest organization that includes 120 CEOs from the most active industry sectors in the state. This committed group seeks to craft thoughtful solutions to vexing policy issues that affect the business climate of the state—one of which is low-density, fragmented development that is stretching out into Vermont's quaint rural areas.

"Vermont has great natural beauty, but commercial expansion will go where it is easiest to

develop. If you want to influence these types of business decisions, you must make smart development choices more attractive to the private sector," says VBR's President Lisa Ventriess. "It is inherently a financial decision. If it is a fraction of the cost to build in a cornfield rather than in a railfield or village center, this one factor will drive the decision. We must level the playing field to promote the variety and types of development that are good for the overall future of our state."

### **Forging Unique Partnerships to Confront Sprawl and Encourage Urban Development**

When approached four years ago by the Vermont Forum on Sprawl (VFOS), a non-profit dedicated to preserving Vermont's working landscape, quality of life, and existing community centers, the Business Roundtable immediately recognized the value of a partnership between Vermont's business and smart growth communities to address various growth issues in the state.

By focusing on shared goals, these organizations worked together to draft a set of smart growth principles they hoped could foster new approaches to commercial and industrial development in Vermont. As part of this partnership, project leaders selected three potential development sites, Waterbury, South Burlington, and Bennington, to test the feasibility of their smart growth criteria within Vermont's existing land use policies.

"We looked at development from an outcome standpoint. What are the objectives we hope to achieve for transportation, reuse of existing structures, and open space or historic preservation? How can we craft our regulatory policies to meet these goals?" says Jay Kenlan, land use attorney and VBR Board Member.

“Vermont has great natural beauty, but commercial expansion will go where it is easiest to develop. If you want to influence these types of business decisions, you must make smart development choices more attractive to the private sector.”

—Lisa M. Ventriss, President, Vermont Business Roundtable

From the site analysis, VBR and VFOS learned that the new models would be difficult to implement without changes to the regulatory framework, better financing mechanisms, and better planning. The costly delay and uncertainty associated with fragmented municipal zoning and state permitting guidelines are one of several hurdles discouraging development within existing town centers and encouraging greenfield development.

One proposed solution involves pre-qualifying areas within urban centers for certain types of development in accordance with an overall master plan that is preapproved by state and local regulators in a coordinated process. According to Kenlan, this provides more certainty and less process and encourages public/private partnerships to facilitate smart development choices. In November 2003, the two groups released additional findings from the three case studies in a report titled, *New Models for Commercial and Industrial Development*.

Moving forward, VBR and VFOS hope to use the lessons learned from the project to educate local planning boards and regional and state economic officials and to identify specific ways land use provisions and financing mechanisms can be improved to encourage rather than discourage smart growth. “There must be an education component for local officials. If you want to attract private development, here are the zoning ordinances you need to tweak,” argues Ventriss. Working with the VFOS, VBR will also help community leaders draft new zoning policies and utilize innovative public/private financing strategies to attract the types of growth to town centers that meet local development goals.

Building on their work with the New Models project, VBR and VFOS can help Vermont move beyond “the cookie-cutter approach” to land use decisions, says Kenlan. This unique partnership provides a valuable example of smart growth and business communities coming together to achieve a common vision for sustainable growth.

For more information, please contact Lisa M. Ventriss, President, Vermont Business Roundtable at (802) 865-0410, or by email at [lisa@vtroundtable.org](mailto:lisa@vtroundtable.org), or visit [www.vtroundtable.org](http://www.vtroundtable.org).



# Whole Foods Market

## *Growing Healthy Communities and Lifestyles*

The phenomenon of Whole Foods Market, and its dramatic effect on older neighborhoods, is now well known across the country. What began as a small food market in Austin, Texas, has become the largest natural and organic food supermarket in the world. With more than 145 stores in the US and Canada and more than 27,000 employees, Whole Foods Market now boasts some \$2.7 billion in annual sales. These impressive figures are built not just on high-quality natural and organic foods and products, but also on an aggressive and innovative strategy for growth.

### **Community Building and Quality of Life Are Competitive Advantages**

Because growth in the food industry is generally driven by population expansion, typical grocery stores have chased exurban consumers to far-flung suburbs. Although Whole Foods does have a strong suburban presence, it also has actively sought out retail space in transitional urban neighborhoods that have the capacity for revitalization. By anchoring these neighborhoods, attracting new residents to them, and becoming a centerpiece of community interaction, Whole Foods has actually built new consumer markets for itself. This allows it to achieve strong market penetration in neighborhoods where other stores have no presence.

In addition, Whole Foods has been an innovator in the adaptive reuse of historic buildings. This is not so much an aesthetic decision as it is a carefully measured business strategy, helping the company to brand itself not just through its products, but also through an entire sensory experience. Through its buildings, store layout, and printed materials, Whole Foods projects an entire lifestyle, one that is socially conscious, community-oriented, and environmentally responsible. As CEO

John Mackey acknowledged in a recent *Fortune* magazine article, “It’s not all altruistic. Our customers want us to act in an environmentally responsible way. To maximize shareholder value, you’d better be a positive force in the community.”

Whole Foods Market’s attention to aesthetics, quality of life, and community building has also had positive implications for employee attraction and retention. For six consecutive years, *Fortune* has cited Whole Foods Market as one of the “100 Best Companies to Work For.” Whereas most supermarkets have approximately 25 percent of their workforce employed full-time, 80 percent of Whole Foods Market’s employees are full-time.

### **Logan Circle: An Urban Success Story**

Whole Foods Market has an aggressive strategy to locate new stores in transitional urban neighborhoods on the verge of revitalization. A prime example of this strategy is the Whole Foods store in Washington, DC’s, Logan Circle neighborhood.

In the mid-1990s, Whole Foods Market (under the name of Fresh Fields) began exploring sites in northwest Washington, DC. Although the company had originally been looking at a site in another part of the city, a group of residents near Logan Circle began a crusade to bring the store to their neighborhood. After more than 3,000 letters to the company and a 52-page demographic study, they managed to convince Whole Foods Market that their community represented a viable economic opportunity.

When the new store broke ground in 1999, at 14th and P streets, it was designed to reflect the surrounding neighborhood. Reaching back into history, the architect designed a glass-fronted building that mirrored the auto showrooms that had defined 14th Street in the 1940s. Rather than

**“It’s not all altruistic. Our customers want us to act in an environmentally responsible way. To maximize shareholder value, you’d better be a positive force in the community.”**

**—Whole Foods CEO John Mackey**

setting the building behind a sea of parking, the new store maintained the existing street wall, and actually enlivened the pedestrian experience with outdoor tables. Although it is very urban in its design, the store is still one of the largest Whole Foods Market stores in America, with 37,000 square feet of retail space and enough parking for 151 vehicles. The store, which employs 300 people, received more than 2,300 employment applications before it opened its doors. The new Whole Foods Market has also sparked additional neighborhood redevelopment, including several new residential buildings and other retail establishments. This surge in residential and retail activity is attracting even more customers to the store, solidifying its customer base and sales well into the future.

### **The Next Phase: Whole Foods Market Headquarters**

In July 2003, Whole Foods Market broke ground on its new corporate headquarters and landmark store in Austin, Texas. Located just across the street from the company’s previous headquarters, the site was little more than an empty lot that sat vacant for more than a decade as the owners tried in vain to develop the site. Now the land, which constitutes an entire block on the western edge of downtown, will host a six-story office tower with 200,000 square feet of space and an 80,000 square foot flagship store.

Teaming up with Schlosser Development Corporation, which owned the site, Whole Foods Market has designed much more than a traditional office complex. It will house a community and education center, where the company will have cooking demonstrations and where local residents will be able to hold meetings. In addition, there will be a 25,000 square foot roof garden, complete with an amphitheater, and areas for indoor and outdoor eating. The site will even contain three levels of underground parking, accessible through specially designed escalators capable of carrying shopping carts.

The project may eventually become the centerpiece of what Schlosser is now calling Austin’s “Market District,” a four-block retail destination. The company, which is already planning to redevelop the site of the previous headquarters, hopes to create an active pedestrian environment in the Market District, complete with public art, landscaping, and historical markers.

But even before the Market District takes hold, the new headquarters will have a dramatic effect on the city of Austin. When it opens in 2005, the development will bring some 900 jobs to downtown, a number that is projected to grow to 1,200. Austin’s leaders also expect the project to attract new residents, and new development, to downtown.

**For more information**, please contact Amy Hopfensperger, at (512) 477-4455 or by email at [amy.hopfensperger@wholefoods.com](mailto:amy.hopfensperger@wholefoods.com), or visit [www.wholefoods.com](http://www.wholefoods.com).



# Wisconsin Realtors Association

## *Building Better Communities Helps Sell Homes*

**W**hen purchasing a new home or signing a lease, several factors come into play – factors that go far beyond mortgage rates, property taxes, and loan applications. Although these are important details, many individuals and families ask – Where is the nearest grocery store? Are there good schools nearby? How long is my commute? Can I walk to a transit line or bus stop?

Recognizing that both homeowners and tenants seriously consider these issues, it is no surprise that realtors across the nation are beginning to embrace land use planning, open space preservation, new choices for public transportation, and affordable, diverse housing opportunities – all key elements of a smart growth development strategy. “Many realtors have figured out that smart growth appeals to a certain niche of buyers,” says Joe Molinaro, Manager of Smart Growth Programs for the National Association of Realtors (NAR).

By supporting policies that help local governments plan for growth, the real estate industry can accelerate and expand the housing and commercial real estate market. Controlling water and air pollution, providing transportation options, preserving historic buildings, and allowing for adequate parks and recreational areas are all ways to promote the quality of life that attracts potential purchasers. However, local officials often need both technical and financial assistance to develop the long-term land use plans that manage growth and foster livable, economically vibrant communities.

### **Helping Communities Plan for Growth**

In Wisconsin, realtors have taken an aggressive approach to encouraging sensible land use, by supporting the state’s controversial 1999 Comprehensive Planning Law. Mobilizing a diverse group of stakeholders, the Wisconsin Realtors

Association (WRA) helped convince state lawmakers to pass “one of the most significant pieces of planning legislation in Wisconsin’s legislative history,” says Tom Larson, Director of Land Use and Environmental Affairs for WRA.

This landmark “smart growth” law requires that communities regulate land use by developing a comprehensive land management plan that considers nine main areas, including housing, transportation and economic development, to ensure quality of life. During the 2003 budget cycle alone, the state provided \$6 million in the form of comprehensive planning grants to help local communities meet the requirements of the new law. With an emphasis on individual community needs and public participation, the Wisconsin law takes a balanced approach to the planning process in an effort to build consensus and help communities successfully manage their growth challenges.

Despite criticism from those who argue the law stifles development and private property rights, WRA has not backed down. For WRA, it is more than a simple property rights issue. Land management planning can have a significant effect on the vitality of the real estate industry. As Larson points out, “Realtors now recognize they have a broader perspective on land use. Realtors don’t just sell individual homes. They sell quality of life, the entire community. No one has a larger stake in quality of life issues than realtors, or a greater awareness of what is going wrong within communities.”

Realtors know that accessible transportation options, proximity to schools and commercial centers, and availability of parks and open space are all factors that enhance quality of life and drive up property values. They also understand that poor planning can result in haphazard development that can degrade property values and

“Good planning is good for the housing market.”

—Tom Larson, Wisconsin Realtors Association, Director of Land Use and Environmental Affairs

impact landowners, as well as increase public infrastructure costs for local governments and taxpayers. Long-range land use plans stabilize local and regional development patterns, providing property owners, potential homebuyers, and commercial interests with more certainty about how an area may evolve and grow over time.

It is also the simple fact that “good planning is good for the housing market,” says Larson. Present in every city and county across the nation, realtors can send a strong message to policymakers that managed growth makes sense for both communities and the real estate industry.

## National Association of Realtors Embraces Smart Growth as Key Policy Issue

With more than 980,000 members and 1,600 local associations nationwide, NAR is one of the largest and most influential voices in the political and business community. Hoping to maintain the active housing market experienced in recent years, NAR expanded its efforts to promote sensible development strategies through its Smart Growth program. This initiative includes publications, research, networking and technical assistance for state and local realtor associations, and federal legislative advocacy on quality of life issues. Specific initiatives include:

- *On Common Ground*, a magazine on smart growth and community issues targeted to state and local public officials;
- Expanding NAR's federal lobbying efforts to include quality of life issues;
- Involvement in national policy and outreach reports on smart growth;
- A survey research program for state and local associations to gauge public opinion on land use policies;
- An online clearinghouse of research on growth issues at [www.realtor.org/smartgrowth](http://www.realtor.org/smartgrowth);
- The Land Use Initiative, which provides analysis of proposed land use measures for realtor associations;
- Providing technical assistance to state realtor associations seeking to draft smart growth legislation; and
- Participation in the national Smart Growth Network.

**i** For more information, please contact Joe Molinaro, Manager of Smart Growth Programs, at (202) 383-1175 or visit [www.realtor.org/smartgrowth](http://www.realtor.org/smartgrowth). For more information on Wisconsin's comprehensive planning law and the Wisconsin Realtors Association, please contact Tom Larson, WRA Land Use and Environmental Affairs Director, at (608) 241-2047 or by email at [tlarson@wra.org](mailto:tlarson@wra.org).



## Zipcar and Flexcar

### *Car Sharing Capitalizes on the Urban Lifestyle*

**A**nyone who has lived in an urban area knows that it can be very expensive to own a car when you live downtown. Insurance rates are higher. Parking is nearly impossible to find, unless you are willing to pay exorbitant garage fees. Furthermore, congested city traffic often makes owning a car the least efficient way to travel. As a result, many urban dwellers have considered giving up their cars and walking, biking, or taking public transit to remain mobile.

However, people often are hesitant to take that leap because there are situations where it helps to have a car. Maybe you have to move some personal belongings or go shopping. Maybe you want to visit a friend who does not live near a transit line. Or maybe you just want to take a day trip somewhere. In each case, having a car – just for the day, not for a lifetime – would be a great help. Two companies, Flexcar and Zipcar, have recognized this as an emerging business opportunity and are seeking to meet the needs of urban residents with “car sharing.”

#### **Share and Share Alike**

The idea behind car sharing, which started in Switzerland in the 1980s, is very simple: if you do not need a car all the time, then it makes no sense to buy one. Instead, just pay for the specific times that you need it, like a time-share condominium. The service is now popular across Europe, with more than 150,000 customers in 450 different cities. Although only recently introduced in the United States, there are now a growing number of private and nonprofit car sharing companies, with more than 20,000 members nationwide and counting.

The King County, Washington, transit agency, Metro, was looking for an innovative program to add value to its bus service. Neil Peterson, the

former director of the Los Angeles County Transportation Commission and former head of Seattle Metro, had heard about the widespread success of car sharing in Europe and decided to try it in the United States. In 1999, Peterson founded Flexcar through a public-private partnership with King County. Now a fully private corporation, Flexcar operates in 20 different cities, spread across five states and the District of Columbia, with 18,000 paying members. Flexcar’s fleet is composed of environmentally friendly vehicles, including hybrids, sedans, light pickup trucks and minivans.

Zipcar, another car-sharing company with more than 2,000 members in three cities, was started in 2000 and emphasizes the user experience to market car sharing. Zipcar’s fleet includes Mini Coopers, pickup trucks, Mazda Miata convertibles, Volkswagen Beetles, BMW 325s, and Honda Civics – to cater to all of their members needs. In addition, Zipcar designed a new technology to make car sharing easy – members (who pay a monthly fee) each receive a “Zipcard”, which is the size of a credit card. When they need a vehicle, they can simply reserve one online or over the phone. After walking down the street to the local Zipcar lot, their personalized Zipcard automatically unlocks and turns on the car.

Car sharing is simpler, faster, and cheaper for short trips than traditional rental cars. The cars are generally available at a moment’s notice, and they can be used for as long as they are needed. Once customers have signed up for the service, there is no paperwork to fill out. Because many companies insure their cars, customers often don’t need insurance. The hourly fee car-sharing members pay usually covers gas, maintenance, insurance, and parking.

**“Flexcar allows people to leave their car at home and still be mobile at work to handle many business and personal tasks.”**

**—Carrie Blanco, Bank of America Tower Assistant Property Manager, Operations, Seattle, Washington**

Car sharing has public benefits as well. Because each shared car serves between 15 and 30 customers, the service frees up parking spaces and road capacity. Furthermore, because drivers pay per use, they have an immediate financial incentive to drive only when it is the cheapest alternative. The availability of car-sharing services in the US has reduced car ownership. Fifteen percent of Zipcar customers decided to sell their own cars, and one third of Flexcar customers either sold or considered selling theirs. Forty percent of Zipcar customers decided not to buy a car, and 57 percent of Flexcar customers delayed a car purchase.

### **Filling a Niche, Building a Market**

Car sharing serves a previously untapped section of the market: urban dwellers who typically drive under 7,500 miles per year. This has proved to be a very attractive demographic, given that nearly 40 percent of Zipcar members earn more than \$80,000 per year, and 95 percent have been to college. Many are students, whereas others are young professionals.

In addition to urban residents, a fast-growing segment of the car sharing market are large institutions such as corporations, universities, governments, and hospitals. Universities, especially those with urban campuses, are discovering that car sharing is a great tool to decrease congestion and minimize parking needs on campus. For instance, the University of Washington provides a number of free parking spaces to Flexcar, in order to discourage students and faculty from bringing cars to campus. At MIT, located in the congested Cambridge, Massachusetts neighborhood, Zipcar use has helped the university address concerns about rising parking costs and traffic. MIT now has over 1,000 Zipcar members.

Car sharing has even found a powerful new ally in private sector developers. Developers are turning to car sharing to help their projects move forward. Traffic and parking are often major barriers to redevelopment projects, particularly on smaller infill sites that cannot accommodate contemporary parking standards. Recognizing the value of car sharing, the Boston Redevelopment Authority, a planning and economic development agency, listed Zipcar as an option to mitigate traffic and parking created by every new major development project. Since then, every new development in Boston has included Zipcar in its proposal. Because each shared car removes between six and ten cars from the road, developers in Boston and elsewhere have quickly discovered that car sharing makes their projects easier to design and more likely to win approval.

Car sharing can also increase the profitability of a development project. For instance, Spaulding & Slye Colliers is including six Zipcar spaces in Fan Pier, a new 3.1 million square foot, mixed-use, waterfront development project in Boston. Given the high cost of underground parking and that each Zipcar serves 20 to 30 people, Zipcar estimates that the addition of these vehicles will save the developer \$1.7 million by decreasing the number of underground parking spaces that need to be built.

Furthermore, aside from the few parking spaces that must be reserved for shared vehicles, car sharing adds no additional cost to the developer. In fact, the cars become an additional amenity that is useful in attracting tenants. Equity Office Properties Trust, the largest real estate investment trust in the nation, uses Flexcar to help market its commercial properties, including the



## Zipcar and Flexcar (cont.)

Bank of America Tower in Seattle's financial district. As Carrie Blanco, Assistant Property Manager-Operations explains, "We wanted to assist companies in conducting their business and getting their employees in and out easily. Flexcar allows people to leave their car at home and still be mobile at work to handle many business and personal tasks." For many companies, car sharing is like having a "company car" without actually having to lease one. Car sharing often represents a significant cost savings over employee trip reimbursements, monthly parking, fleet cars, or other mobility options.

As car sharing grows, more markets are emerging in the private sector. Zipcar has developed a partnership with Toyota Rent a Car to offer car sharing as an option for customers who need a car while the one they own or lease is being serviced. Flexcar provides car sharing to Starbucks' corporate office, so that their employees, especially those who do not drive alone to work, can have a car at the office to conduct daily business.

### **A Private Sector Complement to Public Transportation**

Although car sharing is not a substitute for public transportation, it complements and improves existing transit systems. King County Metro was

the first transit agency in the US to facilitate car sharing when it partnered with Flexcar nearly four years ago. In 2001, the Washington, DC Metro system followed that lead and partnered with Flexcar to offer car sharing at selected transit stations. More than 3,000 people have since enrolled in the program, which helps people to run errands and attend meetings just beyond the reach of the Metro train system. To their surprise, the DC Metro has found that the service has actually increased transit ridership. Plans are now in the works to expand Metro's existing "SmarTrip" debit card service to include car sharing.

The growth of car sharing in the United States shows that the business opportunities are outstanding for this "simple" concept. Car sharing complements smart growth by increasing the range of transportation options available to commuters. Moreover, car sharing removes some of the barriers for developers interested in building quality, mixed-use, infill projects. As John Williams, Director of Marketing at Flexcar, said, "We overwhelmingly believe that there is no 'silver bullet' to reducing congestion, pollution and sprawl. Rather, the presence of a multitude of transportation options, including car sharing, is the best way to create a more sustainable future."

**i** For more information, please contact John Williams at (206) 332-0330 or by email at [info@flexcar.com](mailto:info@flexcar.com). For more information on Zipcar, please contact Nancy Rosenzweig at (617) 491-9900 or by email at [nrosenzweig@zipcar.com](mailto:nrosenzweig@zipcar.com).



**“The viability of inner city neighborhoods and their surrounding metropolitan areas is a critical issue to building a strong America.”**

**—Earvin “Magic” Johnson, CEO,  
Johnson Development Corporation**





# Resources

## Businesses

### **Bank of America**

San Francisco, CA  
(415) 622-8150  
[www.bankamerica.com](http://www.bankamerica.com)

### **BellSouth Corporation**

Atlanta, GA  
(404) 249-5383  
[www.bellsouthcorp.com](http://www.bellsouthcorp.com)

### **Brownfields Recovery Corporation**

Boston, MA  
(617) 267-8585  
[www.brownfields-recovery.com](http://www.brownfields-recovery.com)

### **Development Research Partners**

Littleton, CO  
(303) 991-0070  
[www.developmentresearch.net](http://www.developmentresearch.net)

### **Eakin-Youngentob Assoc.**

Arlington, VA  
(703) 525-5565  
[www.eya.com](http://www.eya.com)

### **Fannie Mae**

Washington, DC  
(202) 752-7000  
[www.fanniemae.com](http://www.fanniemae.com)

### **Global Insight**

Washington, DC  
(202) 481-9300  
[www.globalinsight.com](http://www.globalinsight.com)

### **Jacoby Development, Inc.**

Atlanta, GA  
(770) 399-9930  
[www.jacobydevelopment.com](http://www.jacobydevelopment.com)

### **Narragansett Electric**

Providence, RI  
(401) 784-7000  
[www.narragansett.com](http://www.narragansett.com)

### **New Jersey Natural Gas**

Wall, NJ  
(732) 938-7977  
[www2.njng.com](http://www2.njng.com)

### **Struever Bros. Eccles & Rouse, Inc.**

Baltimore, MD  
(443) 573-4000  
[www.sber.com](http://www.sber.com)

### **Wells Fargo Bank Minnesota**

St. Paul, MN  
(612) 667-7271  
[www.wellsfargo.com](http://www.wellsfargo.com)

## Government Organizations/Agencies

### **US Environmental Protection Agency, Smart Growth Program**

Washington, DC  
(202) 566-2878  
[www.epa.gov/smartgrowth](http://www.epa.gov/smartgrowth)

### **US Environmental Protection Agency, Office of Brownfields Cleanup and Redevelopment**

Washington, DC  
(202) 566-2777  
[www.epa.gov/brownfields](http://www.epa.gov/brownfields)

**Metropolitan Council**  
St. Paul, MN  
(651) 602-1140  
[www.metrocouncil.org](http://www.metrocouncil.org)

## Local/Regional Organizations

**1000 Friends of Minnesota**  
St. Paul, MN  
(651) 312-1000  
[www.1000fom.org](http://www.1000fom.org)

**Alliance for Regional Stewardship**  
Denver, CO  
(303) 477-9443  
[www.regionalstewardship.org](http://www.regionalstewardship.org)

**Bay Area Council**  
San Francisco, CA  
(415) 981-6600  
[www.bayareacouncil.org](http://www.bayareacouncil.org)

**Bay Area Family of Funds**  
San Francisco, CA  
(415) 981-6600  
[www.basgf.com](http://www.basgf.com)

**Better York / Wolf Organization**  
York, PA  
(717) 852-4800

**Bluegrass Tomorrow**  
Lexington, KY  
(859) 259-9829  
[www.bluegrasstomorrow.org](http://www.bluegrasstomorrow.org)

**Chicago Metropolis 2020**  
Chicago, IL  
(312) 332-2020  
[www.chicagometropolis2020.org](http://www.chicagometropolis2020.org)

**Envision Utah**  
Salt Lake City, UT  
(801) 303-1450  
[www.envisionutah.org](http://www.envisionutah.org)

**Greater Cleveland Growth Association**  
Cleveland, OH  
(216) 621-3300  
[www.clevelandgrowth.com](http://www.clevelandgrowth.com)

**Grow Smart Rhode Island**  
Providence, RI  
(401) 273-5711  
[www.growsmartri.com](http://www.growsmartri.com)

**Metro Atlanta Chamber of Commerce**  
Atlanta, GA  
(404) 880-9000  
[www.metroatlantachamber.com](http://www.metroatlantachamber.com)

**Sierra Business Council**  
Truckee, CA  
(530) 582-4800  
[www.sbcouncil.org](http://www.sbcouncil.org)

**Silicon Valley Manufacturing Group**  
San Jose, CA  
(408) 501-7864  
[www.svmg.org](http://www.svmg.org)

**Traverse City Area Chamber of Commerce**  
Traverse City, MI  
(231) 947-5075  
[www.tcchamber.org](http://www.tcchamber.org)

**Vermont Business Roundtable**  
South Burlington, VT  
(802) 865-0410  
[www.vtroundtable.org](http://www.vtroundtable.org)

**Vermont Forum on Sprawl**  
Burlington, VT  
(802) 864-6310  
[www.vtsprawl.org](http://www.vtsprawl.org)

## National Organizations

### **American Farmland Trust**

Washington, DC  
(202) 331-7300  
[www.farmland.org](http://www.farmland.org)

### **American Institute of Architects Center for Livable Communities**

Washington, DC  
(202) 626-7300  
[www.aia.org](http://www.aia.org)

### **American Planning Association**

Washington, DC  
(202) 872-0611  
[www.planning.org](http://www.planning.org)

### **Association of Metropolitan Planning Organizations**

Washington, DC  
(202) 296-7051  
[www.ampo.org](http://www.ampo.org)

### **Brookings Institution**

Washington DC  
(202) 797-6000  
[www.brookings.org](http://www.brookings.org)

### **Center for Neighborhood Technology**

Chicago, IL  
(773) 278-4800  
[www.cnt.org](http://www.cnt.org)

### **CEOs for Cities**

Boston, MA  
(617) 451-5747  
[www.ceosforcities.org](http://www.ceosforcities.org)

### **Congress for the New Urbanism**

Chicago, IL  
(312) 551-7300  
[www.cnu.org](http://www.cnu.org)

### **The Conservation Fund**

Arlington, VA  
(703) 525-6300  
[www.conservationfund.org](http://www.conservationfund.org)

### **Electric Power Research Institute**

Palo Alto, CA  
(800) 313-3774  
[www.epri.com](http://www.epri.com)

### **The Enterprise Foundation**

Columbia, MD  
(410) 964-1230  
[www.enterprisefoundation.org](http://www.enterprisefoundation.org)

### **Environmental Law Institute**

Washington, DC  
(202) 939-3800  
[www.eli.org](http://www.eli.org)

### **Initiative for a Competitive Inner City**

Boston, MA  
(617) 292-2371  
[www.icic.org](http://www.icic.org)

### **International City/County Management Association**

Washington, DC  
(202) 289-4262  
[www2.imca.org](http://www2.imca.org)

### **Joint Center on Sustainable Communities**

Washington, DC  
(202) 942-4224  
[www.naco.org/programs/special/center/index.cfm](http://www.naco.org/programs/special/center/index.cfm)

### **Local Government Commission**

Sacramento, CA  
(916) 448-1198  
[www.lgc.org](http://www.lgc.org)

### **Local Initiatives Support Corporation**

New York, NY  
(212) 455-9800  
[www.liscnet.org](http://www.liscnet.org)

### **National Association of Counties**

Washington, DC  
(202) 393-6226  
[www.naco.com](http://www.naco.com)

**National Association of Homebuilders**

Washington, DC  
(202) 266-8200  
[www.nahb.org](http://www.nahb.org)

**National Association of Industrial and Office Properties**

Herndon, VA  
(703) 904-7100  
[www.naiop.org](http://www.naiop.org)

**National Association of Local Government Environmental Professionals**

Washington, DC  
(202) 638-6254  
[www.nalgep.org](http://www.nalgep.org)

**National Association of Realtors**

Chicago, IL  
(800) 874-6500  
[www.realtor.org](http://www.realtor.org)

**National Neighborhood Coalition**

Washington, DC  
(202) 429-0790  
[www.neighborhoodcoalition.org](http://www.neighborhoodcoalition.org)

**National Trust for Historic Preservation**

Washington, DC  
(202) 588-6000  
[www.nationaltrust.org](http://www.nationaltrust.org)

**Natural Resources Defense Council**

New York, NY  
(212) 727-2700  
[www.nrdc.org](http://www.nrdc.org)

**Northeast Midwest Institute**

Washington, DC  
(202) 544-5200  
[www.nemw.org](http://www.nemw.org)

**Real Estate Roundtable**

Washington, DC  
(202) 639-8400  
[www.rer.org](http://www.rer.org)

**Scenic America**

Washington, DC  
(202) 543-6200  
[www.scenic.org](http://www.scenic.org)

**Smart Growth America**

Washington, DC  
(202) 207-3355  
[www.smartgrowthamerica.org](http://www.smartgrowthamerica.org)

**Smart Growth Leadership Institute**

Washington, DC  
(202) 207-3348  
[www.sgli.org](http://www.sgli.org)

**Smart Growth Network**

Washington, DC  
(202) 962-3623  
[www.smartgrowth.org](http://www.smartgrowth.org)

**Surface Transportation Policy Project**

Washington, DC  
(202) 466-2636  
[www.transact.org](http://www.transact.org)

**Sustainable Communities Network**

Washington, DC  
(202) 962-3623  
[www.sustainable.org](http://www.sustainable.org)

**Trust for Public Land**

San Francisco, CA  
(415) 495-4014  
[www.tpl.org](http://www.tpl.org)

**The Urban Land Institute**

Washington, DC  
(800) 321-5011  
[www.uli.org](http://www.uli.org)



"When businesses and government work together to pursue quality growth, we act as stewards of both our economy and our environment. By showcasing Envision Utah and other business-led initiatives, the 'Smart Growth is Smart Business' report demonstrates that quality of life, environmental progress, and prosperity can go hand in hand."

—**Administrator Michael Leavitt**, U.S. Environmental Protection Agency

"When job providers work with elected officials and community stakeholders to increase investment in affordable housing, transportation choice, environmental protection, and world-class education, we improve the quality of life and enhance economic opportunities for job providers and working families."

—**Carl Guardino**, President & CEO Silicon Valley Manufacturing Group

"Communities facing sprawl have learned the hard way, that growth for growth's sake is not sustainable, and that investments in smart growth are essential for economic progress. We are proud that the Atlanta business community's leadership to promote new growth management approaches is featured in the 'Smart Growth is Smart Business' report."

—**Sam A. Williams**, President Metro Atlanta Chamber of Commerce

"Local communities are eager to partner with business to create a climate for investment, jobs and growth. As this report highlights, smart growth is a key to success for our cities and businesses."

—**Mayor Dan Malloy**, City of Stamford, Connecticut

"We can have a strong, growing economy without sacrificing the environment and producing sprawl. This groundbreaking report shows that now, more than ever, smart growth can produce fiscal and economic advantages for communities and businesses alike."

— **Parris Glendening**, former Governor of Maryland and  
President Smart Growth Leadership Institute



National Association of Local Government  
Environmental Professionals  
1333 New Hampshire Avenue, NW  
Washington, DC 20036  
Phone: 202-638-6254  
Fax: 202-393-2866  
Web: [www.nalgep.org](http://www.nalgep.org)



Smart Growth Leadership Institute  
1200 18th Street, NW Suite 801  
Washington, DC 20036  
Phone: 202-207-3348  
Fax: 202-207-3349  
Web: [www.sgli.org](http://www.sgli.org)