Enterprising Cities

A Force for American Prosperity

About the Study

The study was prepared by Praxis Strategy Group and Joel Kotkin. Authors from the Praxis team include Delore Zimmerman, Matthew Leiphon, and Mark Schill. Gary Girod provided additional research. Praxis Strategy Group is an economic research and community strategy company that works with leaders and innovators in business, education, and government to create new economic opportunities. Joel Kotkin is an internationally recognized authority on global, economic, political, and social trends.

About Enterprising States and Cities

The Enterprising States and Cities program takes an in-depth look at the free enterprise policies that are being implemented to promote economic growth at the state and local levels. The inaugural edition of *Enterprising Cities* examines best practices in municipalities taking proactive measures to support job creation and economic growth together with the private sector. The E*nterprising States* study, now in its fourth edition, measures state performance overall and across five policy areas important for job growth and economic prosperity—exports and international trade; entrepreneurship and innovation; business climate; talent pipeline; and infrastructure. For more information on the state study, go to www.EnterprisingStates.com.

About the U.S. Chamber of Commerce Foundation

The U.S. Chamber of Commerce Foundation (USCCF) is a 501(c)(3) nonprofit affiliate of the U.S. Chamber of Commerce dedicated to strengthening America's long-term competitiveness by addressing developments that affect our nation, our economy, and the global business environment. USCCF presents a broad range of programs that promote a greater understanding of economic and public affairs issues.

About the Campaign for Free Enterprise

The Campaign for Free Enterprise (CFE) is the U.S. Chamber of Commerce's comprehensive, multiyear campaign to support free enterprise and entrepreneurship through national advertising; grassroots advocacy; citizen, community, and youth engagement; and research and ideas leadership.

U.S. CHAMBER OF COMMERCE FOUNDATION

American Free Enterprise. Dream Big.

TABLE OF CONTENTS

Enterprising Cities

Table of Contents

Introduction: A Force for American Prosperity in the 21st Century 1

Cities on the Mend 2

- Why Strong Cities Need Effective Governments 4
- The Business End of Government 5
- The Rise of Public Sector Unionism: 'A Suicide of Sorts'? 5
- The California Case 6
- The Way Out: Reengaged Business and Public 7
- Looking Forward: A Partnership for Growth 9

What is an Enterprising City? 11

Profiles of Enterprising Cities

- Dayton, Ohio 11
- Irving, Texas 15
- Memphis, Tennessee 19
- Minneapolis, Minnesota 23
- Salt Lake City, Utah 26
- San Antonio, Texas 30
- Sioux Falls, South Dakota 34

Introduction
A Force for American Prosperity in the 21st Century

Cities play a pivotal role as drivers of America's economy by creating and sustaining the local ecosystem for innovation, competitiveness, and productivity through enterprise-friendly policies that create jobs, enhance economic development, and build prosperity. According to Jim Clifton, author of *The Coming Jobs War,*

> The reality is, when it comes to creating economic growth and good jobs, local leadership trumps national leadership. [Cities with] leaders with principles, policies, values, and beliefs that encourage business and entrepreneurship…are filled with booming start-up companies, and those cities have thriving economies that create authentic, organically grown good jobs.[1]

A growing body of research, including *The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy,* buttresses the assertion that pragmatic leaders at the city level can take on the issues that Washington will not, or cannot, solve.[2] Enterprise-friendly policies at the city level can indeed facilitate local economic growth by supporting entrepreneurs and mobilizing effective partnerships for improving the conditions for business and job growth. Working together with businesses, city leaders can bolster expansion into national markets and exports to reach global markets.

City policies and practices that will help strengthen our free enterprise system—the system that has served as the foundation of America's prosperity and the only system capable of creating the jobs we need for the long haul—are those that do the following:

- Allow businesses to grow and thrive.
- Free businesses from excessive taxes, unnecessary regulations, and onerous local government processes.
- Focus government on the critical tasks that are the foundation of economic opportunity, such as infrastructure and protective services.
- Help educate, cultivate, and equip the next generation of young entrepreneurs and the workforce of the future.

Enterprising cities use policy inputs, well-designed community programs, and economic development best practices to create an environment where free enterprise creates jobs and prosperity. Economic prosperity creates fiscally sustainable local governments capable of supporting the infrastructure and workforce that free enterprise needs.

The cities highlighted in this report—Dayton, Irving, Memphis, Minneapolis, Salt Lake City, San Antonio, Sioux Falls—each in their own unique way, are examples of how enterprise-friendly leadership, strategies, and partnerships can be put into action to achieve meaningful results.

Cities on the Mend

The worst of the budget crisis, and the recession, may well have passed in some states, but deep-seated structural issues threaten the future of municipalities, counties, and cities for the long term. How they respond to this challenge—including adjustments to employee compensation and pension plans—may determine whether they can continue to grow in the decades ahead.

Overall, cities remain vulnerable. Eight major municipalities have already filed for bankruptcy, including Detroit, which became the largest municipal bankruptcy filing in American history on July 18, 2013. San Bernardino, California, was also forced into bankruptcy, facing a situation where labor costs made up 80%of the city budget, in large part due to public union investment in funding local political races.[3] Across the country, thousands of other cities have had to lay off their employees. More often, cities are faced with making hard decisions about cuts as state aid and property taxes have significantly dropped. According to a report by Pew, "State aid decreased by $12.6 billion from 2009 to 2010. Property taxes decreased by $11.9 billion from 2009 to 2010, and by another $14.6 billion the next year."[4]

According to a report by the National League of Cities, city financers at the end of 2012 "project the sixth year in a row of year-over-year declining revenues."[5] Overall, "Ending balances, or 'reserves,' have declined by over 25% in four years and, while still at modestly high levels, are projected to decline as cities use these balances to weather the effects of the downturn."[6]

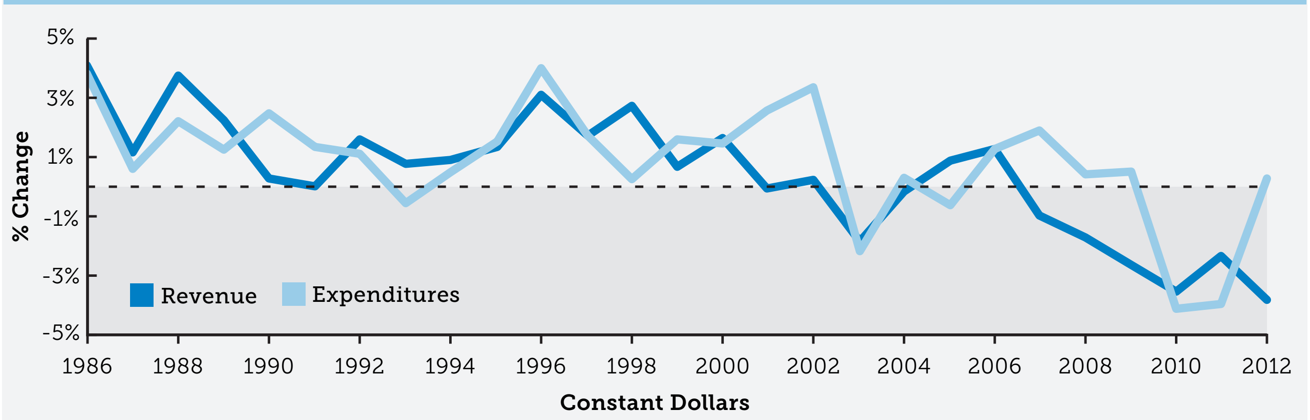
The situation in cities across California is becoming particularly acute. Given more than $1 trillion in unfunded state pension obligations,[7] the state's recent good budget news may have its limitations, and much has been accomplished on the backs of local and city governments. Governor Jerry Brown's "Realignment" strategy placed the responsibility of state justice programs on local governments (though this came with promises of increased state aid). Governor Brown also oversaw the dissolution of more than 400 finance redevelopment agencies, some of which may now be forced into bankruptcy. Many cities consider these agencies, which provide tax relief to businesses, to be one of their most effective economic development tools. While state debt is expected to decline by $1.7 billion next year, local debt is actually set to increase by $600 million.[8]

A similar pattern of cutting aid to localities in bad times—and not increasing it in the good—can be seen in other states, including Pennsylvania, Massachusetts, New Jersey, and New York. In Illinois—the state with the lowest credit rating—slow job growth, budget woes, and soaring pensions have led to income tax increases and cutbacks to local schools and governments. In addition, state and federal governments have passed regulations and mandates that pass the responsibility of implementation to local governments. "Quietly and without fanfare, governors and state legislators approved overly generous pension packages, let stand costly, antiquated laws and continued to shift costs from Albany to our front doors," noted one upstate New York paper.[9]

As can be seen from the figure on the following page, cities' general fund revenue has significantly (1% or more) declined every year for six years.[10]

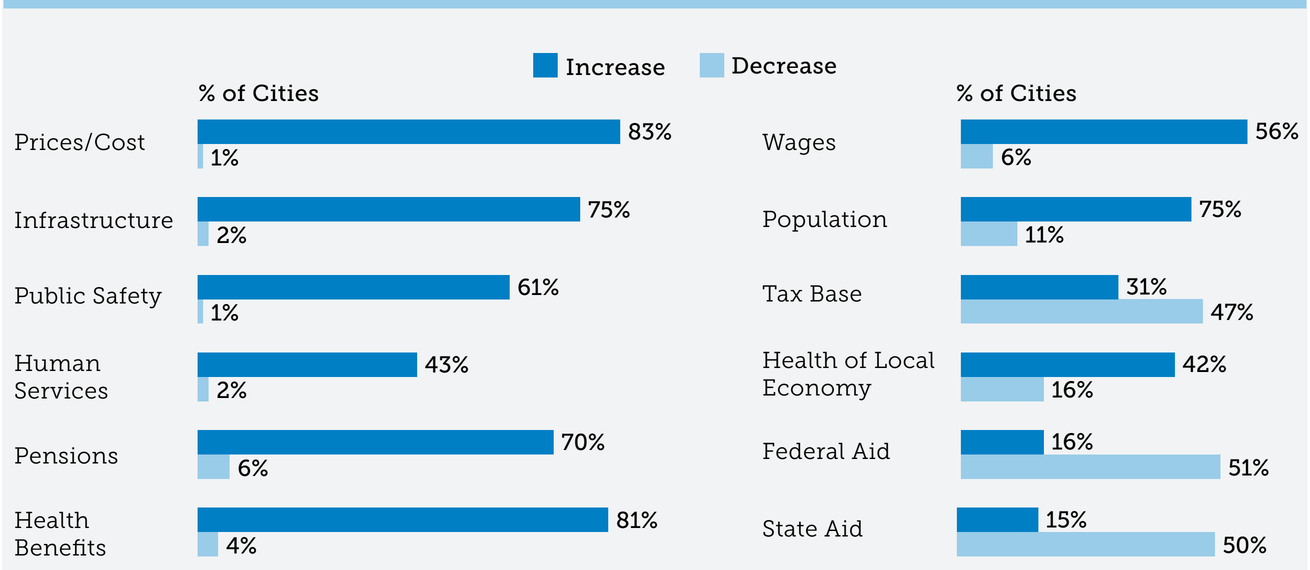
Yet in many ways, declining revenues—which are beginning to turn around in many cities—are less of a problem than rising costs. Indeed, even as the overall revenue picture appears to be improving, there are rapid increases in such things as pensions and employee health care, compounding the problem of lagging revenues. Some 77% of cities have reported that pension spending has increased.[11] Seventy-four percent of cities say that pension spending has a negative effect on their city's ability to balance the budget, making pensions one of the biggest hurdles to balanced budgets.[12]

YEAR-OVER-YEAR CHANGE IN CITY FINANCE REVENUES AND EXPENDITURES



Source: City Fiscal Conditions in 2012, National League of Cities

THE SHIFTING STRAINS ON CITY BUDGETS
Change in City Finance Factors from 2011 to 2012



Source: City Fiscal Conditions in 2012, National League of Cities

The real issue facing cities will be how to pay off these costs while maintaining or, ideally, improving infrastructure and services that spur economic growth. A new study by the Brookings Institute "estimated that the aggregate unfunded liabilities of locally administered pension plans top $574 billion."[13] On average, pensions consume 22% of local government payroll. However, reliable data on the nation's 3,200 locally administered pension plans is scarce, and projections rely on self-chosen and reported discount rates, which are almost always unrealistically high.[14]

Many of the nation's cities are becoming locked in a classic vicious cycle as they try to dig their way back to growth. Obligations to employees seem certain to outweigh the ability to fund necessary government functions like infrastructure and other economic development components, the very things necessary to nurse a region and its governments back to health.

Why Strong Cities Need Effective Governments

Rather than viewing government as an impediment, the private sector needs to appreciate the fundamental importance of the public sector to long-term economic growth. For much of human history, cities and municipalities played a critical role in the creation of strong regional economies.

Spending on basic infrastructure has underpinned city growth from the earliest times, and was a feature of ascendant cities in all parts of the world. Modern infrastructure investments underlay the success of the cities established by Alexander the Great, most notably Alexandria, with its magnificent harbor, library, and lighthouse.

It was spending by the Roman state—most notably its aqueduct system—that underpinned the rise of that city and its associated empire to dominate ancient Europe. The Greeks, one Roman writer wondered, "boasted of their 'useless' art, and Egypt's legacy lay in 'idle pyramids,' but what were these compared to the fourteen aqueducts bringing water to Rome?"[15]

THE KEY TO THE FIRST GREAT CITY

"The Greeks boasted of their 'useless' art, and Egypt's legacy lay in 'idle pyramids,' but what were these compared to the fourteen aqueducts bringing water to Rome?"

—Frontinus, Roman Historian

These works also made possible the growth of many other cities throughout the empire. "The Romans," notes Peter Aicher, associate professor of Classics at the University of Southern Maine, "could not have built cities as big as they did without aqueducts—and some of their cities would not have existed at all."[16]

Early in its history, America's leaders understood the critical strategic importance of infrastructure development. In many areas, such as road construction and canal building, states and localities took the lead. Such investments were critical for cities that were just then emerging from the wilderness.[17] In the Progressive Era, local governments were reformed in cities such as Milwaukee, Cleveland, Toledo, and Detroit.[18] In many cities, services such as police, fire protection, and transportation were organized systematically for the first time.[19]

Local commitment to infrastructure at this time—a high point for cities overall—can be seen in their policies to improve a whole series of public works, from water and sanitation systems to new roads, libraries, and schools.[20] They also began to make concerted efforts to save some of the natural environment for their increasingly harried, city-bound citizens. Particularly ambitious efforts were made in St. Louis, Chicago, Philadelphia, Boston, and New York,[21] where Frederick Law Olmsted, a primary designer of Central Park, defined his mission as an attempt "to supply to the hundreds of thousands of tired workers...a specimen of God's handiwork."[22]

The Business End of Government

City builders of this era saw economic growth as critical to their mission and embraced the idea of running government in a businesslike manner, embracing the latest notions of scientific management. A progressive city then was one managed with the best expertise derived from the private sector, preferably by business leaders. "The administrative affairs of the city are a business matter rarely a political issue," Berkeley's reform-minded mayor suggested in 1909. "The object, therefore, [is] to provide a method that will result in the election of businessmen, not politicians, to office."[23]

This positive, growth-oriented role for government elicited support from both parties. Such investments were initially slowed by the Great Depression, but under President Franklin Roosevelt, massive federal investment poured into states and localities. This had enormous positive implications for the economy over the longer term, greatly enhancing the productive capacity of the country, and in particular, bringing large parts of the previously backward areas into the 20th century.

The New Deal programs may not have completely succeeded in restoring the health of the economy to its pre-1929 levels. But the ensuing period, including the run-up to and the conclusion of the Second World War, saw the continued huge surge in public investment, including significant new funds for war-related scientific and industrial research.

After the war, cities supported the expansion of roads and infrastructure as they raced to expand their economies. Massive investment in roads and later airports—much of it financed locally—promoted mobility both between and within cities. These local investments proved to become critical foundations for local industry. Transportation accounted for 9% of GDP a century ago; today, according to Harvard economist Ed Glaser, it accounts for roughly 2%.[24] Public investment in infrastructure has helped reduce costs to ship goods, to the benefit of industry and city economies.

The Rise of Public Sector Unionism: 'A Suicide of Sorts'?

The current crisis facing our cities reflects changes that have emerged since the era of heavy local investment in basic services and infrastructure. The old notion of progressive governance revolved around the notion of improving the economy and the lives of the people in a city. This began to change with the rise of interest group liberalism. If the old progressives prided themselves on providing favors to no one, noted historian Richard Hofstadter, the liberal state "offered favors to everyone."[25]

THE POLITICAL CHALLENGE:
GET BEYOND THE PARTISAN AGENDA

"There is no Republican or Democratic way to clean streets."

—New York Mayor
Fiorello La Guardia

Among the most potent of these interest groups have been the public employees. Traditionally, progressives were hostile to the idea of public sector unionism. And in a 1937 letter to the head of an organization of federal workers, President Roosevelt noted that "a strike of public employees manifests nothing less than intent on their part to prevent or obstruct the operations of Government until their demands are satisfied. Such action, looking toward the paralysis of Government by those who have sworn to support it, is unthinkable and intolerable."

In New York, Mayor Fiorello La Guardia's expanded city government still operated under an efficiency-oriented progressive administration. La Guardia and his parks commissioner, Robert Moses, fired political appointees and dismissed incompetents, leading some public employees to identify him with the Italian dictator Mussolini. Rejecting narrow ideology, La Guardia famously claimed: "There is no Republican or Democratic way to clean streets."[26]

Although strong in their support of government spending on infrastructure, Moses and La Guardia were more than willing to fire those who did not seem to be up to the job of providing government services.[27] La Guardia's opposition to public sector unions proved critical to allowing his city, and other cities, to provide services and maintain infrastructure at a reasonable price.

However, as union influence grew, controls on spending declined. Even as overall employment dropped and population stagnated, the share of government workers in New York's workforce expanded from 10% in 1950 to more than 17% in 1970s, but with increasingly little accountability. Meanwhile, public employee unions evolved into a dominant political force not only in New York but in many major cities.[28] This shift has proved very dangerous to city finances—what historian Fred Siegel describes as "a suicide of sorts."[29]

Perhaps most damaging is that as the cost of government and tax levels rose, the union-engineered contracts made compensation, particularly pensions, an increasingly overwhelming portion of the city budget. In 2001, pension spending was $1.4 billion, but in 2012 it was over $8 billion. New York City faces a hard fight against the rising cost of pensions and employee spending. According to the city's 2012 budget, pension costs have grown by 519% since 2002.[30]

By 2015, according to the Citizen's Budget Commission, pension, health care, and interest—so-called legacy costs—will account for 25% of New York City's total budget, up from 16% in 2005. Overall, these costs will have doubled over 10 years, while other spending will have grown by barely 30%.[31]

Even now, amid the recovery, many cities face extreme pressure. In April 2013, Moody's Investors Service warned it could downgrade the ratings of Chicago, Cincinnati, Minneapolis, Portland, and 25 other local governments and school districts as part of a change in the way it evaluates the impact of public pensions on municipal debt grades. Chicago teachers' pensions alone cost $1 billion a year, while overall debt service accounts for close to a quarter of the city budget.[32] The economic recovery appears not to be strong enough to mitigate the extreme pressure being felt by many localities.

The California Case

California has become the poster child for this kind of metropolitan dysfunction, with some of the highest compensation rates for public sector workers in the country. These generous provisions for everything from health care to retirement benefits—with essential guaranteed returns even if pensions remain seriously underfunded—have devastated local governments, which have tended to keep pace with the state formula.

For example, it is cities or counties that are stuck with outrageous pensions, such as a retired San Diego librarian receiving a $234,000 annual pension or lifeguards being able to retire at 51 with a $108,000 annual pension and lifetime health care.[33] As a result, notes the Manhattan Institute's Steve Malanga, pension costs have been rising precariously; in San Jose, pension costs rose from $73 million annually in 2001 to $245 million in 2010. San Bernardino's pension obligations, which rose from $5 million in 2000 to five times that amount last year, helped drive that city into bankruptcy.[34]

Historically, California tried to follow a businesslike approach to public spending. Shortly after taking the governor's office in 1959, Pat Brown initiated a thorough reorganization of state government, attempting to make it more businesslike.[35] This changed when Brown's son Jerry took office and granted public sector unions new bargaining rights in the 1970s. Over the ensuing decades, they have gradually expanded their stranglehold on the state and many local jurisdictions as well. In many cases, this has resulted in the provision of often extremely generous packages to city workers, including early retirement, lifetime health care, and large defined benefit packages.[36]

Even as California's local economies declined with the Great Recession, this power ensured that not much was done to cut back or reform pensions at the state or local level. Several of the state's cities have already declared bankruptcy and as many as 10 others, including Oakland and San Jose, could join them. Many others are simply cutting back; Sacramento is now asking newly recruited police officers to pay into their pension plans before joining.[37]

These problems have become systemic in many of the state's largest cities as well. Los Angeles has suffered from the recession more than any of the largest cities in the country, with the possible exception of Chicago. Its budget situation, in large part due to pension and other employee-related costs, has remained perilous for years. One former mayor, businessman Richard Riordan, has predicted that, unless pensions and compensation are reformed dramatically, the city will eventually slide, inexorably, toward bankruptcy.[38]

The primary culprit of this slide, notes Riordan, has been the political domination of Los Angeles, and other cities, by public employee unions and the lack of true political competition. But perhaps the largest blame belongs to business interests, who seem unwilling to stand up to the union-dominated city politics. Ron Kaye, former editor of the *Los Angeles Daily News,* sees the inability of businesses to stand up to unions and their demands as a key part of the problem. "Election after election, the business and civic leadership have put their money the same place as the unions, developers, billboard companies and all the other special interests put theirs," notes Kaye.[39]

As a result, residents of Los Angeles are likely to face a combination of rising taxes and fees,[40] soaring pension costs, and declining services. Given the pull of pension and other employee obligations, even traditional city services, such as street repair, will likely be funded by additional debt or fees on property owners. Short of major reform, this self-defeating pattern of higher taxes and fewer services is likely to continue even if the state economy and budget climb their way out of their recent distress.[41]

The Way Out:
Reengaged Business and Public

In many cities, particularly the larger ones, the consolidation of public union power has accompanied a shocking decline in public participation. In the most recent Los Angeles mayoral election, fewer than one in five voters showed up—a historic low for a race without an incumbent—and in city council races in New York, turnout has been as low as 10% to 15%.[42]

Without a reawakened public and business community, the vicious cycle of higher taxes, escalating compensation costs, and degraded services seems likely to continue. Yet there are some encouraging signs of reform even in California. Voters in the cities of San Diego and San Jose, both Democratic-leaning but facing the prospect of municipal bankruptcy, recently chose to reform their public employee pensions.[43]

Deals also can be struck between workers and cities to keep down costs temporarily as cities weather the Recession and develop stronger growth-based economies. In economically distressed Rhode Island, State Treasurer Gina Raimondo, a former venture capitalist, led an effort to save that state's cities and towns about $100 million in this fiscal year and $1 billion over the next 20 years.[44]

New York recently announced plans to assist its struggling municipalities with finances and budget management. In total, 23 states have mechanisms to help address problems with financial stability. These state-level assistance programs offer an alternative to the court system for cash-strapped cities.[45]

What may prove most critical would be the development of a greater understanding among business leaders about the positive ways government can impact economic growth, and among the public, including the unions, about the importance of growing the private sector. Many of the cities with the best job growth[46] have balanced budgets and stable economies.

San Francisco, a large city with strong job growth, has a budget surplus of $96 million, despite its traditionally high labor costs. Other cities with strong job growth boast favorable budget numbers. Fast-growing Nashville has had an operating surplus since 2006, and Fort Worth has a $4.7 million budget surplus. High-tech boom town Austin has a budget surplus of $14 million. Oklahoma City has $1.3 million in surplus. After running a general fund deficit in 2009, Dallas' 2012–2013 budget expects to match revenue and expenditures.[47]

In contrast, cities with less-consistent business and job growth tend to be faring far worse. Portland is $25 million in debt. New York City is running a $1.3 billion operating deficit. In fact, New York City's deficit has grown 218% from 1990 to 2012. San Jose has had 10 straight years of budget deficits. Even relatively prosperous Seattle, which has been working to bring down its debt, still projects a "$32 million shortfall for 2013 and 2014."[48]

Worst off have been those cities that have experienced continual economic setbacks where cuts in city budgets could create a cascade of economic decline. San Bernardino, for example, has made cuts in police services and seen a strong rise in crime, something that makes the city even less competitive.[49]

Sixty percent of the nation's local government workers are educators and health care workers, and many more work in critical city functions, such as protective and basic services. Many cities are cutting jobs. Local government is down 3.4% across the nation since its peak in 2008. However, those regions with better-performing economies have tended to maintain stability and retain local government workers. The table on the following page shows the 15 fastest- and slowest-growing regional metropolitan economies and its trend in local government employment.

Particularly hard hit are some old industrial cities that have suffered for generations. In cities such as Philadelphia and Newark, New Jersey, where nearly one in three residents lives in poverty, even essential services, such as law enforcement, have been curtailed. In all these cities crime is on the rise. With at least 60,000 empty parcels in the city and a demoralized, shrinking police force, the now bankrupt city of Detroit has been hard pressed to come back, even as the region around it, bolstered by the auto industry recovery, has shown good signs of recent resurgence.[50]

Detroit is the nation's highest-profile case of economic decline fueling the instability of local government finances. The city has twice as many public retirees as workers, and its pension liabilities were recently estimated at $3.5 billion with total debts at $17 billion. Faced with this dire financial situation, the city filed for Chapter 9 bankruptcy protection on July 18, 2013, becoming the largest municipal bankruptcy in U.S. history.[51] Public employees and bondholders are stepping up to fight for status as creditors. The resulting legal battles—along with those in other bankrupt cities like Stockton, CA—could cast a shadow over municipal bond markets and raise financing costs for cities nationwide.[52]

JOB GROWTH AND LOCAL GOVERNMENT, 2008 TO 2013					
Fastest-Shrinking Metropolitan Areas			Fastest-Growing Metropolitan Areas		
City	Total Employment	Local Gov. Employment	City	Total Employment	Local Gov. Employment
Las Vegas	-7.4%	-11.9%	Austin	8.2%	2.4%
Sacramento	-5.2%	-13.6%	Houston	6.8%	3%
Birmingham	-4.9%	-5.8%	San Antonio	4.4%	-1%
Cleveland	-4.4%	-8.3%	Nashville	3.8%	3.9%
Cincinnati	-4.1%	-9.6%	Dallas	3.8%	3.3%
Riverside, CA	-3.9%	-7.8%	Salt Lake City	3.2%	4.5%
Memphis	-3.8%	-4.4%	Raleigh	2.9%	2%
Tampa	-3.6%	-5.1%	Oklahoma City	2.3%	2.1%
Providence	-3.6%	-8.5%	Denver	2.2%	1.2%
Phoenix	-3.5%	-4.7%	Washington, DC	1.9%	3.7%
Virginia Beach	-3.5%	-1.5%	New Orleans	1.8%	-1.9%
St. Louis	-3.4%	-4.0%	Charlotte	1.7%	7.2%
Milwaukee	-3.3%	-2.3%	Boston	1.4%	-0.7%
Los Angeles	-3.2%	-9.7%	Louisville	1.3%	1%
Detroit	-3.0%	-16.9%	San Jose	1.3%	-6.9%
Source: EMSI					

Looking Forward:
A Partnership for Growth

It is essential for business and the private sector to seek out common ground and to find a way to bolster each other. On one hand, business needs to see the great role that public spending has played in both spurring commerce and providing basic stability to the business class. Similarly, public sector workers and their unions need to understand that over time significant private sector growth can provide the revenues to pay their salaries and maintain at least some of their pension needs.

This suggests that business and governments need not only to restrain spending, but spend public funds in ways that are most likely to stimulate economic growth. There should be a strong discussion about municipal priorities—which often differ somewhat by city—with a focus on those things that promote job creation and upward mobility. Government's basic legitimacy lies in doing things that are viewed as both necessary and helpful to the average citizen.

In this context, we should look more closely at how cities have spent their funds. One typical "investment" has been for things such as convention centers, arts developments, and sports stadia. There is long—and very conflicted—literature on the overall effects of such expenditures, which frequently turn out to be far more expensive than planned and often have less impact than projected on city economies.[53] In fact, one University of Chicago report found that the cultural building boom of the past decade had no appreciable effect on the number of artists in the city.[54]

Far more productive is spending on those tasks that cities and their taxpayers have long funded: basic infrastructure and education. Perhaps nothing affects business and ordinary citizens more than transportation. According to the Council of Economic Advisors, for "the average American family, transportation expenditures rank second only to housing expenditures."[55]

A study by the College of William and Mary on the exact monetary effect of infrastructure spending finds that "in the short-run, a dollar spent on infrastructure construction produces roughly double the initial spending in ultimate economic output." Investment in different types of infrastructure produce varied results but "overall, the multiplicative effect of new nonresidential construction totals $1.92 from every $1.00 initially spent."[56]

Critically, infrastructure spending helps the middle class. Research by the Council of Economic Advisors suggests that nearly 90% of the jobs in the three sectors most affected by infrastructure spending are middle-class jobs, those between the 25th and 75th percentile in the national distribution of wages, including manufacturing, construction, and wholesale and retail trade. Finally, infrastructure spending of this kind is usually approved by a public forced to cope with the consequences of underinvestment.[57]

One clear place where cities can push the envelope is in construction and expansion of airports. In this century, as sociologist John Kasarda has pointed out, the "aerotropolis" around the airport plays a critical role akin to that played by train depots in the late 19th and early 20th centuries.[58] The rise of Denver's international airport solidified that region's centrality to national transportation networks and its status as a business hub.[59]

The other pressing opportunity lies in education and training. This also directly impacts businesses, who often complain of insufficiently trained workers, and also provides a pathway to the middle class for city residents. Investment in adult education will be particularly key, providing workers with a chance to gain new skills as the economy evolves.[60]

Higher education and programs focused on skill training and improving high school graduation rates, have proven to have a significant long-term return on investment.[61] Not only do educated people receive higher incomes and pay more in taxes but they are far less likely to burden society. People with associate's or bachelor's degrees spend less time unemployed, less time receiving financial aid, and are less likely to be incarcerated.[62] Research by Cecilia Rouse of Princeton University and the Alliance for Excellent Education has found that "on average, each high school dropout costs the U.S. economy about $260,000 in lost earnings, taxes, and productivity over his or her working lifetime, compared with a high school graduate."[63,64] While adult training will not recapture all of this lost potential, numerous programs across the country have proven effective at training adults and ensuring them high-paying jobs that generate money for themselves, businesses, and local governments.

Cutting back critical skills training programs represents a no-win for business, nor does a business leaving an area, due to taxes, regulation, or lack of skilled workers, represent a triumph for the public sector. Higher education systems may be funded by state-level government, but local integration with high school programs is critical. Astute local government leaders are often the critical link between higher education and local businesses.

Ultimately, continuing conflict between the private and government sectors represents a no-win for both. By refocusing local government on critical tasks to expand economic opportunity, business can find that the public sector could prove a powerful boon in meeting the challenges of the future.

What Is an Enterprising City?

Enterprise-friendly leadership and policies at the city level can facilitate local economic growth by supporting entrepreneurs and mobilizing effective partnerships for improving the conditions for business and job growth. Working together with businesses, city leaders can bolster expansion into national markets and exports into global markets.

City policies and practices that help strengthen our free enterprise system—the system that has served as the foundation of America's prosperity and the only system capable of creating the jobs we need for the long haul—are those that do the following:

- Allow businesses to grow and thrive.
- Free businesses from excessive taxes, unnecessary regulations, and onerous local government processes.
- Focus government on the critical tasks that are the foundation of economic opportunity, such as infrastructure and protective services.
- Help educate, cultivate, and equip the next generation of young entrepreneurs and the workforce of the future.

Enterprising cities use policy inputs, well-designed community programs, and economic development best practices to create an environment where free enterprise creates jobs and prosperity. Economic prosperity creates fiscally sustainable local governments capable of supporting the infrastructure and workforce free enterprise needs.

The cities highlighted in the next sections—Dayton, Irving, Memphis, Minneapolis, Salt Lake City, San Antonio, Sioux Falls— are examples of enterprise-friendly programs and strategies that can be put into action to achieve meaningful results.

Dayton, Ohio

Attracting Immigrants to Increase Economic Vitality
Faced with declining populations and the need to revitalize neighborhoods, Dayton's "Welcome Dayton" plan is focused on improving integration of immigrants into the city's economy, reducing barriers to business creation by immigrants, and creating an immigrant-friendly city culture that will be attractive to entrepreneurial immigrants. The city plans to support economic and population growth by attracting motivated immigrants to start businesses, rehabilitate neighborhoods, and create jobs. Dayton's leaders and business community have embraced the program, helping the city expand programs to help immigrants learn English, open businesses, and access city services.

Like many other industrial cities across the nation, Dayton, OH, has faced a multitude of economic and demographic challenges over the past half-century. Years of decline in manufacturing coupled with suburban flight led to steadily dropping populations in the central city. Since reaching a peak in 1960, Dayton's population has dropped more than 40%. While the city's economy has diversified over the past several decades and the Dayton metropolitan area remains home to a notable entrepreneurial and corporate sector, local leaders have continued to face a shrinking population, emptying neighborhoods, and the need to find new ways to spark economic growth and attract residents to the city.

Identifying the Opportunity, Building a Plan

In 2009, the city of Dayton's Human Relations Council launched a study examining housing issues facing immigrant communities in the city. During this process, city leaders noted that new waves of immigrants, particularly from Turkey, were beginning to move into the city seeking economic opportunity.

Encouraged by these developments, the city launched a series of community meetings, discussing the potential of immigration as a tool for community revitalization. As a result of these meetings, a group of engaged community members came together to write a new plan designed to help Dayton become a city that intentionally welcomes immigrants. The final product included guidance from multiple community members, groups, and private and public sector leaders. Once completed, the plan was unanimously adopted by the city commission and became the framework for the Welcome Dayton initiative.

Officially launched in October 2011, the Welcome Dayton plan is focused on improving integration of immigrants into the city's economy, reducing barriers to business creation by immigrants, and creating an immigrant-friendly city culture that will be attractive to skilled and entrepreneurial immigrants. The city's goal is to fight declining population by attracting motivated immigrants to start businesses, rehabilitate neighborhoods, and create jobs.

Since its start-up, Welcome Dayton has identified four areas of action: health and social services, education, improvement of city services, and business and economic development. City leaders hope to take a holistic approach to development, ensuring that services tailored to the needs of new immigrants allow them to more easily put down roots and successfully create businesses.

Spreading the Word, Engaging Community Support

From its initial conception, Welcome Dayton's push to build an immigrant-friendly city has been centered on building community support for the concept. The divisive atmosphere surrounding immigration politics at the federal level can create an atmosphere of contention around local issues as well, potentially leaving citizens and community groups hesitant to get involved. While Welcome Dayton's efforts are aimed at supporting legal immigrants to the community, program organizers have worked to ensure that the entire community is engaged in creating and guiding the initiative. By structuring the program as a grassroots effort, instead of a top-down, bureaucratic solution, Welcome Dayton's founders have aimed to build real civic engagement on the topic of immigration, its challenges, and the opportunities it provides the community.

In addition to building momentum around the plan using community meetings, Welcome Dayton's business and economic development strategy involves a two-pronged internal and external approach to communication. Internal communications are designed to reach out to groups already working with immigrant entrepreneurs in the public and private sectors to help these groups align their services and efforts with Welcome Dayton's immigrant-friendly goals. The initiative's external communications are focused on educating the community about immigrants and the value of immigrant entrepreneurs. By keeping the community in the loop about the program, Welcome Dayton hopes to "ease fear," reduce uncertainty, and build an understanding of how immigrant small businesses can fit into the city's history of innovation and entrepreneurship.

'Everyone Has to Be Involved'

Welcome Dayton's hopes for success hinge, in large part, on successfully bringing together partners from all sectors of the community. The program is designed around an acknowledgment that government alone cannot create the immigrant-friendly environment needed to spur new growth. While government efforts can help build a foundation for success, sustaining such efforts takes cooperation between the private, public, nonprofit, and education sectors. As the program's coordinator, Melissa Bertolo, points out, "everyone has to be involved."

Various local partners in the private, public, and educational sectors have stepped up, ready to get involved. The program's Welcome Dayton Committee, created in May 2013, is made up of leaders from throughout the community, including private business, the Dayton Area Chamber of Commerce, education, and nonprofits. The new committee will use its networks to encourage organizations to do "one more thing" to make the community more immigrant-friendly. By embracing such small steps, the initiative hopes to build sustainable change.

The city's local universities, Wright State University and the University of Dayton, have also signed on to the plan, offering outreach and education, supporting international students, and creating new partnerships with institutions in other countries. In parallel with city efforts, the Dayton Area Chamber of Commerce has launched a Minority Business Partnership (MBP), aiming to support and encourage business development by immigrants and other minority groups in the region. The MBP program creates supply chain opportunities for local businesses with an emphasis on minority and immigrant business investment and participation.

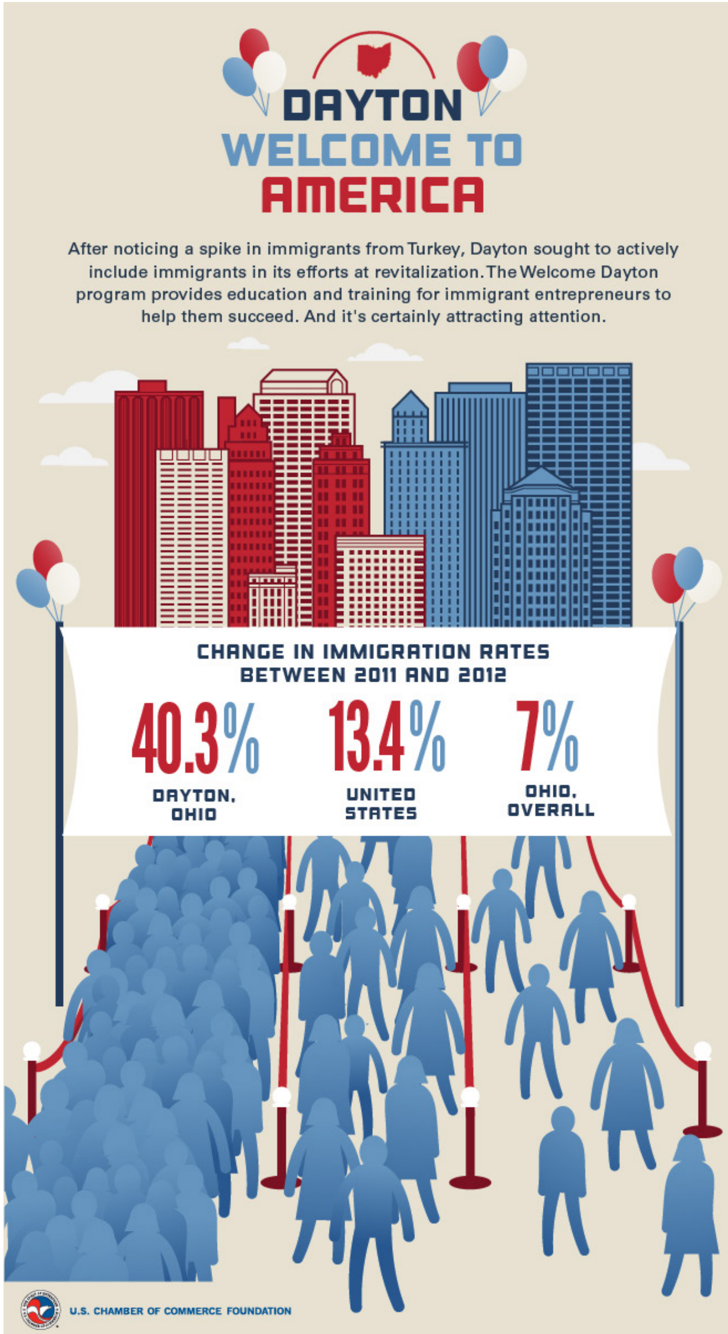
Encouraging and Supporting Immigrant Entrepreneurs

Welcome Dayton has made support of new immigrant entrepreneurs one of the key priorities of its economic development efforts. According to program leaders, immigrants are more likely to start a business than their nonimmigrant neighbors, but they are also more likely to fail. Differences in culture, government regulation, and business finance all serve as potential barriers to success for immigrant entrepreneurs. By identifying challenges and educating immigrant entrepreneurs on doing business in America, Welcome Dayton hopes to ensure that the community will be able to take full advantage of the investments immigrant small businesses make in their neighborhoods.

As part of these efforts, Welcome Dayton is forging working partnerships with existing small business support agencies in the community, including the city's Small Business Development Center and Minority Business Assistance Center. By coordinating outreach efforts and informational materials and by making sure that "everyone is on board," the initiative is designed to bring multiple resources to bear to expand the availability of programming targeted at immigrants and to increase the community's odds of success.

For many immigrants, including entrepreneurs, dealing with unfamiliar American ways of doing things can be daunting. Something as basic as starting a bank account can be challenging. While many immigrants have entrepreneurial skill and drive, an inability to interact with the system can prove an impediment to success. Welcome Dayton helps recent immigrants and new entrepreneurs navigate the bureaucracy and educates them on working with the private sector. By working to address the entire experience of an immigrant moving to the community, in all sectors, Dayton hopes to ease immigrant transition into American life and ways of doing business.

As part of its economic growth agenda, Welcome Dayton is focusing support on key areas of the city. The city has identified a neighborhood with organic growth in immigrant population and activity and singled it out for special attention. By focusing investment in the area, the city hopes to build on the existing demographic trends and create nodes for future growth. Options for neighborhood support, including providing façade improvement grants for small businesses, launching a retail incubator, and creating private sector lender support services for immigrant entrepreneurs, are being explored by program leaders. The Welcome Dayton plan has also made a commitment to ease the burdens and barriers faced by business in general, helping not only immigrant entrepreneurs, but all businesses interested in putting down roots in the city.



Reaching Out to Build Bridges and Expand Trade

As new immigrants have put down roots in the community, the city of Dayton is actively looking to exploit the new cultural ties they have created between their new and old homes. In 2012, Dayton's mayor, Gary Leitzell, led an "expeditionary team" of community business leaders on a trade mission to Turkey, seeking to capitalize on the city's newfound role as a center of Turkish immigration and business activity.

Representatives from the Dayton Area Chamber have also organized trade promotion and travel opportunities with many major global emerging markets, including meeting with Turkish officials and establishing new connections during a visit to Washington, DC. While Turkey is just one of the chamber's targets for expanded trade with the Dayton region, the city's success in attracting Turkish immigrants has helped elevate that nation's importance. The city's universities have also gotten involved, exploring new partnerships with Turkish counterparts with an eye toward building stronger ties between Turkey and Dayton.

Enabling the Entrepreneurial Spirit, Sustaining Growth

In many ways, Dayton's new immigrant-friendly city initiative is a model of building on organic success. Between 2000 and 2010, the city's foreign-born population increased by 50% on its own, as immigrants streamed to the area in search of affordable costs of living and economic opportunity. The Dayton region's immigration rate shot up 40% between 2011 and 2012, to a level at or above its regional peers.

Faced with a new source of population, Dayton's community and business leaders have moved to improve the overall environment of support for new Americans, and help immigrants with a dream of entrepreneurship unleash their potential—creating jobs and revitalizing communities in need of a new economic spark.

The city's new culture of being supportive to legal immigrants is built around improved communication, bringing together people and groups that might not otherwise be talking, to collaborate on a new community growth strategy. In order to sustain the new spirit of cooperation, the city has joined the Welcoming Cities and Counties Initiative, a network of local governments committed to building immigrant-friendly environments. By working with other cities, Welcome Dayton will be able to gather new ideas, share successes, and help build a replicable model based on best practices that can be shared with cities nationally.

While Welcome Dayton's push to support immigrant entrepreneurship has been built around a 36-month time frame, the overall initiative is being conceived as a long-term strategy. By building stronger networks among government, the private sector, local nonprofits, and community members, Welcome Dayton hopes to prepare the city for a nationally changing demographic environment. The city's new focus on immigrants as an asset for growth, rather than a challenge to be dealt with, is positioning it to take advantage of the opportunities provided by this new demographic reality.

Region	Immigration Rate 2012	Change in Immigration Rate, 2011–2012
Dayton	1.47	40.3%
Ohio (Entire State)	1.34	7.0%
Akron	1.44	5.3%
Cincinnati	1.51	4.6%
Cleveland	1.72	4.1%
Columbus	2.44	3.6%
Fort Wayne, IN	1.25	8.1%
Pittsburgh	1.12	4.7%
Toledo	1.11	6.2%
Youngstown	0.39	8.6%
United States	2.83	13.4%

Source: U.S. Census Population Estimates; regions are metropolitan areas.

Irving, Texas

A Businesslike Approach to Local Government

As a booming suburban city, Irving is a model for efficient government, business-friendly development, and public-private economic growth initiatives. Working in partnership with city government, the city's chamber of commerce leads the region's economic development efforts, providing private sector leadership to promote economic prosperity.

A suburban city located in the booming Dallas-Fort Worth metropolitan area, Irving, TX, is a model for efficient, effective local government management. Home to 225,000 residents, Irving has been one of America's fastest growing cities coming out of the recession. The city's population growth rate of 13.8% since 2007 ranks seventh in the nation among cities of more than 200,000 residents. The Irving approach to city management leverages partnerships between the city, the Greater Irving-Las Colinas Chamber of Commerce, and private businesses.

Regional leaders recognize and actively work to leverage the city's strengths: a sound business climate; a workforce of 3.1 million adults within a 30-minute commute; and direct access to its neighbor, the Dallas-Fort Worth International Airport (DFW). The Irving Chamber's economic development program is a successful model of operating economic development under the aegis of a chamber, moving its activities beyond the traditional business advocacy and representation role filled by many other chambers.

Irving is home to the headquarters of five Fortune 500 companies, and more than 50 Fortune 500s have a presence in the city. The city is a suburban employment center, positioning it well for the future era of decentralized, multinodal metropolitan areas. Due to the strong business presence, the city generates more than 70% of its tax revenue from the business sector.

Adapting Business Best Practices to Government

A business-centric city under the leadership of City Manager Tommy Gonzalez, Irving takes a private sector approach to running its city. Nothing better embodies this philosophy than the city's 2012 designation as a Malcolm Baldrige National Quality Award recipient. Irving Mayor Beth Van Duyne told the *Dallas Morning News*, "We take best practices from the private sector, how businesses are run, and incorporate them into how we run a government municipality. It can be done."

The Baldrige Award and Program is the federal government's program for organizational quality and sound management practices, administered by the National Institute of Standards and Technology. The Baldrige Award is typically given to private organizations and is akin to the Academy Awards for management. Irving is just the second city recipient since government agencies became eligible in 2007. The award is based on a set of robust criteria designed to empower organizations to reach their goals, improve results, and become more competitive.

Irving's business-oriented approach is highlighted by a set of key best practices: sound fiscal management, citizen feedback, a team culture, strategic planning and process efficiency, community safety, and sustainability.

Fiscal management. Irving maintains an AAA bond rating with Standard and Poor's and Moody's, one of just 5 cities in Texas and 89 in the nation to do so. The city has some of the lowest tax rates in the region, in a state with already low taxes. The city subjects itself to internal and external audits as a matter of policy and has been recognized for its financial transparency by the Texas State Comptroller's Office.

Citizen feedback. The city surveys its residents annually to gather feedback about how the city operates. The survey results are made public. Additionally, the city subjects itself to 30 internal and external point of service surveys to ensure government processes are operating smoothly. Information gathered at the point of service allows the city to improve government processes. Ninety percent of complaints to the city are now resolved at the time of the call, up from 50% in 2009. Residents rate the city highly for its quality of service (74%), 77% of residents feel quality of life is improving, and three out of four would recommend Irving as a good place to live.

Creating a team culture. The city operates 50 cross-functional teams of employees as part of its collaborative culture. Cross training among teams has allowed the city to reduce employee headcounts without directly laying off active employees. Open employee feedback is a critical aspect of building a team culture in city government. Ninety-four percent of employees say teamwork is encouraged in the city, 81% feel they have room for growth and development, and 95% call the city a good place to work.

The city also operates an incentive-driven health and wellness program offering small monthly stipends to employees based on fitness and medical scores. The wellness program was recognized by the American Heart Association and has saved the city an estimated $1.5 million in health claims and $25 million in retiree health insurance over 25 years.

Strategic planning and process efficiency. The city of Irving operates an explicit 10-step strategic planning process. The process includes wide citizen and stakeholder input and open sharing of results in the community. The strategic planning process is tightly aligned with the annual budgeting process and uses a team approach among senior leaders to implement Lean Six Sigma management protocols and process monitoring tools and metrics. The city estimates that process efficiency has saved it $44 million in costs since 2008. Smooth city government processes are critical to maintaining a sound business climate. The city now reviews 100% of new commercial plans within six days.

Safety. Irving's team-based approach to operations extends to community policing, including a problem-solving team and Twitter-based community watch groups. Violent crime is down 35% since 2006 and property crime has decreased more than 22% since 2007. Citizen survey data confirms an increasing sense of safety in Irving. Irving uses metrics to monitor the quality of its emergency responders as well. Emergency responders in the city currently arrive on site in less than five minutes 73% of the time, up nearly 40% since 2007, and in the top quartile of all cities above 100,000 residents.

Sustainability. Under the guidance of its Green Advisory Committee, the city of Irving has implemented a city-wide environmental policy covering chemical use, solar power generation, and policies ensuring all new facilities are highly energy efficient. More than 60% of city fleet vehicles use alternative fuels and greenhouse gas emissions are down 17% since 2007. The city estimates that these energy efficiency policies have resulted in $11 million in savings since 2008.

A Partnership for Economic Development

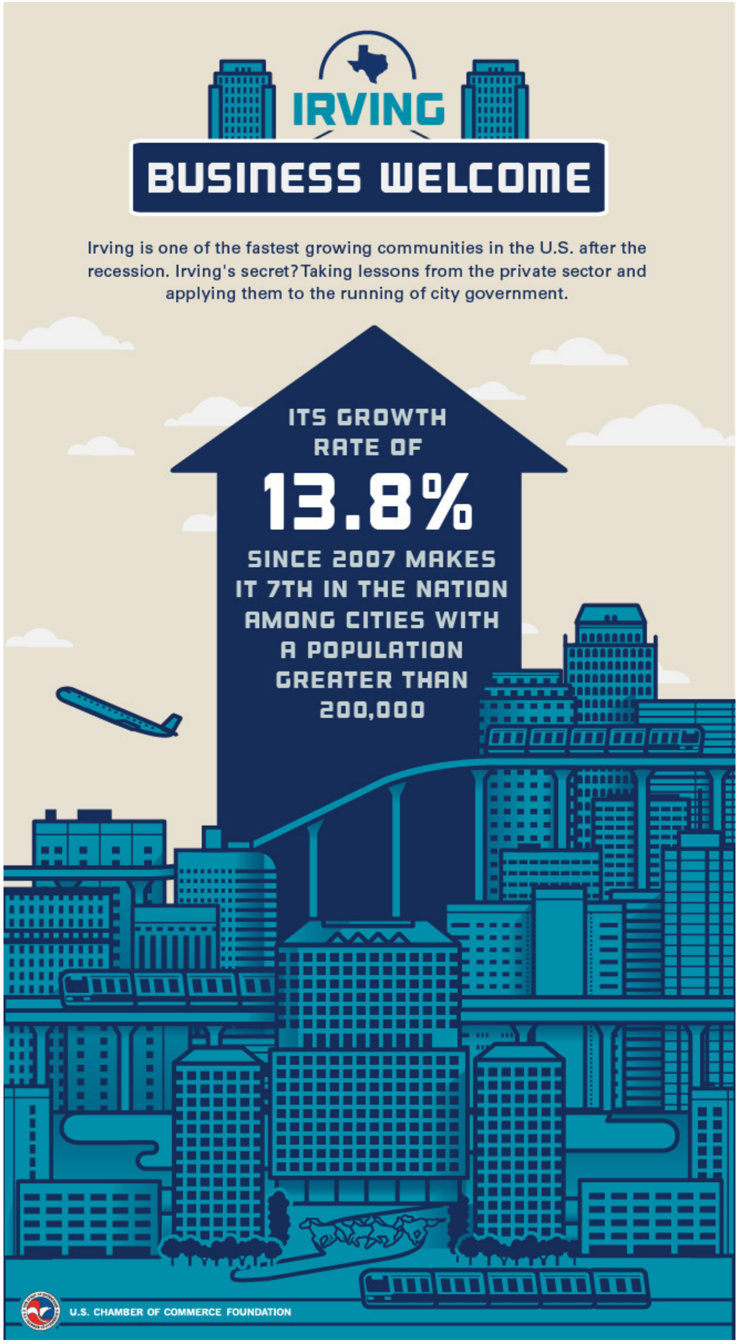
Working in partnership with city government, the Greater Irving-Las Colinas Chamber fills the region's economic development needs under the umbrella of the chamber. In this role, the chamber is the coordinating link between new and existing businesses, city hall, utilities, and the education system. The chamber leads an explicit focus on cooperation—supported by the business-oriented focus of city government—that helps increase the region's speed to market in addressing the needs of expanding businesses.

Building on local competitive advantages is a critical best practice for economic development. Local economic development leaders recognize and are doubling down on one of Irving's chief strengths: strong transportation links. The city is immediately adjacent to Dallas-Fort Worth International Airport and is served by significant highway systems and a new passenger rail link to the Dallas Area Rapid Transit (DART) system. The area is also home to freight rail links, a foreign trade zone designation, and an annual transportation summit.

Two explicit partnerships between the Greater Irving-Las Colinas Chamber and city government exemplify their culture of partnership:

1. A joint participation partnership between city government and the regional chamber, the Transportation Management Association (TMA) develops and implements transportation programs in the area, particularly improving infrastructure. The partnership recently developed an advisory board and coordinator to deal with employee transportation. The TMA also advocates for regional highway improvements and helped shepherd the new DART rail access to the community.

2. Thirteen years ago the chamber and city government jointly formed the Irving Economic Development Partnership. This public-private partnership is an agency uniquely positioned to work directly with private businesses and state and local governments on economic development projects. Local economic developers also work together with Irving Community Television Network (ICTN) to develop content informing residents about the region, and prospective companies about benefits of doing business in the area. ICTN was founded in the early 1980s upon recognition that Irving had no



television or radio stations. The station is now a critical link in keeping citizens informed using a variety of television and Internet technologies.

With an eye toward the future, the Greater Irving-Las Colinas Chamber called together a group of community leaders to form the One Irving task force to discuss the long-term challenges affecting the community. The task force found that while the city was very successful in recruiting corporate expansion, it falls short for some residents as a place to live. To address this problem, the task force created "One Irving — Making the Grade," a five-year privately funded initiative to provide education programs and improve the community's image. The project will support science, technology, and math education; expose students to new career opportunities; and focus the community's attention on local academic achievements.

Like its city government partner, the Greater Irving-Las Colinas Chamber has been recognized for its best practices, winning the U.S. Chamber's Five Star Accreditation award. The Greater Irving-Las Colinas Chamber is the first chamber in Texas to be recognized for this honor, and one of just 1% of local chambers nationwide. The award requires rigorous self-assessment on nine areas of chamber work.

A City Center in the Metroplex
The Las Colinas area of Irving has become a critical jobs and urban center within the Dallas-Fort Worth metroplex, located outside the city center. The Las Colinas Business Park is home to more than 2,000 corporations, including the headquarters of five Fortune 500 companies. The area has undergone a recent building boom, with another 22 million square feet of office space and a new convention center.

Corporate activity is booming, and since the new DART transit links have come on line, the area is increasingly becoming a model for mixed-use and transit-oriented development. A *Dallas Morning News* analysis found the Las Colinas Urban Center district to be one of the top areas in the region for young adults, partly due to its huge jobs cluster, manmade lake, and strong transit links to DFW and downtown.

In an effort to improve nightlife and attract more residents, the Irving City Council recently adjusted regulations to allow for more alcohol sales in the area. A new $100 million mixed-use town center development, Water Street, will add 60,000 square feet of shops and restaurants and 400 high-end apartments. Local leaders hope that strengthening residential development in the region will further strengthen Irving's role as a critical node in the Dallas region.

Building on the Basics
Certainly the Irving region and its city government benefit from the spoils of a booming regional economy. However, the city's local growth did not occur by accident. The city of Irving and its key partner, the Greater Irving-Las Colinas Chamber, represent a model of efficient and effective management practices. Regional leaders have created a culture of sound management, explicit cooperation, and business friendliness. It is that kind of culture that has allowed the residents of Irving to enjoy strong, sustained economic growth.

Memphis, Tennessee

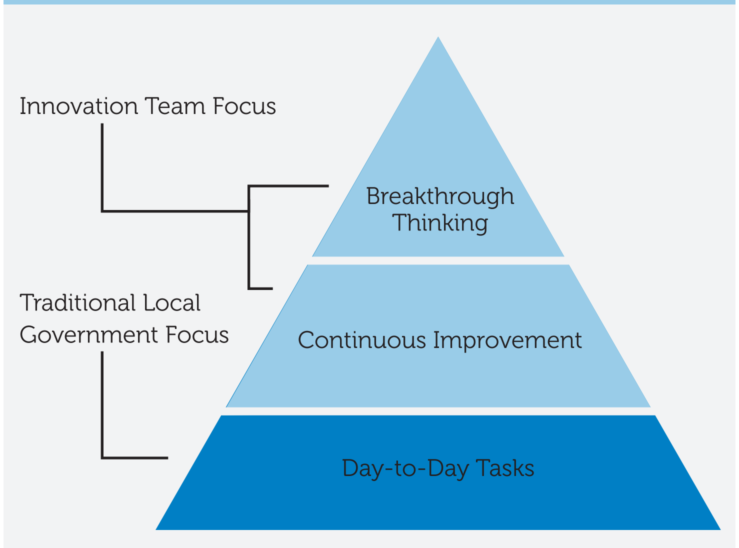
Promoting Inner-City Development Through Innovation
Working with private and nonprofit sector partners, Memphis has launched the Mayor's Innovation Delivery Team, a program focused on reducing gun violence among youth offenders and increasing neighborhood economic vitality. The city is reviewing how it delivers services, looking to improve efficiency and identify new ideas that may spur growth and address challenges facing the city, including crime. The Mayor's Innovation Delivery Team aims to clean and revitalize neighborhoods to attract investment, activate economic activity by supporting new and existing businesses, and sustain success by identifying and implementing innovative, business-friendly government policy.

Backed by a $5 million Bloomberg Philanthropies grant and matching local funding, Memphis launched a new Innovation Delivery Team in late 2011. Mayor A C Wharton and city leaders identified the need for local, small-scale economic development and crime prevention as keys to improving neighborhood economic vitality and small business job creation. The program is rolling out a variety of related initiatives to enhance neighborhood vitality, increase safety, and build government and community capacity to enable solid, sustainable economic and community growth. By aligning the initiative with existing community efforts, and partnering with public and private sector partners throughout the community, Memphis is focusing on neighborhood reclamation to spur economic prosperity.

Reclaiming Neighborhoods, Building Capacity
With a strategic location on the Mississippi River, Memphis has long been a regional center of commerce, transport, and trade. While the Memphis metro area continues to be the hub of economic activity in the mid-South and is home to a variety of successful industries, the city's urban core neighborhoods have languished for several decades, losing population and showing signs of the economic challenges faced by central cities throughout the nation. Faced with 60 years of economic disinvestment, increased blight, and violent crime, the city's political leaders and economic stakeholders were confronted with a set of challenges not uncommon to other major urban centers.

One challenge to local economic growth identified by program organizers is the limited capacity of local governments to be truly innovative. Government officials, particularly in cities facing long-term economic dislocation, are often forced to spend most of their time dealing with day-to-day maintenance and housekeeping tasks, leaving little time to deal with anything but the basics. Even if great ideas to promote growth and support job creation exist, overwhelmed local officials may have little time for implementation. Improvement and innovative thinking are shunted to the wayside, and potential economic and policy progress remain secondary to the need to deliver basic services.

MEMPHIS INNOVATION DELIVERY TEAM STRUCTURE



Source: Memphis Mayor's Innovation Delivery Team

Looking to combat this inertia, Memphis has embraced the "reorienting" of local government, looking to help Memphis government build its capacity to support business development while being more responsive to the fine-grained needs of neighborhoods. Program leaders are working with local officials to build small-scale projects and investments, which offer the community more opportunities to implement innovative ideas and new approaches to economic development. By connecting the dots between levels of local government, enhancing communication, and shifting the focus to innovative processes, the Mayor's Innovation Delivery Team hopes to provide local leaders with the tools they need to build stronger, long-term economic growth.

Clean, Activate, Sustain

The city's Neighborhood Economic Vitality Initiative has adopted a three-step approach to economic growth promotion, centered on a "clean it, activate it, sustain it" strategy. At its heart, the program is designed to build safer, more economically sound communities in the city, offering expanded economic and social opportunities for new and existing residents.

The program's "clean it" strategy focuses on eliminating environmental barriers to development, rehabbing retail corridors, and providing a business-friendly environment for small entrepreneurs. Under the banner of the program's "25 Square" initiative, the Mayor's Innovation Delivery Team is working with community leaders and local government officials to focus on trash removal, neighborhood beautification, and demolition of blighted properties, with multiple 25-square-block neighborhoods being targeted for improvement.

As part of the "clean it" approach, program leaders are also working in partnership with local law enforcement and fire officials to ensure that code standards are being enforced fairly and effectively. By making sure that those charged with enforcing regulations are involved in the redevelopment process, the program is aiming to eliminate barriers to new business creation, while ensuring that business-damaging neighborhood blight is curtailed through sound enforcement of city code.

Supporting Neighborhoods by Supporting Entrepreneurship

The Mayor's Innovation Delivery Team has made supporting small business a key part of its "activate it" efforts to revitalize and energize neighborhoods in the city. As part of this focus, Memphis has launched several initiatives designed to help new entrepreneurs enter the market. The MEMFix initiative makes temporary improvements to a retail corridor, putting a new face on a neighborhood in need

of improvement, allowing neighborhood residents and potential business owners and investors to envision new possibilities in the neighborhood. Another program, MEMShop, is a pop-up retail initiative, which opens vacant store fronts in target neighborhoods to small businesses for temporary use, allowing new and existing entrepreneurs to try out new business concepts. The Mayor's Innovation Delivery Team has also identified mobile retail as a target for enhancement, reviewing and updating city policies impacting such businesses under its MEMMobile initiative.

The Mayor's Innovation Delivery Team is also attempting to build an economic sizzle as part of the "activate it" phase, putting targeted neighborhoods back on the mental map of Memphians. The three focus neighborhoods, long seen as areas in decline, were in need of an image upgrade. Local efforts to improve retail offerings, combat food deserts in the city, and support existing retailers have involved support from public and private sector partners, including the city's Greater Memphis Chamber of Commerce, which has been involved in initiatives to improve the retail business climate in South Memphis.

The program's "sustain it" focus is tailored to ensure that Memphis businesses, policymakers, and economic leaders have the tools they need to continue fostering investment and development. Program partners are currently working on providing enhanced entrepreneurial support services, building out community redevelopment agency capacity, and helping existing local retailers improve service and performance.

The "sustain it" phase includes a Neighborhood Retail Strategy designed to identify and implement strategies to support entrepreneurship while meeting community needs for retail services. The Mayor's Innovation Delivery Team and its project partners have identified several core city neighborhoods that were underserved with retail businesses, and are partnering with community organizations to help grow and revitalize commercial corridors. By bringing new retail businesses to underserved inner-city communities, the program is designed to stop retail leakage, encourage aspiring retail entrepreneurs, and offer residents better shopping options—improving the viability and attractiveness of targeted neighborhoods.

Another challenge facing business development in such neighborhoods is the sometimes limited capacity of existing retailers. The Mayor's Innovation Delivery initiative provides support to these existing "mom and pop" businesses, helping them modernize their operations and providing training on marketing and better business practices. By helping already existing businesses get on better footing, Memphis hopes to see enhanced job creation and better service options at existing businesses in the targeted neighborhoods.

As part of Memphis' "sustain it" efforts, program leaders have also prioritized creation of the city's first economic gardening program, looking to help new small businesses grow and create jobs—enhancing neighborhood economic health. As part of this process, 22 businesses are receiving enhanced support, including 18 in the three focus neighborhoods. Over the long term, small successes that create a handful of jobs at a time create more sustainable economic momentum. In addition to providing jobs to neighborhoods badly in need of the economic lift, small entrepreneurs are the people who sponsor the little league teams—stable community pillars in neighborhoods in need of leadership and support.

Memphis leaders have embraced expanded use of economic data to drive investment in targeted neighborhoods. In order to ensure that investments are made in the right place, program leaders are measuring land productivity, taxes generated, and other metrics showing the potential of an area for successful investment and development. The ability of the city to sustain developments after initial investments is also a key consideration.

City departments, already strapped for time and resources, find it easier to provide services to areas that are more compact. By keeping this in mind, investment decisions can be guided by metrics with an eye toward return on investment and long-term sustainability. This enhanced use of economic data has allowed program leaders to identify "zen points" for community investment, where the Mayor's Innovation Delivery Team can make an investment and see a return in the long run. Allowing data to shape the initiative's investment and programming strategies has allowed for a focus on effectiveness in addition to efficiency.

Combating Violence, Unleashing Economic Vitality

While overall rates of gun violence have decreased in Memphis over the past half-decade, the city still faces major challenges with youth gun crime. This violence destroys lives, diminishes public safety, and creates an entrenched perception of neighborhoods as "unsafe," forming a major barrier to community development and private sector investment. Starved of new investment and facing educational challenges as schools are forced to confront a cycle of retribution and violence, such neighborhoods offer less economic opportunity for all their residents, young and old.

Looking to confront such challenges at their root, Memphis and the Mayor's Innovation Delivery Team have looked to a variety of potential solutions, realizing that there is no one-size-fits-all solution to such a complex problem. Efforts include intervention teams designed to reach out to at-risk youth, and programs designed to help police deal with retaliatory violence patterns. By making use of best practices from around the nation, and embracing locally tailored solutions with feedback from the ground, Memphis hopes to reduce violence, and create a safer environment, improve educational attainment, and unleash economic growth in historically underdeveloped neighborhoods.

The Road Forward—Measuring Success
As part of the city's new emphasis on "data-driven" development, the Mayor's Innovation Delivery initiative is built around a set of concrete, measurable goals for success. These include targets for new business start-ups in target neighborhoods, increased business activity "measured by gross sales receipts," and reductions in commercial vacancy rates. By tying program activities to quantifiable goals, the initiative is designed to give city leaders continuous feedback on how outcomes are unfolding. The overall goal of the Mayor's Innovation Delivery Team is to embrace small changes that create larger progress toward neighborhood improvement, instead of taking an "either/or" approach to economic development.

This feedback, providing "stock takes" to city policymakers, is a key part of the program's process toward progress. Leaders and sponsors of the Mayor's Innovation Delivery Team provide regular updates to the mayor and other city leaders, allowing them to measure progress, reevaluate program offerings, and make changes as needed to direct the program toward success. According to Tommy Pacello of the Mayor's Innovation Delivery Team, the program attempts to acknowledge that while not everything implemented will work, "innovation lies in the chaos." By adjusting when and where possible, Memphis can adapt to meet the fine-grained needs of each neighborhood targeted for redevelopment. At base, the program is designed to ensure that something is being done on a small scale—laying the foundation for future success. While the Mayor's Innovation Delivery Team is still a work in progress, leaders see the dynamism, the flexing to the needs of the community and the market, and the embracing of the small details as the road to future success for Memphis.

Minneapolis, Minnesota

Reforming Regulations to Support Business and Growth
Over the past several years, business and government leaders in Minneapolis and Minnesota have worked together to reform outdated and onerous brewing laws. Since the laws have been changed, the number of breweries in the state has boomed, creating a "craft beer renaissance" in the city. By adopting more enterprise-friendly regulations, the city and state have unleashed the power of small business to create not only beer, but jobs and economic prosperity.

The craft beer renaissance in America is one of the great small business success stories of the past quarter century. In 1980, following decades of consolidation and industry upheaval dating back to Prohibition, America had only 92 breweries left in operation.[65] Minneapolis, MN, once home to breweries including Grain Belt, Hamm's, and Gluek, was no stranger to this process, seeing multiple breweries close or merge in the half-century after Prohibition. The region and nation's once proud tradition of small breweries serving local markets had seemingly ground to a halt.

Fast-forward 30 years, and American brewing finds itself in the midst of a full-fledged boom. Fueled by the rapid expansion of small-scale craft brewing, the country is now home to more than 2,500 breweries, an all-time record.[66] At its base, the story of this craft-brewing boom is one of successful government deregulation. Starting with the Carter administration's legalization of home brewing in 1978, and following expansion allowed by the deregulatory actions of multiple states and municipalities, new, brewing-friendly regulations have enabled entrepreneurs to launch new businesses, create jobs, and produce a vast variety of beers.

Modernizing Laws, Opening Opportunities
While many areas around the nation were quick to embrace the new spirit of brewing deregulation, Minnesota trailed the pack, holding on to more prohibitive legal standards well into the 21st century.

While several local entrepreneurs had launched successful craft breweries in the region, smaller local businesses were hampered by the old laws. Central among these outdated regulations was the state's ban of "taprooms," brewery locations where beer can be sold and consumed on site, giving small brewers an outlet for their product. The state's three-tier system of distribution "strictly separated the roles of alcohol manufacturers, distributors and retailers,"[67] prohibiting brewers from selling their own product.

Inspired by the example of successful brewing communities, such as Bend, OR, Minneapolis business and political leaders banded together to lobby for regulatory reform. Surly Brewing, a Twin Cities brewer, had expressed interest in expanding if the regulations were revamped. Local officials such as Minneapolis Mayor R.T. Rybak, interested in supporting business expansion and job creation, stepped forward to support change. This vocal leadership was critical to moving the process forward.

Surly and other small brewers, through a grassroots effort, were able to rally public support in the Twin Cities of Minneapolis and St. Paul, and throughout the state, to argue in favor of reformed regulation and more freedom for small brewing businesses. Supporters of the reform pointed to regulatory reforms that other states, such as Wisconsin, had adopted to make themselves open for business, arguing that Minnesota risked falling behind. Supporters claimed adoption of the reforms would provide support for expanded entrepreneurial activity, and improve quality of life in the state by providing citizens with more brewery-centered entertainment venues, and an opportunity to embrace a more diversified food and brewing culture in the state.

Social media proved to be a critical element in communicating with the public about the potential impact of the law changes. Supporters of the effort found that the public is willing to weigh in to support small business, but only if constituents feel well informed. Public engagement through social media cannot be manufactured; it must be authentic and organic.

Motivated by the potential impact of the changes, public support for the regulatory reform drew crowds of craft beer fans from “Surly Nation” to the capitol to lobby their legislators. Supporters were able to work with industry associations to craft legislation that would address their concerns while opening up more opportunities for small brewers. After months of public outreach from local leaders, beer lovers, and small brewers, the state legislature adopted—and Governor Dayton signed—the “Surly Bill” reforms, enabling onsite taproom sales, and opening up a new era of Minnesota brewing.

Local Reform Supporting Local Business

While state law changes were instrumental in helping accelerate the Minneapolis brewing renaissance, the foundation for the boom was laid at the local level. Mayor Rybak and the Minneapolis City Council approved a series of regulatory reforms aimed at easing the burden on small breweries and the hospitality industry in the city.

Rybak, the great-grandson of a brewer, argued that “lowering the barriers for entry for new breweries” would lead to new business and job creation.[68] Approved reforms included allowing the sale of 64-ounce “growlers” of beer at local breweries, enabling small brewing businesses to provide customers with beer for home consumption. The city overwhelmingly approved changes to the it’s zoning regulations, eliminating a buffer zone closed to development around churches, opening more urban lots to development by brewpubs and other alcohol-serving establishments.

The city council also eased restrictions on the amount of alcohol sales that restaurants near churches could make, opening up the possibility for expanded restaurant development in established neighborhoods and providing local brewers with more outlets for their production. Many of the regulations changed by the council were holdovers from Prohibition that had never been eased.[69] By tweaking the laws and easing regulatory burdens, the city saw nearly immediate results, as one new company put plans in motion to open a brewpub as soon as the changes were approved.

Local brewing entrepreneurs have also benefited from other business-friendly regulatory reforms enacted by the city. Notable changes included loosening restrictions on food trucks offering service to brewery patrons, a move that enabled local brewpubs to build symbiotic partnerships with food truck owners—creating expanded business opportunities for both. Under Rybak, the city also worked to streamline the permitting process for new small food and drink businesses, cutting the average issuing time for a liquor license in half, and the average wait time for a restaurant license by nearly a month—from 42 to 14 days.[70] By speeding up the process, and cutting down on regulatory hurdles, the city was able to ensure that small businesses could get up, running, and creating jobs with minimum hassle.

Minneapolis city leaders were quick to capitalize on the regulatory changes allowed under the terms of the reforms approved by the state legislature. Within weeks of the state law taking effect, the city council unanimously approved creation of a new “taproom” license class, allowing small brewers to serve pints of their beer on site.

The city has also worked to ensure that brewing and food entrepreneurs have access to the capital they need to get up and running in the city. The city’s Two Percent Loan Fund works with private lenders to provide entrepreneurs with affordable financing for equipment and building upgrades. Under the terms of the program, the city will provide up to half of a qualified loan at 2% interest, with the remainder to be funded at market rates through the private sector. The goal of the program is to cut down on potential barriers to business expansion, encourage private sector lenders to invest in the city, and help small businesses grow, revitalize neighborhoods, and create jobs for local residents.

Reforms Get Results
Minnesota, once reduced to only a handful of brewing operations, is now in the midst of a full-scale brewing boom. While national trends in beer consumption have buoyed the craft beer market in general, the regulatory changes made by local and state leaders, working in partnership with business, have freed local entrepreneurs to meet the burgeoning demand for high-quality, locally produced beers. Since passage of the state's new taproom legislation two years ago, over a dozen breweries have applied for the new taproom license and "the number of breweries in the state has nearly doubled to 53."[71] According to the American Brewer's Association, between 2011 and 2012, the increase in breweries in Minnesota was "the second-fastest increase of any state in the nation."[72]

Minneapolis, with its pro-growth leadership, has been at the forefront of this expansion. Nearly a quarter of the state's new breweries announced and launched in the past two years are located in the city.[73] The new local business climate has also led existing brewers to expand. Freed to act by the new, more open regulatory environment, Surly Brewing has announced it will be opening a new $20 million "destination brewery" in Minneapolis. The new facility will enable the company to vastly expand production and distribution, and will create up to 150 jobs. In addition, the new facility will be built on reclaimed brownfield land, revitalizing an unused piece of industrial property. Indeed Brewing, a smaller start-up, launched a taproom and was able to go from one employee to 20 in just one year, spurred in part by the increased sales freedom afforded by deregulation.[74]

With new breweries in the works, and existing breweries growing by leaps and bounds, the sky seems the limit for brewing in Minneapolis and Minnesota. With local beers making up approximately 10% of the market in the state, there appears to be continued room to grow. Under the new, pro-business regulatory environment embraced by local leaders, the state's brewers will have the opportunity to find out just what that demand might be, creating both beers and jobs that improve the quality of life in Minnesota. Ultimately, the story of the Surly Bill in Minnesota is not just about beer, it is about small business.

Salt Lake City, Utah

A Quest for Enduring Long-term Prosperity
Salt Lake City and Utah business leaders have taken an active role in advocating for a stronger, more effective educational system in the state. Launched under the "Prosperity 2020" banner, the movement includes a "Business Promise," which brings together business and government leaders "to mobilize business, education, and community partners to improve educational achievement, workforce literacy, and access to governmental and social service opportunities."[75]

Salt Lake City is home to a well-educated, multilingual workforce, spectacular natural amenities, reasonable taxes, and a flexible regulatory environment. These key fundamental strengths have made it a hotspot for software, data processing and Internet publishing, financial services, and tech-based sectors relying on science, technology, engineering, and mathematics.

Hailed as the "Crossroads of the West," the city –along with the state of Utah—finds itself at the top of many national economic growth and development rankings. But nobody in the region seems to be satisfied with resting on these accolades. Instead, leaders there hold a steadfast focus on the future and the investments and partnerships required to ensure a more competitive tomorrow and enduring prosperity for the Salt Lake region.

Prosperity 2020

The Salt Lake Chamber is partnering with some 20 chambers of commerce and business associations from throughout Utah in a movement called Prosperity 2020. The goal is to strengthen the economy by improving education and, thereby, cultivating and developing a new generation of well-educated and highly skilled workers.

Prosperity 2020 is the largest group of business leaders ever organized to improve educational outcomes in Utah. Its intention is to increase investment, innovation, and accountability to build the strongest economy in the nation with the best-educated workforce. As such, it is a national model for effective business advocacy in education.

The project's aim is to improve Utah's economy by reaching several ambitious goals:

- 66% of Utah adults will have postsecondary certificates or degrees. Currently, 43% meet this goal.
- 90% of third, sixth, and eighth graders will be proficient in reading and mathematics. Currently, approximately 80% meet this goal.
- The Greater Salt Lake Area will rank in the top 10 metropolitan areas for science and technology jobs and businesses. Currently, it ranks in the top 30.

These goals have been officially adopted by Utah Governor Gary R. Herbert and the Utah legislature, and have strong support from public and higher education leaders.

Recent growth trends are strong in the Salt Lake City metropolitan area for science, technology, engineering, and math (STEM) jobs. The region's STEM employment is one of the fastest growing of the nation's 50 largest metropolitan areas. Its relative concentration of these jobs is 16% higher than the national norm, but increasing faster than most metropolitan areas.

SALT LAKE CITY METROPOLITAN STEM EMPLOYMENT	
Long-term growth (2001–2012)	16.3%
Mid-term growth (2005–2012)	18.1%
Short-term growth (2010–2012)	7.4%
Concentration compared to nation, 2012	116%
Change in concentration (2001–2012)	4.5%

Source: EMSI

The Prosperity 2020 movement includes a Business Promise, which brings together business and government leaders to mobilize business, education, and community partners to improve educational achievement, workforce literacy, and access to governmental and social service opportunities. It intends to deploy 20,200 volunteers as tutors and mentors by 2020 to help students achieve success. A web portal provides information about school partnerships and volunteer efforts all over the state.

The region has made several strategic investments toward the 66% goal for postsecondary certificates or degrees:

Higher Education. A $20 million investment in capacity at Utah's institutions of higher learning for high-growth, high-wage degrees (STEM and health professions). This investment is to be matched by $20 million in institutional funding and innovations for more online courses, more concurrent enrollment, and increased use of instructional technologies and other improvements.

Technical Education. A $9.75 million investment in increased capacity at the Utah College of Applied Technology campuses for a year-one commitment to achieve 153,000 more certificates by 2020.

Public Education. A $43.6 million investment in computer adaptive testing; early intervention and programs for children at risk; ACT testing for every high school student; and promising STEM priorities, such as an educational resource center, expansion and replication of top science and math schools, and other capacity-building improvements.

The Salt Lake Chamber and the Utah Technology Council are also vigorously advocating for the development and deployment of rigorous curricula and innovative teaching methods that will educate the next generation of skilled technology professionals for the state's high-tech, clean-tech, and life science industries, which are the growth engines of the economy. Prosperity 2020 will complement and build on Utah's successful USTAR initiative to boost the state's research capacity and technology commercialization.

Fostering Livability and Local Business

The city's Center for Local Business supports sustainable economic development in Salt Lake City's small-business community. The Center takes the focus of economic development to a local scale, concentrating on building community partnerships, connecting businesses to resources, and encouraging the growth of all types of local capital: including social, human, environmental, and physical capitals, in addition to financial capital.

A Neighborhood Business District Grant Program provides matching funds of up to $2,000 to nonprofit neighborhood business district organizations that have a predominant concentration of local businesses. The funding may be used for promotion and events, marketing and branding, and physical beautification projects.

Economic growth and sustainability at the neighborhood level is a key element of second-term Mayor Ralph Becker's six-point "livability initiative" designed to bolster Salt Lake City as a regional center for business, science, education, and the arts. According to Mayor Becker, the livability initiative is a step toward a new kind of urbanism that embraces accessibility, sustainability, and sophistication. The initiative uses the city's business-assistance programs to create small-business hubs, such as business districts and neighborhood commercial centers. Zoning modifications are also implemented to enable more small-commercial clusters near neighborhoods.

The six major points of the livability initiative include:

The Resilient Economy
Bolstering neighborhood business districts.

Salt Lake City in Motion
Bikeways, connected trails, and streetcars.

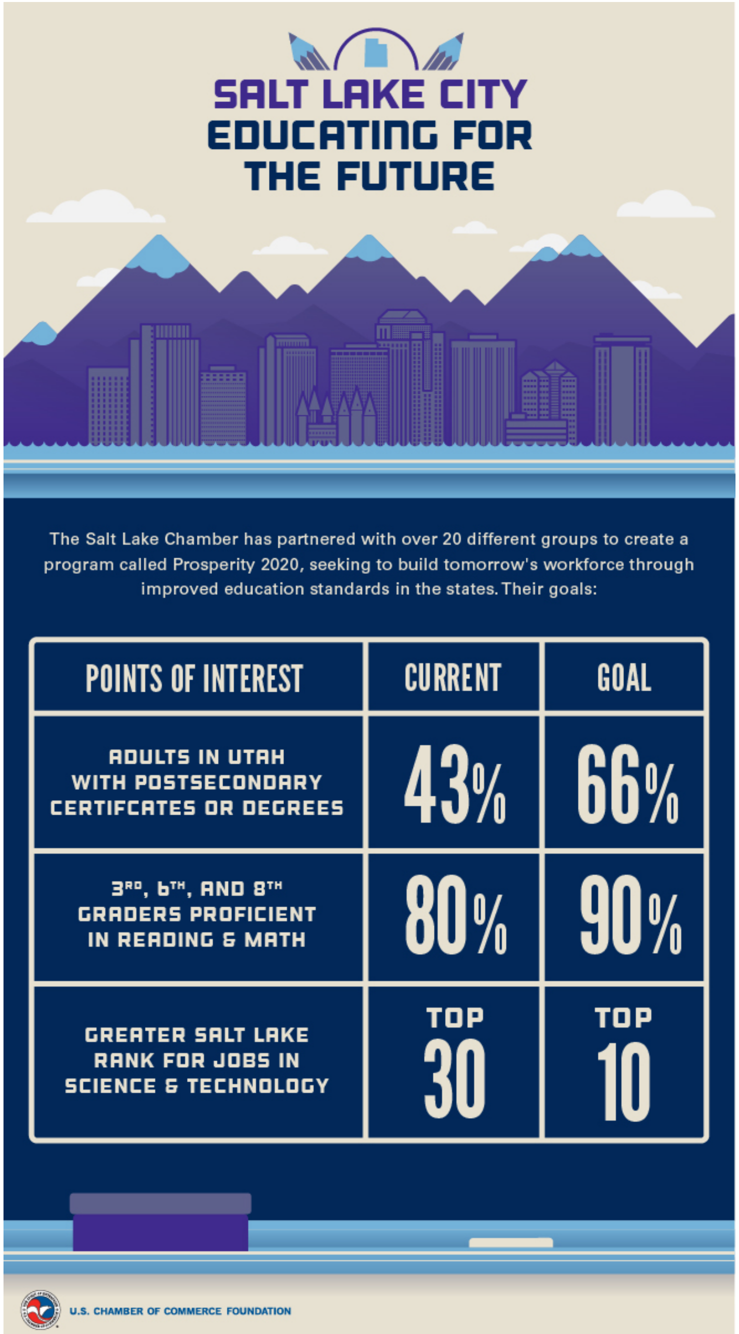
A Wise Energy Future and Quality Environment
Net-zero buildings and watershed protection in the Wasatch.

Innovation and Celebration of Education
Partnerships for after-school programs and early-childhood literacy.

A Commitment to Equality and Opportunity
Hate-crimes legislation and gay-rights protections.

Enhancing the Artistic and Cultural Life
Broadway playhouse to art space in vacant storefronts.

The unifying theme of livability was recently formalized with the release of Sustainable Salt Lake—Plan 2015, which will serve as a roadmap for achieving and tracking metrics related to the six goals. The City is also conducting an extensive public input process to develop a city-wide vision document to help guide the city into the future. Plan Salt Lake will bring together all of the existing citywide policies



and help the residents, business owners, visitors, and city decision makers make choices today that impact tomorrow.

The online Open City Hall, enabling even greater citizen participation, is an increasingly important facet of livability at the local level. Open City Hall is a digital access point for getting the public engaged in every planning and zoning meeting, city council meeting, public open house, workshop, and public hearing. Salt Lake City has gone high tech with its forums, using Open City Hall as a means of posting discussions on a broad range of city issues. On Speak Out SLC, a page where residents can post their own ideas on what needs to be improved in the city, users can “like” the good ideas and city planners can see what issues residents are most passionate about.

Boosting Entrepreneurs

The Entrepreneur’s Circle is Utah’s largest, most inclusive, and most active networking group for entrepreneurs and business owners. Touted as having an “urban downtown Salt Lake meets Park City” spirit, the Entrepreneur’s Circle is a networking group for serious entrepreneurs and professionals with a professional, accountable culture.

The Entrepreneur’s Circle convenes numerous events each year including business networking breakfasts, lunches, and evening events; seminars; and workshops. It also offers mentoring for entrepreneurs, early to mid-stage companies, and professionals. The Circle is a partner with many other large networking and business groups throughout the state, so some events are held outside of Salt Lake or Park City. Approximately 40% of the participants are women and the Entrepreneur’s Circle intentionally highlights and celebrates women entrepreneurs.

Promoting entrepreneurship among women is a long-time focus of the Salt Lake Chamber. The Women’s Business Center provides entrepreneurs, young professionals, and small business owners with the skills, knowledge, tools, and support necessary to increase their success and positively impact the economy. The Women's Business Center, founded 16 years ago, is a public-private partnership between the U.S. Small Business Administration Office of Women's Business Ownership and the Salt Lake Chamber.

The Women's Business Center collaborates with the Women's Business Institute (WBI) of Salt Lake Community College to co-sponsor the Women's Network for Entrepreneurial Training, a mentoring program that helps female business owners. Founded in 2007, the WBI offers women entrepreneurs many resources to help them get started or improve their small businesses. The WBI offers one-on-one counseling, business development classes and workshops, market research, mentoring, and networking, and are often no-cost or low-cost to the client.

The Women Tech Council provides mentoring, visibility, and networking for women. The community is built for women who currently work for technology companies, and for those who may work in technology roles in other market sectors.

Technology entrepreneurs in Salt Lake City can also get a boost from SLC Startups, a networking group for anyone whose passion is innovation, software, technology, and start-ups. It is a group for tech entrepreneurs, web and software developers, engineers, innovators, business folks, investors, geeks, and nerds to get to know one another and to support the development of new start-ups in Salt Lake City.

Looking to the Future on the Silicon Slopes

The success of Salt Lake City is based on its fundamental qualities and shared understanding that success in the future will require a sound business climate and a highly educated workforce. The city is notable for its recognition that over the long run a highly educated workforce is perhaps the greatest asset a local business community could ask for. The region's Prosperity 2020 project is intentionally designed to leverage this critical connection between business, education, and a region's future.

San Antonio, Texas

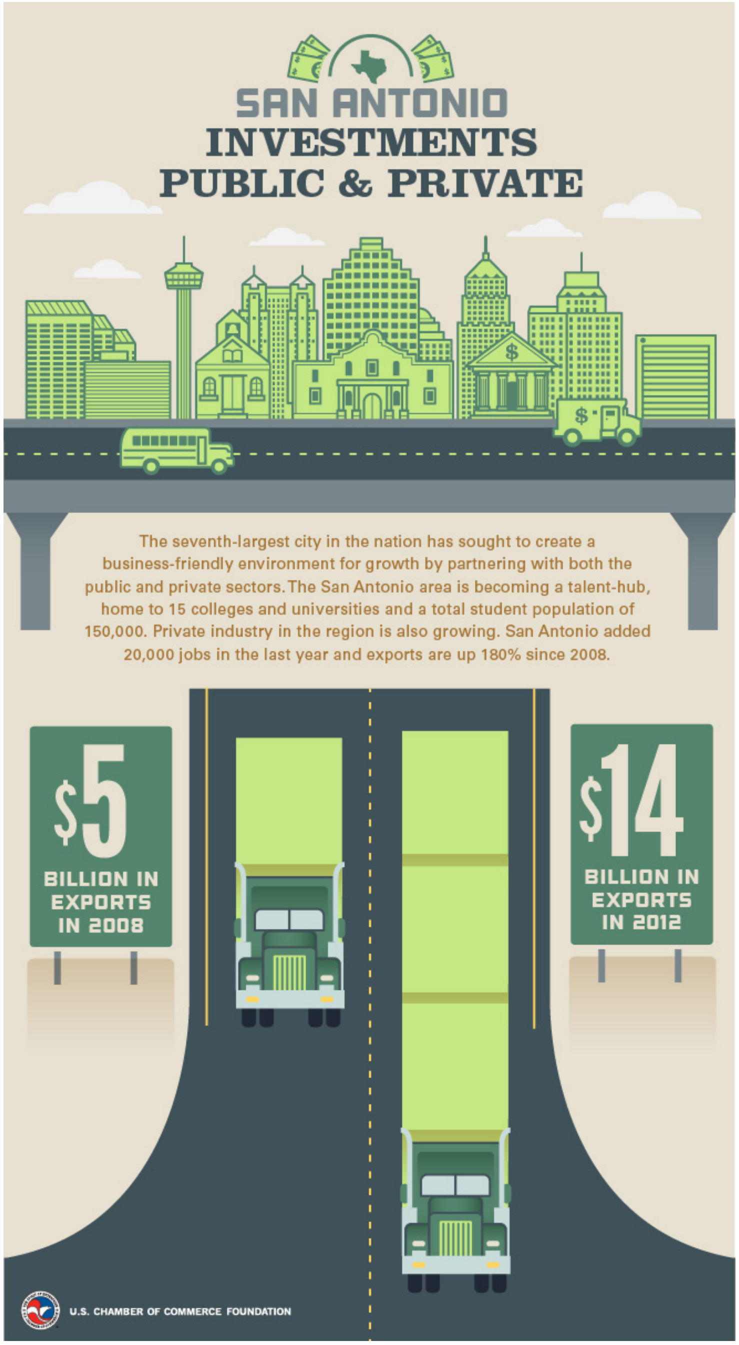
Building Effective Partnerships to Support Economic Growth

San Antonio has structured its economic development efforts with a goal of creating a "culture of business," friendly to growth and economic expansion. By bringing together the public and private sectors to support workforce development, infrastructure investment, business-friendly government, and private sector job creation, San Antonio has become one of the fastest-growing cities in the nation.

While municipalities across the nation have struggled to regain momentum lost during the Great Recession, the cities of Texas are a notable outlier, continually leading the nation in economic growth. Among the Lone Star State's many stories of success is San Antonio, which has made major steps forward—economically and demographically. Now the seventh largest city in the nation, San Antonio is paving the road to success by building strong partnerships between the public and private sectors to build a business-friendly, pro-growth environment.

Building a Culture of Business

San Antonio has structured its economic development efforts with a goal of creating a culture of business, friendly to growth and economic expansion. These efforts appear to be paying off. During the past year, the city added over 20,000 jobs, and was one of the fastest growing cities in the nation.[76] By working together, leaders from all sectors have created a pro-growth environment, working in partnership to ensure that San Antonio's main strength will be found in the collaboration between all the agencies and groups.



A strong emphasis on business retention and expansion lies at the heart of San Antonio's economic growth agenda. San Antonio's Economic Development Foundation (SAEDF) leads these efforts, which bring together multiple public and private sector partners, including the city of San Antonio, Bexar County, and local energy and water utility service providers. Local government leaders have embraced a philosophy of pro-business governance, and are engaged as active partners in supporting regional partnerships to expand industry and create jobs.

While SAEDF plays a lead role in building these partnerships, the city's chamber plays a key support role, focusing on building a positive environment for existing businesses to grow and thrive. The City of San Antonio's Economic Development Department and Bexar County Economic Development are also important partners, taking part in business expansion and retention efforts, supporting small business development, and connecting companies to state and local resources.

The SAEDF and city work to promote the region's low cost of living to attract new residents, helping spur growth and support growing companies by providing access to talented employees. By leveraging this and other competitive advantages (including low taxes and regulatory burdens) and focusing on bringing business, government, and other key economic stakeholders together in effective partnerships, San Antonio has laid the foundation to continue its pattern of strong growth.

Sound Government Fosters Citizen Commitment

San Antonio's political leadership is committed to fiscal prudence, and has received an AAA bond rating from all three major rating agencies. Among the nation's 10 largest cities, San Antonio is the only one to have received the top rating from all three. By keeping the city's fiscal house in order, city leaders are able to issue bonds at less cost to taxpayers, giving the city more flexibility in financing needed infrastructure upgrades. According to Mayor Julian Castro, the city's strong fiscal position is a signal to the private sector that San Antonio is "well managed and one of the best places in America to do business."[77] Unchallenged by many of the budgetary strains facing cities around the nation, San Antonio is able to hold the line on taxes, maintain services, and focus on investments needed to maintain continued economic growth.

Citizens in San Antonio have shown a commitment to community investment in infrastructure needed to keep the city competitive and enable growth. In 2012, voters in the community approved the largest bonding program in the city's history. The new, 2012–2017 Bond Program, managed by the city's Capital Improvements Management Services department, will invest nearly $600 million in a variety of infrastructure upgrades and expansions designed to improve quality of life, upgrade transportation infrastructure, and support city growth. The city's strong fiscal position allows it to make such investments without raising property taxes. Due to the public's support of infrastructure investment, San Antonio has also been able to finance upgrades to the city's airport, modernizing and expanding a vital piece of economic infrastructure.

Getting Results: An Export Boom

Beginning over 25 years ago with an intensive globalization campaign, San Antonio has made building export activity a strong part of its economic development activities. The city boasts a network of groups and agencies, involving both the public and private sectors, focused on enhancing regional industry's ability to access foreign markets. In 1994, business and community leaders came together to create a Free Trade Alliance, hoping to strengthen the city's trade position in the wake of NAFTA. In addition to advocating for pro-trade policies, and working to build networks of trade-interested groups, the alliance supports the San Antonio Export Leaders Program. Working in partnership with city government and other allies, the program offers small and medium-sized San Antonio companies access to a four-month training program designed to help them "develop their sales abroad."[78]

San Antonio's trade promotion activities have also focused on attracting international companies and foreign direct investment to the city. Support for these efforts is provided through the city's International Business Development Center. Administered by the city's Free Trade Alliance, the center serves as a business incubator, offering foreign companies looking to establish a presence in San Antonio assistance in establishing U.S. operations and access to sales, research, and marketing support services. In addition to creating more jobs, bringing foreign companies to San Antonio allows the city to build new, valuable ties to international markets, helping spur more trade.

Manufacturing remains a strong and diverse part of San Antonio's economy, with local economic stakeholders working to provide the sector with the tools it needs to grow. Local community colleges, working in partnership with industry partners through the regional Workforce Solutions Alamo program, offer local manufacturers workforce training support through their "Just In Time" program. The initiative is tailored to ensure that San Antonio manufacturing has access to a steady supply of well-trained technicians, enabling continued production and expansion.

Local government and industry partners, working through the SAEDF, are also focused on manufacturing expansion and retention. The region is committed to retaining all existing manufacturing businesses, but when businesses in trouble are identified, the SAEDF's Rapid Response Team is able to step in to mitigate losses. By maintaining a stable manufacturing base, the region is able to produce the products needed to increase San Antonio's clout as a center for global trade.

The city's drive to support manufacturing, increase trade, and build ties with international markets has paid off. International exports from the San Antonio metro area soared by 33% between 2011 and 2012, hitting a record of $14 billion.[79] Since 2008, exports by San Antonio businesses have increased nearly 180%, supporting economic growth in the region, and placing the city in the top 10 metros for export growth.[80]

Looking to the Future, Measuring Progress

In order to improve San Antonio's efforts to build a stronger community and enhance economic opportunity, Mayor Castro and other community leaders launched the SA2020 initiative in 2010. SA2020 brought together citizens from throughout the community to set goals for community improvement. Participants and program leaders have identified 11 key "causes," and have set "specific, measurable data indicators with set targets for the next decade" to measure progress in each focus area.[81] SA2020 is designed to build partnerships around these issue areas, bringing together the efforts of the private, public, and nonprofit sectors to work toward common goals.

One of the key causes identified for community action was economic competiveness. The SAEDF has signed on as the "lead partner" for this cause area, which involves tracking data regarding several measurable items, including job growth by industry sector, per capita income, entrepreneurial activity, percent of STEM jobs and graduates, and post-secondary credentials earned in pipeline. To increase public engagement and maintain accountability, SA2020 maintains the innovative and well-designed "This Is Progress" website, which allows the public easy access to graphics listing the program's goals, and data showing what progress has been made to date.

San Antonio has made improving local education and workforce development systems a key part of its efforts to build a strong economic future. In 2011, Mayor Castro and leaders from business and education came together to launch a "Brainpower Initiative." After a year of studying best practices and evaluating local educational resources, the initiative recommended, and voters approved, a 1/8-cent sales tax to be invested in pre-kindergarten education through 2020. By increasing access to early childhood education, the city plans to enhance local educational achievement and improve college attainment later in life—providing the skilled workforce that regional industry needs to thrive.

The region's 15 colleges and universities, with more than 150,000 students, have been key players in supporting workforce development in San Antonio. Local higher education leaders are working together with industry to address targeted workforce needs. Looking to meet the demand for trained workers in the region's expanding Eagle Ford Shale oil industry, local community colleges are providing training for oilfield workers through an "Eagle Ford Boot Camp" program. Other colleges and universities in the region also provide training and degree programs in oil and gas related professions, providing talent to support a regional growth engine.

Collaboration Yields Success

By bringing together government, business, nonprofit, and educational leaders in support of a culture of business, San Antonio has been able to sustain growth and prosperity. With unemployment rates under the national average, and strong job growth, city leaders have been able to chart a course toward long-term success, providing jobs and opportunity for new and existing residents. By working together, government, businesses, and the citizens of San Antonio have all benefited from relative prosperity during a time of economic unrest. This future-oriented leadership culture is most notably shown by San Antonio residents voting to invest in infrastructure and early childhood education. While the city acknowledges there is still progress to be made, and is setting goals for improvement through its SA2020 initiative, its history of building collaboration and public-private cooperation bodes well for continued growth and success.

Sioux Falls, South Dakota

Forward Sioux Falls—Driven to Diversify and Grow
Starting in 1987, Sioux Falls leaders from the public and private sectors have come together to implement a series of five-year economic development campaigns under the "Forward Sioux Falls" banner. Each plan has set new goals for the community, and raised funds to invest in regional economic enhancement efforts, helping the economy grow and prosper. The current effort, "Forward Sioux Falls 2011–2016," has received the financial support of over 400 investors from throughout the community.

At the early part of the 21st century, Sioux Falls, SD, has transitioned from a small community to a regional economic power. Sioux Falls consistently finds itself at the top of many national rankings for business and job growth, due in large part to a history of regional foresight and collaboration that is vigorously deployed via Forward Sioux Falls.

Now in its 25th year, Forward Sioux Falls is living proof that vision, leadership, and collaboration can make a big impact on the economic vitality of a city and its surrounding region. Since 1987, five successful Forward Sioux Falls programs have forged a robust, expanding community. There is more to come as this innovative mix of development initiatives and a national promotion program sets in motion yet another blueprint and action plan for the future.

Forward Sioux Falls is a joint venture of the Sioux Falls Chamber of Commerce and Sioux Falls Development Foundation. The project is strategically designed to enable the city and region to work together to adapt and diversify behind a defined set of goals to build on past success and proactively shape the future.

Community leaders have been persistent, revisiting the Forward Sioux Falls strategy every four to five years since the late 1980s. The community is currently engaged in stage six of the project: "Our Time Is Now."

Regionalism: Growing a Hub
With a metropolitan population of 237,000, Sioux Falls is one of America's crossroads cities, located at the junction of interstate highways I90 and I29. The city's role as a regional hub for air and rail service also contributes to its growing economic influence and success.

The population of Sioux Falls has increased by an average of 2,500 residents annually over the past 10 years. Since 2000, almost $5 billion worth of construction has occurred and nearly 17,000 new housing units have been built. Recent building permit data indicates that new residential construction in 2013 is on track to far exceed previous years.

Sioux Falls is the epicenter of an expanding and diversifying regional health care and research enterprise. Sanford Health and Avera Health are the city's largest employers. The South Dakota Technology Business Center and Forward Sioux Falls are now partnering with the University of South Dakota to build an 80-acre research park that will marry area university research to product and technology commercialization. Recognizing this strength in health care, one of the research park's areas of focus will be the life sciences sector, including biomedical engineering, which will further strengthen the region's credentials as a health care dynamo.

Sioux Falls' economy has strong farm and agribusiness roots. John Morrell & Company is the third-largest company with meat processing operations. They began operations in 1909. More recently, Sioux Falls became the back office for the credit card industry and today is the home of heavyweight financial services companies, including Wells Fargo, Citibank, and Premier Bankcard.

While health care and financial services dominate the Sioux Falls economy, other sectors such as manufacturing and retail have shown consistent growth. This diverse economy has, for the second straight year, placed Sioux Falls among the top 10 Strongest Metro Areas, according to Policom Corporation's annual rankings for economic strength.

Governed by Prudence and Progress
A core principle that has guided Sioux Falls' growth is that sound planning in both the public and private sectors will fuel growth while maintaining a dynamic quality of life and competitive business climate. City government has embraced this principle and prides itself on being run as a business.

With no personal or corporate income tax, South Dakota is considered a very business-friendly state. Sioux Falls' drive to grow and diversify leverages the benefits of the state climate with its own initiatives to grow an increasingly high-tech and medical research base.

Sioux Falls is a strong-mayor city, which means that the mayor is the CEO, responsible for managing the city, and almost all of the city's employees work for him. Yet, Sioux Falls has an independent internal auditor that is hired by and reports to the city council. The city's financial policy requires a reserve fund of at least 25% of expenditures. Its reserves have exceeded that percentage substantially and at the close of 2012 stood at almost 35%. The city of Sioux Falls' general fund reserves topped $45 million at the end of 2012.

A Pew study published in early 2013 named Sioux Falls as one of the nation's 16 cities that consistently did well in funding their pension obligations to employees. The report examines pension and retiree health care funding in 61 cities—the most populous one in each state plus all others with populations over 500,000.

A 12,000-seat event center that will cost $115 million in public money is slated to open in 2014—costs that will be absorbed in the regular capital budget without a tax increase.

Driven to Diversify

The South Dakota Technology Business Center (SDTBC) is the first step in an ongoing effort to diversify and grow the regional economy by assisting in the creation and expansion of technology-based businesses in the Sioux Falls area.

The Forward Sioux Falls Technology Program, part of Forward Sioux Falls V, created the SDTBC with the purpose of giving early-stage high-tech firms a boost to grow into successful companies. Companies may lease office and lab space and are expected to "graduate" successfully in three years to space of their own. In addition to space, firms may take advantage of services such as business consulting, a shared network of professional services, assistance in obtaining equity funds and grants, education series, and the opportunity to network.

Business Launch Boot Camp and Accelerator entrepreneurs learn from and connect with accountants, business and intellectual property attorneys, finance and management experts, and investors. At the end of each program they have defined and refined their business and are better positioned to achieve success.

In the first five years of operation, the Technology Business Center graduated nine companies and its graduate and client companies created more than 329 quality jobs in the Sioux Falls area. The SDTBC fosters an environment for creative thinking and problem solving for companies and their employees and regular opportunities for networking, learning, and sharing for company CEOs, management teams, and employees.

Our Time Is Now: Forward Sioux Falls 2011–2016

The sixth edition of Forward Sioux Falls, 2011–2016—encapsulated by the theme "Our Time Is Now"—reflects the successful and ongoing transition of Sioux Falls from a small community to a regional economic power. Its five major programs include:

Business Retention, Expansion, and Attraction. A business and retention and expansion program will focus on targeted industries, including medical services and research science, corporate and data services, renewable energy technologies, and warehousing and distribution.

Workforce. To attract and retain quality talent for its growing job opportunities, Forward Sioux Falls will support public and private higher education partners as they identify ways to more effectively serve local adults seeking to complete their degree(s) or receive advanced career training.

Business and Government Collaboration: Quality Growth and Advocacy. The joint efforts of local government and business leadership are intended to guide and encourage steady, manageable growth through sound planning in both the public and private sectors. Forward Sioux Falls cooperates with other stakeholders in the city and region to advocate for coordination of efforts to develop government policies that are favorable and supportive of continued private sector growth.

National Marketing and Public Relations. Strong development initiatives, combined with aggressive marketing programs, have been a hallmark of Forward Sioux Falls from the very beginning. In Forward Sioux Falls 2011–2016, there is a renewed emphasis on promoting Sioux Falls' advantages using a stronger, more cohesive marketing and branding effort that is intended to move the community from good to great.

Research, Technology, and Entrepreneurship. Forward Sioux Falls 2011–2016 is designed to maximize the economic impact of high-growth businesses, entrepreneurs, and innovators in the Sioux Falls economy through key assets, including the South Dakota Technology Business Center and the Graduate Education and Applied Research Center that support enterprise creation and research. Forward Sioux Falls will also assist in the expansion of South Dakota Innovation Partners and new angel and venture capital funds to address funding gaps to ensure innovative technologies and companies are matched with capital.

Management, Public Accountability, and Communications. The Sioux Falls Area Chamber of Commerce and Sioux Falls Development Foundation manage the Forward Sioux Falls programs. Annual audits verify that pledges and investments are handled correctly and responsibly. Forward Sioux Falls leverages local investment by pursuing other funds consistent with its mission and approved programs.

In sum, Forward Sioux Falls is a proven and successful joint venture economic development partnership between the Sioux Falls Area Chamber of Commerce and the Sioux Falls Development Foundation. The community has committed nearly $37.5 million since 1987 to enhance its economic development efforts and improve the area's quality of life. The Forward Sioux Falls initiative is exceptional in its longevity and continuity. Above all, the project has created a structure for collaboration to connect the right people and to create the right environment for growth and progress in the region.

ENDNOTES

Endnotes

1. Jim Clifton, "Forget Washington—Cities Will Win or Lose America," *The Chairman's Blog,* November 14, 2012

2. Bruce Katz and Jennifer Bradley, "The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy," Brookings Institution Press, June 17, 2013

3. Three were dismissed. Tamara Audi and Erica E. Phillips, "Labor Costs Push San Bernardino Near Bankruptcy," *Los Angeles Times,* July 12, 2012, http://www.reuters.com/article/2012/11/13/us-bernardino-bankrupt-idUSBRE8AC0HP20121113; http://www.governing.com/gov-data/municipal-cities-counties-bankruptcies-and-defaults.html

4. The Pew Charitable Trusts, "Local Squeeze," 2012, http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Cities_Local Squeeze_report.pdf

5. Michael Pagano, Christopher Hoene, and Christiana McFarland, "City Fiscal Conditions in 2012," National League of Cities, 2012, http://www.nlc.org/Documents/Find City Solutions/Research Innovation/Finance/city-fiscal-conditions-research-brief-rpt-sep12.pdf

6. *Ibid*.

7. http://www.nber.org/digest/mar11/w16453.html

8. http://www.usgovernmentspending.com/compare_state_spending_2013bH0S; http://www.cdcr.ca.gov/Reports/docs/External-Reports/2011-realignment-of-adult-offenders-022212.pdf; http://www.dof.ca.gov/redevelopment/; http://www.gazettes.com/brown-s-budget-hurts-long-beach/article_34dc4780-1e95-11e0-bcf0-001cc4c002e0.html?mode=jqm&login=

9. http://www.nj.com/news/index.ssf/2013/03/no_district_will_have_state_ai.html; http://blog.syracuse.com/opinion/2012/01/andrew_cuomo_budget.html; http://articles.chicagotribune.com/2013-03-08/news/ct-met-school-cuts-20130308_1_state-aid-school-districts-class-sizes; http://articles.chicagotribune.com/2013-01-25/news/chi-illinois-credit-rating-sinks-to-worst-in-nation-20130125_1_action-on-pension-reform-robin-prunty-illinois-credit

10. Michael Pagano, Christopher Hoene, and Christiana McFarland, City Fiscal Conditions in 2012, National League of Cities, 2012

11. *Ibid* 5.

12. *Ibid*.

13. http://www.theatlanticcities.com/jobs-and-economy/2012/09/next-big-financial-crisis-could-cripple-cities/3433/

14. Richard F. Dye and Tracy M. Gordon, *Pension Legacy Costs and Local Government Finances*, Lincoln Land Institute Land Lines, October 2012

15. Herbert Muller, *The Uses of the Past: Profiles of Former Societies,* (London, Oxford University Press, 1952), pp. 219-220

16. http://www.pbs.org.wgbh/nova/lostempires/roman/watering.html

17. Jonathan Hughes, *American Economic History,* (New York, Harper Collins, 1990), pp. 162-167; Frederick Merk, *The History of the Western Movement,* (New York, Knopf, 1978), pp. 168-174

18. Lees, *op. cit.*, pp. 166-169; Teaford, *op. cit.*, pp. 113-117; Samuel Hays, *The Response to Industrialism,* (Chicago, University of Chicago, 1957), pp. 22-24, pp. 71-72

19. Beard and Beard, *op. cit.*, p. 748; Beckert, *op. cit.*, p. 297.

20. Jane Allen Shikoh, "The Higher Life in the American City of the 1900s: A Study of Leaders and Their Activities in New York, Chicago, Philadelphia, St. Louis, Boston, and Buffalo," PhD dissertation in Department of History, Graduate School of Arts and Science, New York University, October, 1972, pp. 5-8, pp. 81-85

21. Lees, *op. cit.*, p. 1.

22. Frederick Law Olmstead, "Selected Writings on Central Park," in Kenneth T. Jackson and David S. Dunbar, editors, *Empire City: New York City Through the Centuries,* (New York, Columbia University Press, 2002), pp. 278-279

23. Beverly Hodghead, "The General Features of the Berkeley Charter," address delivered before the Convention of California Municipalities, September 21, 1909

24. http://scholar.harvard.edu/files/glaeser/files/cities_regions_and_the_decline_of_transport_costs.pdf

25. Hofstaeder, *op. cit.*, p. 305

26. Ken Auletta, *The Streets Were Paved with Gold: The Decline of New York, An American Tragedy,* (New York, Random House, 1975), p. 261

27. Fred Siegel, The Future Once Happened Here: New York, DC, LA and the Fate of America's Big Cities, (New York, Free Press, 1997), pp. 17-32

28. Ken Auletta, *The Streets Were Paved with Gold: The Decline of New York, An American Tragedy,* (New York, Random House, 1975), p. 32

29. Siegel, *op. cit.,* p. 239

30. http://www.realclearmarkets.com/articles/2010/07/27/making_new_york_city_more_efficient_98593.html; http://www.nyc.gov/html/omb/downloads/pdf/sum5_11.pdf

ENDNOTES

31. http://www.cbcny.org/cbc-blogs/blogs/giant-slice-legacy-costs-new-york-city-budget-updated

32. http://online.wsj.com/article/BT-CO-20130417-714263.html; http://frontpagemag.com/2013/dgreenfield/the-american-city-is-dying/

33. http://online.wsj.com/article/SB10001424127887324039504578261821798212616.html

34. http://www.bloomberg.com/news/2012-12-17/highest-paid-california-trooper-is-chief-banking-484-000.html; http://articles.latimes.com/2013/feb/24/opinion/la-oe-malanga-pensions-california-20130224

35. Ron Seyb, "It's Ideas that Matter," in Martin Schiesl, editor, *Responsible Liberalism: Edmund G. Brown and Reform Government in California, 1958-1967,* (Los Angeles, Pat Brown Institute, 2003), pp. 125-139

36. http://articles.latimes.com/2012/aug/18/local/la-me-cta-20120819

37. http://blogs.sacbee.com/city-beat/2013/04/sacramento-budget-more-cops-but-only-with-pension-help.html; http://articles.chicagotribune.com/2013-04-12/news/sns-rt-us-usa-municipalities-sanberdbre93b05e-20130411_1_pension-fund-bankrupt-california-city-pension-bonds

38. http://www.calwatchdog.com/2012/11/13/los-angeles-teeters-on-the-brink-of-bankruptcy-2/; http://www.theatlanticcities.com/jobs-and-economy/2013/05/how-houston-became-most-powerful-job-engine-country/5716/

39. http://ronkayela.com/2013/03/searching-for-the-spirit-of-l-a.html

40. http://www.citywatchla.com/lead-stories-hidden/4635-wait-til-you-see-the-fat-wallets-and-special-interests-supporting-union-bo-d-arcy-and-council-boss-wesson-s-tax-increase

41. http://www.citywatchla.com/lead-stories-hidden/4307-city-council-declares-open-season-on-la-homeowners

42. http://www.chicagotribune.com/news/politics/sns-rt-us-usa-election-losangelesbre94g0a4-20130517,0,7797362.story

43. http://articles.latimes.com/2012/jun/07/local/la-me-pensions-20120607

44. http://www.theatlanticcities.com/jobs-and-economy/2012/09/next-big-financial-crisis-could-cripple-cities/3433/

45. Edith Honan, "New York State Announces Plan for Board to Help Cash-Strapped Cities," Rueters, June 18, 2013

46. http://www.newgeography.com/content/003679-large-cities-rankings-2013-best-cities-job-growth

47. http://www.reuters.com/article/2013/05/10/usa-sanfrancisco-budget-idUSL2N0DR01Y20130510; Nashville.gov - Citizens' Budget - Fiscal Year 2013 Operating Budget; 1212_FMR.pdf; http://fortworthtexas.gov/uploadedFiles/Finance/Financial_Reports/1212_FMR.pdf; http://dallascityhall.com/Budget/adopted_1213/FY13-AdoptedBudgetBook.pdf; http://www.okgazette.com/oklahoma/article-15624-positive-predicament.html; http://www.statesman.com/news/news/local-govt-politics/austin-city-council-decides-how-to-spend-budget-su/nWMdg/;

48. http://portlandtribune.com/pt/9-news/129473-city-digs-deep-to-fix-25-million-shortfall; http://www.nyc.gov/html/omb/downloads/pdf/sum5_13.pdf; http://www.sanjoseca.gov/index.aspx?nid=626; http://www.seattle.gov/financedepartment/documents/April_2012_Budget_Update.pdf

49. http://www.realestateconsulting.com/blog/sean-fergus/declining-police-forces-impacting-property-values

50. http://www.theatlanticcities.com/jobs-and-economy/2012/09/next-big-financial-crisis-could-cripple-cities/3433/; http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml); http://www.huffingtonpost.com/2012/07/26/newark-blues-budget-cuts-_n_1707546.html; http://www.businessinsider.com/newark-carjackings-2011-1; http://www.city-data.com/crime/crime-Newark-New-Jersey.html; http://www.phillypolice.com/about/crime-statistics/; http://www.nytimes.com/2013/05/13/us/detroit-fiscal-problems-are-severe-report-says.html?_r=0

51. http://www.reuters.com/article/2013/07/19/us-usa-detroit-chapter-idUSBRE96I01A20130719

52. Michael Cooper and Mary Williams Walsh, "Public Pensions, Once Off Limits, Face Budget Cuts," *New York Times*, April 25, 2011; Mary Williams Walsh and Steven Yaccino, "In Embattled Detroit, No Talk of Sharing Pain," *New York Times*, June 17, 2013

53. http://www.brookings.edu/~/media/research/files/reports/2005/1/01cities%20sanders/20050117_conventioncenters.pdf; Joanna Woronkowicz, "The Feasibility of Cultural Building Projects," Ph.D1, University of Chicago, *Working Paper Version, December 2011*

54. http://culturalpolicy.uchicago.edu/setinstone/pdf/quickoverview.pdf

55. http://www.treasury.gov/resource-center/economic-policyDocuments/20120323InfrastructureReport.pdf

56. http://www.aednet.org/government/pdf-2012/infrastructure_report.pdf

57. http://www.treasury.gov/resource-center/economic-policy/Documents/20120323InfrastructureReport.pdf

58. John Kasarda, "Aerotropolis: Airport-Driven Development," *ULI on the Future: Cities of the 20th Century*, (Washington: ULO, 2000)

59. http://business.flydenver.com/info/news/pressKit.pdf

60. http://www.mcgraw-hillresearchfoundation.org/wp-content/uploads/the-return-on-investment-from-adult-education-and-training.pdf

61. https://alumni.berkeley.edu/sites/default/files/Californias_Economic_Payoff_Executive_Summary.pdf

62. *Ibid.*

63. http://www.mcgraw-hillresearchfoundation.org/wp-content/uploads/the-return-on-investment-from-adult-education-and-training.pdf

64. http://www.all4ed.org/files/HighCost.pdf

65. http://www.startribune.com/lifestyle/homegarden/214284401.html

66. http://articles.latimes.com/2012/dec/13/business/la-fi-mo-beer-breweries-record-20121213

67. http://www.startribune.com/politics/statelocal/122536608.html

68. KARE 11 TV, "Rybak Signs New 'Taproom' Beer Ordinance," http://www.kare11.com/news/news_article.aspx?storyid=935626

69. Steve Brandt and Eric Roper, "Looser Rules Give Minneapolis Brews a Lift," *Minneapolis Star-Tribune*, http://www.startribune.com/local/minneapolis/134160853.html

70. http://heavytable.com/r-t-rybak-the-gastro-mayor/

71. http://minnesota.publicradio.org/display/web/2013/01/17/business/minnesota-beer-brewery-boom

72. http://www.startribune.com/politics/statelocal/213719101.html

73. http://kstp.com/article/stories/s2989606.shtml

74. http://www.startribune.com/politics/statelocal/213719101.html

75. http://utahbusinesspromise.com/About/About.aspx

76. http://www.ksat.com/news/san-antonio-among-fastestgrowing-american-cities/-/478452/20282634/-/rlc32xz/-/index.html

77. http://www.prnewswire.com/news-releases/city-of-san-antonios-high-bond-rating-affirmed-215893571.html

78. http://www.freetradealliance.org/news/san-antonio-export-leaders-program-now-taking-applications

79. http://www.mysanantonio.com/business/local/article/S-A-area-exports-increase-by-33-4660475.php

80.http://www.brookings.edu/~/media/Research/Files/Reports/2012/3/08exports/profiles/metros/San_Antonio.pdf

81. http://www.sa2020.org/causes/