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To Be Strong Again:

Renewing the Promise in Smaller Industrial Cities

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To Be Strong Again:

Renewing the Promise in Smaller Industrial Cities

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Author Biographies

Radhika Fox is a national expert on America's older industrial cities and the equitable development strategies that are central to their revitalization. She is also co-author of *Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America's Older Core Cities* (PolicyLink, 2005).

Miriam Axel-Lute is a consultant who focuses on urban issues and has contributed to several PolicyLink projects.

Preface

PolicyLink is a national research and action institute advancing economic and social equity by Lifting Up What Works®. The work of PolicyLink is rooted in partnerships with community leaders, elected officials, public agencies, foundations, and advocacy coalitions striving to build strong, equitable communities.

PolicyLink has been collaborating with leaders in older industrial cities in the Northeast and Midwest to advance strategies that foster economic revitalization in a manner that helps lower-income people, working families, and communities of color connect to opportunity. As we worked to advance equitable development in older industrial cities, we realized that the smaller ones—Youngstown rather than Cleveland, Reading rather than Pittsburgh—deserved a separate investigation. Their challenges and assets were not—and are not—the same as those of larger cities, but these differences were rarely acknowledged. In many respects, these cities are caught in a policy and practice blind spot, largely forgotten in the national conversation on urban revitalization.

At the same time, we saw innovative, exciting efforts being undertaken by local leaders in smaller industrial cities who were working tirelessly to revitalize their communities in a manner that ensures that all residents participate and prosper. This report seeks to cast a spotlight on the concerns, insights, and successes of these local leaders.

Endeavoring to restore prosperity and opportunity in smaller industrial cities is an important and worthwhile investment for our nation to make. With their smaller scale and unique histories, these cities can be attractive, welcoming places to live. But without coordinated attention and action, they will fall further and further behind, and their lower-income residents will continue to suffer. *To Be Strong Again* offers a vision and an action agenda for ensuring that smaller industrial cities take their rightful places within America's diverse and healthy metropolitan regions.

Angela Glover Blackwell
Founder and CEO
PolicyLink

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1 Executive Summary

In cities from Scranton, Pennsylvania, to Youngstown, Ohio, to Kalamazoo, Michigan, visionary local leaders are spearheading efforts to build upon the strengths of their cities, engage diverse voices and interests, and restore prosperity and opportunity.

Smaller industrial cities are inextricably woven into the fabric of our nation. They are an integral part of the history, culture, and economic success of America. Brand name companies—GE in Schenectady, New York, for example—got their start in these cities. Key industries—steel in Youngstown, Ohio; automobiles in Flint, Michigan—were born in these communities. Rich in living-wage jobs, cultural assets, and social networks, smaller industrial cities in the Northeast and Midwest offered families the opportunity to pursue the American dream.

Now, smaller industrial cities struggle to find their way in the face of an ever-changing global economy and the inequitable effects of sprawling growth patterns. Residents of these cities are some of the most isolated in our nation, living in neighborhoods that lack good jobs, strong schools, and quality housing.

Despite their challenges, smaller industrial cities have tremendous assets and amenities—lovingly tended historic districts, unparalleled waterfronts and parks, colleges and universities, and grand cultural institutions.

Home to 7.4 million people—more than Los Angeles and Chicago combined—smaller industrial cities are caught in a policy and practice blind spot. They have slipped from the national consciousness, all but forgotten outside their own regions.

Ignoring smaller industrial cities is a missed opportunity for America. These cities contain rich connections to our past, institutions and services that their regions rely upon in the present, and untapped human capital, neighborhoods, infrastructure, and natural assets that can be the foundation for a sustainable way of life in the twenty-first century.

Economically, smaller industrial cities can fill a gap in the menu of location options for businesses and households in this nation: opportunity-rich, dynamic cities, well-linked to the larger region, but offering the intimacy of a smaller scale. What this looks like will vary by city and be shaped by the broader region—some of these smaller cities are the hub of a stand-alone region, some are satellite cities, and some are positioned in larger "mega-regions" (such as the Boston to New York City corridor or the Chicago to Pittsburgh corridor).

This report casts a spotlight on the wisdom, innovation, and successes of those working to promote the equitable renewal of smaller industrial cities. It offers a forward-looking vision of what these cities can become with the right set of policies, programs, and investments.

Defining Smaller Industrial Cities

This report examines cities that are:

OLD—**cities that had a population of more than 5,000 by 1880, implying an industrial base or concentration of industry and commerce;**

SMALL—**cities with 15,000 to 150,000 residents according to the 2000 U. S. Census; and**

POOR—**cities with a median household income of less than $35,000 according to the 2000 U. S. Census.**

In the United States, 151 cities—largely in the Northeast and Midwest—meet these criteria.

Source: Lorlene Hoyt and André Leroux, *Voices from Forgotten Cities: Innovative Revitalization Coalitions in America's Older Small Cities* (Oakland, CA: PolicyLink and others, 2007).

Smaller industrial cities are overwhelmingly concentrated in the Northeast and Midwest, particularly in Pennsylvania, New York, and Ohio.

Despite the lack of national attention, visionary and entrepreneurial local leaders are actively leveraging their cities' assets to foster equitable revitalization. Smaller industrial cities have much to offer. But they need help overcoming economic isolation and physical decline in order to become vital centers of prosperity and opportunity.

Understanding Smaller Industrial Cities

Smaller industrial cities once powered America's economy, supplying the world with clothing, machinery, and material luxuries. While vital to our nation, they were never the kind of cosmopolitan "world cities" that Detroit and Philadelphia were during our nation's industrial age.

In the present day, older industrial cities in the Northeast and Midwest—whether large or small—face a common set of challenges: economic distress, population and employment decentralization, high levels of poverty, uneven real estate markets, and residents with limited economic and educational opportunities.

But the realities of smaller industrial cities are often different from those of larger cities. Far from having scaled-down versions of the problems and successes of big cities, smaller industrial cities reflect the struggles and strengths of 21st-century urban America in specific, and more dramatic, ways.

Smaller cities, for example, were traditionally dominated by a single industry or even a single company, and have had particular difficulties making the transition from a manufacturing-based economy to a knowledge-based one.

On the other hand, their size can make it easier for residents, community organizations, business leaders, and government officials to forge connections, develop inclusive renewal strategies, test creative solutions, and see results relatively quickly. Strategically targeted investments—the restoration of once-blighted parks, the rehabilitation of one or two neighborhoods—can lift the pride of an entire city, generate momentum and optimism, and create an atmosphere of possibility about solving what had seemed to be intractable problems.

Smaller industrial cities already possess many of the qualities and attractions Americans are looking for: close-knit neighborhoods; a sense of place in an increasingly homogenized world; and downtowns that can become a focal point for an entire region.

Although smaller cities can learn much from their larger counterparts, revitalization will require more than replicating big-city strategies. Nor should smaller cities look for rapid growth as the key to renewal. To thrive again, these cities need to embrace and capitalize on their smaller size.

With policies that are responsive to the particular needs of smaller cities, and with investments in their distinctive assets and their people, these cities have the potential to become "the best of both worlds": places that combine urban culture, diversity, and intellectual vibrancy with small-town charm, affordability, and community.

There are no quick fixes to turn around smaller industrial cities. Revitalization will not be easy. But it is happening. And it can happen in a way that enables all to participate and prosper, particularly low-income people, working families, and people of color, who have suffered the worst effects of these cities' decline.

An Equitable Development Agenda for Smaller Industrial Cities

This report presents a policy and program agenda that can set smaller industrial cities on the path to equitable, sustainable renewal. The agenda is not an abstract set of ideals, but a practical, achievable framework for moving these cities forward. We present action ideas culled from our analysis of what is working in smaller industrial cities. Along with every idea, we offer a case study that examines how that idea is being applied.

The policy and program agenda is organized around four cornerstones:

Land Use and Fiscal Policy examines creative responses to the twin forces of abandoned property and fiscal crisis that have kept many smaller industrial cities from capitalizing on their strengths and reversing their decline.

Action ideas:

- **Engage all stakeholders—especially residents—to craft a vision and land use plan to guide development and investment.** Dealing with distressed properties works best when it is approached systemically, so it needs to be guided by a widely agreed-upon vision for the whole community. *Example: **Youngstown 2010**, an award-winning planning process in Youngstown, Ohio, generated a new vision in which residents and government alike accept that they are a "smaller city" with a focus on becoming the best city of 80,000 it can be.*
- **Reclaim and restore vacant and abandoned properties through a systematic, coordinated approach.** Abandoned properties often move through a vicious cycle of auction, speculation, and re-abandonment, so systemwide changes, rather than piecemeal approaches, are needed to reverse this trend. *Example: The **Genesee County Land Bank** keeps properties off the auction block and steers them to uses that are sustainable.*
- **Work with surrounding jurisdictions to provide planning and services that benefit the entire region.** Regional cooperation can alleviate some of the capacity issues smaller industrial cities face, while setting the stage for coordinated regional thinking. *Example: In New York state, **Binghamton and Broome County** have found that sharing services saves money and improves quality.*

- **Develop innovative financing techniques to meet community needs.** As opposed to short-term ways to make the books look better, develop financing techniques to meet community needs and produce a solid return on investment. *Example: City officials in* ***Scranton, Pennsylvania****, used a variety of financing mechanisms to transform blighted parks into beautiful gathering places and engines for community reinvestment.*

Infrastructure highlights policies and projects that strengthen the basic foundation of smaller industrial cities and ensure that the benefits of such investments reach those who need them most.

Action ideas:

- **Target state infrastructure investments to strengthen smaller industrial cities.** State infrastructure spending is a quiet but powerful driver of where growth happens—and where it doesn't—in a region, and investments can be harnessed to support overlooked smaller cities. *Example: A state policy called* ***TurnAround Ohio*** *takes a "fix-it-first" approach, intended to steer infrastructure spending away from Ohio's outlying areas and into core cities.*

- **Invest in public transportation to help smaller cities tap into regional economic opportunities.** Investing in transit can make smaller industrial cities more appealing for people from larger areas seeking affordability and can also benefit current residents by better connecting them to regional opportunities. *Example: In Massachusetts, a commuter rail extension to* ***Fall River and New Bedford****, will give residents better access to jobs in Boston and also make those cities more attractive to companies and new residents.*

- **Treat urban greening as an essential investment, not a luxury.** Parks are a source of pride and identity, something that can be especially powerful in smaller industrial cities that have suffered from decades of economic stagnation and a sense of being "forgotten." *Example: A string of new and renovated parks in* ***Lawrence, Massachusetts****, connects the city's poorest neighborhoods with its waterfront.*

Economic Renewal focuses on approaches that move cities away from race-to-the-bottom competition for economic activity and toward carefully building on cities' and regions' assets to craft sustainable and inclusive economic growth.

Action ideas:

- **Tie job training to regional industry needs and trends.** Too often, economic development programs and workforce development systems operate like ships passing in the night. When job training programs are in line with local economic development activity, new investments generate much deeper benefits. *Example: In **New York's Tech Valley**, innovative high school and community college programs are working to prepare residents for jobs in the emerging nanotech sector.*
- **Make sure that developers who receive public subsidies are held accountable for delivering community benefits.** When public investments generate catalytic public benefits, smaller industrial cities become more attractive places for nonsubsidized jobs and development over the long term, returning a greater bang for the public buck. *Example: In New York, a statewide coalition of labor, environmental, and fiscal fairness groups, as well as grassroots organizing networks, is working to pass an accountability package that would result in sweeping changes for **New York's industrial development authorities**.*
- **Cultivate a skilled workforce and catalyze economic growth by investing in students and public schools.** Improving educational opportunity for all residents improves equity in a region by simultaneously encouraging economic growth and preparing residents to participate in that growth. *Example: **The Kalamazoo Promise**, in Michigan, provides college scholarships to graduates of the Kalamazoo public schools—an initiative expected to improve educational opportunities for residents, attract new families, and inspire businesses to move to the city.*
- **Support local and regional entrepreneurship.** Entrepreneurial companies have some of the fastest job growth, and local entrepreneurs are more likely to hire locally. *Example: The **Youngstown Business Incubator**, which has turned the city into a hotspot for business-to-business software development, is creating new jobs and reversing "brain drain."*
- **Invest in projects that generate economic, cultural, and community improvement.** To catalyze sustained economic growth, the best investments are those that generate benefits on multiple fronts. *Example: The renovation and expansion of the historic **Stanley Theatre in Utica**, New York, has stimulated the downtown economy and enriched the cultural life of residents of the city and region.*
- **Cultivate new and sustainable economic niches such as green businesses.** Going green can lower long-range city expenditures, improve the city's infrastructure, and generate living-wage jobs. *Example: The **Green-Collar Apprenticeship Program**, run by the Lincoln Park/Coast Cultural District in Newark, New Jersey, is training local residents in cutting-edge green building skills as they work on neighborhood revitalization projects.*

Neighborhood Revitalization

discusses ways to bring attention to neighborhoods and to help them develop into places that provide opportunity and appeal for old and new residents alike.

Action ideas:

- **Target public resources to specific neighborhoods.** To have a transformative effect, some cities are starting to focus their resources in targeted neighborhoods. *Example: Instead of spreading funds too thin, **Richmond, Virginia**, channeled neighborhood-improvement money to selected areas—a plan that got citywide support, thanks to a careful, participatory process.*
- **Engage anchor institutions, such as hospitals and universities, in equitable neighborhood development.** Through their purchasing power, real estate development, and staff time, anchor institutions that choose to get involved can play a dramatic role in neighborhood revitalization. *Example: Steady, long-term support from key anchors has allowed the **Southside Institutions Neighborhood Alliance in Hartford**, Connecticut, to take on ambitious educational, cultural, social service, and housing projects.*
- **Find regional answers to problems that plague neighborhoods.** Local efforts are essential to neighborhood transformation, but they also need to be supported by attention to regional dynamics. *Example: Seven smaller cities in Pennsylvania formed the **Route 222 Anti-Gang Initiative** to secure funding to address crime.*
- **Restore vibrant, diverse neighborhoods with programs that promote and support mixed-income housing options.** Getting a marginal neighborhood with promise out of the various cyclical market failures that can depress prices and discourage revitalization takes creative market strategies and a consistent vision of a functional, diverse community. *Example: Programs in three smaller cities in **upstate New York** encourage homeownership and local landlordship.*

Delivering on the Promise

Equitable renewal can be realized in smaller industrial cities. It will take good policy and innovative programs such as the action ideas presented in this report. It will also require questioning assumptions, learning new habits, and looking through new lenses.

The following principles can serve as touchstones for keeping a broad, equitable, achievable agenda for renewal on track in smaller industrial cities.

Pursue economic competitiveness and social inclusion in tandem. To be sustainable over the long haul, economic and community renewal needs to benefit and engage all residents, not just a small cadre of those with choices. The specifics will vary, but "how can this foster economic inclusion?" should be asked of every economic development initiative, and "how can this support market recovery and competitiveness?" should be asked of every community development or social program. This needs to be done deliberately; it won't just happen. States can help smaller industrial cities and their regions to advance equitable development by examining their own policies and investment patterns (infrastructure, transportation, education aid) to be sure that they are supporting reinvestment in their smaller industrial cities.

Start from existing assets. Not everywhere is going to become the next Silicon Valley. The good news is, not everywhere needs to. All cities have assets, and smaller industrial cities have distinctive assets that are often overlooked. There are place-rooted institutions like universities and medical facilities, arts organizations, tourist attractions, existing clusters of small businesses or a few remaining larger ones, new waves of immigrants looking for opportunities, industries concentrated nearby in the region, historic buildings, and quality neighborhoods.

Create new systems, not just new programs. The processes that lead to the challenges smaller industrial cities face—abandonment, fiscal problems, or regulatory hurdles to investment—are systemic. Local leaders in these cities are identifying core problems, determining how the current incentive structure is working at odds with positive change, and then assessing whether there is a systemic way to shift in a productive direction.

Prioritize long-term improvement over short-term fixes. There is no magic bullet for urban revitalization. Smaller industrial cities have faced decades of declines in jobs and population along with the attendant problems. It will take decades to fully recover. Strategies that offer a "quick fix" are attractive, yet they jeopardize solid but steady progress.

Take a regional view. Cities often view regional cooperation as something they need to talk their regions into for their own benefit. Smaller industrial cities should approach the idea from a position of cooperation, not supplication. States should encourage such regional collaborations by clarifying any questions about their legality and by providing grant funding on a regional basis.

Invest in the capacity of innovative, catalytic organizations and leaders. Smaller industrial cities have dedicated organizations and leaders working to transform their communities. But they often do so in isolation. Building their capacity to strategically seize opportunities to foster equitable renewal is essential.

Make decision-making transparent, accountable, and accessible. This is especially important for "unsexy" decisions with major impacts on the regional distribution of resources, such as infrastructure funding or economic development incentives.

Smaller industrial cities can make–and are making–enormous strides toward revitalizing their communities. Leaders in smaller cities are steadily overcoming decades' worth of obstacles to reclaim their neighborhoods and waterfronts; rebuild local and regional economies; help disadvantaged residents connect to economic and social opportunity; and foster a sense of hope and possibility in the community.

The stories of smaller industrial cities are quintessentially American. They can and must be stories of opportunity for all, stories that our country is proud to tell.

2 Introduction

Smaller industrial cities contain rich links to our history, pieces of our collective memory, and public resources that cannot be easily replicated in newer communities.

Why Care About Smaller Industrial Cities?

Smaller industrial cities contain rich connections to our past, institutions and services that their regions rely upon in the present, and untapped human capital, neighborhoods, infrastructure, and natural assets that can be the foundation for a sustainable way of life in the twenty-first century.

Past: Smaller industrial cities are the custodians of hundreds of historic landmarks, grand cultural institutions, public buildings, parks, and historic neighborhoods. From Utica's stately train station to the quaint, narrow streets of row houses in Schenectady's Stockade district to the New Bedford Whaling Museum, these legacies represent links to our history, pieces of our collective memory, and public resources that cannot be easily replicated in newer communities.

Present: Smaller industrial cities are hubs of vital public and nonprofit functions that serve their regions. Many are state capitals, such as Albany, Hartford, Harrisburg, and Trenton. County governments and courts, colleges and universities, clinics and hospitals, cultural centers, social services, and affordable workforce housing for the broader region are concentrated in these cities.

Future: We live in a world where regions are the primary economic units, and where workers and businesses are seeking vibrant urban centers with a high quality of life. Smaller industrial cities have the amenities many Americans say they are searching for—neighborhoods, waterfront locations, arts and cultural venues, and a greater sense of community. Their diverse housing stock is well suited to mixed-income communities. Their incredible waterfronts—from the dramatic Niagara Falls to the historic Ohio and Erie Canals to the banks of the Susquehanna River (Harrisburg's "front yard")—can be key elements to propel revitalization efforts. The challenge for smaller industrial cities is how to renew and capitalize on these assets to both attract newcomers and expand opportunities for existing residents.

Economically, smaller industrial cities can fill a gap in the menu of location options for businesses and households: opportunity-rich, dynamic cities, well-linked to the larger region, but offering the intimacy of a smaller scale. What this looks like will vary by city and be shaped by the broader region: some of these smaller cities are the hub of a stand-alone region, some are satellite cities, and some are positioned in larger "mega-regions" (such as the Boston to New York City corridor or the Chicago to Pittsburgh corridor).

Smaller industrial cities have much to offer. But they need help overcoming economic isolation and physical decline to become vital centers of prosperity and opportunity.

About This Report

PolicyLink has been collaborating with local leaders in smaller industrial cities who are working each and every day to improve their communities. These committed residents come from different walks of life and undertake the process of economic and community transformation in very different ways—organizing at the neighborhood level, running city agencies, starting businesses, fostering regional economic growth strategies, or serving as the mayor. These leaders hold a common vision for their city: that economic revitalization can happen, and can happen in an inclusive, equitable way that spreads the benefits to the broadest spectrum of residents.

This report distills the wisdom and innovation of these leaders and offers a pathway to inclusive renewal for smaller industrial cities across America.

To Be Strong Again is organized in the following manner:

Understanding Smaller Industrial Cities presents an overview of smaller industrial cities, including: how they differ from their larger counterparts, a vision of the niches they can fill in the future, and why revitalization efforts must be fair and equitable to succeed over the long haul. We take a detailed look at the unique needs, opportunities, and assets of smaller industrial cities. Though there are many parallels, success for smaller industrial cities will not be a matter of replicating big-city strategies.

An Equitable Development Agenda for Smaller Industrial Cities describes efforts that can be undertaken at the local and state levels to create more inclusive and competitive smaller industrial cities and chart a course to sustainable economic recovery. These local and state innovations are organized into four critical areas: land use and fiscal policy, infrastructure, economic renewal, and neighborhood revitalization. Within each area, we offer ideas about how to integrate the goals of shared prosperity and economic growth in the revitalization of smaller industrial cities. From the Kalamazoo Promise initiative in Michigan, which ensures that all graduates of the city's public school system will have a chance at college, to a revival in community engagement in comprehensive planning in Youngstown, to the restoration of parks and other community infrastructure in Scranton, entrepreneurial local leaders are innovating in extraordinary, inspiring ways.

Delivering on the Promise offers a set of principles that can serve as touchstones for keeping a broad, equitable, achievable agenda for renewal on track.

As this paper demonstrates, greater investment in smaller industrial cities is an extremely smart choice from the standpoint of fiscal, social, and equity returns. These cities are ripe for change, and creative leadership combined with solid, asset-oriented policies and programs can foster exciting, inclusive renewal.

Equitable development refers to a range of policies and strategies that foster economic revitalization while simultaneously creating and expanding opportunity for *everyone*—particularly lower-income people, communities of color, and others traditionally left behind by revitalization efforts.

Equitable development strategies build strong, vibrant communities that are attractive to diverse, mixed-income populations, and where prosperity is broadly shared.

3 Understanding Smaller Industrial Cities

For smaller industrial cities, their size is both a factor in their challenges and part of their unique history and character that they will have to tap to move forward to renewal.

How do we help smaller industrial cities reverse their decline and fulfill their potential? Some of the answers are out there already, common to all cities. Older industrial cities of any size face a common set of challenges: economic distress, population and employment decentralization, high levels of poverty, uneven real estate markets, and residents with limited economic and educational opportunities. These common challenges make it important to build strong political alliances among leaders of these cities—particularly concerning state policy.

But the realities of smaller industrial cities are often different from those of larger cities, qualitatively and quantitatively. If we don't recognize this and tailor smaller-city revitalization strategies to fit their needs, these cities will have a hard time reaching their full potential.

To understand how to craft policies and programs that specifically support smaller industrial cities, we first examine how they differ from their larger counterparts, what their specific challenges and assets are, and how their goals might also differ from those of large industrial cities.

What Cities Are We Talking About?

For the purposes of this report, smaller industrial cities are defined as:

OLD—cities that had a population of more than 5,000 by 1880, implying an industrial base or concentration of industry and commerce;

SMALL—cities with 15,000 to 150,000 residents according to the 2000 U. S. Census; and

POOR—cities with a median household income of less than $35,000 according to the 2000 U. S. Census.[1]

There are 151 cities in the country—representing 7.4 million people (more than Los Angeles and Chicago combined)—that meet these criteria.

Smaller industrial cities are overwhelmingly concentrated in the Northeast and Midwest, particularly in Pennsylvania, New York, and Ohio.

Smaller Industrial Cities by State

Pennsylvania (21 cities)
Allentown, Altoona, Carlisle, Chambersburg, Chester, Easton, Erie, Harrisburg, Hazleton, Johnstown, Lancaster, Lebanon, McKeesport, New Castle, Pottsville, Reading, Scranton, Sharon, Wilkes-Barre, Williamsport, York

New York (20 cities)
Albany, Amsterdam, Auburn, Binghamton, Cohoes, Elmira, Gloversville, Ithaca, Jamestown, Kingston, Newburgh, Oswego, Plattsburgh, Poughkeepsie, Rome, Schenectady, Syracuse, Troy, Utica, Watertown

Ohio (15 cities)
Canton, Chillicothe, Fremont, Lancaster, Lima, Mansfield, Massillon, Newark, Portsmouth, Sandusky, Springfield, Steubenville, Tiffin, Youngstown, Zanesville

Illinois (11 cities)
Alton, Champaign, Danville, Decartur, East St. Louis, Galesburg, Jacksonville, Kankakee, Mattoon, Quincy, Rock Island

Indiana (8 cities)
Crawfordsville, Evansville, Logansport, Muncie, Richmond, South Bend, Terre Haute, Vincenne

Michigan (7 cities)
Bay City, Flint, Kalamazoo, Jackson, Muskegon, Port Huron, Saginaw

New Jersey (7 cities)
Atlantic City, Bridgeton, Camden, Passaic, Paterson, Trenton, Union City

Connecticut (6 cities)
Hartford, New Britain, New Haven, New London, Bridgeport, Waterbury

Kentucky (6 cities)
Bowling Green, Covington, Henderson, Newport, Ownesboro, Paducah

Virginia (6 cities)
Danville, Fredricksburg, Lynchburg, Petersburg, Portsmouth, Staunton

Massachusetts (5 cities)
Chelsea, Fall River, Holyoke, Lawrence, New Bedford

Iowa (4 cities)
Burlington, Clinton, Ottumwa, Waterloo

Missouri (4 cities)
Hannibal, Joplin, Sedalia, St. Joseph

Texas (4 cities)
Galveston, Marshall, Sherman, Waco

Maine (3 cities)
Augusta, Bangor, Lewiston

Georgia (2 cities)
Macon, Savannah

Maryland (2 cities)
Cumberland, Hagerstown

Minnesota (2 cities)
Mankato, Winona

Mississippi (2 cities)
Natchez, Vicksburg

North Carolina (2 cities)
New Burn, Wilmington

Rhode Island (2 cities)
Pawtucket, Woonsocket

South Carolina (2 cities)
Columbia, Greenville

Vermont (2 cities)
Burlington, Rutland

West Virginia (2 cities)
Parkersburg, Wheeling

Alabama (1 city)
Selma

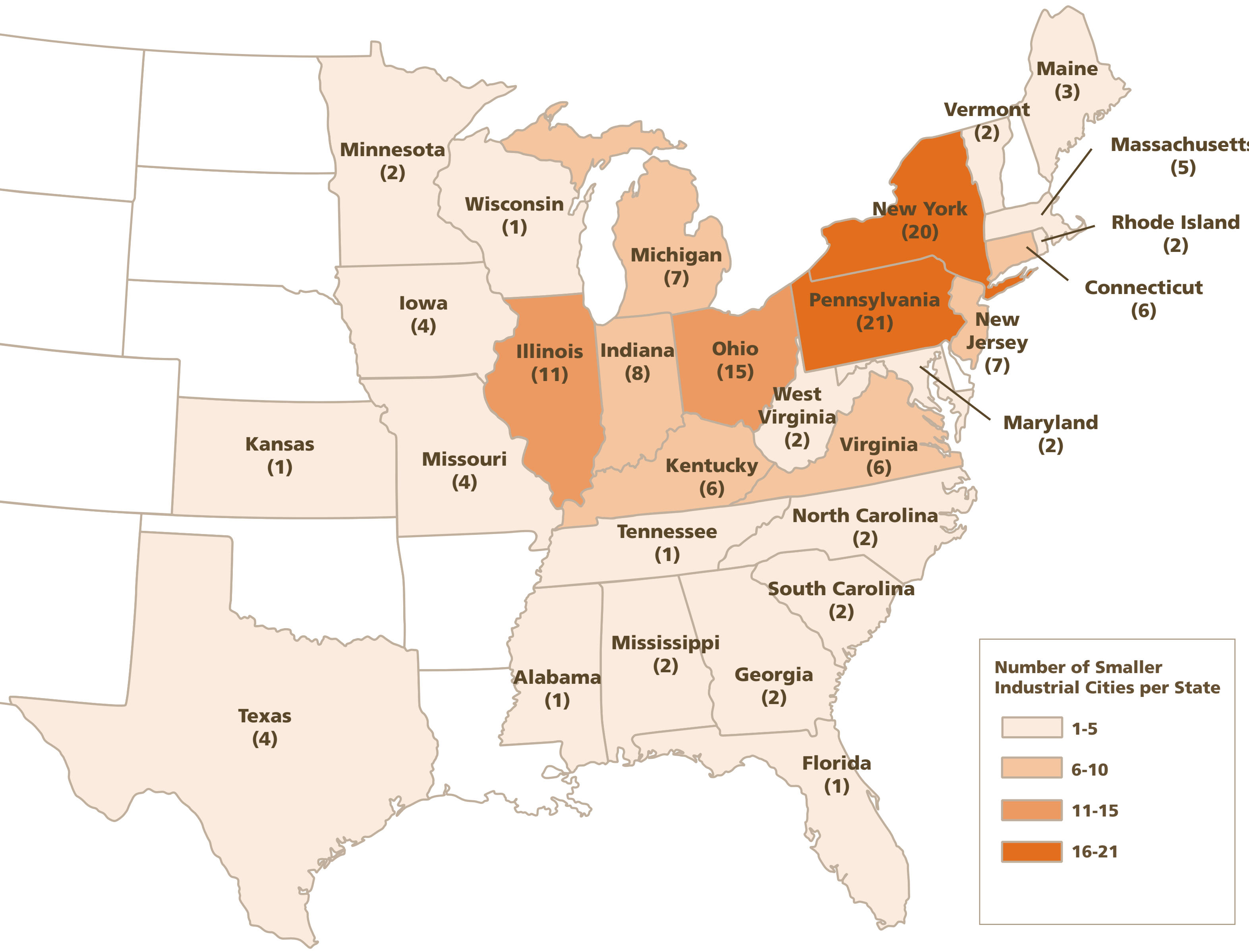
Florida (1 city)
Pensacola

Kansas (1 city)
Lawrence

Tennessee (1 city)
Jackson

Utah (1 city)
Ogden

Wisconsin (1 city)
La Crosse


Maine
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Mississippi
(2)
Alabama
(1)
Georgia
(2)
Texas
(4)
Florida
(1)
Number of Smaller
Industrial Cities per State
1-5
6-10
11-15
16-21

In a smaller city, small changes have a proportionally larger impact—this makes for qualitative differences in what works, what doesn't, and how.

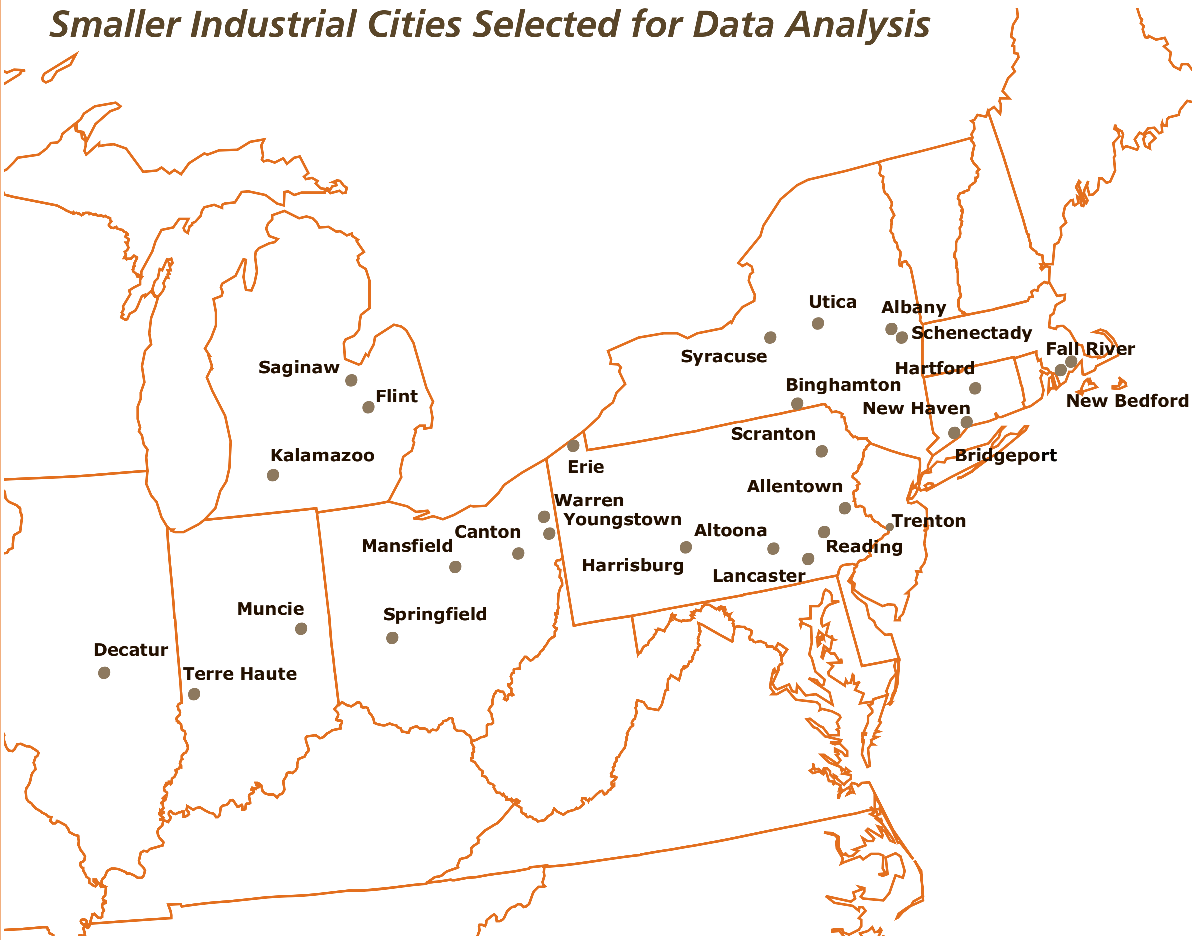
While there is a sprinkling of smaller industrial cities across the country, they are heavily concentrated in the Northeast and Midwest. In fact, two-thirds of these cities are concentrated in just nine states—Connecticut, Illinois, Indiana, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania.

To tease out the effects of smaller size in particular, we chose a subset of 29 smaller industrial cities to compare to larger older industrial cities. These 29 cities have populations between 50,000 and 150,000, are located in the Northeast and Midwest, and rank in the bottom third on a set of indicators of economic and residential well-being created by The Brookings Institution.[2]

Though our data analysis focuses on this smaller list, many of the qualitative characteristics that we then describe are present across many smaller industrial cities. Our recommendations speak to all these cities.

What unites smaller industrial cities is that their size is both a factor in their challenges and part of their unique history and character that they will have to tap to move forward to renewal.

Smaller Industrial Cities Selected for Data Analysis



By the Numbers:
A Story of Extremes

Not surprisingly, smaller and larger industrial cities face a similar set of demographic, economic, and social challenges, which are discussed in depth in the Brookings report, *Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities*. While the trends are similar on average, in many cases there is much wider variability among smaller industrial cities. Some are doing consistently better than larger cities on one or more indicators, while others are experiencing some of the most extreme problems. Smaller industrial cities tend to be strongly represented at the high and/or low ends of many indicators, often bookending the larger cities clustered in the middle.

When we compared the 29 cities on the map on page 18 with 13 of their larger counterparts,[3] we found this pattern on a number of indicators, such as:

Population change. Smaller industrial cities were 40 percent more likely than larger cities to have experienced large population losses (over 10 percent) from 1990 to 2000. Two smaller cities had the highest losses: Youngstown (14 percent) and Hartford (13 percent). But smaller industrial cities were also more likely to be among the few cities that actually grew, including Terre Haute (3.7 percent) and Reading (3.6 percent).

Employment change. From 1990 to 2000, smaller industrial cities were 163 percent more likely than larger cities to have experienced employment growth or fairly slow employment loss (under 5 percent), but they were also 60 percent more likely to have experienced steep employment loss (over 15 percent). And their steep losses were often steeper, with Flint's 34 percent drop—due in large part to the automobile plant closings—far outstripping the biggest drop experienced by a large city, Buffalo's 17 percent.[4]

Sprawl. Nine of the 10 highest rates of sprawl occurred in smaller-city regions, and smaller-city regions were 188 percent more likely to have experienced the steepest decreases in density (over 30 percent). This measure of sprawl compares population growth to how fast land is being urbanized.[5]

Poverty and poverty growth. Larger cities had higher rates of poverty than smaller industrial cities. In fact, no large cities had poverty rates below 20 percent, while 41 percent of smaller industrial cities did. Smaller industrial cities, however, had some of the fastest *growth* in poverty rates during the 1990s. While the highest rate of poverty growth for large cities was 27 percent (Providence), three smaller industrial cities saw poverty increases dramatically higher: Reading (35 percent), Schenectady (40 percent), and Allentown (43 percent).[6]

Poverty rates for blacks and Hispanics. Blacks and Hispanics are likely to fare much worse or much better in smaller industrial cities. While black poverty rates in larger cities range from 26 to 34 percent, approximately 40 percent of smaller industrial cities had black poverty rates above 34 percent and 10 percent had rates below 25 percent. The top three black poverty rates—Fall River (50 percent), Binghamton (46 percent), and Utica (45 percent)—are dramatically higher than those of large cities famous for their concentration of poor African Americans, such as Newark (32 percent) and Detroit (26 percent). The story is similar for Hispanic poverty rates: smaller industrial cities are 288 percent more likely to have Hispanic poverty rates either above 45 percent or below 25 percent than larger cities, which were more clustered in between.[7]

Far from having smaller scale versions of the problems and successes of their larger counterparts, smaller cities often experience the ups and downs of being an older industrial city in much more dramatic ways.

Concentrated poverty. In the 1990s, 37 percent of metropolitan areas containing smaller industrial cities saw an increase in their number of high-poverty neighborhoods,[8] while only 14 percent of metros that contain larger, older industrial cities did.[9] These smaller-city metros were also 175 percent more likely to have experienced more than a doubling in the population living in high-poverty neighborhoods.

Educational attainment. Although smaller industrial cities represented eight of the 10 cities analyzed with the lowest shares of people over 25 with a college degree, smaller industrial cities also represented the three highest rates—Kalamazoo (33 percent), Albany (33 percent), and New Haven (27 percent)—all of which were above the average for all central cities (26 percent), due in large part to the presence of universities.[10]

Far from having smaller scale versions of the problems and successes of their larger counterparts, smaller cities often experience the ups and downs of being an older industrial city in much more dramatic ways.

Not all smaller industrial cities are experiencing the extremes, and they are not neatly divided into those doing well on all indicators and those doing poorly. But the fact that smaller industrial cities are overrepresented on both the doing-OK and in-serious-trouble ends of these ranges shows us that smaller industrial cities have both particular need for help and particular reason to hope.

What Makes Smaller Cities Different? A Focused Look

Size matters. Scale matters. In many ways, smaller industrial cities have similar obligations and overhead to those of a larger city. Smaller cities are often responsible for the same range of functions but don't have the economies of scale in providing them that larger cities do. Small changes can have a proportionally larger impact, which makes for qualitative differences in what works, what doesn't, and how, in smaller industrial cities.

These differences usually have up sides and down sides; assets and challenges are frequently two sides of the same coin. The trick will be to capture the benefits of small scale while finding ways around the challenges.

Small Differences in Any Variable Have Bigger Effects

We have seen that smaller industrial cities end up with more widely varied results on a range of economic and social indicators. Here are some of the possible mechanisms for such differences.

Economically: Historically, many smaller industrial cities had a less diversified economic base than their larger industrial counterparts. Not only have they been dominated by a single industry, but many have also been dominated by just a handful of companies, or even a single factory, mill, or corporation. When a major employer closes or leaves a smaller city, the economic shock to the community and its residents is more abrupt and dramatic than the steady decline that larger cities have experienced. Take Youngstown, for example—between 1977 and 1983, nearly 10,000 workers lost their jobs because of the closing of steel mills, relegating large numbers of residents to the margins of an economy unable to reabsorb them.[11]

Even today, any large employer will represent a larger percentage of a smaller city's jobs, which means that the closing or opening of a single business will have a larger effect on the local economy. Diversification, a healthy small-business and entrepreneurial community, and making sure that low-income people and communities of color have the opportunity to contribute to, as well as benefit from, economic activity throughout the region are crucial for smaller industrial cities to build a stable economic base.

Physically: In a downtown that spans only a handful of square blocks, one or two vacant buildings are enough to dominate and set a depressed tone for the business district. Smaller industrial cities need to have a lower threshold of tolerance for abandoned buildings as well as to be able to see a measurable return on investment from tackling a few strategically located properties.

Demographically: While nearly all smaller industrial cities have suffered dramatic population losses in the past several decades, some have recently experienced an influx of immigrants. Newcomers can counterbalance the outward migration of longtime residents in terms of overall numbers, but the pairing of these two trends can cause rapid demographic change.

For example, Allentown, Pennsylvania, went from 11.7 percent Hispanic in 1990 to 24.4 percent in 2000 and 34.1 percent in 2006, a remarkable shift. Reading, Pennsylvania, experienced an even larger influx, moving from 18.5 percent Hispanic in 1990 to over 50 percent in 2006, and has been scrambling to build new schools to keep up with rising numbers of children. (In those same years, these cities' overall populations rose only slightly, 1.5 percent for Allentown and 3.6 percent for Reading.)[12]

Immigration brings smaller industrial cities new energy, talent, and leaders, but it also places great demands on social services and school systems. Large percentage increases in immigrants create a need for residents and government to rapidly ascend the learning curve of cultural literacy and cooperation. They may have started out with little or no bilingual material, translators, and ESL programs, making it difficult to scale up.

Similarly, a smaller city with one or more large universities may find its population dominated by students in a way that larger cities are not. For example, Muncie, Indiana, had a population of 67,430 as of the 2000 census. Muncie is home to Ball State University, which has a student population of 20,000, or nearly 30 percent of the city's total population. In comparison, the student bodies of the major universities and colleges in Indianapolis total approximately 40,000, or around 5 percent of that city of 785,600.[13] The planning decisions of higher education institutions have wider ramifications in a smaller-city context.

Psychologically: There is no "far away" in a smaller city. It's harder for residents or businesses to feel as if the problems of poverty or decay are isolated in one distant part of the city. While Manhattan is relatively well insulated from the conditions of the Bronx, everything in a smaller city is close to home. News of any changes—good or bad—reverberates.

Nearly every city we examined still has its own daily newspaper. Since most larger cities have only one daily paper as well (only 2 percent of U.S. cities have more than one),[14] smaller-city papers are covering less area and a smaller population and tend to be more locally focused. When local news—be it crime or planning efforts—gets more detailed attention, it has more of an impact.

Tax-exempt entities that serve the entire region, including governmental, educational, healthcare, and arts institutions, still locate in the city of a smaller-city region.

Big effects from small changes on all of these fronts can mean that small problems get overwhelming quickly and recovery efforts seem fragile. On the other hand, it also means that the right approaches can readily tip the scales in a positive direction.

Big-City Overhead, Smaller-City Capacity

The overhead and capacity needs that come with being a city don't shrink in proportion to the size of the city, but the resources and capacity available to deal with them often do.

For example, smaller industrial cities still need people to head the same range of city departments. A city of 80,000 can't get by with a planning staff half the size of a city of 160,000; their needs are not that different. More crucially, perhaps, the overhead cost of administering independent school districts, infrastructure such as water and sewer, and services such as emergency response systems do not drop proportionally with size, placing a heavy fiscal burden on small cities that are "going it alone" in providing all these services.

Tax-exempt entities that serve the entire region, including governmental, educational, healthcare, and arts institutions, still physically concentrate in the city of a smaller-city region, making up a proportionally larger percentage of their land. Although this concentration is an asset in many ways, it also means a proportionally greater drain on fiscal capacity than in a larger city with a more diverse economic base.

Meanwhile, the civic capacity needed to respond to problems has been eroded in these cities. Without enough business leaders with the power to take the lead on local initiatives (as branch and franchise managers rarely can), and with the remaining civic and nonprofit leaders stretched by growing, often dire, needs, cities often face a shortage of the talent and resources necessary to shepherd large-scale change.

Community development corporations (CDCs) in smaller industrial cities are likely to have smaller capacity for such endeavors and have less chance to develop expertise with several large projects or to achieve economies of scale on any given project. They are also less likely to have a local office of one of the national community development intermediaries, which often play a key role in helping local CDCs with financing and technical assistance.

A smaller civic network, however, doesn't have to mean only burnout and low capacity.

It can be easier to get things done in an environment where CEOs, policymakers, and funders are more accessible. There is a smaller gap between the grassroots and the movers and shakers. On the business side, it may be easier for innovators, entrepreneurs, and investors to find one another and collaborate in a small environment.

In some communities, the mismatch of overhead and capacity has spurred creative solutions and partnerships. Smaller industrial cities may, in fact, lead the way in forging regional answers to America's development

Smaller industrial cities may lead the way in forging regional answers to America's development challenges.

challenges. By cooperating with each other and with smaller jurisdictions in their regions, smaller industrial cities can not only address some of their problems in a more integrated way, but they also can model the kind of regional thinking that the nation needs to maintain its global competitiveness.

Hartford, Connecticut, and Springfield, Massachusetts, for example, are coordinating on a strategy to promote their joint regions as the Knowledge Corridor, attracting businesses and a talented workforce to the area's constellation of higher education institutions. And Binghamton, New York, is working with its county to save money and improve efficiency by sharing services, from 911 dispatch to GIS mapping.

Government Works Differently When It's Small

Government is often more accessible in smaller industrial cities. Smaller-city mayors get stopped by their constituents in the grocery store to discuss community concerns. Council members often represent far fewer people and smaller areas, making them, too, more accessible to voters. In a smaller city, residents expect and demand access to government.

Smaller government with fewer layers of bureaucracy can mean greater flexibility in changing tactics and trying new approaches. Combined with their smaller size, this means that these cities are well-positioned to become

laboratories for urban policy innovation, places where models for everything from vacant-property reclamation to green infrastructure can be experimented with, and results can be seen more quickly than in a larger city. On the other hand, politics in smaller industrial cities can become too personal. In a smaller city, it is easier for a few families or elite cliques to dominate most of the elected and civil service positions. Many smaller industrial cities, especially in the grip of economic decline, have become known for governments that focus on patronage, operate through old-boy networks, and are susceptible to graft.[15] (Many others have overcome such histories.)

Smaller industrial cities can, and do, attract devoted residents and business owners based on their combination of urban amenities and benefits of small scale.

Different Relationship to Business in a Globalized World

In a globalized world, smaller industrial cities have become less likely to host corporate headquarters than they were in their heyday, as corporate managers of ever-larger multinational companies cluster in larger, "global-scale" cities. Cities with small airports or no nearby airport at all are at particular disadvantage.[16] As corporate leadership becomes more distant, business participation in civic affairs diminishes. Branch offices or franchises do not play the kind of leadership role that companies do when a city is their "hometown," and even well-meaning managers find themselves answerable to higher-ups who may have little knowledge about, or interest in, the well-being of a distant outpost.

As it becomes clearer that educated knowledge workers prefer vibrant urban environments, regional businesses in smaller-city metros are coming to understand that they have a stake in what happens to their region's cities if they don't want to lose prospective employees to the bigger cities. The mayor of Allentown was able to use this rationale to generate financial and technical support from two corporations in the region, Air Products and Hanover Justice Group.

Smaller industrial cities can seem like large cities one moment and small towns the next. Both their problems and their assets can seem out of proportion to their resources, networks, and visibility, but their scale can also make them fertile ground for innovation and cooperation.

The Vision: Thriving in Their Own Niche

Smaller industrial cities can thrive again, but to do so, they need to do two things. First, they need to figure out their own ways to achieve what all cities need to be healthy: fiscal stability, economic and social inclusion, market competitiveness, and an appealing quality of life.

Second, smaller industrial cities need to embrace and work with their smaller size. They need to create and hold fast to a shining vision of the special niche that smaller industrial cities and their regions can occupy in our economy and society. They need to market themselves as offering a unique package that can attract a wide-ranging set of residents, and not try to beat large cities or suburbs at their own strengths.

Smaller industrial cities should be particularly ambivalent about assuming that economic renewal is always about growth (in population, in aggregate transactions, in physical size) as opposed to improvement in the quality of life and economic well-being of their residents.

The particular niches that smaller industrial cities can fill are:

A best of both worlds: If the basics are in place, smaller industrial cities can, and do, attract devoted residents and business owners based on their combination of urban amenities (for example, historic neighborhoods and cultural offerings) with benefits of smaller scale (for example, stronger sense of community and lower densities). Smaller industrial cities should market themselves to a specific demographic that is looking for this middle ground—young people who have been living in a big city but want somewhere more intimate to raise their children; residents already living in the region who want more urban amenities without losing regional connections; people who left the region as young adults but want to return to be near extended family; people who want to be able to afford a historic home they can renovate; and immigrants looking for an affordable and a welcoming place to settle.

A return to traditional neighborhoods: Smaller cities in many ways are what new places are trying to become. New Urbanism has been a buzz word heard around the country for many years, but newly constructed developments have a hard time competing with the true urbanism of the historic neighborhoods of smaller industrial cities. These cities have layouts, central locations, and infrastructure (albeit aging infrastructure) that are particularly suited to smart growth development. They can position themselves as a way to recapture community values and healthier, more sustainable lifestyles in a diverse, 21st-century context.

A sense of place in a homogenized world: A highway commercial strip or suburban housing development looks much the same in Michigan as it does in Massachusetts. But Ann Arbor is clearly distinct from New Bedford. As well as having architecturally and culturally rich built environments, smaller industrial cities have the potential to become centers for tourism, research, and education, focused on their own historic specialties—automobiles in Flint, electricity in Schenectady, trolleys in Scranton. Smaller industrial cities can offer the unique histories, cultural clusters, and gathering spaces that help people feel rooted somewhere special.

An identity and a focus for regions: Building upon their ability to offer a sense of place, smaller industrial cities can position themselves as the hubs of regions that want to collectively and cooperatively market themselves in the global marketplace or that want to create a cooperative/supportive connection to nearby larger economic hubs (for example, back offices).

Laboratories for innovation: With their smaller scale, more accessible leaders, and ability to change direction relatively quickly, these cities can test solutions to a range of problems. A pilot program in a portion of a big-city neighborhood may be disconnected from, or at odds with, projects across town. In smaller cities, funders, state government, and policy innovators have the chance to see how new approaches work "to scale," that is, on most or all of a city at once.

Smaller industrial cities can also invite private innovation, because it's easier for entrepreneurs to get a foothold. While they may lack luxury office space, these cities tend to have a large amount of cheap, flexible land and old buildings that can be repurposed. Small industrial cities tend to have a wealth of old warehouses, upper floors downtown, or row-house storefronts that can be an inspiration for urban innovation.

Integration and development of new leaders: Cities have always served as gateways for new immigrants, who settled in enclaves that allowed them to retain some of their culture and language while learning about their new homes and raising their children as second-generation Americans. With careful attention to integration, smaller industrial cities can embrace their roles as gateways that develop new leaders and bring cultural richness to their regions.

Fostering Equitable and Inclusive Renewal

As previously described, many smaller industrial cities are facing particular problems with high black and Hispanic poverty rates, growth in poverty, sprawl, and concentrated poverty. As smaller industrial cities work toward renewal, they need to ensure that the entire population participates in and benefits from revitalization. Achieving long-term progress in smaller industrial cities and their regions will mean fully integrating the goals of economic revitalization and inclusion and pursuing them simultaneously.

Inclusive renewal is focused on integrating everyone into a stronger economy: It includes specific strategies to support low-income communities and communities of color. It rebuilds career ladders and prioritizes jobs that will enable workers to support their families. It encourages the development of healthy, mixed-income residential communities and balances the needs of existing residents and newcomers.

Such an approach to revitalization is not only better for cities and the people who are not left behind, but it's also better for entire regions. There is growing recognition that the economic health of regions is tied to the health of their cities—they almost always rise and fall together.[17]

This kind of renewal is already happening in smaller industrial cities, as the next section of this report illustrates. It's happening when a community development corporation trains local workers in green building techniques through work on the CDC's own mixed-income housing developments. It's happening when a public school connects students who may not be college-bound with high-tech careers in a growing local industry. It's happening when a land bank uses fees collected countywide to address a vacant-property problem in that county's center city.

Unfortunately, many common strategies for change in smaller industrial cities have the potential to exacerbate inequities rather than lessen them. Non-inclusive revitalization is characterized by deepening divides on all fronts: It adds a few high-quality jobs, usually taken by outsiders, and a large number of low-wage jobs, with no career ladder between them. It channels new investment into a few residential hotspots, while allowing low-income communities and communities of color to remain isolated.

Equitable development is achievable, but it takes a conscious, explicit effort to bring about. It means including everyone in the process, and ensuring that all residents participate and prosper.

4 An Equitable Development Agenda **for Smaller Industrial Cities**

Despite the challenges they currently face, smaller industrial cities can improve economically and achieve a brighter future for all their residents. This will not be easy, and there are no quick fixes to turn these cities around. Comprehensive, sustainable renewal will require more than implementing a handful of isolated programs and policies. It will require a coherent vision, strong leaders, tough choices, and bold action.

Here we present an equitable development agenda for smaller industrial cities—one that seeks to build on the particular assets and characteristics of these places. This policy and program agenda is organized into four cornerstones for building vibrant, equitable, and sustainable smaller industrial cities:

- → **Land Use and Fiscal Policy** examines creative responses to the twin forces of abandoned property and fiscal crisis that have kept many smaller industrial cities from capitalizing on their strengths and reversing their decline.
- → **Infrastructure** highlights policies and projects that strengthen the basic foundation of smaller industrial cities and that make sure that the benefits of such investments reach those who need them most.
- → **Economic Renewal** focuses on approaches that move cities away from race-to-the-bottom competition for economic activity, and toward carefully building on cities' and regions' assets to craft sustainable and inclusive economic growth.
- → **Neighborhood Revitalization** discusses ways to bring attention to neighborhoods and help them develop into places that provide opportunity and appeal for old and new residents alike.

This equitable development agenda is not an abstract set of ideals, but a practical and an achievable framework for moving smaller industrial cities forward. The action ideas we present are culled from our analysis of what's working in smaller industrial cities and from conversations with smaller-city leaders on what it will take to turn their cities around.

Along with every idea, we present a case study that examines how that action is being applied in communities. Taken together, these case studies offer a rich mosaic of promising approaches—big and small; program and policy; driven by the government, initiated by the private sector, or spearheaded by local nonprofit organizations and neighborhood groups. While most of the case studies come from smaller cities in the Northeast and Midwest, we also include some models from other areas and from larger industrial cities that we think would adapt well to the smaller-city context. It is important, after all, to recognize not only what makes smaller industrial cities different, but also what they share with and can learn from other regions.

Some of the models we profile have been implemented for some time and have a proven track record, other examples are very recent, and some are in the planning stages. Smaller industrial cities need to be entrepreneurial and take some risks. Therefore, we have included promising new strategies and approaches, especially ones that address sticky problems for which there are not yet many solutions that have been documented and studied over time.

Land Use and Fiscal Policy

Action Idea	Example	Location	Description
Engage all stakeholders—especially residents—to craft a vision and land use plan to guide development and investment.	Youngstown 2010	Youngstown, Ohio	A planning process that used award-winning marketing and participation techniques to get true buy-in from residents and generate a new vision for the community: being the best city of 80,000 possible.
Reclaim and restore vacant and abandoned properties through a systematic, coordinated approach.	Genesee County Land Bank	Flint, Michigan	A countywide agency that keeps foreclosed properties from the auction block, reusing some and keeping some in interim "green" storage until conditions are right.
Work with surrounding jurisdictions to provide planning and services that are good for the entire region.	Sharing services in Broome County	Binghamton and Broome County, New York	Broome County and Binghamton are sharing services in many different ways, yielding cost savings and improved quality.
Develop innovative financing techniques to meet community needs.	Financing parks in Scranton	Scranton, Pennsylvania	Mayor Chris Doherty used a wide range of techniques to generate the funding to turn Scranton's parks into engines for community reinvestment and renewal.

Infrastructure

Action Idea	Example	Location	Description
Target state infrastructure investments to strengthen smaller industrial cities.	TurnAround Ohio	State of Ohio	A statewide policy to shift infrastructure spending towards established communities in the state.
Invest in public transportation to help smaller cities tap into regional economic opportunities.	South Coast Rail Project	Fall River and New Bedford, Massachusetts	A commuter rail extension that will make two smaller cities attractive to new residents and businesses as well as provide access to Boston's jobs for existing residents.
Treat urban greening as an essential investment, not a luxury.	Spicket River Greenway	Lawrence, Massachusetts	A string of parks, some on reclaimed brownfields, are reconnecting this industrial city's poorest neighborhoods to its waterfront.

Economic Renewal

Action Idea	Example	Location	Description
Tie job training to regional industry needs and trends.	A nascent nanotech workforce pipeline in New York's Tech Valley	Albany, Schenectady, and Troy, New York	Programs at the high school and community college level are working to ensure that new jobs in nanotech are in reach for existing residents.
Make sure that developers who receive public subsidies are held accountable for delivering community benefits.	A statewide campaign to promote accountable public economic development investments	New York state	A movement is underway to reform the state's local economic development authorities, adding a wide range of accountability measures.
Cultivate a skilled workforce and catalyze economic growth by investing in students and public schools.	Kalamazoo Promise	Kalamazoo, Michigan	The Promise provides college scholarships to graduates of Kalamazoo's public schools—an initiative expected to improve education for residents, attract new families, and inspire businesses to move to the city.
Support local and regional entrepreneurship.	Youngstown Business Incubator (YBI)	Youngstown, Ohio	Against the odds, YBI has made Youngstown the place to be for B2B software developers.
Invest in projects that generate economic, cultural, and community improvement.	Stanley Theatre	Utica, New York	A well-planned renovation of a historic theater supports local businesses and generates economic, physical, and cultural payoffs.
Cultivate new and sustainable economic niches such as green businesses.	Green-Collar Apprenticeship Program, Lincoln Park/Coast Cultural District	Newark, New Jersey	A community developer is building green for neighborhood renewal—and training lower-income residents for jobs in this growing sector.

Neighborhood Revitalization

Action Idea	Example	Location	Description
Target public resources to specific neighborhoods.	Neighborhoods in Bloom	Richmond, Virginia	Rather than spreading funds too thin to make lasting change, Richmond chose to focus them on several target neighborhoods.
Engage anchor institutions, such as hospitals and universities, in equitable neighborhood development.	Southside Institutions Neighborhood Alliance (SINA)	Hartford, Connecticut	The steady support of key anchors has allowed SINA to take on ambitious projects and adjust with changing neighborhood needs.
Find regional answers to problems that plague neighborhoods.	Route 222 Anti-Gang Initiative	Eastern Pennsylvania, including Allentown and Reading	By working regionally, several smaller cities secured funding and achieved results they never would have on their own.
Restore vibrant, diverse neighborhoods with programs that promote and support mixed-income housing options.	Rebuilding Upstate New York's housing markets	Albany, Troy, and Syracuse, New York	A program to encourage local landlordship; a nonprofit, city-oriented brokerage; and a home-value insurance product all encourage renewed housing markets.

Land Use and Fiscal Policy

Developing a rational and coherent set of land use and fiscal policies is critically important to the equitable revitalization of smaller industrial cities. While often considered separate from one another, land use and fiscal policies are interrelated and reinforcing factors in how communities grow and develop. For example, jurisdictions often prioritize development based on what will yield the highest tax revenue in the short term. This often creates more fiscal problems down the road because it undermines a longer-term strategic sense of what should be built, how it should be built, and for whom it should be built to move a community forward.

Abandoned properties are a drain on a smaller city's fiscal base: they are not on the tax rolls, they attract crime, they bring down surrounding property values, and they cause public safety hazards.

Another contributor to the fiscal crises facing many smaller industrial cities is the fact that they continue to serve as a hub of government services and tax-exempt institutions for their regions, even though their employment and population have decreased, thus causing their tax burdens to increase in comparison to outlying communities. The service cuts and tax increases that often follow these fiscal stresses can start a vicious cycle, prompting more abandonment and less investment.

Smaller industrial cities often feel the effects of such trends more harshly than larger cities. A recent study by ReBuild Ohio found that smaller cities in Ohio tended to have lower official levels of vacant and abandoned properties—but only because they often don't have the resources to conduct comprehensive land surveys as their larger counterparts do. The research suggested that the actual rates of vacancy and abandonment in smaller cities were two to six times higher than officially reported, which would put most of them at or above the rates of the larger cities.[18] Lima, Ohio, for example, with a population of 38,219, has an official vacancy rate of 3.7 percent, but estimates place the true rate at 11.1 percent. Assuming the higher rate, the cost to Lima of its abandoned property comes to $120 per capita, compared to $78 per capita for Dayton, a city more than three times Lima's size.[19]

The good news is that a relatively small investment in a smaller city—rehabbing one downtown eyesore or a few residential blocks—can bring big rewards. Here we review a range of land use and fiscal interventions that can be undertaken at the local and state levels that contribute to the competitiveness of smaller industrial cities and enhance the strength and sustainability of their regional economies.

Action idea: Engage all stakeholders—especially residents—to craft a vision and land use plan to guide development and investment.

A signature part of Youngstown's new vision is residents and government alike accepting that they are a smaller city and focusing on becoming the best city of 80,000 it can be.

How smaller industrial cities choose to use their land will dramatically shape the future that they create for themselves. A comprehensive planning process that forges a shared vision and land use priorities is an essential step for smaller cities as they chart a new path forward.

Having a wide range of stakeholders, especially current residents, involved in such a process is crucial to successfully craft a land use plan that both creates meaningful opportunities for people and physically revitalizes the city.

When residents and other stakeholders, such as business owners or institution representatives, feel they have been included in a planning process and see their feedback reflected in the final result, it depoliticizes the process and generates momentum for implementation. Citizen input can also dramatically shape the vision in ways that professional planners, for all their expertise, might not have anticipated, and it gives residents a chance to hash through difficult trade-offs.

Participatory planning processes are both especially important and unusually achievable in smaller cities, where the scale makes a citywide participatory process possible and expected. Cities must put sufficient resources into resident engagement and input. Residents must be informed about the changes occurring in their neighborhoods and given more than a token chance to affect the details of the plan.

Generating a New Vision from Good Public Input: Youngstown 2010

"Our kids go away and never come back." "The negative image of Youngstown overshadows the entire Valley!" Such frank assessments are generally more likely to come from complaining citizens than from a city government itself. But Youngstown, Ohio, was willing to take some risks to get its citizens to engage in its planning process. And along with the quotes above, its marketing materials also included hopeful messages like "It's Our Future . . . Get Involved."

The Youngstown 2010 planning process started in fall 2002. The city's comprehensive plan desperately needed updating. It had been developed in the 1950s, when Youngstown was a booming steel town with a population twice the size of today and expected to keep growing. The 2010 planning team, made up of city and Youngstown State University staff, decided up front to commit to true public participation.

The kick-off meeting drew more than 1,300 people. Another garnered more than 1,200. Youngstown 2010 won 2007's illustrious American Planning Association's award for public participation.

The inclusive process not only marshaled community support for the end product, but also helped determine its focus. For example, a signature part of Youngstown's new vision is "accepting that we are a smaller city" and focusing on becoming the best city of 80,000 it can be, rather than unrealistically trying to grow back into its former self. That came from public input. "The whole idea of accepting that we're a smaller city was pretty much a surprise to everyone in our department, though it makes perfect sense," says Anthony Kobak, the chief planner for the city.

The city gained momentum from Youngstown 2010 and is building on this through focused neighborhood planning processes that will guide the specific next steps for all of the city's neighborhoods.

> *"If our definition of success relied on us developing a lot of land, we'd set ourselves up for failure. It doesn't make a lot of sense for us to require dramatic growth for us to consider our community successful. It's about improving the quality of life."*
> — Dan Kildee

Action idea: Reclaim and restore vacant and abandoned properties through a systematic, coordinated approach.

Vacant or abandoned property is one of the most thorny land use issues facing smaller industrial cities, and the failure to address it systematically can stymie revitalization. Abandoned properties often move through a vicious cycle of auction, speculation, and re-abandonment; it is challenging to reverse this trend through a piecemeal approach.

Analyzing and retooling the system that cities and states have to manage abandoned properties are essential to foster equitable development in smaller cities. New systems should focus on preventing abandonment, minimizing the amount of time a structure can stand abandoned, and ensuring reuse plans—redevelopment or otherwise—that are likely to have long-term success.

Changing the Rules of the Foreclosure System: **Genesee County Land Bank**

In 2000, more than 12 percent of the homes in Flint, Michigan, were vacant. Since then, hundreds have been demolished or rehabbed.

Assessment data released in early 2007 showed that property values in the city increased 5 percent that cycle—the fourth-highest increase of any of Genesee County's 32 municipalities. A ground-floor commercial unit downtown recently sold for over $400,000, while new loft apartments next door were nearly all pre-leased before the building was completed.

What brought about this turnaround? The innovative practices of the Genesee County Land Bank are a big part of the answer. A land bank is a government or nonprofit agency that takes control of abandoned or foreclosed properties and redirects them to productive use, often assembling larger parcels and giving away land to nonprofits rather than sending it all to the auction block. A 2006 Michigan State University study showed that by spending $3.5 million on demolishing more than 400 deteriorated abandoned houses, the Genesee County Land Bank had "unlocked" $112 million in increased property values.[20]

The land bank, started in 2002, now owns 10 percent of all parcels in Flint, a city that lost 38 percent of its population between 1970 and 2000. Rather than flooding the market with short-term sales that continue the speculative cycle, the land bank looks beyond getting properties immediately back on the tax rolls (though it certainly does do that) to steer each property to a use that is likely to be sustainable. "It's a reengineered system," says Dan Kildee, Genesee County treasurer and chair of the Genesee County Land Bank.

Foreclosed properties that are in good shape are sold to private owners; properties in bad shape but with a potential to be catalytic in turning a block around are often rehabbed by the land bank or sold to nonprofit housing groups. Occupied properties are managed and tenants are given rent-to-own options. Unsalvageable buildings are demolished, and vacant lots are sold to neighboring homeowners for $1 or placed in "long-term interim status" and maintained by neighborhood groups.

The land bank also has an active foreclosure-prevention system to help homeowners facing financial hardship keep their homes. Stepping in at the prevention stage helps ensure that low-income homeowners are not left behind by the process of trying to keep properties on the tax rolls.

The land bank, winner of a 2007 Innovations in American Government Award, receives support from the Charles Stewart Mott Foundation, but it is largely self-supporting through income generated from delinquent tax fees and land sales.

Supportive state policy, including a simplified state foreclosure process, enables the land bank to do what it does so well. States do not always think of their tax foreclosure laws as having public policy implications—but they do. Reforming them is an important step to making a land bank effort successful.

Sharing services is building a culture of good will and trust in the Binghamton region—and saving money. Consolidating tax collection with their county helped Binghamton save $200,000 annually.

Action idea: Work with surrounding jurisdictions to provide planning and services that are good for the entire region.

Unlike many growing Sunbelt cities that have the option to annex outlying areas, smaller industrial cities in the Northeast and Midwest are often the centers of highly fragmented regions. For example, the Miami Valley region of Ohio contains two center cities (Dayton and Springfield), four counties, and a total of 97 municipalities.[21] This can put a fiscal strain on all the jurisdictions in a region, as services and systems are duplicated.

While most jurisdictions carefully guard their autonomy—particularly in relation to fiscal and tax issues—some are experimenting with shared services and cooperative economic ventures, from volume purchasing discounts to co-owned technology parks. Counties can be good brokers or coordinators for these efforts, and state associations serving local government can push for clarity in state law concerning what sort of agreements municipalities can enter into with each other.

Efforts like these can alleviate some of the capacity issues smaller industrial cities face. Additionally, by participating in modest efforts to share services, smaller industrial cities can start to create relationships, good will, and recognition of metropolitan interdependence that can lay the groundwork for more ambitious regional strategies.

Finding Efficiency in Regionalism: Sharing Services in Binghamton and Broome County, New York

Binghamton, a city of 47,000 at the confluence of the Susquehanna and Chenango rivers in southern New York state, long relied on the defense industry for jobs. But the city has since fallen on fiscal hard times. In 2005, the executive of Broome County, where Binghamton is located, and the mayor of Binghamton co-convened the executives of all jurisdictions in the county to strategize about opportunities to share services.

Officials identified 170 instances in which they were already informally sharing services. There was strong interest in pursuing more coordinated cooperative ventures, particularly around the courts, health insurance, parks and recreation, and highways.[22] Having the county lead eased tensions that might have resulted if the city had tried to introduce the concept on its own.

While this countywide effort is still in an early phase, consolidation of some services between the city and the county has already brought benefits to Binghamton. For example, consolidation of tax collection helped Binghamton keep its AAA bond rating in 2007, which saves the city approximately $200,000 annually.

The city and county have also consolidated 911 dispatch services. Now they're consolidating GIS (geographic information systems, or mapping software), which will save the city approximately $75,000 and allow more efficient sharing of information.

Binghamton also benefits from regional cooperation. A sewage plant, jointly owned by the city and a neighboring municipality, is part of the Municipal Electric and Gas Alliance (MEGA), a nonprofit consortium of counties, municipalities, school districts, and other bodies. The group banded together to realize volume purchasing savings. According to MEGA, Binghamton saved approximately $320,000 in electricity purchases in 2005.

All these efforts to share services are starting to build a culture of good will and trust in the region.

Action idea: Develop innovative financing techniques to meet community needs.

When a smaller industrial city has been on hard times for a long time, it may seem as if deficits are a given and that new sources of funding will always be a drop in the bucket, dissolving into a larger pool of problems without making a ripple. But this is not necessarily so.

The budgets and finances of smaller industrial cities are complex, and careful attention to detail can often turn up opportunities—refinancing, new state programs, and different approaches to raising revenue—to make them work more efficiently and prosperously over the long haul. As opposed to short-term ways to make the books look better, smaller industrial cities should focus on producing a solid return on investment, improving the city's bottom line, and yielding tangible results for residents.

It's All about Return on Investment: Financing Parks in Scranton

When Mayor Chris Doherty took office, Scranton's 22 parks were a mess—blighted, forlorn, magnets for drug activity and crime. The situation reflected long-standing budget priorities: for many years, park funding had been one of the first things cut when money got tight.

Instead of viewing parks as a luxury, Doherty considered them essential to the revitalization of the city, and he invested heavily in them. Nay Aug Park, the city's largest, got a $1.9 million overhaul. Doherty's administration has also invested $2.25 million in the city's other parks.

The renovations have brought dramatic changes to Scranton. The parks are packed, and people have a renewed sense of pride. Before the renovations, the Nay Aug pools were free, and they attracted nearly 1,000 people annually. Now there is a modest admission fee, and they draw 30,000 people. "Nay Aug was symbolic of the downturn; now it's symbolic of the upturn," Doherty says. He also believes the parks work is the reason the city has been experiencing a surge in house appreciation rates.

Doherty pursued varied strategies to come up with the money to invest in parks. Once he balanced the budget—it took 18 months—he began visiting Standard and Poors in New York City until he succeeded in getting the city's bond rating upgraded from "junk" to BB and then to AAA. This enabled the city to refinance its $70 million debt, and the lower interest rate allowed Scranton to borrow more money for parks and other initiatives.

Doherty also secured grants, sold a softball complex to the University of Scranton, and bought a holiday lights show—worth $1 million—out of bankruptcy for $200,000. To rebuild Nay Aug's pedestrian bridge, he used state and federal transportation funds, since bridges, even in parks, technically fall under "transportation."

By making sure that the city's revitalization efforts delivered visible benefits to the whole community, Doherty created a sense of possibility in Scranton and got residents invested in the future of the city. Consequently, the city was able to raise property taxes without a "peep" of protest. "Cities have to invest in themselves," suggests Doherty. "We have to be ready when people are making their decision about where to live, or they'll bypass us and go somewhere else."

Infrastructure

Infrastructure is the skeleton of a community's built environment. It shapes people's lives and opportunities in dramatic and varied ways.

In some communities, public transit and roads effectively connect people to jobs and services, while in other areas residents are geographically isolated.

Well-funded school districts—often located in newer suburban areas—feature high-tech science labs, networked classrooms, and well-tended sports fields, all of which give their students an edge in developing skills and preparing for the future. In contrast, students in urban and older suburban school districts in the very same regions often contend with dilapidated and outdated facilities.

Similarly, the quality of water and sewer services, electric and gas utilities, parks, and advanced telecommunications affects the economic prospects of communities and the opportunity and quality of life of their residents.

Given the importance of infrastructure to community and individual success, it's an essential area for equitable development action in smaller industrial cities, some of which have lost a large percentage of their population over time and are now stuck with infrastructure that is outsized for their current population. This mismatch is costly: streets with only a few occupied homes still need to be fixed, cleaned, and lighted, for example.

Infrastructure in smaller industrial cities is in need of extensive and expensive repair and replacement. As a result of competing fiscal priorities, public officials are forced to curtail services and defer investment in upgrading existing infrastructure. This contributes to a spiral of decline as poor infrastructure, especially in comparison to tax rates, hampers economic growth and spurs further population loss.

Decisions about infrastructure spending—which projects to prioritize, whether to repair or build new, and how to distribute funding geographically—dramatically influence the location of business activities and households and can mean new life for struggling smaller cities.

Here we highlight local and state strategies for utilizing infrastructure investment to foster equitable revitalization. These approaches can have measurable effects on a city's economic development, economic inclusion, tax base, and quality of life.

What Is Infrastructure?

Infrastructure is the publicly built and maintained physical underpinnings of a community. It includes roads, sidewalks, bike paths, parking facilities, bridges, transit systems, water and sewer lines, parks and open space, and school buildings. Infrastructure also includes some items that are not necessarily publicly maintained, such as electricity and gas lines and telecommunications systems. Publicly maintained or funded affordable housing is also sometimes considered part of a community's infrastructure.

> *"We're expecting developers building in outlying areas to cover the cost of new interchanges and any additional construction needed to support the interchanges."*
> —Marvin Hayes

Action idea: Target state infrastructure investments to strengthen smaller industrial cities.

State infrastructure spending is a quiet but powerful driver of where growth happens in a region—and where it doesn't. For decades, state policies and agencies have directed infrastructure spending outside of central cities. For example, of the $382 million spent from the Michigan Transportation Economic Development Fund since 1988, 78 percent—or $297 million—has gone to new suburbs or rural areas, while just 22 percent—or $85 million—has made it to cities.[23] Similar patterns exist in other states.

A policy approach called "fix-it-first"—being experimented with in many states that are home to smaller industrial cities—seeks to reverse this trend. Fix-it-first policies seek to steer dollars towards projects that maintain and improve existing infrastructure in established areas. Such an approach could dramatically benefit smaller industrial cities.

It is important, from a smaller-city perspective, to not get locked into the literal wording of "fix-it-first," but rather to focus on "repairing it right." Promoting equitable growth and development in smaller industrial cities is not going to be possible without some new infrastructure—for example, adding a new transit stop on an existing rail line might be the very thing that drives new economic activity to a smaller city. This represents a significantly different kind of investment than extending new infrastructure into less developed areas, where it will stimulate or exacerbate the decentralization of economic activity.

Going Statewide with Fix-it-first and Anti-sprawl Funding Priorities:
TurnAround Ohio

TurnAround Ohio, a multipoint plan developed by Governor Ted Strickland, aims to strengthen the state by growing the economies of metropolitan regions. One of its policies is to restrict state infrastructure funding to projects in core areas. It is too early to assess the results of TurnAround Ohio, which was launched in 2007, but the approach and the lessons learned so far may still be instructive to other states.

Marvin Hayes, director of Urban Development and Infrastructure in the governor's office, explains that the state is repairing existing roads, bridges, rails, and other infrastructure while declining to contribute to expansion projects such as new highway interchanges that will fuel sprawl. "We're using the term 'fair share' development," he says, "expecting developers building in outlying areas to cover the cost of the interchanges and any additional construction needed to support the interchanges."

Directing state investments into areas that are already developed, especially cities, begins to counterbalance the inequitable distribution of good infrastructure throughout the state and reverse what had been a pattern of transportation funding that one report called "essentially anti-city."[24]

Hayes says that the fix-it-first policy is challenging to implement in the face of market forces that appear to be pulling development outward, not to mention a severe structural state deficit. Although Ohio has already declined to fund some proposed interchanges at the edges of regions, some of those interchanges will be built anyway, with funding from the developers and localities.

Still, TurnAround Ohio represents an important shift in the state's orientation and holds promise for strengthening smaller cities. To capitalize on this opportunity, leaders in smaller cities should actively engage with state leaders as they continue implementation efforts.

While still in an early stage of development, TurnAround Ohio has helped prompt serious discussion about the importance of cities, including smaller ones, in regional development and the economic competitiveness of the state. "Ohio's cities are anchors that support the region being healthy," Hayes observes.

Action idea: Invest in public transportation to help smaller cities tap into regional economic opportunities.

While smaller industrial cities rarely have the extensive transit networks that larger cities have, investing in the transit infrastructure of these communities is still critically important.

Investing in transit can benefit existing residents—especially lower-income people, who are more transit dependent—by better connecting them to jobs and services on the other side of town, in the surrounding suburbs, and in larger economic centers that were previously out of their reach. A solid transit infrastructure can also make smaller industrial cities more appealing for people from larger cities looking for more affordable places to live.

Tying Smaller Cities to Their Regions with Rail: Massachusetts South Coast Rail Project

Fall River and New Bedford, Massachusetts, along with their neighbor Taunton, have long been the only cities within 50 miles of Boston that do not have a commuter rail connection. The Massachusetts Executive Office of Transportation (EOT) is in the planning stages of the South Coast Rail Project, which would extend rail south from Boston, with stations in Fall River and New Bedford—two smaller cities that have long struggled with plant closings and loss of jobs.

The proposed expansion pairs regional and municipal land use planning with transportation planning to ensure that the rail extension does not result in excessive sprawl development, but rather channels economic development into core areas around downtown stations, especially in Fall River and New Bedford.

All 31 municipalities affected by the extension are collaborating with the state to identify priority areas for preservation and development, and the state is gathering input from residents and local groups.

The cities of New Bedford and Fall River believe the stations will both provide their residents with new access to Boston jobs and attract new residents looking for more affordable places to live than Boston. But the cities don't want to become bedroom communities, and they are actively thinking about how stations downtown can stimulate local economic activity as well.

The EOT also is working to design the rail service so that it entices employers to move to the area—for example, by locating stations at tech parks. EOT also recognizes that the arrival of rail service may drive up real estate prices and is building into its plans concerns for maintaining housing affordability.

The EOT expects to have a draft plan for the rail extension by spring 2009 and to complete construction by 2016.

> *"Our parks strategy in Lawrence has improved the quality of life for residents. But it also has dramatic economic benefits. This galvanized our partnership with the city, which allowed us to achieve such positive outcomes."*
> —Kate O'Brien, Groundwork Lawrence

Action idea: Treat urban greening as an essential investment, not a luxury.

Urban green spaces are an essential part of the infrastructure of neighborhoods. Parks are places for residents to exercise, create and maintain social networks, and take their kids to play. Well-kept urban green spaces contribute to the environmental health of a city.

Parks are a source of pride and identity, something that can be especially powerful in smaller industrial cities that have suffered from decades of economic stagnation and a sense of being "forgotten."

While parks in disrepair may not cause the kind of crises that unsound bridges or water mains do, they are magnets for crime and dumping and quickly become a painful symbol of a city's decline.[25] Recognizing that urban green spaces are not just a luxury—but can propel broader community revitalization—a wide range of stakeholders are developing creative solutions to reclaim and restore inviting green spaces in smaller industrial cities.

Reconnecting Poor Neighborhoods to the River: The Spicket River Greenway

Lawrence, Massachusetts, a former textile manufacturing city with a heavily Hispanic population of around 72,000, is located on the Spicket River, a small tributary of the Merrimack River. For a long time, the river, which runs through the city's poorest neighborhoods, suffered from neglect and dumping and was bordered by many vacant lots and brownfields.

In 2000, Lawrence CommunityWorks and Groundwork Lawrence launched a neighborhood planning process that became the Reviviendo Gateway Initiative. A key component was to work with neighborhood residents to convert a 2.7-acre contaminated former industrial laundry site into a riverfront park—the Dr. Nina Scarito Park, named after a well-loved Lawrence obstetrician.

The success of the effort inspired Groundwork Lawrence to work toward a vision for a greenway across the city—an "emerald bracelet" of parks and trees along the river, linked by recreational trails.

Groundwork Lawrence carefully built a partnership with the city government, which led to securing funding from the state's Urban Self-Help Fund—not just one grant, but a remarkable string of grants. The funding has helped bring about three new parks along the Spicket, including a skate park that local youth were instrumental in creating. A fourth park, also on a reclaimed brownfield, is expected to open in 2009.

In addition to the quality of life improvements, the parks are supporting broad economic benefits. From 2000 to 2004, Groundwork Lawrence reports that property values around Scarito Park more than doubled—a larger increase than in other Lawrence neighborhoods.

Groundwork Lawrence is now using state recreational trail money to plan and design the Spicket River Greenway, which will link the growing collection of riverfront parks through the lowest-income areas of the city. When it's completed, residents of these historically underserved neighborhoods will have safe, attractive walkways to schools, downtown, a commuter rail station, and a developing mill district with new jobs.

Parks are a source of pride and identity, something that can be especially powerful in smaller industrial cities that have suffered from decades of economic stagnation and a sense of being "forgotten."

Economic Renewal

Through the middle of the twentieth century, smaller industrial cities were vital economic centers, engines of America's manufacturing and industrial prowess. Some smaller cities were focused on one or two industries—iron and coal in Scranton, Pennsylvania, or fishing and textiles in New Bedford, Massachusetts. Others, like Trenton, New Jersey—whose slogan was "Trenton Makes, the World Takes"—made a variety of products, including ceramics, linoleum, and wire rope.

Today, the country's economy is driven primarily by services, finance, and technology. Many firms have spread their operations around the world, often moving their production facilities to developing countries with lower labor costs or environmental standards. At the same time, the information technology revolution has dramatically changed traditional industries and given rise to new enterprises in high-tech, knowledge-based sectors such as biotechnology. Although smaller industrial cities, which once relied largely on heavy industry, have been slower to adapt, many are actively seeking to find their place in the new economy.

Some smaller industrial cities examined in this report are exploring the creation of university-focused industry clusters, such as the nanotechnology research focused around the State University of New York campus in Albany. Some are using their smaller-town amenities and affordability to attract telecommuters, freelancers, and commuters from nearby larger cities. Researchers at the Center for Urban Policy Research have proposed that cities such as Lawrence or Holyoke, Massachusetts—which are within a few hours' drive of Boston—could use their relatively lower-cost land, available workforce, and proximity to corporate headquarters to attract back-end offices and specialized manufacturing from companies whose managers are tired of traveling overseas to manage off-shore operations.[26]

As they work toward developing new economic niches, smaller industrial cities need to make sure that all the residents of the city, and the region, share the benefits of economic development. The policies and strategies we highlight below focus on connections—between education and economic development, between incoming jobs and the local people who need them, and between incentives offered to companies and real benefits delivered to communities.

To craft viable workforce development strategies, smaller industrial cities need to think regionally, and even cross-regionally.

Action idea: Tie job training to regional industry needs and trends.

Too often, economic development programs and workforce development systems operate like ships passing in the night. Economic development officials often focus on growing particular industry sectors or attracting businesses that they know will generate a large number of jobs. Workforce training programs, often unaware of these strategies, end up training workers for yesterday's jobs or jobs that no longer have high demand.

When job training programs are in line with local economic development activity, new investments can generate far-reaching benefits for a city and its residents. A company that locates within the city limits but imports employees who then settle in the suburbs will have a much more modest economic impact than a company that provides new jobs for city residents who need them. Meanwhile, workforce systems that train workers with more attention to the changing job market have better success with placement and retention.

In smaller industrial cities, it can be harder to generate the critical mass for sector-specific job-training programs. One new company that needs six to ten workers doesn't justify its own new program at the community college. To craft viable workforce development strategies, therefore, smaller industrial cities need to think regionally, and even cross-regionally.

Building a Workforce Pipeline: New York's Tech Valley

Over the past decade, New York's "Tech Valley" has developed a network of high-tech firms connected to GE's headquarters in Schenectady, Rensselaer Polytechnic Institute in Troy, and the College of Nanoscale Science and Engineering at the State University of New York at Albany. Now, three schools, working in different ways and serving distinct populations, are trying to ensure that disadvantaged local residents are prepared for jobs in this new sector.

NanoHigh, run by the City School District of Albany and the College of Nanoscale Science and Engineering, is the first public high school program in America to offer nanoscience classes as regular science offerings. "The Introduction to Nanoscale Science and Engineering is geared for students who would pursue a technical/skill program," explains Jacqueline Carrese, the district's supervisor for science instruction. "These are students who traditionally might be turned off to science—we designed the class to show them all the opportunities that are out there for them."

Tech Valley High, a small regional school run by two educational service organizations and funded by member school districts, focuses on project-based interdisciplinary learning to prepare students for the 21st-century economy. The school tries to be inclusive by not setting high academic bars for acceptance, but it still faces challenges in establishing itself as a conduit between low-income areas and new job markets. Because districts pay to send students there (though they get partially reimbursed the following year), several, most notably Albany, do not participate. And, with only eight students of color in the first class of 48, Tech Valley High needs to expand recruitment efforts.

Hudson Valley Community College, a workforce training–focused school that relies heavily on industry advisory boards to keep its programs relevant, got the message that semiconductors and nanotech might become an important source of jobs in the region. Rather than create a stand-alone program, the school customized its electrical engineering curriculum with a semiconductor certificate. "We hedged our bets," says Phillip White, dean of the School of Business and the School of Engineering and Industrial Technologies. "Students could work in the electrical industry if semiconductors don't materialize. If they do, they're on the cutting edge."

All of these programs are striving to strike a balance between preparing students for the broader job market and connecting them with specific opportunities that promise to emerge from the region's economic development strategies. By coordinating with each other and with groups that work specifically with low-income urban job seekers, they could substantially strengthen their contribution to the equitable revitalization of the region.

"We've connected with people in many cities. Public awareness of accountable development has jumped up a notch."
– Bob McCoy, Metro Justice in Rochester

Action idea: Make sure that developers who receive public subsidies are held accountable for delivering community benefits.

The public sector has a complex and powerful arsenal of tools to foster economic development—grant programs; bonding authority; dollars for site preparation and assembly; new equipment, feasibility studies, infrastructure upgrades; and a multitude of funding streams.

The hope that the public sector's use of taxpayers' dollars will deliver tangible and measurable gains to local residents and the subsidies' failure to deliver those gains are common in cities and states across the country. Good Jobs First, a national accountable development research and advocacy organization, has found that such incentives rarely bring jobs to a city that wouldn't have come anyway. The jobs that are brought are often pirated from a nearby community, weakening the regional economy, and are usually low-wage and low-benefit, costing taxpayers substantially more in terms of health care, food stamps, and other public benefits for workers.[28] All of these problems hurt low-income communities—the very ones supposed to benefit from the new jobs—the most.

In response, an accountable development movement is growing, based on the premise that public investments must yield defined public benefits, such as good jobs, affordable housing, and childcare. This "high road" economic development approach starts from the recognition that a strong economy is built on good, living-wage jobs and a high quality of life. When public investments generate public benefits, including stronger schools and jobs that can lift low-income residents out of poverty, smaller industrial cities become more attractive places for nonsubsidized jobs and development over the long term, returning a greater bang for the public buck.

Holding Businesses—and Economic Development Authorities—Accountable:
A Coalition for Legislative Reform

In New York state, an audit found that two-thirds of businesses receiving tax breaks in 2006 did not create the jobs promised.[29] The audit focused on industrial development authorities (IDAs), the local bodies that manage much of the economic development incentives that go to businesses, often with little oversight and poor accountability standards.

A statewide coalition of labor, environmental, and fiscal fairness groups, as well as grassroots organizing networks is working to pass an accountability package that would result in sweeping changes for New York's industrial development authorities. Smaller industrial cities provide some of the most active participation in the effort.

The coalition, spearheaded by Jobs with Justice, is backing legislation that would institute:

→ ***Accountability measures***, including a clawback provision, which requires businesses to return a subsidy if they don't fulfill their promises, and an anti-raiding measure, which prohibits IDAs from subsidizing businesses that are just moving from another part of the state, not creating new jobs;

→ ***Required business standards***, such as prevailing wage and living-wage requirements, local hiring and apprenticeships, and environmental and anti-sprawl provisions;

→ ***Transparency reforms***, such as better monitoring and reporting so that job creation can be accurately tracked; and

→ ***Broader representation*** on IDA boards to include representatives from local communities, labor, and school boards.

Some of these provisions, such as clawbacks, are already in effect in many other states. The New York bill, however, goes further in proposing comprehensive reforms.

"The Promise is already making a difference in the lives of Kalamazoo students. Low-income students know they're college bound. That is a huge transformation."
– Hannah McKinney

Action idea: Cultivate a skilled workforce and catalyze economic growth by investing in students and public schools.

Everyone knows that a strong K–12 education system is one of the keys to a city's success. It's difficult for cities to attract and retain families with children if schools are failing.

But school improvements can also translate directly into economic renewal— businesses are increasingly making their decisions about where to locate based on where owners, managers, and key employees want to live. A high-quality education system is a strong draw for employers in two ways: it can lead to a better-educated workforce, and a good school system is a great "employee benefit" that makes a community appealing to qualified candidates.

While it can be a draw for new residents, an improved education system will primarily benefit existing residents, especially low-income residents who have few educational options. Expanding educational opportunity for all residents improves equity in a region by simultaneously encouraging economic growth and preparing residents to participate in that growth.

Attracting Development with a Promise for Opportunity: Kalamazoo Promise

"Cities around the country are trying to figure out how to redevelop despite their school districts," says Hannah McKinney, vice mayor of Kalamazoo. "It's harsh, but it's true." Kalamazoo, a city of about 72,000—the largest in southwestern Michigan—was basically in the same boat until November 2005, when the Kalamazoo Promise was announced.

Funded by anonymous donors, the Promise will pay for in-state public college tuition for graduates of the Kalamazoo public schools: 100 percent of tuition for students who attended the district's schools from kindergarten through 12th grade, down to 65 percent for those who enrolled in the 9th grade. Students need to be in college full-time and maintain a minimum 2.0 GPA. The Promise is available for 10 years after a student graduates from high school, and it is expected to continue as a program in perpetuity.

While its benefits to students are obvious, the Promise also was designed as an economic development catalyst—attract new families, and then businesses, with this incredible offer and develop a strong workforce by helping everyone discover his or her potential.

Initial signs are exciting. In fall 2006, the Kalamazoo school system saw a 10 percent increase in enrollment after 30 years of decline, which brought the school district an additional $7 million in funding from the state. Housing values in the district also rose, reversing decades of decline, and at a time when prices in the region were still falling. Energized voters passed a bond initiative to build several new schools—the first new school construction in the district since the 1970s. While there are no new major employers committed to Kalamazoo yet, Michelle Miller-Adams, a researcher at the Kalamazoo-based Upjohn Institute who is writing a book about the Promise, says, "Economic recovery is a long-term endeavor, and the Promise recognizes that."

The Promise faces some challenges in achieving its full potential as a city revitalization tool. The school district extends well beyond the boundaries of the city; although some people are moving into the core city itself, and housing values rose in some of the lowest-income neighborhoods, new development spurred by excitement about the schools has so far flowed primarily to surrounding townships.

These needs have galvanized community stakeholders to come together to improve the school system. For example, Huntington National Bank has introduced a special mortgage product for low-income families to buy a home within the school district.

Inspired by the Promise, some cities that are launching similar programs have formed a learning network called PromiseNet. Though funded in a wide range of ways, from reallocation of sales tax to private fundraising, all these programs share the goal of reimagining their K–12 schools as an asset and an attraction.

Action idea: Support local and regional entrepreneurship.

Small, entrepreneurial companies—those that are constantly pursuing new opportunity and working to bring innovative products or processes to market—have the potential to generate the kind of job growth that, over time, can be a key piece of an equitable economic turnaround. Supporting local entrepreneurs can get cities out of competitions to lure big companies—competitions that often require expensive, long-term tax abatements and other incentives that result in cutbacks to essential services to low-income communities. In addition, entrepreneurial companies with local ties and local connections, especially those headed by residents of color or from low-income neighborhoods, are more likely to hire disadvantaged city residents.[30]

Smaller industrial cities often don't have local venture capital funds or corporations with large research and development departments that spin off innovations. In smaller cities, it is also essential to identify a few specific strengths upon which to build. Yet small size can provide advantages to entrepreneurs. In a smaller city, it can be easier to establish the all-important connections to make things happen. "Everybody really is one degree away from each other," notes Bo Fishback of the Kauffman Foundation, a national philanthropic group focused on expanding entrepreneurship.

The Place to Be for B2B: Youngstown Business Incubator

Youngstown, Ohio, and the surrounding Mahoning Valley experienced a steep loss in employment when several steel plants and related businesses closed in the late 1970s. Rather than trying to address this by luring established companies, the Youngstown Business Incubator (YBI) focused on supporting local entrepreneurs in one key sector to start, and keep, new businesses in the city.

After a strategic evaluation in 1998, the YBI chose to focus tightly on business-to-business software (B2B). This allowed YBI to provide a higher value to its companies. It invested, for example, in high-speed fiber optic connections, specialized trade-show materials, and a software testing lab, none of which would have been cost-effective for only a couple of companies. YBI had no B2B tenants when it chose to focus on that area. But with heavy promotion, it soon got its first company—a power equipment dealer who wanted to commercialize a sales program he had developed for his own business. Other tenants followed, and the cluster became a reality.

Turning Technologies, the fastest-growing software company in the country in 2007, as listed in Inc. magazine, is a YBI company, and Julie Michael Smith, YBI chief development officer, says that some former Youngstown residents are coming home to the area to start businesses at the incubator, "reversing brain drain."

The critical mass of expertise at YBI, combined with an affordable cost of living, is encouraging companies to stay even after they outgrow the incubator, so YBI is renovating a neighboring building into the Taft Technology Center, a commercially operated tech complex with unsubsidized rents. Turning Technologies, which has already opened a London sales office, has decided to keep its headquarters in the Taft Center.

YBI makes good use of the Northeast Ohio Incubator (NEOInc) Network, a consortium of five incubators that runs a group blog, cross-promotes events, shares expertise, and allows each other's tenants to use their facilities. NEOInc functions as a "shared Rolodex," which can be particularly crucial for smaller cities, helping them make connections and bringing what's happening in smaller cities to the attention of investors and others in larger areas.

To date, YBI companies have created 250 jobs with an average salary of $58,400, and YBI has invested $12 million in downtown rehab and new construction. To take the next step toward promoting an inclusive Youngstown, YBI has begun conversations with the local school system and the county juvenile justice center about how to better connect local low-income residents with the jobs YBI companies generate.

> *"While the Stanley Theatre lives on the street in Utica, it serves a region."*
> — Ron Thiele

Action idea: Invest in projects that generate economic, cultural, and community improvements.

To catalyze sustained economic growth in smaller industrial cities, the best investments are those that can generate benefits on multiple fronts—economic, social, and fiscal. For example, turning a vacant property into a signature project in the central business district can generate taxes and jobs, and lower crime, and anchor a retail district that allows residents of surrounding neighborhoods better access to services and goods. Opening a grocery store in an area that has not had one for a long time can redevelop several vacant lots, bring in taxes and jobs, and improve the health and quality of life of residents by providing access to affordable, nutritious food.

Improving the Arts—and the Local Economy: Stanley Theatre

Like many upstate New York smaller cities, Utica—with a population of 60,600 and a magnet for refugees, especially from Bosnia—has experienced "sprawl without growth." But a nonprofit arts council has helped generate more interest in the city's downtown.

The Stanley Theatre is a vintage 1928 performance hall designed by famous architect Thomas Lamb. With 3,000 seats, it has always been an anchor for and a central feature of Utica's downtown.

But the Stanley found itself becoming marginalized in the touring theater market because its facilities, from stage size to dressing rooms, were out of date. In the late 1990s, the Central New York Arts Council, which owns the theater, began exploring an ambitious renovation plan with two goals: improve the theater's cultural offerings and stimulate economic revival downtown. The council created a financing plan that was the first to combine Historic Preservation Tax Credits and New Market Tax Credits, which yielded more money for the project.

The council made economic inclusion a priority: 85 percent of the construction costs (everything except certain highly specialized functions) went to local companies. To ensure this, the council broke the construction bid into 17 small pieces and worked with a construction manager model rather than a general contractor.

The renovations were completed in December 2007. The expanded theater has increased the number of shows by nearly 50 percent and has added significant business to downtown restaurants and other establishments. The renovations also gave the council space to expand its educational programs with the public schools. Loft-style apartments are appearing downtown.

"Overall there is an appreciation for the fact that this region has this facility, that it's open, intact, and a landmark," says Ron Thiele, director of the arts council. "While the Stanley Theatre lives on the street in Utica, it serves a region."

Action idea: Cultivate new and sustainable economic niches such as green businesses.

Smaller industrial cities should be creative and forward-thinking as they seek to rebuild their economic base. Proactively assessing economic trends and forging new models for economic success can assist such cities with finding their special market niche.

Green for All, a national campaign whose mission is "to help build a green economy strong enough to lift people out of poverty," argues that "a national effort to curb global warming and oil dependence can simultaneously create good jobs, safer streets and healthier communities." Smaller-city regions, with older infrastructure that will need to be replaced or updated in a short timeframe, can get up to speed on these technologies more quickly than communities that have upgraded in the recent past, leapfrogging over yesterday's solutions and providing jobs and models for the rest of the country. By committing to increasing energy efficiency in public buildings and processes, cities can shift public expenditures from utility payments to jobs. Providing incentives for renewable energy in government buildings, businesses, and residences can also grow a green economy sector. Jobs in green building are often living-wage and accessible to workers without advanced degrees.

Greening a Neighborhood and Growing Job Skills: Green-Collar Apprenticeship Program, Lincoln Park/Coast Cultural District

Redevelopment is on the horizon in two historic Newark neighborhoods: Lincoln Park, which is full of brownstones dating back to the 1880s, and the Coast neighborhood just to the north, which once was a lively entertainment district that showcased jazz greats like Sarah Vaughn and Billie Holiday. A key component of the redevelopment effort is a commitment to green building practices, particularly those that improve the quality of life for low-income residents.

Starting in 1998, a four-year participatory neighborhood planning process generated a revitalization plan for the area. That neighborhood plan articulated a vision of an arts and cultural district that would include artist live-work spaces, mixed-use buildings, community programs, historic preservation, a Museum of African American Music, and restoration of Newark Symphony Hall, all using green building techniques. The Lincoln Park/Coast Cultural District (LPCCD) emerged from that process in 2002 as an organization dedicated to implementing the neighborhood plan, and the Newark Municipal Council adopted the plan in 2005.

Green building was something that residents brought up over and over in the lengthy participatory neighborhood planning process. LPCCD is planning to build 300 units, including townhomes and condos, over four years. These will be targeted to a variety of income levels, so that the housing is accessible to current residents as well as new residents interested in green buildings. LPCCD also created the Green-Collar Apprenticeship Program (GreenCAP), which puts local residents to work on LPCCD's construction projects while giving them both traditional union apprenticeships in HVAC, electrical work, and plumbing and specific training in green construction techniques. The first class, with 30 participants, started work in spring 2008.

"Many job training programs train people for obsolete occupations," says LPCCD Director Baye Adofo Wilson. "We are training people on an emerging clean energy economy, a growing industry that will continue to expand well into the future."

Neighborhood Revitalization

People may visit a city for its downtown, but they move to a city for its neighborhoods. Neighborhoods—where all residents can live, work, and play—are the bedrock of inclusive and prosperous cities and regions.

The quality of neighborhoods determines access to good schools and health services and influences social interactions, including connections with networks and institutions that provide access to employment and other resources for economic success. Neighborhoods are important staging grounds for civic and community engagement—many residents first become politically active around neighborhood issues like public safety, development plans, and school quality, and they often do so through community institutions such as churches and neighborhood associations.

Thriving neighborhoods also provide a competitive advantage for attracting and retaining new residents, businesses, and employees.

Despite the importance of neighborhoods, city revitalization efforts usually prioritize downtown development. Even cities that experience a downtown resurgence often find that neighborhoods are left behind. Downtown enterprises often cater to commuters and travelers, and perhaps secondarily to attracting people to live downtown. These features may trickle outward somewhat to surrounding areas, but often they do not directly improve housing, parks, schools, retail districts, or quality of life in those neighborhoods.

To benefit current residents and attract new ones, the problems of neighborhoods must be addressed directly.

Here we focus on win-win neighborhood revitalization strategies that strive to achieve and maintain diversity and balance: targeting resources to have catalytic effects, investing in projects that have both economic and social benefits, paying attention to housing markets, and building mixed-income communities. We also look at ways to engage anchor institutions, such as colleges and universities that are located in distressed neighborhoods, as partners in equitable revitalization.

It takes a tremendous amount of political will to implement a program that initially means a majority of neighborhoods get less funding. But Neighborhoods in Bloom had unanimous support.

Action idea: Target public resources to specific neighborhoods.

In most cities, revitalization funding is spread among all neighborhoods or districts that qualify. Too often this dilutes resources so that they produce little effect beyond isolated improvement. Leaders in many cities have started to realize, for example, that if they lose several houses to foreclosure or abandonment for every one that they build or rehab, housing investment will not spur the kind of neighborhood revitalization, or even stabilization, the community needs.

To have a transformative effect, cities such as Richmond, Virginia, and Binghamton, New York, are starting to focus their resources—both funding and resources like stepped-up police presence and code enforcement—on targeted areas. Success in establishing a targeting program requires a transparent and fair process for selecting the target neighborhoods and a built-in plan about when and how to move on to new areas.

Getting Large Returns from Focused Resources: Neighborhoods in Bloom

In 1998, planners and community development groups in Richmond, Virginia, conceived a new strategy for neighborhood investment. For years they had distributed resources, including federal CDBG and HOME funds, across all the neighborhoods that qualified for them (roughly half of Richmond's 49 neighborhoods). Though there were isolated improvements, such an approach was not transforming distressed neighborhoods.

Hoping to break this pattern and catalyze a return of the private market, city and housing nonprofits decided to target 80 percent of their federal dollars to a small number of neighborhoods. The Richmond office of the Local Initiatives Support Corporation (LISC) also agreed to target its resources to the same neighborhoods, and those areas were primed with special attention from city services, especially police and code enforcement.

This strategy, known as the Neighborhoods in Bloom project, has had dramatic success. Property values in the target areas increased 9.9 percent faster per year than the citywide average. Blocks that received at least $20,100 (the median) in direct investment also experienced a one-time price jump of 50 percent. Blocks in the target areas that received some direct investment, but less than $20,100, did no differently than blocks in the target areas with no direct investment suggesting a critical threshold of public and nonprofit investment that is needed.

It takes a tremendous amount of political will to implement a program that initially means a majority of neighborhoods get less funding. At the start, the city council agreed to criteria for selecting neighborhoods so that it was clear that the neighborhood selection process was not political. Neighborhood leaders participated on the team, recommending which neighborhoods to target; and at community meetings, the presenters were transparent and honest about not being able to help every neighborhood at once. The plan was always to move on to new neighborhoods once the private market had been jumpstarted in the first six, which also helped to make the proposal politically palatable. The program passed unanimously, supported even by officials and residents from areas that were selected.

The success of Neighborhoods in Bloom, however, offers two cautionary lessons. First, the program never developed benchmarks to indicate when it should move on to new neighborhoods. Now, after six years, the city is trying to make that transition, but it is much harder without having agreed on criteria upfront. Second, the program didn't build in affordability protections from the start. There has been very little displacement so far, but property values are actually rising enough to start to affect renters and fixed-income homeowners.

"The top executives of SINA's member anchor institutions are much more accessible than their counterparts in a larger city, and they are also much more aware of what's happening outside their doors."
— Luis Caban

Action idea: Engage anchor institutions, such as hospitals and universities, in equitable neighborhood development.

Anchor institutions, such as colleges and universities, state government, and hospitals, are major economic drivers in smaller industrial cities. Since they tend to be committed to their location, they also have a stake in their surrounding neighborhoods. Through their purchasing power, real estate development, and staff time, anchor institutions that choose to get involved can play a dramatic role in neighborhood revitalization.

Institutions such as these can dominate a larger percentage of the economic and physical landscape in a smaller industrial city, increasing the importance of coordinating planning efforts with them, and also increasing the potential effects they can have. While many smaller industrial cities have major universities or medical centers, those that don't can look to smaller place-rooted institutions like community colleges and museums as partners in neighborhood revitalization.

Anchoring a Neighborhood with an Ongoing Commitment:
SINA Neighborhood Initiative

Hartford, Connecticut—a city of 122,000 and historic center of the insurance industry—has struggled with economic decline since the 1960s. In 2000, 31 percent of city households lived in poverty, with particularly dire conditions on the south side of town, where poverty is much higher (45 percent in the Frog Hollow neighborhood).[36] The area is also home to a number of anchor institutions that have long collaborated on neighborhood-oriented projects. In recent years, these anchors have stepped up their engagement to create more economic and learning opportunities for disadvantaged residents through the Southside Institutions Neighborhood Alliance (SINA).

SINA includes a variety of partners—Trinity College, Hartford Hospital, the Institute of Living, Connecticut Children's Medical Center, and Connecticut Public Television and Radio. Their signature project is the SINA Neighborhood Initiative, a comprehensive plan to transform the 15-square-block, low-income area that includes the Frog Hollow, Barry Square, and South Green neighborhoods. SINA's strategic revitalization plan includes education, housing, economic development, resident training and services, and technology and business development components.[37] The ongoing commitment and funding from engaged anchor institutions has allowed SINA to be flexible and responsive to changing neighborhood conditions and new opportunities.

SINA collaborated with the city of Hartford and the state of Connecticut to build a "Learning Corridor," located between Trinity and the other anchor institution partners. This ambitious project, on a 16-acre campus, includes four inter-district public magnet schools (a Montessori elementary school, a middle school, and two high school academies), a performing arts theater, and support programs for youth, including the Aetna Center for Families.[38] The complex serves 1,500 students from the city and more than 40 surrounding school districts, making it one of the most racially and economically diverse campuses in the country[39] and a wellspring of regional connections.

SINA also is involved in housing development strategies aimed at creating opportunity and stabilizing neighborhoods. To make homeownership feasible for more longtime residents, SINA and an advisory group of residents designed a new home model that includes a rental unit to generate income for the homebuyer.

Foreseeing that the success of its initiative could increase housing values and decrease affordability, SINA purchased and land-banked distressed properties for future development. Most were lots and became sites for future homes.

SINA is working on its first single-family housing development. This, says Director Luis Caban, reflects the fact that SINA's work has been successful enough that the neighborhood attracts residents of a somewhat higher income. (There is still an income limit for purchasers of a house, but it is higher than for previous homes SINA developed.)

Being in a smaller city has made it easier to do the kind of work SINA does, says Caban. The top executives of SINA's member anchor institutions are accessible and aware of what's happening outside their doors—and that has been essential to building the longstanding relationships of trust that are key to SINA's success.

Action idea: Find regional answers to problems that plague neighborhoods.

Problems that are felt most strongly at the neighborhood level—crime, dumping, or abandonment—often are viewed as challenges that should be solved at the neighborhood level, whether it's through walk-and-watch programs or neighborhood beautification efforts. While such local efforts are essential to neighborhood transformation, they are often not enough on their own.

Crime, and the perception of crime, for example, is one of the thorniest issues facing distressed smaller cities trying to get themselves on their feet again, and it often affects a few neighborhoods disproportionately. And yet, many of the worst crime problems in these neighborhoods, especially gang and drug activity, have their roots in regional networks or patterns. Therefore, to improve the public safety of their neighborhoods, smaller industrial cities need to take a smart, coordinated, regional approach to crime-fighting. Regional law enforcement that looks at patterns of crime, especially gang and drug activity, can be more strategic, and when local law enforcement agencies share information with each other in a coordinated way, they all become much more effective.

Crossing Municipal Boundaries to Bring Down Gangs: Route 222 Coalition

Historically, the cities of Eastern Pennsylvania's Lehigh and Susquehanna valleys didn't have much to do with each other. Certainly when it came to public safety, it was "each city for itself," says Mayor Ed Pawlowski of Allentown.

But in recent years, the region has experienced a surge of gang activity. Struggling to get a handle on the situation, Pawlowski met with Reading Mayor Thomas McMahon to discuss submitting a joint application for a federal anti-gang grant. In a national competition for only six grants, both men knew that neither of their cities alone would get the money.

They expanded the group to include the cities of Bethlehem, Easton, Lancaster, York, and Harrisburg. The seven cities along Route 222 were becoming a major route for drug traffic. Officials of each city realized that to get to scale with a solution, they had to overcome their isolation.

The collaboration, called the Route 222 Corridor Anti-Gang Initiative, won a $2.5 million grant in March 2006. The other grant recipients were among the country's largest cities, such as Los Angeles and Dallas.

The initiative focuses on law enforcement, prevention, and reentry. Each city designed its own prevention and intervention program, but the cities share information regularly, and reentry programs for former gang members are coordinated across the region.

Since receiving the grant, the Route 222 cities have taken down two major gangs operating in the region. FBI crime statistics comparing the first six months of 2006 to the same period of 2007 showed violent crime in Allentown down 18 percent and property crime down 12 percent. Although the grant certainly helped, the newfound cooperation among mayors and district attorneys also was important.

The success of the anti-gang initiative has broken the ice in terms of regional cooperation in Eastern Pennsylvania. "Now we're collaborating on many different levels, on many different issues, from transportation to crime," says Pawlowski. "You don't need money to collaborate and communicate. You just need an open mind."[35]

Action idea: Restore vibrant, diverse neighborhoods with programs that promote and support mixed-income housing options.

A key part of revitalizing a distressed neighborhood is restoring a vibrant and diverse housing market that attracts newcomers, while preserving affordable housing options for current lower-income residents.

Too often, neighborhood-focused housing strategies in smaller industrial cities focus on one or the other. Some housing advocates don't believe there ever will be a market for middle- or upper-income housing and want to focus on providing higher quality affordable housing to existing lower-income residents. Others involved in housing don't believe that such a weak-market area will ever become unaffordable and want to focus on attracting higher-income people with choices.

A balance of strategies is needed. Development and rehab programs need to increase the diversity of housing options—ownership units in areas dominated by rentals and vice versa; more affordable units in job-rich areas and higher-end developments in core-city areas that will encourage moderate- or middle-income households to return.

Grooming Upstate New York's Urban Housing Markets: Syracuse, Troy, and the Capital Region, New York

Three programs across upstate New York are working to overcome the failures that plague housing markets in otherwise high-quality neighborhoods in smaller industrial cities.

Community Realty, a full-service, nonprofit, buyer-focused brokerage in Albany, aims to make homebuying easier. Community Realty specializes in representing first-time homebuyers, especially in city neighborhoods. The organization is positive about the region's three core cities and knowledgeable about grants, subsidized loans, and other assistance for low- and middle-income buyers. Agents are salaried, which removes the incentive to push clients into homes they cannot afford.

Fear of depreciating home values can keep away cautious homebuyers who would otherwise be interested in buying in an urban neighborhood. Home Headquarters, Inc., of Syracuse, created Home Value Protection insurance to stabilize at-risk neighborhoods and encourage people with choices to invest in those areas. The insurance costs a one-time fee of 1.5 percent of the protected value; if home prices in the zip code have declined by the time the homeowner sells, it covers the gap. By making payment contingent on the decline of a neighborhood rather than on an individual house, the program avoids rewarding owners who allow their homes to deteriorate.

Take Stock in Your Block, in South Troy, addresses a problem familiar to many city neighborhoods: absentee landlords, especially those who don't screen tenants and maintain properties. The program, created in 2003 by Troy Rehabilitation and Improvement Program, a NeighborWorks group, and the Community Preservation Corporation (CPC), an intermediary formed by a consortium of banks, helps local homeowners purchase and renovate rental properties in their own neighborhood. The idea is that local landlords can meet and observe their tenants, and tenants can easily find landlords when something needs to be fixed. "When the owner of the building is in the neighborhood, they are accountable. They have to look their neighbors in the eye," Troy Mayor Harry Tutunjian told the Albany Times Union.[34]

CPC provides grants up to $5,000 per unit, loans, financing for mixed-use buildings, and landlord training. As of May 2007, the program had financed the renovation and local ownership of 56 units in 20 buildings.

5 Delivering on the Promise

Equitable renewal can be realized in smaller industrial cities. It will take good policy and innovative programs such as the action ideas previously described, but it will also take questioning assumptions, learning new habits, and looking through new lenses.

Now we present overarching principles that can apply to all the action ideas suggested in *To Be Strong Again*, as well as to the many other innovations that undoubtedly will arise as smaller industrial cities move toward inclusive renewal. These principles can be applied when structuring and prioritizing revitalization strategies and can serve as touchstones for keeping a broad, equitable, achievable agenda for renewal on track.

Pursue economic competitiveness and social inclusion in tandem.

To be sustainable over the long haul, economic and community renewal needs to benefit and engage all residents, not just a small cadre of those with choices. Factors such as a skilled workforce, intellectual clusters, and quality of life have replaced the locational and natural resource advantages upon which many cities had built their fortunes. In such an economy, if large and growing classes of people are being left behind, the long-term economic viability of cities and regions is compromised because not all residents are productively contributing to growth and prosperity. Inequity hampers economic growth largely because the full development and utilization of a city's most valuable asset—its people—is constrained.

The specifics will vary, but "how can this foster economic inclusion?" should be asked of every economic development initiative, and "how can this support market recovery and competitiveness?" should be asked of every community development or social program.

States can help smaller industrial cities and their regions to advance equitable development by examining their own policies and investment patterns (infrastructure, transportation, education aid) to be sure that they are supporting reinvestment in smaller industrial cities.

Start from existing assets.

Not everywhere is going to become the next Silicon Valley. The good news is, not everywhere needs to. All cities have assets, and smaller industrial cities have distinctive assets that are often overlooked. There are place-rooted institutions like universities and medical facilities, arts organizations, tourist attractions, existing clusters of small businesses or a few larger ones, new waves of immigrants looking for opportunities, industries concentrated nearby in the region, historic buildings, and quality neighborhoods.

Whether crafting an industry attraction and retention strategy or developing the downtown area, smaller industrial cities need to build on what they have. What departments or faculty members of local institutions are doing innovative work that could have economic spin-offs if some business development support was offered? What neighboring historic buildings or gathering spots could be connected to or enhanced by a new development? What creative or lifestyle clusters—artists, outdoor enthusiasts—could form the hub of some local commercial activity? What changes in local regulations or zoning, or what sorts of programs, would allow existing entrepreneurial energy to reach its potential or lower barriers for stakeholders eager to invest in their city?

Create new systems, not just new programs.

The processes that lead to the challenges smaller industrial cities face—abandonment, fiscal problems, or regulatory hurdles to investment—are systemic. The responses need to be as well. Saving and renovating a handful of houses will not do any long-term good if an equal or a larger number, one block over, slides away into the hands of speculators and then to abandonment.

In many of the innovative models profiled in this report, we see that local leaders are identifying core problems, determining how the current incentive structure is working at odds with positive change, and then assessing whether there is a systemic way to shift in a productive direction.

States can support the formation of new systems by removing regulatory barriers to local innovation in areas such as tax laws, as Michigan did in creating its land-banking statute.

Prioritize long-term improvement over short-term fixes.

There is no magic bullet for urban revitalization. Smaller industrial cities have faced decades of declines in jobs and population along with the attendant challenges. It will take decades to fully recover. Strategies that offer a "quick fix" are attractive, but jeopardize solid, steady progress.

Planning for the long term is especially important in smaller industrial cities because relatively small changes can have big effects. Smaller industrial cities need to plan ahead for ways to cushion the effects of these cycles. This means, for example, making sure that social service agencies stay funded and prepared during times of prosperity and that crucial physical assets are not cannibalized during economic downturns.

States can support long-term positive change by: (1) prioritizing temporary financial assistance to those cities and regions making wise long-term decisions and (2) by recognizing in their revenue-sharing models the value that cities provide to regions and the entire state by hosting many crucial government and tax-exempt functions and by housing, serving, and educating a disproportionate share of the state's poor.[40] Likewise, the federal government can support a stronger national economy by formulating a concrete urban and regional agenda that doesn't leave smaller industrial cities behind.

Take a regional view.

Cities often view regional cooperation as something they need to talk their regions into for their own benefit. Smaller industrial cities should approach the idea from a position of cooperation, not supplication: Inequitable development harms all areas of a region—first-tier suburbs may be experiencing some of the same problems as the core city. Other areas may be suffering loss of precious open space, high traffic congestion, or absence of affordable housing for workers. Neighboring jurisdictions may be able to do together what none can do alone.

States should encourage regional collaborations by clarifying their legality, and by providing grant funding on a regional basis.

Invest in the capacity of innovative, catalytic organizations and leaders.

Smaller industrial cities have dedicated organizations and leaders working to transform their communities. They have invaluable access to local leaders and understanding of their neighborhoods' histories and strengths. But they often work in isolation. Building their capacity to strategically seize opportunities to foster equitable renewal is essential.

Make decision-making transparent, accountable, and accessible.

This is especially important for "unsexy" decisions with large impacts on the regional distribution of resources, such as infrastructure funding or economic development incentives. These decisions have traditionally been made in closed arenas where the voices of lower-income people and communities of color have not been heard. When people feel that they have had a voice in a process, they provide more support to its implementation. Also, the process of explaining the details and rationale to a lay audience can focus decision makers on the actual implications for the communities they serve.

Leaders in smaller industrial cities are making enormous strides toward revitalizing their communities.

These cities should not have to act alone. Every level of government has a role in supporting the innovations, removing barriers, and catalyzing renewal through targeted, equitable investments.

The stories of smaller industrial cities are quintessentially American. They can and must be stories of opportunity for all, stories that our country is proud to tell.

6 Notes

[1]This definition comes from Lorlene Hoyt and André Leroux, *Voices from Forgotten Cities: Innovative Revitalization Coalitions in America's Older Small Cities* (Oakland, CA: PolicyLink, 2007), 8.

[2]Jennifer S. Vey, *Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities* (Washington, DC: The Brookings Institution, 2007). Brookings' indicators of economic condition included change in employment, annual payroll, and number of establishments during the 1990s. Indicators of residential economic well-being included per capita income, median household income, poverty rate, unemployment rate, and labor force participation rate in 2000. The larger older industrial cities we used for our comparison also fell in the bottom third of these indicators and were in the Northeast or Midwest, but had populations over 150,000.

[3] The larger comparison cities are Buffalo, NY; Cincinnati, OH; Cleveland, OH; Dayton, OH; Detroit, MI; Milwaukee, WI; Newark, NJ; Philadelphia, PA; Pittsburgh, PA; Providence, RI; Rochester, NY; Springfield, MA; and St. Louis, MO. For how they were chosen, see note 2, above.

[4] Data from *State of the Cities Datasets*, U. S. Department of Housing and Urban Development, http://socds.huduser.org.

[5] Data from William Fulton et al., *Who Sprawls Most? How Growth Patterns Differ Across the U.S.* (Washington, DC: The Brookings Institution, 2001).

[6] U. S. Census 1990 and 2000.

[7] Ibid.

[8] High poverty neighborhoods are ones where over 40 percent of residents are poor.

[9] Paul Jargowsky, *Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s* (Washington, DC: The Brookings Institution, 2003).

[10] Data from *State of the Cities Datasets, op. cit.*

[11] Sean Safford, "Why the Garden Club Couldn't Save Youngstown: Civic Infrastructure and Mobilization in Economic Crises," MIT Working Paper IPC-04-002, March 2004, 13.

[12] *U. S. Census 1990* and *2000*; and *American Community Survey 2006*, accessed through www.census.gov.

[13] List of major Indianapolis universities and colleges from *Wikipedia*: Butler University, Indiana University - Purdue University Indianapolis, Marian College, Oakland City University Indianapolis campus, and the University of Indianapolis. Student-body totals from *Wikipedia* and individual institution websites. City populations from U. S. Census.

[14] Joshua Brustein, "NYC Newspapers," *Gotham Gazette*, August 2, 2004.

[15] Hoyt and Leroux, *Voices from Forgotten Cities*, 15.

[16] Beth Siegel and Andy Waxman, "Third-Tier Cities: Adjusting to the New Economy," *Reviews of Economic Development Literature and Practice: No. 6* (Washington, DC: U. S. Economic Development Administration, 2001), 14–15, 22.

[17] See Manual Pastor and Chris Benner, "Been Down So Long: Weak-Market Cities and Regional Equity," *Retooling for Growth: Building a 21st Century Economy in America's Older Industrial Areas*, eds. Richard M. McGahey and Jennifer S. Vey (Washington, DC: The Brookings Institution, 2008), 89–118; Richard Voith, "Do Suburbs Need Cities?," *Journal of Regional Science* 38, no. 3 (1998): 445–64; Manuel Pastor, Jr., et al., eds., *Regions That Work: How Cities and Suburbs Can Grow Together* (Minneapolis: University of Minnesota Press, 2000); and Andrew Haughwout et al., "Should Suburbs Help Their Central City?," *Brookings-Wharton Papers on Urban Affairs* (Washington, DC: The Brookings Institution, 2002).

[18] Community Research Partners and ReBuild Ohio, *$60 Million and Counting: The Cost of Vacant and Abandoned Properties to Eight*

Ohio Cities, February 2008, iv–v.
[19] Ibid., vii.
[20] Nigel G. Griswold, *The Impacts of Tax-Foreclosed Properties and Land Bank Programs on Residential Housing Values in Flint, Michigan* (East Lansing: Michigan State University, 2006).
[21] Myron Orfield and Thomas Luce, *Miami Valley Metropatterns: A Regional Agenda for Community and Stability in the Miami Valley* (Minneapolis: Ameregis and Metropolitan Area Research Corporation, 2003), 5.
[22] Thomas Sinclair, *Broome County Shared Services Summit: Final Report* (Binghamton, NY: Binghamton University, 2005), 2.
[23] Michigan Land Use Institute, *Follow the Money: Uncovering and Reforming Michigan's Sprawl Subsidies* (Traverse City, MI: Michigan Land Institute, 2005), 4.
[24] Edward Hill et al., *Slanted Pavement: How Ohio's Highway Spending Shortchanges Cities and Suburbs* (Washington, DC: The Brookings Institution, 2003).
[25] Victor Rubin, "The Roots of the Urban Greening Movement," *Growing Greener Cities*, eds. Susan Wachter and Eugenie Birch (Philadelphia: University of Pennsylvania, 2008).
[26] David Soule, Joan Fitzgerald, and Barry Bluestone, *The Rebirth of Older Industrial Cities: Exciting Opportunities for Private Sector Investment* (Boston: Center for Urban and Regional Policy, Northeastern University, 2004).
[27] Siegel and Waxman, *op. cit.*, 22.
[28] Greg LeRoy, *The Great American Jobs Scam* (San Francisco: Berrett-Koehler, 2005).
[29] Alan G. Hevesi, *Industrial Development Agencies' Project Approval*, Evaluation and Monitoring Efforts (Albany, NY: Office of the New York State Comptroller, 2006).
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[31] For more information about these redevelopment efforts, see www.lpccd.org/projects/residentials.htm.
[32] John Accordino, George Galster, and Peter Tatian, *The Impacts of Targeted Public and Nonprofit Investment on Neighborhood Development: Research Based on Richmond, Virginia's Neighborhoods in Bloom Program* (Richmond: Community Affairs Office of the Federal Reserve Bank of Richmond, 2005), 38.
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[35] For more information, see www.222antigang.org.
[36] HartfordInfo.org, "Making Connections: Hartford Neighborhoods and City of Hartford," *Neighborhood Change Database*, www.hartfordinfo.org.
[37] Federal Reserve Bank of Boston, "Surmounting Obstacles in Hartford," Communities & Banking 15 no. 3 (2004): 25–27. Trinity, like UPenn, was in the first cohort of HUD Community Outreach Partnerships Centers grantees in 1994 and used the COPC funds to support the resident training, organizing, and other non–real estate activities.
[38] For more information, see www.learningcorridor.org.
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8 Acknowledgments

For the insights in this paper, we are indebted to a wide range of local, state, and national leaders who are working to revitalize smaller industrial cities. Their wisdom, experience, and hard work infuse this report with a sense of possibility for what smaller cities can become. We are grateful for their time and energy. Please see below for a full list of people who participated in informational interviews, e-mail exchanges, and conversations that were instrumental in the development of this report.

We would particularly like to thank the participants in the July 2007 Smaller Cities Roundtable for helping to shape this project, and Kim Burnett of the Surdna Foundation and Jennifer Vey of The Brookings Institution for their constructive comments on an earlier draft.

We also thank the Surdna Foundation and the Appleton Foundation for their generous support.

Finally, we deeply appreciate the contributions of PolicyLink staff: Fran Smith for detailed editing and writing assistance; Judith Bell and Victor Rubin for their review and guidance on several early drafts; Milly Hawk Daniel and Dan Lavoie for their editorial input; Paulette Jones Robinson for her sharp copyediting; and Erika Bernabei, Jennifer Pinto, and Farzana Serang for research and logistical support.

Tarik Abdelazim, City of Binghamton

Sandy Adams, Community Preservation Corporation

Soji Adelaja, Land Policy Institute, Michigan State University

Gene Allen, Utica Neighborhood Housing Services

Alma Balono-Rosen, Enterprise Community Partners

Lavea Brachman, Greater Ohio

Carrie Brunk, Jobs with Justice

Kim Burnett, Surdna Foundation

William Burns, City of New Bedford

Luis Caban, Southside Institutions Neighborhood Alliance

Jacqueline Carrese, City School District of Albany

Don Chen, Ford Foundation

Beverly Coleman, Neighborhoods Now

David Crain, Manufacturing Advocacy and Growth Network

Eric Dahl, Community Realty

Joanne Denworth, Governor's Policy Office, State of Pennsylvania

Ron Deutsch, New Yorkers for Fiscal Fairness

Chris Doherty, mayor, City of Scranton

Clare Dowd, Connecticut Local Initiatives Support Corporation

Kristina Egan, Massachusetts Executive Office of Transportation

Juan Escareno, Metropolitan Organizing Strategy for Enabling Strength

Darcy Fauci, Broome County, New York

Bo Fishback, Kauffman Foundation

Alexandra Forter-Sirota, Action for Children North Carolina

Nancy Freeland, VOICE-Buffalo

Peter Gagliardi, HAP, Inc.

Tracey Giang, The Food Trust

James Gibson, Center for the Study of Social Policy

Preston Gilbert, Syracuse Brownfields Center

Aaron Gornstein, Citizens' Housing and Planning Association

Roz Greenstein, Lincoln Institute for Land Policy

Greta Harris, Virginia Local Initiatives Support Corporation

Marvin Hayes, Office of the Governor of Ohio

Lorlene Hoyt, Massachusetts Institute of Technology

William Johnson, Jr., Rochester Institute of Technology

Sadaf Khatri, New York Jobs with Justice

Daniel Kildee, Genesee County Land Bank

Kenneth Klothen, Pennsylvania Department of Community and Economic Development

Hilary Lamishaw, Troy Rehabilitation Improvement Project

Scott Lang, mayor, City of New Bedford

Marsha Lazarus, CareerLinks

Bob Leach, Braintree

André Leroux, Massachusetts Smart Growth Alliance

Ron Lesko, City School District of Albany

Dan Liebert, Tech Valley High

Alan Mallach, National Housing Institute

Frank Mauro, Fiscal Policy Institute

Bill McCoy, MetroJustice

Hannah McKinney, vice mayor, City of Kalamazoo

Carolyn McLaughlin, City of Albany

Tom McMahon, mayor, City of Reading

Heather McMahon, Wick Neighbors, Inc.

Karen Miller, Berks County Community Foundation

Michelle Miller-Adams, Upjohn Institute for Employment Research

Brian Moore, Rosamond Gifford Charitable Corporation

Judith Mower, Rosamond Gifford Charitable Corporation

Lori Mullins, City of East Lansing

Kate O'Brien, Groundwork Lawrence

Bill O'Brien, Gamaliel Foundation

Sarah Page, HAP, Inc.

Ed Pawlowski, mayor, City of Allentown

Rolf Pendall, Cornell University

Jeff Perry, Hollie and Anna Oakley Foundation

Ellen Pope, German Marshall Fund

Joel Ratner, The Raymond John Wean Foundation

Lucinda Reece, Metropolitan Organizing Strategy for Enabling Strength

Elizabeth Ann Rodriguez, Federal Reserve Bank of New York

Catherine Rollins, City of New Bedford

Lea Rosenbohm, The Brookings Institution

John Schneider, MASS Inc.

Julia Seward, Local Initiatives Support Corporation

Conan Smith, Michigan Suburbs Alliance

Julie Smith, Youngstown Business Incubator

Virginia Smith, Home Value Protection

Pat Spring, Connecticut Housing Coalition

Jim Stergios, Pioneer Institute for Public Policy

Ron Thiele, Stanley Theatre

Andrew Grant Thomas, Kirwan Institute for the Study of Race and Ethnicity

Jennifer Vey, The Brookings Institution

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