

FACILITATOR'S GUIDE

Building Strong Local Economies I: Introduction to Economic Development

TIME: 2 HOURS

Overview: This workshop introduces participants to local economic development and provides space for participants to critique current strategies. Using the economic democracy framework, this workshop asks participants to brainstorm proposals for economic development.



WORKSHOP GOALS

- Introduce traditional economic development strategies and inspire participants to take a more expansive, radical view of economic development
- Identify the characteristics of strong and weak economies, and the goals participants believe economic development should achieve
- Help participants understand that there are a variety of economic development strategies that can build strong and just economies
- Define the concept of economic democracy and provide examples of projects that represent aspects of economic democracy



MATERIALS NEEDED

White board or flip chart paper

- Video projection equipment (projector, laptop, and PowerPoint), if available
- Markers
- Name tags
- Pens and paper

Appendix:

- A. Reference Materials
- B. Visual Aid
- C. Handout No. 1: Example of Endogenous Economic Development
- D. Handout No. 2: Bronx profile
- E. Handout No. 3: Local Economic Development Strategies
- F. Handout No. 4: Evaluation Form
- G. Handout No. 5: Major Takeaway Points



PREPARATION/PRE-TRAINING

Facilitators should review the following concepts and case studies using the texts and resources found in the **appendices A, C, D, and E**.

- Import Replacement
- Economic Growth
- Economic Development
- Multiplier Effect
- Competitive Advantage
- Economic Base Theory
- Local Economic Development Strategies
- Reports by Good Jobs New York
- Gross Domestic Product (GDP)
- Example of Endogenous Economic Development
- Demographic Profile of the Bronx



AGENDA

Times below are suggested. As written, the agenda includes a break. If you choose to include a break, the module will exceed the 2-hour allotted time.

I. OPENING AND INTRODUCTIONS	10 MINUTES
II. STORY OF DEVELOPMENT AS USUAL	10 MINUTES
III. STRONG AND WEAK ECONOMIES	15 MINUTES
III. ECONOMIC BASE THEORY	30 MINUTES
IV. BREAK (OPTIONAL)	10 MINUTES)
V. BRONX ECONOMIC DEVELOPMENT PROPOSAL	45 MINUTES
VI. CONCLUSION AND EVALUATION	10 MINUTES

I. WELCOME AND INTRODUCTIONS TIME: 10 MIN

SECTION OBJECTIVES

- Review the workshop goals and agenda
- Facilitate introductions among participants
- Identify participants' connections to the topic and expectations
- Establish norms and principles of participation

MATERIALS NEEDED

- Name tags
- Markers
- Flip chart paper
- Video equipment (projector, laptop, PowerPoint), if available
- Appendix B: Visual Aid

FACILITATION

1. Welcome all participants to the workshop. Introduce yourself (name, organization, where you are from, why you are facilitating this workshop).
2. Summarize the goals of this workshop. The goals should be tailored to the group or host organization. List the goals on a piece of flipchart paper that can be posted and visible throughout the workshop **(Slide 2)**.

SAMPLE GOALS

- Introduce participants to traditional economic development strategies and inspire them to take a more expansive, radical view of economic development
 - Identify the characteristics of a strong economy and the goals participants believe economic development should achieve
 - Help participants understand that there are a variety of economic development strategies that can build strong and just economies
 - Define economic democracy and provide examples of projects that represent aspects of economic democracy
3. Review the agenda so participants know what to expect. Participants should have a copy of the agenda or it should be posted on a piece of paper that is visible during the entire workshop. The agenda should be timed to encourage group accountability to sticking to the stated time limits **(Slide 3)**.

4. Establish expectations around time. Let participants know how much time the workshop should take and secure their commitment to the time limits **(Slide 3)**.
 - ▶ Time Expectations - You might say, *"Who wants to get out of here in 2 hours?"* To which most participants should raise their hands. Then say, *"In order to finish in 2 hours we need to try to stick to the time limits listed. If we can agree to that, we can cover a lot of ground in this workshop. Can we all agree to the 2 hour time-limit?"*
5. Ask participants to introduce themselves; perhaps including name, reason for attending the workshop and/or what you hope to get out of the workshop; and any other important identifier if necessary/desired (neighborhood, organization, etc.) as time permits
6. Establish principles of participation by eliciting from the group norms of behavior for the room or by suggesting some norms. If the group meets regularly or has established norms, this step could be omitted or shortened. These can be called "First Agreements: How we want to be treated in this space" **(Slide 4)**.

Whether you use a pre-planned list or have the participants brainstorm the norms, write the norms on piece of paper that remains visible throughout the workshop. In addition, spend some time talking about the norms to encourage thoughtful adherence.

SAMPLE FIRST AGREEMENTS TO CONSIDER

- Be present – don't look at cell phones, text, or be on computer
- Listen to understand – Don't focus on arguing with another person or the facilitator, but try to understand what the person is trying to communicate
- Argue about concepts not with people – We will be talking about some things that are personal. We need to respect each other's experiences, engage in debate, but refrain from making personal attacks or taking statements personally.
- Don't Yuck My Yum – A certain idea or topic may really resonate with a fellow participants. Just because it doesn't appeal to you or resonate with you doesn't give you the right to trash the idea or topic.
- Mind Your Space - Clean up after yourself.
- Step Up, Step Back – If you find yourself talking a lot try to hold your tongue to make space for others. If you realize that you haven't said anything, consider speaking up sharing a question or idea you have.
- Hold comments till the end – We only have limited time. So even if you have a great example you should hold it until the end because we want to prioritize people who have clarifying questions.
- Return from break on time – We need to all be mindful of time if we are going to leave on time.
- Turn cell phones on silent (not vibrate)
- One conversation, don't talk over others

II. STORY OF DEVELOPMENT AS USUAL TIME:10 MIN

SECTION OBJECTIVES

- Get participants thinking about what economic development means
- Use an extractive development project that is local and familiar to many participants as a way to highlight “development as usual.” Development as usual refers to the many incentives, tax breaks, and public subsidies given to businesses that do not benefit the local economy, and is synonymous with gentrification.

MATERIALS NEEDED

- Video equipment (projector, laptop, and PowerPoint), if available
- Appendix A: Reference Materials
- Appendix B: Visual Aid

THE POLITICS AND PROCESSES OF ECONOMIC DEVELOPMENT: A CASE STUDY OF YANKEE STADIUM

1. Introduce the section by briefly describing how economic development happens today. It is important to keep this part to 10 minutes or less, if possible. Many participants may want to contribute and debate because they have passionate opinions on this subject. However, there is not enough time during this portion of the workshop to fully engage in a dialogue on this topic. The point is not to argue for or against the new Yankee Stadium, but to present a project that is emblematic of exploitative development that does not build broad wealth/income or well-being for residents where the project is located and only serves to enrich the elite.

We often hear stories of local or state government using subsidies in order to attract private corporations to an area or to keep corporations in an area—this is called smokestack chasing. In fact, for decades the main task for economic development staff was to travel around the country to try and cut deals with companies in an effort to attract them to their locale. That practice is still with us today.

2. Discuss the construction of the new Yankee Stadium. Ask participants to contribute pieces of information they know to construct the story and augment it with facts and other details. Again, many participants may want to contribute and debate because they have passionate opinions on this subject, but there is not enough time. The point is not to argue for or against the new Yankee Stadium, but to present a project that is emblematic of exploitative development that does not build broad wealth/income or well-being for residents where the project is located and only serves to enrich the elite.

There may be Yankee fans in the audience or other people who supported the new stadium's construction. Take care to communicate as much factual information as possible, not simply opinions, and draw out some key points. Then discuss how this is not an uncommon story and how economic development, as practiced all over the country, consists of giving public subsidies to private corporations to "keep them" in the city or to enrich the owner/capitalists.

Different reports offer different numbers regarding the dollar value of actual subsidies given, so accuracy becomes difficult. Use this information and other details you are able to find.

Timeline (Slide 6):

- **June 15, 2005:** An agreement is reached between New York City, New York State and the New York Yankees to generate the public funds needed to build a new stadium for the New York Yankees
- **June 23, 2005:** Legislation is passed in both houses of the New York State Assembly
- **April 5, 2006:** The City Council approves the plan and proposes subsidies for the construction of the new Yankee Stadium

3. Present some of the subsidies given to Yankee Global Enterprises, a private LLC headed by Hal Steinbrenner, the son of George Steinbrenner. Read reports by Good Jobs New York ("Loot, Loot, Loot for the Home Team" or "Insider Baseball") for more information. Links to both of these articles are found in **Appendix A**.

Some of the subsidies include: **(Slide 7- 8)**

- \$138 million paid by the City of New York to demolish the old stadium
- Use of public park land for the development of the new Yankee stadium, which is owned by a private entity
- \$900 million plus in tax exempt bonds for the Yankees to build the new stadium
- No obligation for the Yankees to pay rent or property taxes paid by the Yankees to the City of New York
- \$70 million of public funds for the construction of parking garages
- The Yankees built a new stadium that seats about 53,000 people—fewer than the old stadium did. There are, however, more luxury boxes (a total of 60) and 3,000 more parking spaces.
- In the old stadium, the Yankees paid rent to the City for use of the stadium. Now, the Industrial Authority, a city agency, leases the land for the stadium. The Yankees paid for the actual construction materials of the stadium, but do not pay rent.

DISCUSSION QUESTIONS

- Who benefits from this stadium?
- Who pays for the stadium? **(Slide 9)**

Capture the ideas from participants on the white board or flip chart. Do not necessarily argue with participants about their ideas. Allow each idea to be recorded or put on the table. Then draw out some key points.

TAKEAWAY POINTS

- The new Yankee Stadium is not an anomaly. There are projects all over the country and world that are structured around this type of economic development. The projects justify the use of public funds by promising to bring new jobs and stimulate the local economy. In many cases, the ‘owners’ of these projects will threaten to pursue their projects elsewhere if subsidies are not given. But “development as usual” typically yields **(Slide 10)**:
 - ▶ **Public money for Private Use** – The public invests its tax dollars, while the private entity does not have to pay taxes. Furthermore, whatever is developed is restricted to private use.
 - ▶ **An Increase in Profits** – The owners of Yankee Stadium get to charge the public as much money as they want for entrance fees and make more money.
 - ▶ **Money Generated in One Area Flows Elsewhere** – Ticket sales and other revenue flow to the Yankee players, owners, and staff, but do not circulate in the local Bronx economy.
 - ▶ **Over-reliance on Money from Outside the Area** – These types of strategies often look to entities from outside of the community for economic development capital without considering how the capital could be retained or even generated by the community. The City and State framed the Yankee Stadium as a great economic development opportunity for the Bronx instead of looking within the borough for economic development opportunities that could be generated by local residents.
- While this may be “development as usual”, development does not have to be this way. Today we want to think about how we can understand and reframe economic development.

III. STRONG AND WEAK ECONOMIES **TIME: 15 MIN**

SECTION OBJECTIVES

- Know the characteristics of strong and weak economies
- Have participants describe New York City and the Bronx's economy

MATERIALS NEEDED

- White board or flip chart paper
- Markers
- Video equipment (projector, laptop, PowerPoint), if available
- Appendix A: Reference Materials
- Appendix B: Visual Aid

FACILITATION

1. Ask participants to brainstorm the characteristics of strong and weak economies in the full group or in small groups **(Slides 11-13)**.

Give each group a piece of flip chart paper and tell them to make two columns (Strong vs. Weak). Give them 5 minutes to record their answers on the flip chart paper, and then use the responses from each group to generate one larger list. Verbally review some of the answers. These characteristics can be referred to over and over again.

The words strong versus weak are important here, as we will be making the distinction between a "strong economy," as traditionally defined, and a "good/just economy," which we will define differently.

Ultimately, we want to get away from "development as usual" and move towards a strong Bronx and New York economy that works for all NYC residents. Today, we'll start by looking at how strong economies develop and, conversely, what contributes to weak economies. To start out, I want you to work with your neighbor to generate a list of what you have heard or know are the characteristics of strong and weak economies. You can use words, examples, or any other way to describe a strong or weak economy.

2. After, review the definition of economics and the three economic survival questions from the last sessions **(Slide 14)**.

Now that we've discussed some of the characteristics of strong and weak economies, let's take a step back to connect our discussion today with the

things we talked about in the last session. The first questions we asked were “What is economics?” and “What is the economy?” and we reviewed what we called the three economic survival questions.

POPCORN QUESTION: Who can remember how we described economics, the economy, or the three economic survival questions?

- The **economy** is the way human societies organize to meet their needs, OR an economy is how a society organizes itself, using its resources to survive.
- **Economics** is the study of how human societies organize themselves to meet their needs, OR economics is the study of how mankind copes with the problem of provisioning for itself. In other words, how our society can feed itself today and in future generations.
- The **three economic survival questions** are:
 - ▷ What goods and services should our society produce?
 - ▷ How should we produce these goods and services?
 - ▷ Who gets what is produced?

The way a society chooses to answer these three questions can yield strong or weak economies. That is, the way we choose to answer these questions contributes to the way our overall economy functions.

DEFINING “GOOD” ECONOMIES

3. Taking a closer look at the three economic survival questions, quickly discuss what goods and services are needed to survive and who should get what is produced. For now, leave off the question of how society produces those goods and services.
4. Link answers to the iceberg from the diverse economies framework (**Slide 15**).
We produce these goods and services sometimes by buying them, but also by the activities on the part of the iceberg hidden underwater.
5. Explain that the way economic development is usually done only supports activities that are on the tip of the iceberg versus those activities on the iceberg below the waterline.

Many of the invisible activities, including family and neighborhood relations, self-provisioning, and childrearing, are actually the things we need to survive. However, as mentioned in the first workshop, the activities below the waterline, many of which are traditionally in the domain of women, are not counted when measuring the size or strength of the economy.

Work with participants to examine the Yankee stadium case as an economic development project—use the three economic survival questions to see what type of economy Yankee Stadium is developing.

SECTION WRAP-UP QUESTIONS

- The strategies communities use to answer the three economic survival questions can contribute to strong or weak economies. By adapting the three economic survival questions to the Yankee Stadium case, we can see how the new Yankee Stadium has not contributed to creating a stronger economy in the Bronx. **(Slide 17)**

Ask participants:

- ▶ What does Yankee Stadium produce?
- ▶ Who benefits from what is produced?
- ▶ How does Yankee Stadium produce it?
- What type of economy is Yankee Stadium producing?
 - ▶ The answer to this is debatable. It is helping some people (players, restaurants and shop owners, etc.) and harming others (not enough jobs for neighborhood residents, citizens who could benefit from lost tax revenue, etc).
- Discuss the strengths or weaknesses of the Bronx economy and the NYC economy. Use this discussion to lead participants to the conclusion that building a strong economy does not necessarily create a good, equitable, just, or fair economy with outcomes we might desire. **(Slide 19)**

So far today we've talked about strong and weak economies. Let's look at New York City. Ask participants:

- ▶ Is the New York City economy strong?

Be ready to challenge and play devil's advocate to whatever response participants give, or ask:

- ▶ Who thinks the NYC economy is strong? Why?
- ▶ Who thinks the NYC economy is weak? Why?

You can also refer back to the indicators that participants have named that define a strong and weak economy. Ask if NYC meets their criteria of strong and weak.

Now turn to the Bronx:

- ▶ Is the Bronx a strong or weak economy? Why?

Most likely they will answer that it is a weak economy. You want to draw out the contradiction that NYC is one of the strongest economies (as traditionally defined in terms of size and wealth generated) in the world, but that there are parts of the city, such as the Bronx, which struggle economically.

TAKEAWAY POINTS

- While NYC has one of the strongest economies in the world and a considerable amount of wealth is generated here, it is not equally distributed across its geographic boundaries. The Bronx has one of the weakest economies.
- The Bronx is characterized by its high rates of poverty and its low quality of life for many. What we can learn from this is that a “strong” economy is not enough to ensure the distribution of wealth among all participants. An economy also has to be “good,” “fair,” “just,” “equitable,” and “accessible.”
- We can have economic development strategies, such as the construction of a new Yankee Stadium, that answer the economic survival questions poorly and contribute to the wealth and well-being of a few, or we can have other strategies that contribute to the wealth and well-being of more people.
- There are a variety of ways for a society (or neighborhood, city, state) to answer the economic survival questions.

IV. ECONOMIC BASE THEORY **TIME: 30 MIN**

SECTION OBJECTIVES

- Show the breadth and ambiguity of economic development as a broad field with many differing perspectives, definitions, and ideas
- Illustrate the difference between economic development and economic growth.
- Introduce the idea of what a local economy is (households and firms) and how it develops primarily using economic base theory

MATERIALS NEEDED

- White board or flip chart paper
- Markers
- Appendix A: Reference Materials
- Appendix B: Visual aid

FACILITATION

1. Explain economic base theory through a graphic visualization and an example **(Slides 22-26)**. The point is not to defend base theory as the way economies

develop are meant to develop, but rather to use base theory as a jumping off point for explaining, critiquing, and introducing import substitution, resilient communities, and thinking about new ways to answer the economic survival questions.

Start with the basic building blocks of economic development theory **(Slide 21)**.

Explain:

This is the basic picture of the (local) economy. Households provide labor to firms in exchange for wages. In turn, firms provide goods and services to households in exchange for money (purchases). Together, firms and households are able to provide for their needs. This is the basic idea that much economic development theory and practice is built on.

Economic base theory is one theory of how economies develop. We can use the language, actors, and critiques of this theory to think of different ways to build strong local economies.

Construct the diagram, piece by piece, explaining the relationships between different parts. Putting the image up all at once may be confusing, but constructing it with a story will help illustrate the ideas.

*Let's say we have a local community called Oiltown. This community is located near large oil deposits. There is a lot of oil under the ground. Now other communities need oil, but they lack oil deposits. So, Oiltown can drill for the oil, process it, and sell it to others. This is a situation in which we would describe Oiltown as having a competitive advantage in oil production. A competitive advantage means a good/service can be produced in this town at a better quality, more inexpensively, etc. than in other places. In other words, this community can produce something better than other communities. **(Slides 22- 26)***

POPCORN QUESTIONS: *This town's competitive advantage is in oil. What competitive advantages does the Bronx have? What competitive advantages does New York City have? The State?*

So, back in Oiltown, there are firms that are rooted in the oil industry – drilling, processing, selling, and shipping. Oil is the base of our economy, so the firms that work with oil are the basic firms. The basic firms export their goods to the rest of the world and provide jobs for households in Oiltown.

POPCORN QUESTIONS: *What are some of the basic firms in NYC? In the Bronx? In New York State? What goods or services are exported?*

Now we have our households and our basic firms. In order to live, our households need more than just jobs. They will earn their wages and salaries from their jobs, but then they need to use their money to buy stuff.

POPCORN QUESTIONS: *What will they need to buy? Where will they get it?*

They will need clothes, houses, and food. So another group of firms arises to produce goods and services for local consumption; they are not looking to export their goods and services. These are called non-basic firms, as much of what they sell might be imported or, perhaps, made locally. The households and firms will also want schools, hospitals, roads, etc., so they will pay taxes to their local government to get these goods and services. However, none of these non-basic firms are based on Oiltown's known competitive advantage.

POPCORN QUESTIONS: *What are some non-basic firms in NYC? In the Bronx?*

4. *You may notice that the non-basic sector is much bigger than the basic sector. Economists have studied different communities and one pattern they have seen is that as the size of the basic sector increased, the size of the non-basic sector increased at a greater magnitude. For instance, for every additional job created in the oil business, three more jobs would be generated in the non-basic sector. That is what economic base theory calls the multiplier effect.*
5. *Now that we have learned how households, basic and non-basic firms, and the rest of the world are thought to interact in theory, let's explore the challenges with economic base theory in practice.*

DISCUSSION QUESTIONS:

- What problems could arise if a community grows its economy through exports?
 - ▶ The town can be at the mercy of the rest of the world. If, for instance, they only have one export (cars) and there is an external decrease in demand (no one wants American cars), then the whole local economy is in trouble because of its dependence on that one export to keep it healthy.
 - ▶ The community is also at the mercy of the firms' leadership, who may decide to move to a new location if it seems like the new location will afford them a greater competitive advantage (or more enticing subsidies).
- What if a local economy is too reliant on imports? What could happen?
 - ▶ Again, the economy is vulnerable to external changes. If prices go up elsewhere, they will be stuck paying the higher prices.
 - ▶ Under base theory, a town with lots of imports would have a smaller basic sector.

ENDOGENOUS GROWTH MODELS

2. Begin to introduce the idea of economic growth as distinct from economic development. **(Slide 27- 28)**

One of the reasons why local economic development so often takes the form of projects like Yankee Stadium is because these activities often contribute to economic growth as we currently measure it through Gross Domestic Product.

Oftentimes, to measure the size of the economy, economists will add up the total value of all government spending, investment and production of businesses, and money spent by households. This is called the Gross Domestic Product (GDP).

Write on the word 'Gross Domestic Product' on the board/flip chart.

Economic growth is thus defined as the literal increase in the size of the economy or the value of economic activity.

When economic development is focused on the tip of the iceberg, it is focused on growing the money that is circulated in the economy. Therefore, projects like the Yankee Stadium project, seem like they would be effective economic development strategies because they, in theory, increase the money that is circulated in the economy. With a new stadium, more people may be willing to go out and spend money, or new businesses might pop up around the stadium to serve the potential increase in clientele. However, while more money may be spent by people as a result of the new stadium, the people benefitting from the increase in these expenditures may not live in the Bronx. The impacts that the increased revenue may have brought will thus be realized elsewhere. Therefore, how we measure the economy affects the type of economic development strategies used.

Emphasize that "economic development" can, and should, be thought of more broadly.

Economic development does not necessarily need to be only about economic growth or contraction. Economic development should be concerned with the process through which institutions in an economy change the economic outcomes of its participants. In this way, we could understand that an economy could develop without growing or shrinking in size or amount of money. As an example, Sweden and Iran have roughly the same GDP's. However, their economies function very differently, resulting in differences in the way wealth is distributed across all participants in the economy.

DISCUSSION QUESTION:

- Base theory suggests that the only way a local economy can thrive is through the growth of a basic firm's exports. But are there other ways an economy could grow?

3. Link the discussion to the idea of Endogenous growth.

Endogenous growth models suggest that another way to think about how

economies could grow and develop is *from within*. There are practitioners and scholars who have demonstrated that through investments in human capital—such as school and training—new industries will grow and new ideas will come into being. This is called *endogenous growth theory*—endogenous can mean “from within”. These theories indicate that we don’t have to run around trying to get businesses to locate in our town or borough. They suggest that by investing in the people of our borough, the businesses will follow. There might still be a need for exports, but, unlike base theory, the area does not have to be reliant on the growth of a basic sector in order to thrive.

Examples of Endogenous Growth Models:

- Import Replacement **(Slide 29)**

What if instead of importing materials, goods, and services from the outside we provided them ourselves? This is an idea called *import replacement*. Jane Jacobs coined the phrase and described it in her book, *The Economy of Cities*. In it, she uses an example from Japan to illustrate her point:

- ▶ Starting in the late 1800s, Japan imported bicycles. Repair shops sprang up in Tokyo, at first cannibalizing broken bicycles for parts. When enough of these existed, workshops started producing some of the most-used parts locally. More and more parts were made, until ultimately Tokyo could produce its own bicycles and export them to other Japanese cities.

POPCORN QUESTION: How could something like that change our fictional Oiltown, or the Bronx?

The non-basic firms that brought imported goods and services to the community could be sourced locally and provide jobs to households.

- Economic Gardening

Another example of an endogenous growth model comes from Littleton, Colorado. This city moved from traditional economic development strategies to what they call “*economic gardening*” **(Slide 30)**.

The brief write up in **Appendix C** provides an explanation of what economic gardening is. Simply reading (or summarizing) this handout may be sufficient to communicate the story, but you can also make copies available to participants.

Be sure to make the points that replacement goods must be at the same quality (or higher) and the same price (or cheaper) of the goods being replaced.

Note: In the next section, we will present other local economic development strategies that use endogenous growth models (Market Creek, DSNI, and Evergreen)

SECTION WRAP-UP QUESTIONS

- What are the limits to the things we can make?

In most locations, there isn't an infrastructure set up for things like manufacturing and food production and businesses require start-up costs that are out of reach.

- What would happen if we tried to make everything ourselves?

The goal is not to make everything ourselves so we become independent of the "rest of the world," but rather to create networks of communities that work together to produce the goods and services needed in order to survive.

TAKEAWAY POINTS

- An economy that develops according to economic base theory might run into many problems that we have seen happen throughout the course of United States history and in our own communities.
 - ▶ Dependency on one or a few types of exports – A local economy that is not diversified, and reliant on one or a few types of exports to generate and maintain a healthy economy, is vulnerable to external market pressures. A prime example of a place whose dependence on one type of industry to keep its economy thriving is Detroit, Michigan. Its reliance on the auto industry has led to the collapse of its local economy.
 - ▶ Mercy of the World – The state of dependency described above can lead to being at the mercy of the world market; forces that are beyond the control of the community/locale.
 - ▶ Search for continuous growth – Basic firms' bottom line is to grow their profits. Therefore, local economies are at the whims of a firm's leadership, who may decide to re-locate their business elsewhere if another place is willing to provide greater incentives and subsidies that will help them achieve their bottom line.
- These examples help us see two primary ways that we can approach economic development:
 - ▶ Invest resources in strengthening relationships with the rest of the world, in relocating firms, stimulating external demand, and relying on growth or change in the economy coming from outside of the local community
 - ▶ Foster growth and development through leveraging existing resources found within a community.
- It is important to note that one approach is not better than the other—both are

important to the success of an economy. Importing and exporting will occur under either circumstance. Economic base theory is not completely wrong. It's just incomplete. Exports could be a way for a community to generate wealth as long as strategies for retaining wealth, like endogenous growth strategies, are used simultaneously.

- Either way, if local economic development strategies do not focus on answering the 3 economic survival questions and prioritize how wealth will be distributed—as we saw in the case of Yankee stadium-- the economy might be appear strong, but is not fair or just in reality.

Transition to the next section:

In the next section we will look at some examples of local economic development and then create some ideas for what might work in the Bronx.

V. BREAK (OPTIONAL) **TIME: 10 MIN**

VI. ECONOMIC DEVELOPMENT PROPOSALS FOR THE BRONX **TIME: 45 MIN**

SECTION OBJECTIVES

- Review cases of economic development that focus on development from the ground up or endogenous growth and import replacement
- Engage participants in proposing an economic development strategy for the Bronx
- Expose participants to some of the parameters of the Bronx through a profile of the borough

MATERIALS NEEDED

- Video equipment (projector, laptop and PowerPoint), if available
- White board or flip chart paper
- Markers
- Appendix B: Visual aid
- Appendix D: Bronx Profile
- Appendix E: Local Economic Development Strategies

FACILITATION

1. First present three cases of economic development in different cities (**Slide 33**).

In our remaining time, we are going to look at some examples of local economic development and then come up with ideas for what might work in the Bronx. The three cases we are going to present have challenged economic base theory and used endogenous growth assumptions to develop their local economy.

- Briefly introduce Market Creek and then show the video below:

Market Creek is a shopping center in California that a community came together to invest in by purchasing shares of the center.

- ▶ Market Creek – commercial real estate (5.33): <http://www.youtube.com/watch?v=NFvt5wHNdpc>

- Briefly introduce DSNI and then show the video below:

The Dudley Street Neighborhood Initiative organized residents to purchase land and start a community land trust to support resident home-ownership and community ownership of assets.

- ▶ DSNI – housing (start at 4.26): <https://www.facebook.com/video/video.php?v=574444766019>

» If you have enough time, show the whole video

- Briefly introduce Evergreen and then show the video below: The Evergreen Cooperatives in Cleveland is a network of worker cooperatives that used a relationship with a large anchor institution and import replacement to create jobs.

- ▶ Evergreen – worker cooperatives (6.38): http://www.youtube.com/watch?v=Gt_ZHUDhKjs

- Ask participants to give brief responses to how the different cases challenged traditional economic development strategies

2. Announce the overall task:

*To practice thinking about how we can challenge conventional economic development strategies, we're going to think about economic development in the Bronx (**Slide 34**).*

Let's pretend that Mayor de Blasio has asked each group to present one project they think will help develop the economy in the Bronx. Using the information provided about the Bronx, as well as the endogenous growth strategies and case studies we covered earlier,, work with your group to develop a proposal for the Bronx's economy.

3. Break the participants into groups. There should be 3 – 5 people per group. Have them sit with their group and then distribute the Bronx profile (**Appendix D**). The profile includes information on population, income, land use, and the private sector. The information is primarily displayed graphically, so it should make it easier to review quickly. Also, display one large Bronx map, or, if possible, distribute one map to each group.
4. Finally, have the participants work in their small groups to create a proposal for economic development in the Bronx. Participants will then present their ideas to the entire group. If there is time, allow for questions.

Announce the overall task:

Mayor de Blasio has asked each group to present one project they think will help develop the economy in the Bronx. Each group must propose a strategy that they think would help develop the Bronx economy. At [a given time] each group must present their proposal.

Their proposals should include:

- General description of the idea, including how it fits with one of the models described in the workshop
- Rationale; why will this work?
- Goals the project will achieve
- The people and institutions who need to be involved in the project
- Targeted population (if any)
- Expected impact of the project

Help them keep track of time by periodically announcing the amount of time remaining. Also, walk around, interact with groups, and make yourself available for questions.

5. Presentations (10 min): Have each group present their idea. Be very strict about time so that each group can present. Depending on the number of groups and time remaining, there will probably only be 2 – 3 minutes per group.

If there is time you may ask each group a few questions to gain better understanding and help others understand their ideas.

VII. CONCLUSION AND EVALUATION **TIME: 10 MIN**

SECTION OBJECTIVES

- Summarize the main points and topics of the workshop
- Provide the opportunity and space for final reflections and thought
- Collect valuable feedback and data from participants
- Close and generate excitement about Economic Democracy and the rest of the training series

MATERIALS NEEDED

- Appendix F: Evaluation Form
- Appendix G: Major Takeaway Points

FACILITATION

1. Summarize the Main Points and Topics

- ▶ Development as usual – We started the workshop by looking at the case of Yankee Stadium to understand how traditional economic development initiatives typically only yield “development as usual.” “Development as usual” refers to the process by which public monies are poured into projects that do not benefit the community as a whole. For the most part, money that the project generates goes to the owners of the project and does not circulate in the local economy.
- ▶ Economic Base Theory – Economic base theory is one of the theories of economic development that can lead to “development as usual.” This theory encourages growing the “basic sector” of an economy for export and importing goods and services that workers and firms in the basic sector need.
- ▶ Endogenous Growth – Endogenous growth is more in line with economic democracy than economic base theory because it encourages local control and ownership. Strategies such as import replacement and economic gardening encouraged the use of resources within an area to provide the goods and services that people need.
- ▶ Endogenous growth is in line with the three economic survival questions and the more robust definition of what the economy and economics are. Throughout the history of the human race, we have been working with one another to answer the three economic survival questions. The answers have been different, and we have the power to continue to shape those answers to impact the way our society functions.

- ▶ Finally, in your own proposals, we saw that we can decide to answer the three economic survival questions in ways that lead to more just and equitable outcomes. We can put people first in the answers to our questions.
2. Closing Discussion Question - BCDI believes that we can build community wealth that is democratically governed and collectively owned to build a strong, just, and sustainable economy in the Bronx. Many organizations, institutions, and individuals can and need to be involved in a variety of activities that build this new economy based on shared wealth. ***What would happen if you got involved?***
 3. Discuss any concrete next steps participants can take, upcoming events and the next training
 4. Depending on the time left, either hand out the written evaluation for participants to complete, or conclude with the 4-part evaluation suggested below. Be sure to have a recorder to capture notes for participant feedback.
 - ▶ Written Evaluation – Hand out the evaluation specific to the session. Emphasize any parts of the worksheet that are particularly important to get feedback on. Discuss the purpose of this evaluation; it allows the facilitator(s)/ sponsor(s) to improve the training and for the group to move forward with strength into the future workshops. **(Appendix H)**
1. Verbal evaluation – It comes from the Gamaliel Foundation (<http://www.gamaliel.org/>) training. Parts I and II tend to be the most important; parts III and IV can be eliminated under time constraints.
 - ▶ Introduce that you are doing a 4 part evaluation in ___ minutes (10, 5); lay out the parts (perhaps writing them on the board).
 - » Part I: One-Word Feeling Word – Ask each participant to offer a one-word feeling word on “How they feel about this training.” Encourage participants to use a feeling word (such as excited, happy, confused, troubled, hopeful) as opposed to a “head word” (thoughtful, pensive, interested). Also, be strict about only ONE word, this keeps pace and ensures everyone shares. Keep track of the words. Return to any “negative word” such as confused, angry, etc. Ask the participant who shared a negative word to “say more about that word.” Finish this section by hearing elaboration from some of the “positive” words. You will not have time for everyone to elaborate on their word.
 - » Part II: Performance – This is a time for participants to discuss “what worked” and “what could be improved”. They should be encouraged to give feedback on the delivery of the content by the facilitators, the participation of the rest of the room, the set up and logistics of the room, and the content of the training. You can use flip chart and make 2

columns, one with a plus sign and one with a negative sign (or “delta” sign [a triangle] which is the scientific symbol for change).

- » Part III: Tension – The points of tension in a workshop are often the places where learning is happening; the places participants feel uncomfortable are the places they feel pushed or stretched. These can be important and powerful points for individuals, but also for the group as often tensions are shared. You can ask the group, “Where did you feel tension? Where did you feel you were being stretch in a new direction?” Listen to and engage in a dialogue about some of the points of tension.
- » Part IV: Political Learning – This is typically offered by the facilitator or another very experienced organizer/leader in the room. Summarize the key learning you have about operating in the public arena and moving into economic democracy. This should be a short, sweet, challenging/inspiring statement.

APPENDIX A

REFERENCE MATERIALS

ECONOMIC BASE THEORY

Economic base theory assumes that all local economic activities can be divided into two sectors: 1) basic (or non-local) and 2) non-basic (or local). Basic firms are locally resource-oriented (i.e. agriculture, mining, tourism), but are largely dependent on non-local factors and export their goods. The non-basic sector is largely dependent on local factors/business conditions for success (i.e. demand for local grocery stores, clothing stores, etc). The basic/non-basic distinction is important because economic base theory states that the way to strengthen and grow the local economy is to develop and enhance the basic sector. Therefore, the basic sector is considered the driver of the local economy. Economic base theory also posits that the local economy is strongest when it develops economic sectors that are not closely tied to the local economy. By developing firms that rely primarily on external markets, the local economy can better weather economic downturns because, it is hoped, these external markets will remain strong even if the local economy experiences problems. In contrast, a local economy wholly dependent upon local factors will have great trouble responding to economic slumps.

Excerpt adapted from the following sources:

1. "Economic Base Theory." Florida State University. <<http://mailer.fsu.edu/~tchapin/garnet-tchapin/urp5261/topics/econbase.htm>>
2. "Economic Base Model." World Bank. <info.worldbank.org/etools/docs/library/.../Dinc%20Presentation.ppt>

Additional Resources:

1. "Economic Base Theory" (Prezi presentation). Tyler Wright, Jacob Reinhardt, Hernan Guzman, David Krueger, and Drew Flesch. <https://prezi.com/vnjh_sqliqpy/econ/>

GROSS DOMESTIC PRODUCT (GDP)

"The GDP or Gross Domestic Product is a calculation that economists and governments use to measure economic activity in any given country. Progressive economists have argued for years that the GDP isn't a very good indicator of how the economy is functioning, because it doesn't take into account the negative costs of economic production, like economic destruction or human misery. For example, Hurricane Katrina led to a bump in the U.S. GDP, because a lot of goods and services were consumed in the recovery. But that doesn't mean that the hurricane

was good for the people involved, or the economy as a whole. It appears the government of France has taken some of these criticisms to heart, because they have recently announced that they will begin factoring into the GDP the well being of French citizens and the sustainability of the economy and natural resources.”

Source

1. “France to Count Happiness in their GDP.” Other Worlds. <<http://www.otherworldsarepossible.org/france-count-happiness-their-gdp>>

ECONOMIC GROWTH

Economic growth is the increase of an economy’s capacity to produce goods and services over time. It is widely believed that economic growth breeds prosperity, and, therefore, we should promote growth policies. However, growth policies have been shown to negatively contribute to human welfare and the environment.

Additional Resources:

1. *Limits to the Growth Paradigm* by Robert U. Ayres. <http://www.insead.edu/facultyresearch/research/details_papers.cfm?id=11395>

IMPORT REPLACEMENT

“[Jane] Jacobs believed that the best way to achieve such sustainable economies is to examine what is now imported into a region and develop the conditions to produce those goods from local resources with local labor. She referred to this process as “import replacing.””

Source:

1. “The Grace of Import Replacement.” Susan Witt. <<http://neweconomicsinstitute.org/publications/essays/witts/susan/the-grace-of-import-replacement>>

Additional Resources:

1. “Community Supported Industry.” Schumacher Center for a New Economics. <<http://www.centerforneweconomics.org/content/community-supported-industry-white-paper>>.

COMPETITIVE ADVANTAGE

“Competitive advantage is an advantage that a firm has over its competitors, allowing it to generate greater sales or margins and/or retain more customers than its competition. There can be many types of competitive advantages including the firm’s cost structure, product offerings, distribution network and customer support.”

Source:

1. "Competitive Advantage." Investopedia. <http://www.investopedia.com/terms/c/competitive_advantage.asp>.

MULTIPLIER EFFECT

The employment multiplier estimates the impacts of local basic sector employment on non-basic sector job creation, given an increase in basic sector employment. That is, for every one job produced in the basic sector, there are three more jobs produced in the non-basic sector.

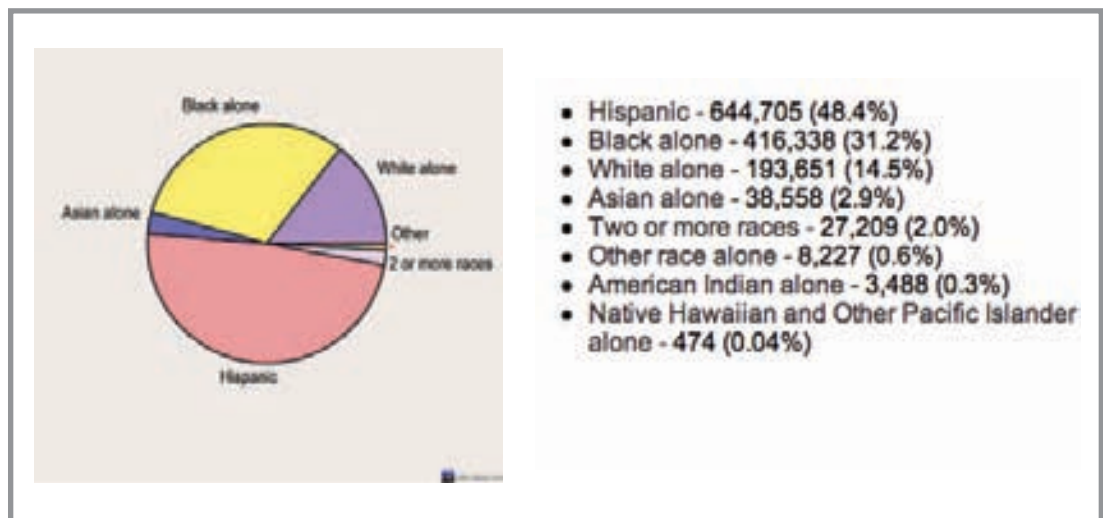
Source:

1. "Economic Base Theory." Florida State University. <<http://mailer.fsu.edu/~tchapin/garnet-tchapin/urp5261/topics/econbase.htm>>

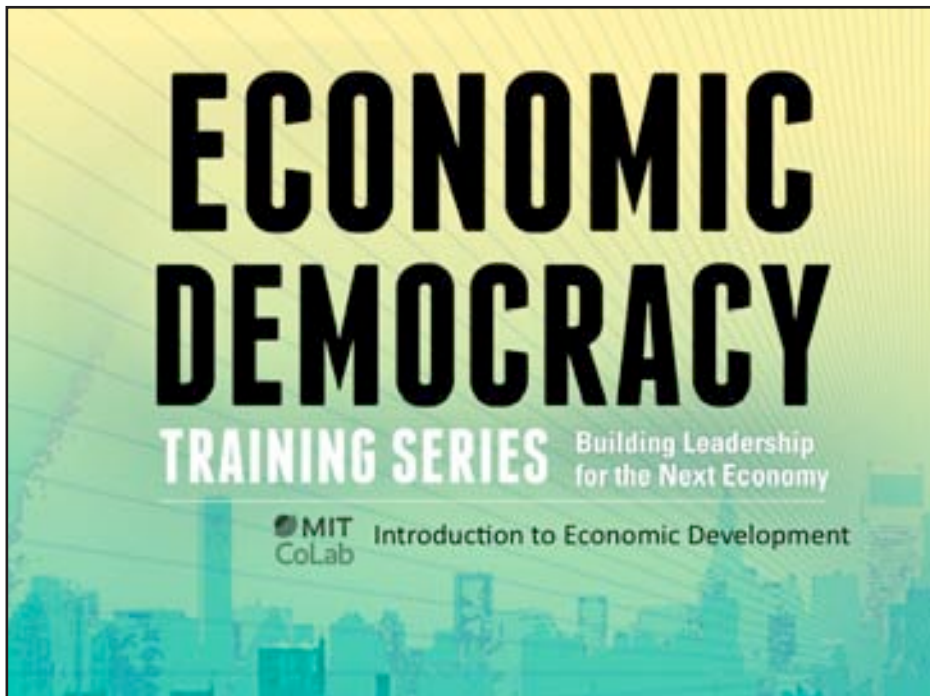
REPORTS BY "GOOD JOBS NY"

"Loot, Loot, Loot for the Home Team: How the Proposal to Subsidize a New Yankee Stadium Would Leave Residents and Taxpayers Behind." February 2006. <<http://www.goodjobsfirst.org/sites/default/files/docs/pdf/lootfinal3.pdf>>

"Insider Baseball: How Current and Former Public Officials Pitched a Community Shutout for the New York Yankees." July 2007. <http://goodjobsny.org/sites/default/files/docs/master_0717_mac_pdf4.pdf>.



APPENDIX B VISUAL AID



SESSION GOALS

- To introduce you to traditional economic development strategies
- To understand the variety of economic development strategies that can build strong and just economies
- To identify the characteristics of strong and weak economies
- To introduce you to the concept of economic democracy and provide examples of projects that represent aspects of economic democracy
- To create your own definition of a strong economy

2 | Economic Democracy Training Series SESSION GOALS

AGENDA



- Welcome and Introductions (10 min)
- Story of Development as Usual (10 min)
- Strong and Weak Economies (15 min)
- Economic Base Theory (20 min)
- Break (10 min)
- Economic Development Proposals for the Bronx (45 min)
- Conclusion and Evaluation (10 min)

FIRST AGREEMENTS:

How we want to treat each other and be treated in this space

- Be present – don't look at cell phones, text, or be on the computer
- Listen to understand
- Argue about concepts, not people
- Don't Yuck My Yum
- Mind Your Space (clean up after yourself)
- Respect time limits
- Step Up, Step Back
- Hold comments until the end
- Return from break on time
- Turn cell phones on silent (not vibrate)
- One conversation, don't talk over others

Story of Development as Usual

New Yankee Stadium



Timeline

- **June 15, 2005:** An agreement is reached to generate the public funds needed to build a new stadium for the New York Yankees
- **June 23, 2005:** Legislation in both houses of the New York State Assembly pass
- **April 5, 2006:** The City Council approves the plan & subsidies for the construction of the new Yankee Stadium

Cost of New Yankee Stadium

Subsidies and Concessions

- Demolition of old stadium - \$138 million
- City Park Land – 25+ acres of historic park replaced by 22 acres
- \$900 million+ in tax exempt bonds
- Exemption from mortgage taxes, property taxes
- \$70 million for parking garage construction
- New Stadium seats 53,000 vs. 59,700 at old stadium
- 60 luxury boxes
- 10,000 parking spaces (3,000 more than before)
- Site owned by the City, leased by the Industrial Development Agency for \$1; Yankees paid for stadium construction, but pay no rent or taxes

New Yankee Stadium

Community Benefits Program

Community Benefits Program:

- \$1 million in grants for 20 years to local organizations
- 25% of jobs to Bronx and NYC residents
- No evidence that either of these commitments have materialized

Proposed Impact:

- Jobs in construction
- Jobs at the stadium
- Support for restaurants & shops in the area

BUT, no monitoring, reporting or enforcement!

New Yankee Stadium

Discussion Questions

- Who benefits from this stadium?
- Who pays for this stadium?



Development as Usual

- Public \$ in, Private Use Out
- Increased profits for developers or company
- Money generated in one area flows elsewhere
- Over-reliance on money from outside

Strong and Weak Economies

Strong and Weak Economies

- What are the characteristics of a "weak" economy?
- What are the characteristics of a "strong" economy?

With your neighbor generate a list of the characteristics and features weak and strong economies.

Use specific examples if you have any

Describing Economies

Good/Strong Economies

- There are jobs, low unemployment
- Good education
- People have homes

Bad/Weak Economies

- Unemployment
- Crime
- Hunger
- Homelessness

The Economy, Economics + Three Survival Questions

- The **economy** is the way human societies organize to meet their needs.
- **Economics** is the study of how human societies organize themselves to meet their needs.
- Societies must answer the **three economic survival questions** in order to meet their needs:
 1. What goods and services should our society produce?
 2. How should we produce these goods and services
 3. Who gets what is produced?

Defining "Good" Economies



Defining "Good" Economies

Discussion Questions

- What does Yankee Stadium produce?
- How does Yankee Stadium produce it?
- Who benefits from what is produced?

Ultimately, what type of economy is Yankee Stadium producing?

Defining “Good” Economies

Discussion Question Answers

- **What does Yankee Stadium produce?**
 - Baseball stadium; revenue from ticket sales and concessions; space and customers for retails & restaurants; recreation & entertainment
- **How does Yankee Stadium produce it?**
 - Taking public park land; through public subsidy; without taxes; paying \$1 billion for construction materials; a sports team owned by a small number of partners
- **Who benefits from what is produced?**
 - Ticket holders (fun); Steinbrenner Family & partners (profit); athletes and Yankee employees; shop & restaurant keepers (profit); companies that work with or for the Yankees; companies who contract with the Yankees

Defining “Good” Economies

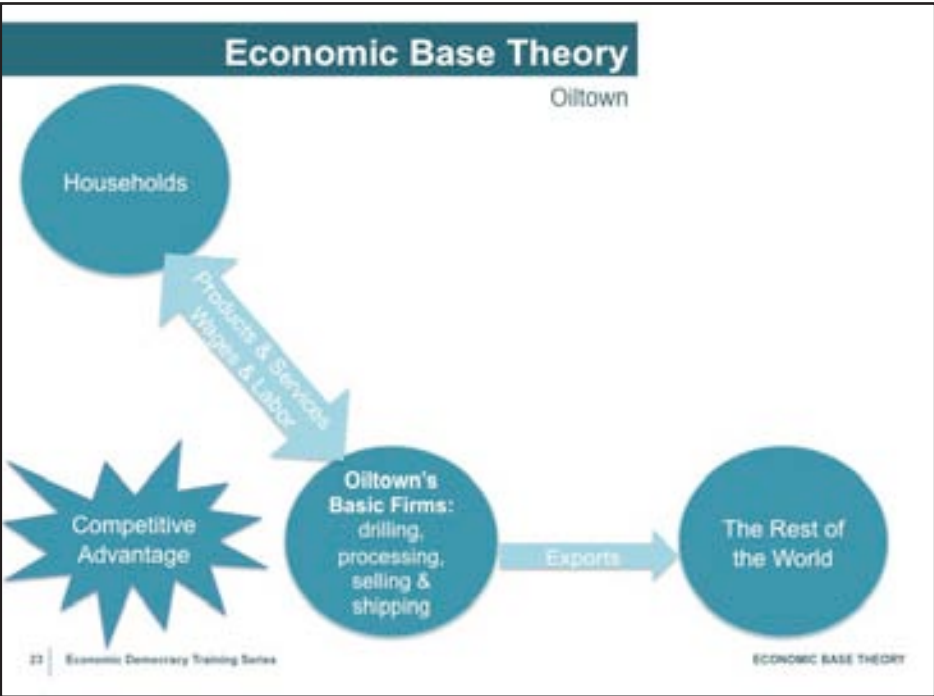
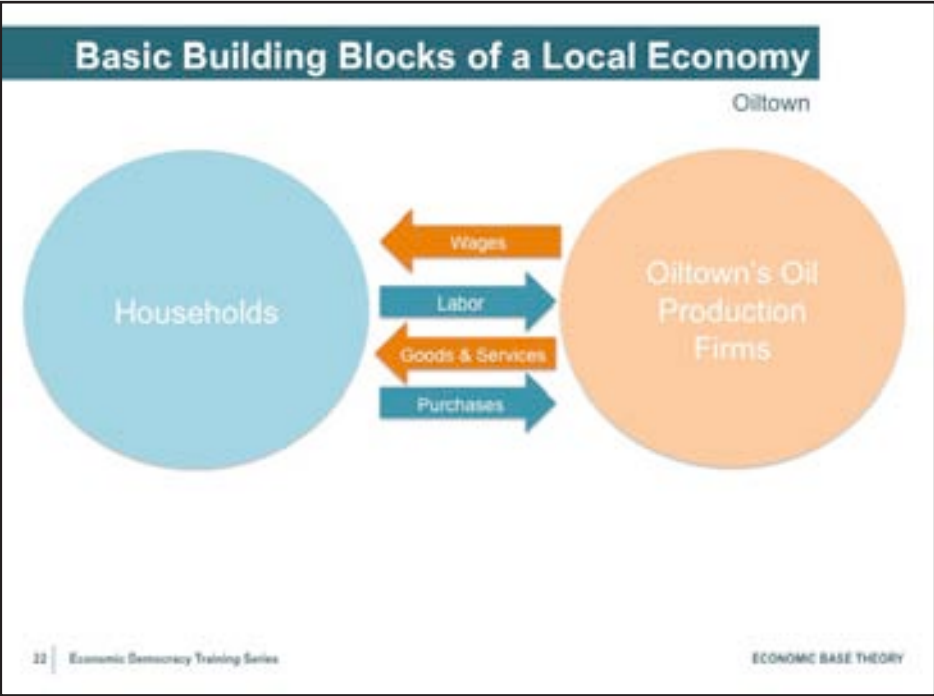
Discussion Questions

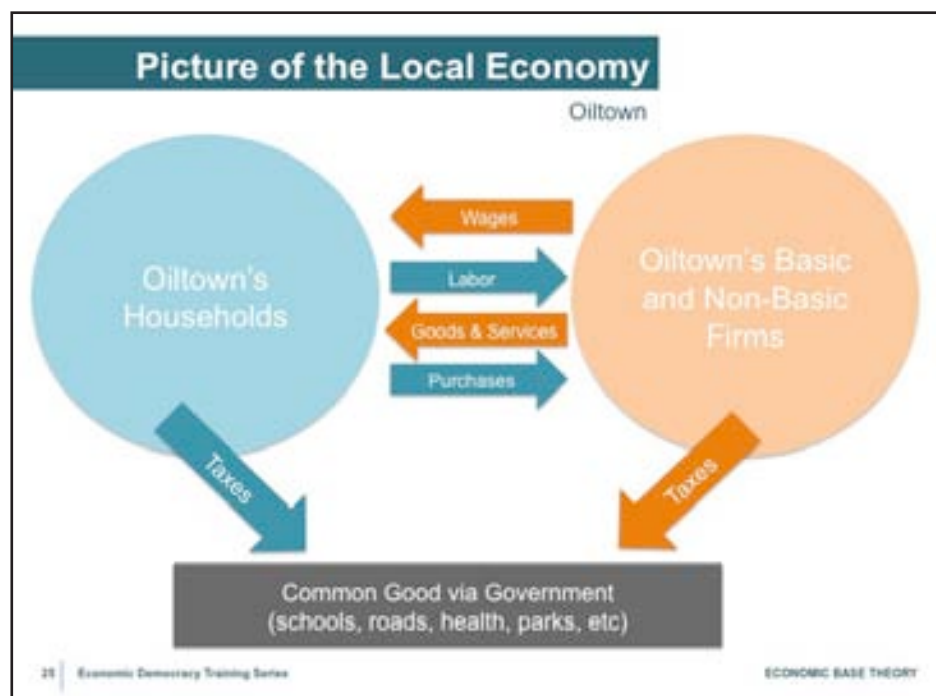
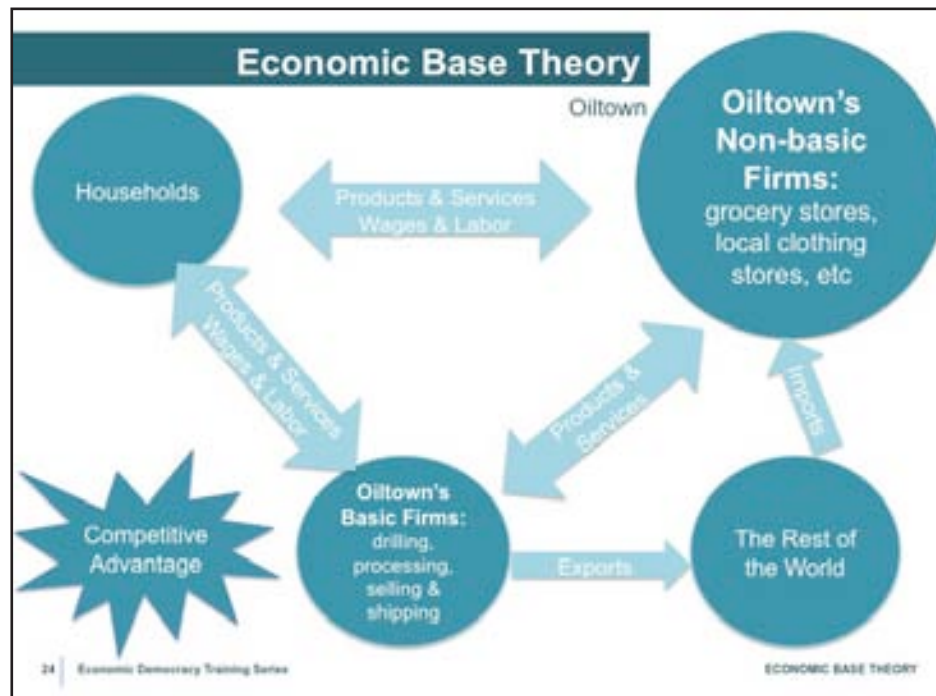
- Is New York City’s economy strong? Why or why not?
- Is the Bronx’s economy strong? Why or why not?

Economic Base Theory

Basic Building Blocks of a Local Economy







Economic Base Theory

Discussion Question

- **What problems could arise if a community grows its economy through exports?**
 - The community could be at the mercy of the world and firms' leadership
- **What if a local economy is too reliant on imports? What could happen?**
 - The local economy is vulnerable to external changes
 - Smaller basic sector

Endogenous Growth Models

Economic Development vs. Economic Growth

Base theory suggest that the only way a local economy can thrive is through the growth of a basic sector's imports.

Are there other ways an economy could grow?

Endogenous Growth Models

Discussion Question

Economic Growth

Government Spending
+ Investment
+ Consumption

Gross Domestic Product, or
GDP

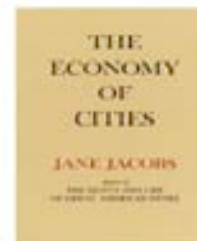
Economic Development

The process, structures, institutions, actors involved in an economy and the ways the in which processes, structures, institutions, and actors change.

Endogenous Growth Models

Import Replacement in Japan

- In the late 1800s, Japan imported bicycles
- In Tokyo, repair shops sprang up, at first cannibalizing broken bicycles for parts
- Repair shops then started to produce some of the most-used parts
- More and more different parts were made, until Tokyo started to produce entire bicycles and exported them to other cities



Endogenous Growth Models

Economic Gardening in Littleton, Colorado

- In 1987, created an alternative to the traditional economic development practice of recruiting industries, called "economic gardening"
- Economic gardening is an idea that communities should grow their own jobs, not recruit them from the outside



Endogenous Growth Models

Discussion Questions

- What are the limits to the things we make?
- What would happen if we tried to make everything ourselves?

Economic Development Proposals for the Bronx

Local Economic Development

Using Endogenous Growth Strategies

- Market Creek – Commercial real estate (5.33): <http://www.youtube.com/watch?v=NFv15wHNdpc>
- DSNI – Housing (4.26 of 9.06): <https://www.facebook.com/video/video.php?v=574444766019>
- Evergreen – Worker cooperatives (6.38): http://www.youtube.com/watch?v=Gt_ZHJDhKjs

Economic Development Proposals

The Bronx

Mayor de Blasio has asked your team to propose one project to develop the economy in the Bronx.

Your proposal must include:

- A general description of the project
- Rationale for the project: why will this project work?
- Targeted Population (if any)
- The people and institutions who need to be involved in this project to make it work

APPENDIX C: HANDOUT NO. 1

EXAMPLE OF ENDOGENOUS ECONOMIC DEVELOPMENT

ECONOMIC GARDENING IN LITTLETON, COLORADO

In 1987, the City of Littleton, Colorado pioneered an entrepreneurial alternative to the traditional economic development practice of recruiting industries. This demonstration program, developed in conjunction with the Center for the New West, was called “economic gardening.”

They kicked off the project in 1989 with the idea that “economic gardening” was a better approach for Littleton (and perhaps many other communities) than “economic hunting.” By this, they meant that they intended to grow their own jobs through entrepreneurial activity instead of recruiting them. The idea was based on research by David Birch at MIT that indicated that the great majority of all new jobs in any local economy were produced by the small, local businesses of the community. The recruiting coups drew major newspaper headlines but they were a minor part (often less than five percent) of job creation in most local economies.

This was the world when they proposed another approach to economic development: building the economy from the inside out, relying primarily on entrepreneurs. They knew it wouldn’t be glamorous work or work which would get 40-point-type headlines. But they sensed that if they could develop a solid alternative model, even if it took years to implement that model, they would make a valuable contribution to communities all over the world.

After two years of formulating and developing the idea, they launched economic gardening with the simple concept that small, local companies were the source of jobs and wealth and that the job of economic developers should be to create nurturing environments for these companies. Since then they have often compared their experiences to Alice following the rabbit down the hole to Wonderland. It has been a long journey with many bends and twists in the road and one that has been full of constant surprises.”

Source:

1. Economic Gardening. Littleton, Colorado Government. <<http://www.littleton.gov/bia/economicgardening/>>.

APPENDIX D: HANDOUT NO. 2

PROFILE OF THE BRONX

BRONX PROFILE

Demographics

- ▶ **Population (2010):** 1,385,108
- ▶ **Land area:** 42.0 square miles
- ▶ **Population density:** 32,978 people per square mile
- ▶ **Median Household income (2007-2011 estimates):** \$34, 744
- ▶ **Residents with income below the poverty level (2009):** 30.7%
- ▶ **Residents with income below 50% of the poverty level (2009):** 17.5%
- ▶ **Cost of living index (2012):** 160.8 (U.S. average is 100)
- ▶ **Mean Prices of all housing units (2009):** \$386,329

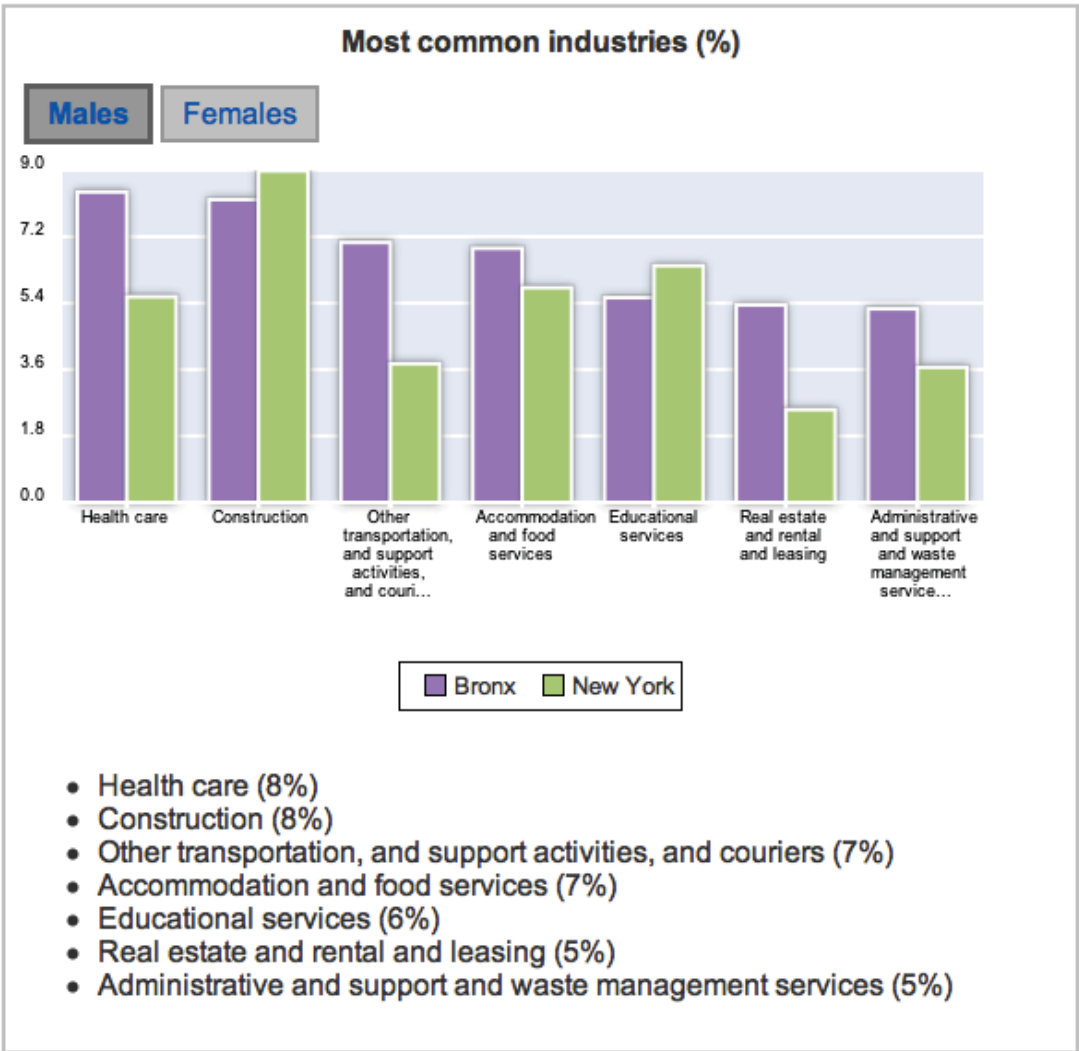
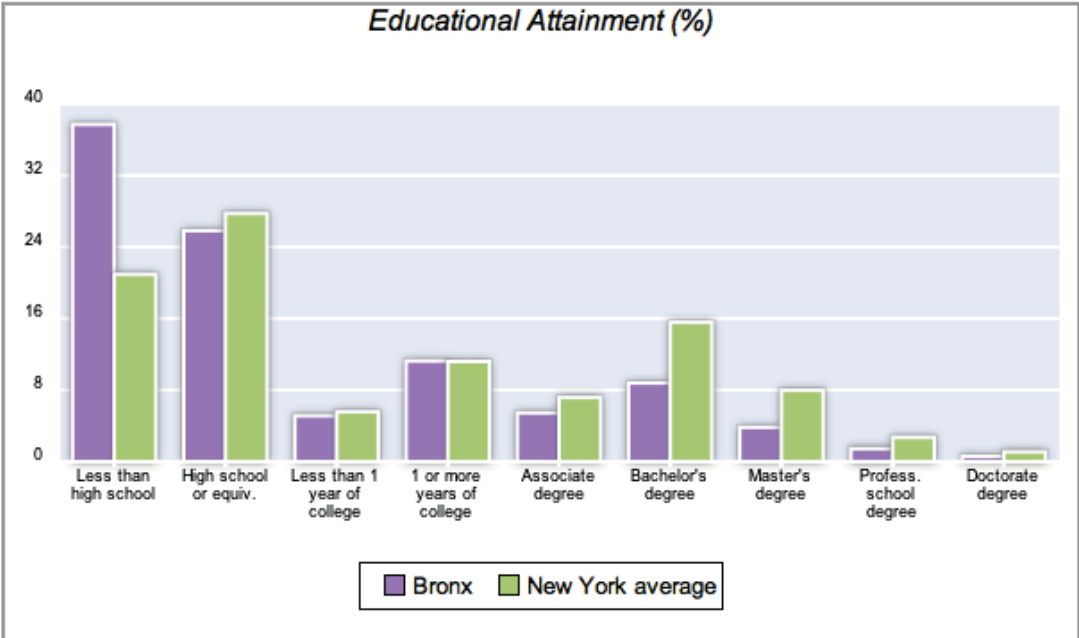
Races in the Bronx

Education

- ▶ Educational attainment for population 25 years and over:
- ▶ High school or higher: 62.3%
- ▶ Bachelor's degree or higher: 14.6%
- ▶ Graduate or professional degree: 5.9%

Colleges/Universities in the Bronx:

- ▶ American Beauty School
- ▶ Boricua College
- ▶ Brittany Beauty School
- ▶ CUNY Bronx Community College
- ▶ CUNY Hostos Community College
- ▶ CUNY Lehman College
- ▶ Fordham University
- ▶ Manhattan College
- ▶ Monroe College
- ▶ College of Mount Saint Vincent
- ▶ School of Professional Horticulture at the New York Botanical Garden



Employment

Unemployment Rate (2007-2011 estimates): 7.7%

Hospitals/medical centers in the Bronx

- ▶ James J. Peters VA Medical Center
- ▶ Bronx-Lebanon Hospital Center
- ▶ Jacobi Medical Center
- ▶ Lincoln Medical and Mental Health Center
- ▶ Montefiore Medical Center
- ▶ New York Westchester Square Medical Center
- ▶ North Central Bronx Hospital
- ▶ St. Barnabas Hospital

Natural Resources

Lakes and reservoirs:

- ▶ Van Cortlandt Lake
- ▶ Woodlawn Lake
- ▶ Indian Pond
- ▶ Cope Lake
- ▶ Jerome Park Reservoir
- ▶ Williamsbridge Reservoir

Rivers and creeks:

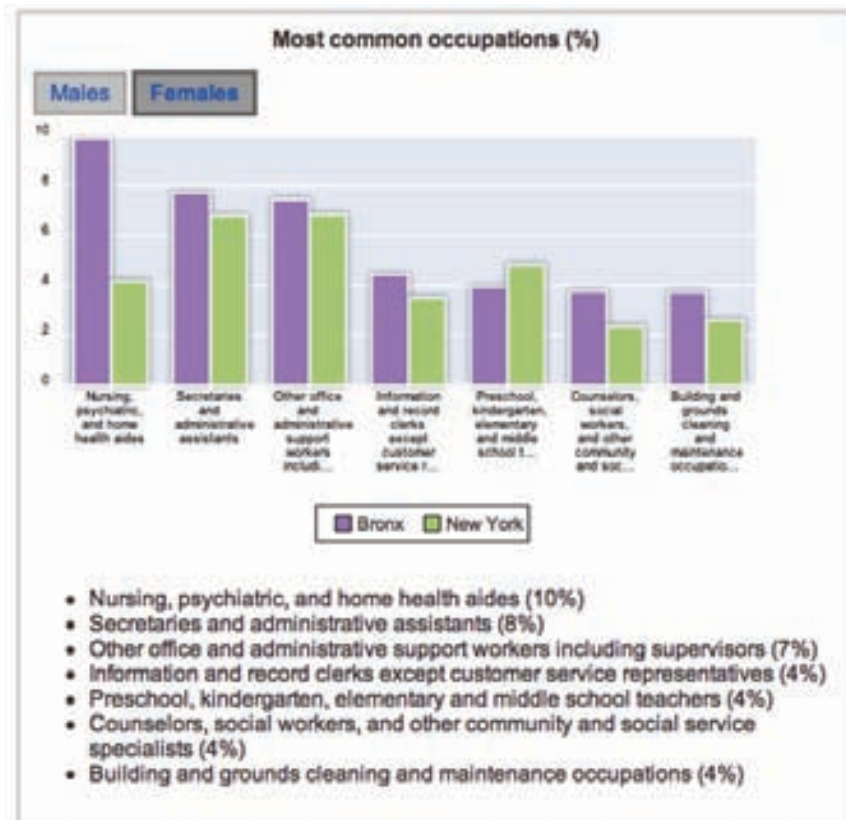
- ▶ Givan Creek
- ▶ Westchester Creek
- ▶ Bronx River
- ▶ Pugsley Creek
- ▶ Hutchinson River
- ▶ Hammond Creek

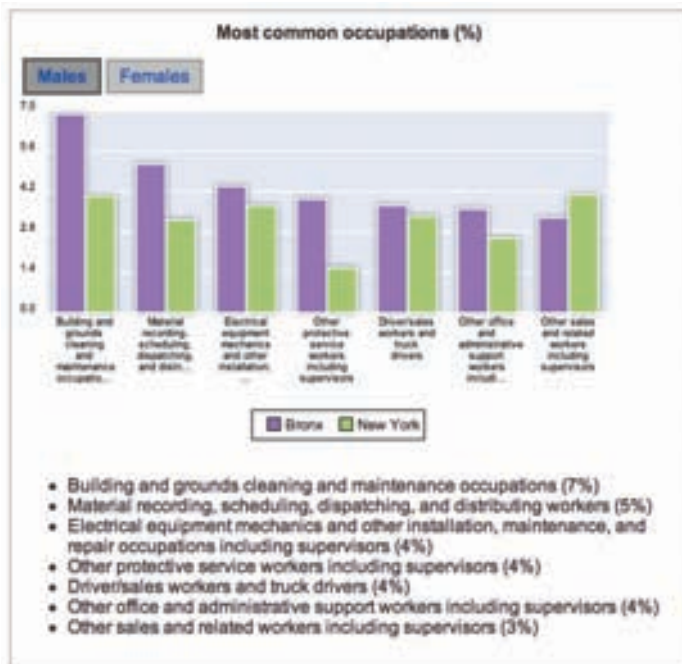
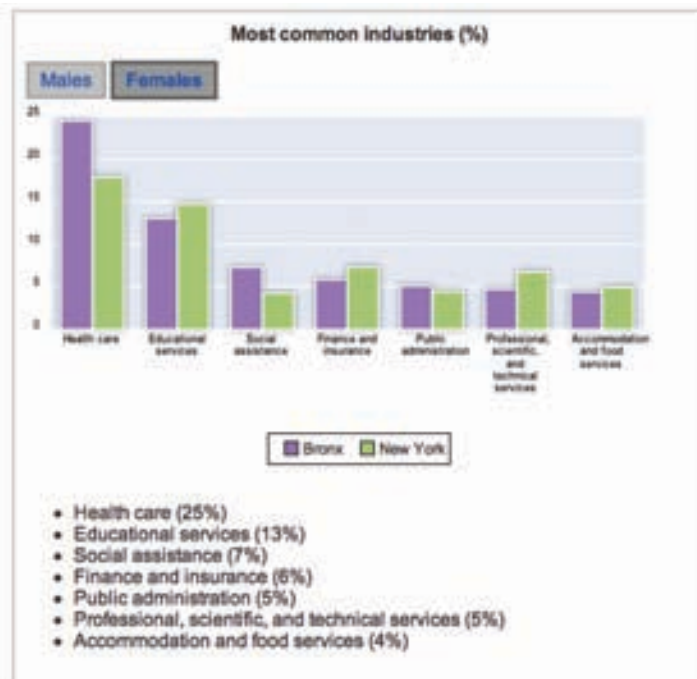
Parks:

- ▶ Columbus Square
- ▶ Barnhill Triangle
- ▶ Beatty Plaza
- ▶ Barretto Point Park
- ▶ Sheridan Triangle
- ▶ Babe Ruth Plaza
- ▶ Joyce Kilmer Park
- ▶ Castle Hill Park
- ▶ Eastchester Playground

Beach:

- ▷ Orchard Beach
- ▷ Cultural Attractions
- ▷ The Bronx Zoo
- ▷ New York Botanical Gardens
- ▷ City Island Nautical Museum
- ▷ Edgar Allan Poe Cottage
- ▷ Woodlawn Cemetery
- ▷ Yankee Stadium
- ▷ Lehman Center for the Performing Arts
- ▷ Bronx Opera House
- ▷ The Bronx Museum
- ▷ Van Cortlandt House Museum





Sources:

1. "Bronx, New York," City-data.com. <<http://www.city-data.com/city/Bronx-New-York.html>>.
2. "Major Attractions." The Bronx Tourism Council. <<http://www.ilovethebronx.com/index.php/bronx-links/major-attractions>>.
3. "Entertainment." The Bronx Tourism Council. <<http://www.ilovethebronx.com/index.php/bronx-links/entertainment>>.
4. "Local Colleges." The Bronx Tourism Council. <<http://www.ilovethebronx.com/index.php/bronx-links/local-colleges>>.

APPENDIX E: HANDOUT NO. 3

LOCAL ECONOMIC DEVELOPMENT STRATEGIES

MARKET CREEK PLAZA

Since 1998, the Jacobs Center for Neighborhood Innovation (JCNI) has supported the development of Market Creek Plaza, a \$23.5 million commercial and cultural center built on the former site of a 20-acre abandoned factory in the heart of the Diamond Neighborhoods in San Diego. Community ownership of assets gives residents control of their future. Neighborhood revitalization linked with a strategy for local ownership eliminates blight, expands resources, and gives residents a way to drive community change without being displaced by it.

To make community ownership of the project a reality, a design team of over 120 residents helped create Market Creek Partners, a community development limited liability company. This innovative new entity has given residents the opportunity to share in the risks and rewards of the project they helped to develop. Built on six guiding principles, including community-ownership and economic development, the JCNI undertook the challenge of working with the community to develop an ownership strategy for residents and stakeholders. Creating ways to generate profits that could then be re-invested in neighborhoods in the surrounding area is the backbone of this unique wealth creation strategy that emerged from the Ownership Design Team. The team's work was modeled after the Native American tribes' theory of thirds: a third for personal benefit, a third for community benefit, and a third for on-going development.

As a result, a self-generating system of wealth creation in the neighborhood was launched. Profits from the Plaza will go back into the neighborhood through a neighborhood-controlled community foundation. This will provide an ongoing source of capital for the community to use towards future projects and/or services. In addition, a portion of Market Creek Plaza's profits will provide resources for ongoing commercial development within the neighborhood.

What is so unique about Market Creek Plaza is that it ties asset building and skill building to a project that rebuilds a neighborhood. It has removed blight, brought a vibrant asset to the neighborhood, stimulated the redevelopment agency and the City to commit greater focus to work in this area, and provided residents a strong voice in holding the public agencies accountable to the community's vibrant vision. The Food 4 Less Grocery Store at Market Creek Plaza has become one of the busiest stores in the area. As other businesses at the Plaza open, their success ripples through the community in the form of new jobs, entrepreneurial opportunities, and an increase in the tax base, all of which ensure that wealth is captured in the community. This economic flow into the area will help transform the community across the board, street-by-street, block-by-block, and neighborhood-by-neighborhood.

Source:

1. Market Creek Plaza (official website). < <http://www.marketcreekplaza.com/>>.

Additional Resources:

1. “Residents Owning and Driving Change: Market Creek Plaza” (video). <<http://www.youtube.com/watch?v=NFvt5wHNdpc>>.

DUDLEY STREET NEIGHBORHOOD INITIATIVE

Dudley Neighbors, Incorporated (DNI) was created by the Dudley Street Neighborhood Initiative (DSNI) to play a critical role in the housing development portion of DSNI’s comprehensive master plan that was drafted by residents to guide the revitalization of the neighborhood.

In the fall of 1988, the Boston Redevelopment Authority (BRA) approved DNI’s request to become a Massachusetts 121A Corporation. That status allowed DNI to accept the power of eminent domain to acquire privately-owned vacant land in the area designated as the Dudley Triangle. DNI combines vacant lots acquired via eminent domain with City-owned parcels and leases these to private and nonprofit developers for the purpose of building affordable housing consistent with the community’s master plan.

DNI is structured as a Community Land Trust (CLT), and as such plays a crucial role in preserving affordable housing and providing residents with a way to control the development process in the neighborhood. DNI leases land initially to developers during construction, and subsequently to individual homeowners, cooperative housing corporations, and other forms of limited partnerships.

Through its 99-year ground lease, DNI can require that its properties be used for purposes set forth by the community. It can also establish parameters on the price that homes sell for and can be resold for.

DNI’s operations are funded through minimal lease fees from leaseholders. Some funding is provided by private individuals and foundation grants.

The DNI Community Land Trust, was created by residents of the Dudley Street Neighborhood area as a vehicle to rebuild their neighborhood and to ensure that the homeownership opportunities created today are available to future generations. To date a total of 225 new homes and two community spaces or micro-centers have been built on DNI land.

Within the next decade, approximately 250 new homes will have been built on DNI land in the area known as the “Dudley Triangle”, the section of the Roxbury and North Dorchester neighborhoods bounded by Dudley Street, Blue Hill Avenue,

Brookford Street, Hartford Street, Robin Hood Street, Folsom Street, Woodward Park Street, and Howard Avenue. All of these new homes will be part of the DNI Community Land Trust. In addition to the new homes, the rebuilding of the triangle will include the construction of a community greenhouse, parks, gardens, open space, and a revitalized local shopping area.

Source:

1. "Dudley Neighbors, Inc." Dudley Street Neighborhood Initiative. <<http://dsni.org/dudley-neighbors-inc>>.

Additional Resources:

1. "Holding Ground Revisited" (video). Dudley Street Neighborhood Initiative. <<https://www.facebook.com/video/video.php?v=574444766019>>.

THE EVERGREEN COOPERATIVES

Launched in 2008 by a working group of Cleveland-based institutions (including the Cleveland Foundation, the Cleveland Clinic, University Hospitals, Case Western Reserve University, and the municipal government), the Evergreen Cooperative Initiative is working to create living wage jobs in six low-income neighborhoods (43,000 residents with a median household income below \$18,500) in an area known as Greater University Circle (GUC).

The Evergreen Cooperative Initiative has been designed to cause an economic breakthrough in Cleveland. Rather than a trickle down strategy, it focuses on economic inclusion and building a local economy from the ground up; rather than offering public subsidy to induce corporations to bring what are often low-wage jobs into the city, the Evergreen strategy is catalyzing new businesses that are owned by their employees; rather than concentrate on workforce training for employment opportunities that are largely unavailable to low-skill and low-income workers, the Evergreen Initiative first creates the jobs, and then recruits and trains local residents to take them.

Although still in its early stages of implementation, the Evergreen Cooperative Initiative is already drawing substantial support, including multi-million dollar financial investments from the Federal government (particularly HUD) and from major institutional actors in Cleveland. It is also capturing the attention and interest of officials and philanthropy in a number of other cities seeking to replicate the "Cleveland model" (interested cities include Detroit, Atlanta, Newark, Pittsburgh, Washington, DC, and a number of cities across Ohio). Recent positive media coverage of the Initiative has appeared in the Economist, Business Week, the Nation, and Time; on NPR; NBC Nightly News, and the PBS series hosted by journalist David Brancaccio, "Fixing the Future." There are also important State and Federal policy implications and opportunities related to the effort which are now being pursued

with the Administration (in particular with HUD and the White House Office of Urban Affairs), and in Congress (through the office of Senator Sherrod Brown).

Source:

1. "The Evergreen Cooperatives Story." Evergreen Cooperatives.
<<http://evergreencooperatives.com/about/evergreen-story/>>.

Additional Resources:

1. "Evergreen Cooperatives" (video).
<http://www.youtube.com/watch?v=Gt_ZHUDhKjs>.

APPENDIX F: HANDOUT NO. 4
EVALUATION FORM

BUILDING STRONG LOCAL ECONOMIES I - INTRODUCTION TO ECONOMIC DEVELOPMENT WORKSHOP

Name (Optional): _____

Borough & Community Board: _____ Date: _____

How did you hear about this training? Name of the person/organization/place:

What topics, terms, and ideas were most relevant to you? Check all that apply.

General Comments	Check all that apply	
		Development as Usual
		Economic Base Theory
		Endogenous Growth
		Import Replacement
		Discussing what we can do for economic development in the Bronx
		Other

What parts of the workshop did you dislike?

General Comments	Check all that apply	
		Development as Usual
		Economic Base Theory
		Endogenous Growth
		Import Replacement
		Discussing what we can do for economic development in the Bronx
		Other

What areas of the workshop need improvement?

General Comments	Check all that apply	
		Development as Usual
		Economic Base Theory
		Endogenous Growth
		Import Replacement
		Discussing what we can do for economic development in the Bronx
		Other

What can the facilitators do to improve the delivery of the workshop?

What are you curious to learn more about
(Be as specific as possible!)?

Location (check one)

General Comments		
		Convenient location for me
		Inconvenient location for me
		No comment
		Other

Room size and set up (check one)

General Comments		
		Great size and set up
		Too small
		Too large
		No comment

Food (check one)

General Comments		
		Satisfied
		Unsatisfied
		Did not eat
		Other

Length (check one)

General Comments		
		Perfect amount of time
		Too long
		Too short
		No comment

Thank you for participating in the workshop and filling out this survey.
Your feedback is important to us!

APPENDIX G: HANDOUT NO. 5

MAJOR TAKEAWAY POINTS

1. "Economic Development as usual" typically yields:
 - Public money for private use
 - An increase in profits for owners
 - The flow of money outside of the place where it is generated
 - The over reliance of money from outside the area where the project will take place
2. A "strong" economy is not enough. An economy should also be "good," "equitable," "fair," and "accessible."
3. Problems with economic base theory:
 - Dependency on one or a few industries to stimulate an economy. Example: Detroit, Michigan's dependency on the auto industry for economic prosperity.
 - Need for constant growth in the basic sector to develop the local economy. This might lead to "smoke stack chasing" where local economic developers or others use subsidies and incentives to entice businesses to locate in their community.
 - A diversity of firms is needed in the basic sector in order to prevent dependency on one industry.
4. Endogenous growth models suggest economies grow and develop from within. These theories indicate that we don't have to run around trying to convince businesses to locate in our town or borough to realize economic success, but that we should look to invest in the people of our borough and the businesses will follow.

My thoughts, reactions, notes to self: