

WHAT SUCCESSFUL CITIES HAVE TO SAY TO FORT WAYNE



**Quest Club Paper
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“It is no small matter to recast a city – readjusting it to its higher density, and shaping it for a greater trade and industry and larger population than had been foreseen. But the very need of so doing is inspiring and calculated to give courage; and today, in the competition of cities for a wholesomer living, the city that dares is the city that wins.”

-Charles Mulford Robinson from his 1909 report to the Fort Wayne Civic Association entitled *The Improvement of Fort Wayne, Indiana*

WHAT SUCCESSFUL CITIES HAVE TO SAY TO FORT WAYNE

Introduction

It is indeed an honor, and a good bit intimidating, to be asked to present this paper. The topic is both fairly subjective in nature and at the same time very important to the community. In delivering this paper I will frequently be quoting from a number of sources that helped shape the final product. In those cases, it will be their thoughts and words, not mine. There is, however, also a substantial amount of my own opinion sprinkled throughout. If, after spending the last thirty years working in and with local government in Fort Wayne and Allen County, I had not developed a number of strong beliefs on this topic; then I simply would not have been paying much attention.

Defining a “Successful City”

Let us begin by attempting to define a successful city. Certainly this can mean different things to each of us. I am going to keep my definition fairly simple. It includes four key components. First and foremost is economic success - the collective ability of a community to create net new wealth for its residents over a sustained period of time. Successful communities have strong basic-sector businesses that bring more revenue into the community than its residents and businesses spend elsewhere. Job opportunities are plentiful for the residents of successful cities and are widely dispersed throughout the community. These cities are also able to generate the collective wealth adequate to support their public and non-profit sectors to a level which allows both to be healthy partners in maintaining and improving the standard of living in that community.

Secondly, successful cities are places where people want to live. These communities are experiencing population growth at or “reasonably” above the national average. They also experience sustained net in-migration, where year after year more individuals are moving into the community than are moving out. Today, cities are especially successful if they are able to attract more young, well-educated individuals than they lose – experiencing “brain gain”.

Thirdly, successful communities are able to create and sustain an atmosphere of “civic collaboration” that balances the ability to “get things done” with today’s public desire for openness and inclusiveness. We expect our civic leaders to move the community forward, but we also want to have a say in the process. This component of success is much harder to measure than either of my first two factors. In fact, many an urban scholar has made a career of analyzing this one.

Lastly, do the residents of the respective community have pride in their city? When striking up a conversation with a stranger seated next to you on an airplane, does that person respond: I’m from – you fill in the name of the city – and expect you to immediately recognize their city and to have a positive image of, if not envy for, that community. This factor is nearly impossible to quantify – but I think we all know it when we see it and relish it when we have it. “I’m proud of my community and let me tell you why!”

Putting the Discussion in Context

Before proceeding into the core of this paper, I would like to take a moment to examine three important contexts within which this discussion must take place – the

“logic of location”; the changing nature of cities; and the global economic transformation which is impacting all urban areas.

The growth of a metropolitan area depends upon many factors: its economic structure; its human capital resources; its quality of life; historical trends; and, of course, its location.¹ Randall Bartlett, the author of *The Crisis of America's Cities*, notes that the logic of location confers “growth on the places that perform the most useful functions.”² Fort Wayne is a city of the industrial Midwest. We grew to become a city because of our location on key transportation routes – first water, then rail - and we reached the pinnacle of our economic success – at least to date – because we were one of the important manufacturing cities of the industrial Midwest. The Hudson Institute’s study of our community in the early 1990s underscored this connection: “Fort Wayne’s geographic location is a major asset for manufacturers. The city’s location in the center of the nation’s manufacturing heartland, and its good long distance transportation systems make it attractive to firms producing physical products.”³ The logic of location served us well. It brought us economic vitality – per capita personal income nearly three and one-half percentage points higher than the national average in 1969; and it brought us residents – we had net in-migration of over 13,000 individuals in the decade of the 1960s.

The fact that the Midwest has not kept pace economically with several other regions of the United States over the past couple of decades has been well documented.

Purdue University Professor of History, Jon Teaford, did a masterful job of tracing this

¹ “Small Cities Blues: Looking for Growth Factors in Small and Medium-Sized Cities”; George A. Erikcek of the Upjohn Institute for Employment Research and Hannah McKinney of Kalamazoo College; Kalamazoo, MI; June, 2004; p. 5.

² *The Crisis of America's Cities*; Randall Bartlett; M.E. Sharpe; Armonk, NY; 1998; pp. 49-50.

³ “Economic Growth and Change: Issues and Initiatives”; Chapter Three of *Fort Wayne: Toward 2000 and Beyond*; Hudson Institute; Indianapolis, Indiana; 1991; p. 18.

ebb and flow in his 1993 book entitled *Cities of the Heartland: The Rise and Fall of the Industrial Midwest*. For those of you interested in better understanding the collective psyche of middle America, I highly recommend this read. Teaford notes:

“During the decades following World War II urban Midwesterners faced the ugly symptoms of aging. In the nineteenth century, heartland cities had been youthful marvels, growing at a breakneck pace and brimming with vitality. At the turn of the century, they were at the height of their powers, their achievements in manufacturing, government, architecture, and literature turning heads of observers throughout the world. And in the 1920s and 1930s the heartland hubs appeared to move on to a duller but still distinguished middle-aged existence. By the 1950s, 1960s, and 1970s, however, Cleveland, Detroit, Chicago, and Milwaukee had turned gray, and at the beginning of the 1980s their feebleness was winning nationwide attention. They were the capitals of the rust belt, a decaying industrial swath that was no longer the nation’s pride but instead had become a national problem.”⁴

Perhaps our peak came a little later than the largest cities of the region, but we are, nevertheless, part-and-parcel of this regional economy. We are tied to it economically and we are tied to it psychologically. As Teaford notes “A common mentality and consciousness links the cities of the industrial Midwest, underlying an identifiable urban culture peculiar to the region.” As we look to elements of success from other communities, we must be careful to retain balance between the need to stretch our thinking about what is possible with the need recognize the reality that transforming the urban economies of the Midwest will take time. None of the top 20 Best Performing Cities in the U.S. in 2005, according to the Milken Institute, were located in the Midwest. Madison, Wisconsin at #35 was the highest ranked city in the Midwest.⁵

The second point of context is the rapidly changing nature of cities. When most of us think of a “city” we quickly conjure up thoughts of thriving downtowns; older well-

⁴ *Cities of the Heartland: The Rise and Fall of the Industrial Midwest*; John C. Teaford; p. 211.

⁵ *Best Performing Cities: Where America’s Jobs Are Created and Sustained*; Milken Institute; February, 2006; p. 1.

maintained neighborhoods; parks and cultural icons; suburban residential development and its concurrent shopping malls. We tend to think of places through our respective lifetimes of experience rather than the evolving urban geography of today.⁶ However, much of the urban growth and economic strength in America is now being concentrated on the fringe of our largest cities – in what author Joel Garreau identified as “edge cities”. According to Garreau, more than two-thirds of all American office facilities are now located in edge cities. This has been the third wave of suburbanization. First many central city residents moved to the suburban fringe. Retail was soon to follow this consumer base. Finally we have moved much of our means of creating wealth – office space, the factories of the knowledge-based economy, to the fringe of our cities.

You have at your tables a handout illustrating population and personal income data for a selection of Midwest cities. In addition to several cities to which Fort Wayne is frequently compared, I have included data for four Midwest counties that exhibit some Edge City characteristics – Hamilton County, Indiana north of Indianapolis; Oakland County, Michigan northwest of Detroit; DuPage County, Illinois west of Chicago; and Waukesha County, Wisconsin west of Milwaukee. The population growth and relative wealth in these four counties certainly rivals, if not exceeds, the recent success of any Midwestern mid-sized city. Not only is Fort Wayne competing with other, traditional cities for talent and wealth, it is also now competing with a new form of urban development resting on the edges of our major metropolitan areas. Joel Garreau’s *Edge Cities: Life on the New Frontier* does an outstanding job of illustrating this reordering of cities in the United States and certainly alters one’s traditional thinking about “place” in the urban environment.

⁶ *Crisis of America’s Cities*; p. 205.

The last background observation I would like to offer is that the “New Economy” is changing everything for cities in America – what are the important ingredients for success, how urban areas will compete, who wins and who loses. The Progressive Policy Institute’s report entitled *The Metropolitan New Economy Index* describes this transformation:

“In the last 15 years, a ‘New Economy’ has emerged in the United States. Among its defining characteristics are a fundamentally altered industrial and occupational order, a dramatic trend toward globalization, and unprecedented levels of entrepreneurial dynamics and competition – all of which have been spurred to one degree or another by revolutionary advances in information technologies. ... The New Economy embraces more fundamentally a profound transformation of all industries, the kind of transformation that happens perhaps twice in a century. The emergence of the New Economy is equivalent in scope and depth to the rise of the manufacturing economy in the 1890s and the emergence of the mass-production, corporate economy in the 1940s and ‘50s. ... the New Economy represents a complex array of forces including the reorganization of firms, more efficient and dynamic capital markets, more economic ‘churning’ and entrepreneurial dynamism, globalization, economic competition, and volatile labor markets.”⁷

What had been critical factors for community success in industrial economy of the Twentieth Century are not necessarily going to work in the new economy of the Twenty-First Century. The business world that created the economic engines for manufacturing centers like Fort Wayne has been deeply impacted by this transformation and that has, in turn, significantly impacted the competitiveness of cities, most particularly smaller cities. The Upjohn Institute for Employment Research in Kalamazoo recently noted – and doesn’t this sound familiar:

“In today’s dynamic global economy, smaller metropolitan areas in the United States have lost much of their economic role and vitality. These areas often are held hostage to decisions made in large company boardrooms. In particular, in the wake of corporate mergers, many areas are becoming branch plant production locations that, in turn, do not

⁷*The Metropolitan New Economy Index*; p. 3.

generate a social or civic environment attractive to professional workers. Moreover, because of mergers and closures, these areas often lose key private sector stakeholders who, in the past, would have been major players in creating and implementing public and private policies to bolster the area against the negative impacts of downsizing and relocations of major employers.”⁸

The three points that I have raised here all greatly influenced my search for what “successful cities” had to say to Fort Wayne. One, we must understand where we came from and where we are – a medium-sized Midwest city that reached a high level of economic prosperity in the industrial economy. We have known success; economically, demographically and culturally. But we now know that changes well beyond our immediate control have fundamentally altered the rules of the game. We know that we must look to a broad range of urban forms in seeking success in today’s world – to traditional cities dealing with many of the same issues that we are confronting; to “edge cities” that are collecting economic wealth, population and talent at a rate far exceeding most central cities; and to cities beyond our national borders as this is indeed a global competition. As Randall Bartlett stated in *The Crisis of America’s Cities*:

“Throughout our exploration of cities the only sure constant has been perpetual change. What *is* differs in significant fashion from what *was* in the past, and most importantly, from what *will be* in the future. We cannot return to the past. We cannot forever preserve the present. We must be prepared for the future. Only that much is certain.”⁹

Today’s Drivers for Successful Cities

What are the factors that are likely to make a city “successful” in the 21st Century? Like any good Quester, I read and then I read some more, seeking the answer. Then, like a typical 21st Century Quester, I “googled” for the answer. My search led me

⁸ “Small Cities Blues: Looking for Growth Factors in Small and Medium-Sized Cities”; George A. Erickcek of the Upjohn Institute for Employment Research and Hannah McKinney of Kalamazoo College; June, 2004; p. 1.

⁹*The Crisis of America’s Cities*; p. 194.

to a most unexpected source – the President of the British Royal Institute of Chartered Surveyors and his 2004 address to a conference of real estate professionals.

In his paper “Focus on Global Issues: What Makes for a Successful City”, Nicholas Brooke identifies ten drivers that, in his opinion, are currently the most frequent components for paving the road to success. Nearly all of the sources I read in preparing for this paper also identify some, if not all, of his ten drivers. Therefore, I am going to unabashedly follow his led.

Brooke begins his list with **Diversity**, noting that “... cities that embrace diversity in all its forms including cultural and ethnic diversity – seem better equipped to generate the creativity that cities need, making themselves attractive to the skilled migrants that have been so integral to the economic success of cities.”¹⁰ Certainly a reading of the *World Is Flat* by Thomas Friedman hammers home the reality that the United States has no exclusivity on intellectual capital. In the knowledge-based economy of this century, cities that are able to attract from an international talent base are certainly going to have a competitive edge over those that do not. However, Midwest cities have not lately been in the vanguard when it comes to seeking diversity. Jon Teaford explains:

“... midwestern cities no longer were magnets attracting people in search of opportunity and advancement. In the late twentieth century, the once polyglot cities of the heartland were not beacons of hope for foreigners. Except for the Chicago region, heartland metropolitan areas attracted relatively few newcomers from south of the Rio Grande or from anywhere else for that matter. The Midwest of the last quarter of the century was not a land of migrants. It was a region of those who had stood fast and held firm despite the economic buffeting of the 1970s and 1980s.”¹¹

¹⁰ “Focus on Global Issues: What Makes a Successful City”; by Nicholas Brooke; Winter 2003-04; p. 1.

¹¹ *Cities of the Heartland*; p. 239.

Of the 100 largest cities in the United States as of the 2000 Census, Fort Wayne ranked 79th in the percent of foreign-born residents.

The importance of inclusiveness with regard to population diversity is brought forth in a recent report prepared by CEOs for Cities entitled “The Changing Dynamics of Urban America”. The authors suggest that the “findings on the negative effects of inequality and segregation suggest that sound development strategies should be inclusive in all respects: do not leave resources and assets underutilized, and reduce the income and wealth gaps.”¹² For a more in-depth, and somewhat more controversial, perspective on this ingredient for success I refer you to Richard Florida’s works “Competing in the Age of Talent” and *The Rise of the Creative Class*.

The second driver for success is **Good Governance**. Today’s environment “demands strong civic leaders with a vision of where they want to take their city and an economic strategy that embraces partnership with local businesses.”¹³ Ted Gaebler and David Osborne in their 1992 work *Reinventing Government* point out that entrepreneurial governments have begun to shift to systems that separate policy decisions (steering) from service delivery (rowing).¹⁴

“Steering requires people who see the entire universe of issues and possibilities and can balance competing demands for resources. Rowing requires people who focus intently on one mission and perform it well. Steering organizations need to find the best methods to achieve their goals. Rowing organizations tend to defend ‘their’ method at all costs.”¹⁵

¹² “The Changing Dynamics of Urban America”; Robert Weissbourd of RW Ventures and Christopher Berry of Harvard University; prepared for CEOs for Cities; March 30, 2004; p. 90.

¹³ “Focus on Global Issues: What Makes for a Successful City”; p. 1.

¹⁴ *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*; Ted Gaebler and David Osborne; Addison-Wesley Publishing Company; 1992; p.35.

¹⁵ *Ibid.*, p. 35.

Dr. James Johnson, author of the article “A Conceptual Model for Enhancing Community Competitiveness in the New Economy”, adds further importance to this steering role for the public sector:

“To foster and enhance community competitiveness, the local government has to assume the role of managing partner. Consistent with the notions of agility and flexibility, it must be prepared – almost on an ad hoc basis – to foster or facilitate networks and linkages among the various key community stakeholders to address both long-term and emerging issues that affect the health and competitiveness of the community in the economic marketplace.”¹⁶

We continue to have much debate in this community regarding government structure, but too frequently that debate blurs the roles of governance and service delivery. To be a truly competitive community we must come to some resolution on this issue that affords us local governance that can concentrate on its role in the steering through the “big issue” waters while seeking efficiency in the rowing of service delivery.

Secondly, good governance assumes healthy governments, including financially healthy municipal governments. That means governments that use their tax revenues efficiently. It also means allowing municipal governments access to a tax base that reflects the true economic base of the urban area. Certainly annexation has been one hugely controversial subject in this community. Through it all, I remain a strong disciple of David Rusk, former mayor of Albuquerque and author of *Cities Without Suburbs*. As Rusk notes:

“On the threshold of the era of the suburban lifestyle, the cities with the greatest elasticity had vacant city land to develop *and* the political and legal tools to annex new land. These I will call “elastic cities.” At the other end of the spectrum were the “inelastic cities” – typically, older cities already built out at higher than average densities and, for a variety of

¹⁶ “A Conceptual Model for Enhancing Community Competitiveness in the New Economy; ”; James H. Johnson Jr.; *Urban Affairs Review*, Vol. 37, No. 6; July, 2002; p. 774.

reasons, unable or unwilling to expand their boundaries. ... This pattern of urban development is sufficiently universal (at least, in America) to embolden me to state the first law of urban dynamics: *only elastic cities grow*.”¹⁷

Please allow me one last point on governance. It is often said that states are the laboratories of democracy and that cities are creatures of state government. I believe that when municipal governments are granted the freedom and flexibility to truly govern at the local level, they are best equipped to find innovative solutions to difficult urban problems. Indiana General Assembly, please loosen your grip on local government. The enactment of the local government reorganization bill (HB 1362) by the Legislature on Tuesday was a start.

The third driver for success is a **Skilled Workforce**. Many of the sources I referenced would put this one at the top of the list. In 1993, the Hudson Institute told us that they believed then that no single factor will drive the future investment location decisions of all types of economic entities in this country than the availability of workers. The creation of a skilled, flexible and highly productive workforce must become the highest priority for the community if it is to guarantee it economic prosperity.”¹⁸

Everything I have read for this paper reinforces that assertion. According to Brooke:

“Businesses today need skilled and dependable workers and will go wherever they must to find them. This means that cities need to invest in education and training and develop close working relationships between their schools, universities and business. They also need to create the kind of environment that will attract skilled workers to them and put the best of talent in the academic world and foster a culture of innovation, research and development.”¹⁹

¹⁷ *Cities Without Suburbs, Second Edition*; David Rusk; The Woodrow Wilson Center Press; 1995; p. 10.

¹⁸ “Economic Growth and Change: Issues and Initiatives”; Chapter Three of Fort Wayne: Toward 2000 and Beyond; Hudson Institute; Indianapolis, Indiana; 1991; p. 27.

¹⁹ “Focus on Global Issues: What Makes for a Successful City”; p. 1.

The Milken Institute, authors of the annual “Best Performing Cities” report echo this point:

“The availability of skilled workers is a crucial determinant in company location strategies, especially during periods of structural change. ... A population with higher skill levels is able to adapt more quickly. Metropolitan areas with human capital capable of speedy adjustment have a competitive advantage over lower-skilled cities and will therefore suffer losses less severely and achieve gains more swiftly. ... A region’s most important source of competitive advantage is the knowledge embedded in its people. The knowledge, skills, experience and innovative potential of talented individuals have greater value than capita equipment. A successful enterprise accesses, creates and utilizes knowledge to sustain competitive advantage. A success metropolitan area will develop, nurture and support a growing knowledge-based economy.”²⁰

In this community we, in large measure, have a workforce that is educated and trained for the old economy. As a point of reference, based on the 2000 Census there were only four townships in Northeast Indiana where the percentage of the adult population with at least a four-year college degree exceeded the national average of 24.4% - all four were in suburban Allen County. Yet everything outlined above tells us that our workforce will be our most important component or “product” as we sell Fort Wayne to potential employers.

Roger Herman, author of *Impeding Crisis: Too Many Jobs – Too Few People*, cites a Bureau of Labor Statistics forecast that the United States will have a shortage of ten million “qualified” workers by 2010.²¹ Much of this shortfall will be due to the graying of our current workforce. That should mean there will be good job opportunities for the residents of those communities that can create the “qualified workforce product”.

²⁰ *Best Performing Cities*; 2004; p. 9.

²¹ *Impeding Crisis: Too Many Jobs-Too Few People*; Roger E. Herman, Thomas G. Olivo and Joyce L. Gioia; Oakhill Press; Winchester, VA; 2003; p. 50.

Our future economic success may well hinge on how we as a community – students, workers, educators, employers and civic leaders – respond to this opportunity.

James Johnson, in his article on creating competitive communities identifies two basic keys to success in the new economy related to human capital:

“The first is cutting-edge research facilities and top-notch educational institutions. ... The second key is large-scale investments in the local education system (K-12, community college, and four-year institutions) to ensure the availability of education and training programs that will enable citizens to compete for new economy jobs.”²²

Over the past couple of years, our public sector workforce program, as guided by the Northeast Indiana Workforce Investment Board and the Indiana Department of Workforce Development, has been moving to a “demand-driven” rather than a “supply-focused” model – an approach that has seen some positive results in other states. Secondly, the Work Keys system of identifying and matching worker skills with occupational-specific skill needs has been championed by the Greater Fort Wayne Chamber of Commerce Skills Now program. It is, in my opinion, an effort that offers substantial promise in the task of retooling our workforce. We may not have taken the pleadings of the Hudson Institute back in 1993 as seriously as we should have, but I think we understand the overriding importance of this driver today.

The fourth factor for urban success is **Quality of Life**. Brooke notes:

“In a globalizing world the creative people that cities need have many choices. The evidence is that they are attracted to cities which offer not just financial rewards but the quality of life to which they aspire.”²³

The authors of *The Metropolitan New Economy* add the following endorsement for the importance of a city’s “quality of life”:

²² “A Conceptual Model for Enhancing Community Competitiveness in the New Economy”; p. 771.

²³ “Focus on Global Issues: What Makes for a Successful City”; p. 1.

“Because in the New Economy a skilled workforce is the most important factor of production, the location of knowledge workers is a key factor determining a place’s economic success. It used to be that workers moved to where companies were locating. In the New Economy, increasingly companies look to locate where knowledge workers live. Because they are in greater demand and have some ability to be picky about who they work for and where they work, knowledge workers can afford to choose locations that provide more than just a good job with a good income. There are numerous factors that go into making a region attractive to knowledge workers, and but one of the most important is quality of life.”²⁴

Quality of life may well be the most subjective of all ten success ingredients.

Given the strong impetus placed on retooling communities for the new economy, knowledge-based jobs and the attraction of talent, perhaps we should pay attention to who is making our community’s civic resource allocations that most directly impact our quality of life. How many of our boards, commissions and task forces include substantial membership of those under the age of 35? We all need to be listening carefully to the suggestions of, and much more aggressively involving, groups such as the Young Leaders of Northeast Indiana in our civic decision-making. Those of us in this room must be mindful of this generational “transition of leadership” the next time we are filling a position on a public or nonprofit board.

The fifth driver to success is **Connectivity**. The authors of *Best Performing Cities* describe “connectivity” in this way:

“Regions must link to the global economy. Clusters linked to the outside world offer access to an industry’s best practices and latest developments. A metro area’s global orientation ensures expanding markets for its firms. Each city’s network of public and private institutions plays a key role in determining the locale’s competitiveness – maximizing the rate of return on assets. A ‘best performing city’ values and nurtures all of these ingredients.”²⁵

²⁴ *The Metropolitan New Economy Index*; p. 40.

²⁵ *Best Performing Cities*; 2004; p. 11.

This driver underscores the need for our community to build and maintain linkages both in the public and private sectors. At least in the Midwest, there appears to be value in being a state capital. Just look at the charts on your table. Obviously, having city hall just blocks from the statehouse facilitates greater communication than being over one-hundred miles away. This is, however, not an insurmountable obstacle. Our location just requires more effort. Having ongoing representation in the capital city, both during and beyond the state legislative session is crucial – and this applies to both the public and private sectors. Indianapolis is not only the seat of our state government, it is also the home to most statewide trade and professional associations. The interaction among and between these public and private organizations is significant. It is where issues are formed, decisions are made, and where statewide fiscal resources are often allocated. You are only a player to the extent that you are there. Connectivity is an area that is often undervalued, often occurs below the radar screen, and is periodically challenged as a questionable use of resources. It is my firm belief that when we fail to take this driver seriously, we too frequently get left out of the action. It is up to us as a community to make our presence known, for no one else is going to look out for our interests as fervently as we will.

The second part of connectivity relates to the physical infrastructure that links us to the rest of the world. Dr. Johnson, in his paper on community competitiveness notes the importance:

“To maintain and/or enhance their comparative advantage in the new economy marketplace, highly competitive communities invest heavily in their *physical capital* asset base, what is referred to as the community’s logistical infrastructure, which includes its network of highways, railways,

airports, and telecommunications systems that connects it to the regional, national, and global economy.”²⁶

“Research shows, however, that strategic investments in airport facilities – for both passengers and air cargo – and broadband technology probably have been the most important in positioning new economy cities to compete in the twenty-first century marketplace.”²⁷

Air Service and broadband internet service – two issues with which we are very familiar. The first has been a continual struggle since the deregulation of the airline industry and the second certainly reflects a current and valuable community strength.

The sixth driver for success is **physical renewal**, as Brooke explains:

“The physical regeneration of cities – the renewal of its buildings and infrastructure – is almost invariably a key part of any successful urban strategy. In many cases the renewal of a key area of the city acts as a focus for national and international attention as well as generating civic pride and the ‘buzz’ that the city is on the move. But physical regeneration only works if it is combined with social regeneration – the creation of real communities with the services including health and education needed to support them.”²⁸

As a classically-trained urban planner, with a real interest in the physical environment, I must insert some discussion about the role truly unique and outstanding places can have in creating a successful city. I am talking about the kind of physical asset that instills pride in a community: the Riverwalk in San Antonio; Pioneer Place in Portland; the Lakefront in Chicago; Ghirardelli Square in San Francisco; the Courthouse and Headwaters Park in Fort Wayne. Author, urban planner and professor Alexander Garvin contends that there are six fundamental ingredients that must be dealt with for any proposal for an outstanding public or private space to work: market, location, financing,

²⁶ “A Conceptual Model for Enhancing Community Competitiveness in the New Economy”; p. 769.

²⁷ “A Conceptual Model for Enhancing Community Competitiveness in the New Economy”; p. 770.

²⁸ “Focus on Global Issues: What Makes for a Successful City”; p. 2.

design, entrepreneurial capability, and timing. “If any of these six ingredients is absent or if they are not combined in a mutually reinforcing fashion, the project will fail.”²⁹

I suspect that I will have disappointed some of you by not concentrating much more of this paper on the role such aspects of a city’s physical environment can have on success. They are important – particularly important for a mid-sized midwestern city seeking to create a distinctive identity in the new economy of the 21st century. Perhaps the new President of our Downtown Improvement District, Dan Carmody, said it best in his presentation at the Downtown forum a couple of weeks ago – what are we going to do to distinguish ourselves from so many similar Midwest communities?

One last point on physical renewal – when we are taking collective action to create civic places, let’s be sure we do it right. It would be hard to imagine raising the funds today to rebuild the Courthouse in anything close to its current splendor. Yet our predecessors did and we continue to draw much pride from their actions more than 100 years later.

The seventh driver for success is **A Culture of Innovation**. This is the foundation of sustained growth in the new economy. However, in Fort Wayne, as in most of the Midwest, this is not the economic culture that offers us much comfort or peace of mind. Conversely, we tend to crave stability, slow but steady progress. Allow me to offer three perspectives on the importance of this “culture of innovation”. The first is from the Milken Institute:

“A metro must be able to innovate, start, grow and attract new firms continually to augment the diversity of its economic ecosystem and replace larger, older firms that may stagnate, exit or even disappear.

²⁹ *The American City: What Works, What Doesn’t, Second Edition*; Alexander Garvin; McGraw-Hill; 2002; p. 10.

Entrepreneurial capacity and behavior are prime drivers of economic growth and job creation. ... Over the long-term, cities with strength in entrepreneurship will be among our Best Performing Cities – large and small.”³⁰

The second perspective comes from the *Metropolitan New Economy Index* and is one of my favorites:

“Innovation and change mean uncertainty and disruption. But it is becoming increasingly clear that dynamism is critical to growth. (You can’t have upward mobility if no one is on the move.) The more churning in a metropolitan area in terms of new business start-ups and existing business failures, the faster the metro’s rate of economic growth. In fact, of all of the indicators in this report, churn is the most strongly correlated with employment and income growth. This means that metropolitan areas need to promote change and innovation, not retard it.”³¹

The third perspective references Nashville, Tennessee and is presented in James Johnson’s “Model for Enhancing Community Competitiveness”:

“Rich people in this part of the country are willing to spin the big wheel a few more times, rather than clip coupons. ... Investors here understand that most start-ups will go under. Perhaps six out of ten fail – and another three limp along. But the tenth one will blaze to the top, leaving fantastic earnings in its wake. Meanwhile, in some cities, investors are looking for guarantees, a sure thing.”³²

The eighth ingredient for success is a **Business-Friendly Culture** – “If a city is to compete effectively it must seek to create a business-friendly environment. Unless it can generate large scale employment it will not create the wealth that must underpin every aspect of its life and culture. This is no longer simply a matter of light regulation and low taxes, important as these are, but also requires the fostering of a culture of research,

³⁰ *Best Performing Cities*; 2004; p. 7.

³¹ *The Metropolitan New Economy Index*; p. 35.

³² “A Conceptual Model for Enhancing Community Competitiveness in the New Economy”; p. 768.

innovation and education.”³³ Building a business-friendly culture cannot be accomplished passively. James Johnson suggests that the next level in government-business relationships is “civic entrepreneurship”.

“... to secure the resources needed to compete, new economy cities have moved toward a ‘network governance model’ – a coalition of business, government, and community leaders – who ‘skillfully blend new business models of venture capital and networking with the job of solving public problems. In such cities, the local government actively and aggressively pursues strategic alliances with business enterprises and/or nonprofit organizations – domestically and internationally – that will lead to the development of both cultural ties and profit-centered activities that generate revenue, create jobs, and enhance their overall image and attractiveness as places to live and do business. ... Communities and organizations that embrace such approaches are engaging in what might be termed *civic entrepreneurship*. That is they have attempted to transform their governmental cultures from a social welfare-oriented to a business-oriented model of operation, with an eye toward enhancing the community’s stock of financial, physical, human, cultural, and social capital assets. In turn, these assets are deployed in innovative ventures designed to alleviate poverty, create jobs, and foster community development.”³⁴

The ninth driver is a **Distinctive Brand** – “Cities must fight hard to preserve their distinctive character or ‘soul’ and development must be in tune with the spirit of the place.”³⁵ The two words in this factor for success are both important. Distinctive – the image of Fort Wayne that we wish to portray to the world must be genuine. We can and should look to other places for models, but ultimately we must develop our own unique identity.³⁶

Secondly, a brand is not just a slogan or a campaign theme. It is an expression of a compelling unique experience that a city offers its visitors, its prospective residents and

³³ “Focus on Global Issues: What Makes for a Successful City; p. 2.

³⁴ “A Conceptual Model for Enhancing Community Competitiveness in the New Economy”; James H. Johnson Jr.; *Urban Affairs Review*, Vol. 37, No. 6; July, 2002; p. 766.

³⁵ “Focus on Global Issues: What Makes for a Successful City”; p. 2.

³⁶ *The Metropolitan New Economy Index*; p. 40.

its economic development targets.³⁷ It has staying power and both buy-in from the locals and recognition from the outside world. Discovering a distinctive brand is no easy task. I have watched this community try, and not succeed over the long-term, at this on several occasions. Currently the Convention and Visitors Bureau and the Economic Development Alliance are involved in the most extensive brand identification effort of the past thirty years – that’s all the farther back I can go. I believe they are approaching the task in the most prudent and professional manner possible and I look forward to their results.

The tenth and final driver is what Brooke refers to as **The City-Region Relationship**.

“Successful cities almost invariably lie at the heart of successful regions. Understanding the relationship and how it can work to the mutual benefit of both the city and region is crucial. Increasingly the trend is to develop city-regional solutions on an informal or formal basis that can develop the spatial framework needed to achieve economic competitiveness.”³⁸

In the past several years there has been increased discussion about the importance of undertaking our economic development activities through a more regional approach. There has been some resistance to this movement, frequently based on a concern that it might result in an imposition of Fort Wayne initiatives on the less urban communities in northeast Indiana. Brooke makes a key point in such relationships – to be a successful city it is almost imperative that it be located in a successful region. If the region is not economically strong, its central city can hardly hope to be successful. Conversely, Northeast Indiana also needs a successful Fort Wayne.

The authors of the *Metropolitan New Economy Index* offer insight on regionalism:

³⁷ Fort Wayne-Allen County Convention and Visitors Bureau and Fort Wayne-Allen County Economic Development Alliance brochure entitled “What Is Our Brand”; p. 1.

³⁸ “Focus on Global Issues: What Makes for a Successful City”; p. 2.

“Since metropolitan areas are now the fundamental competitive units in the New Economy, it no longer makes sense for municipalities in a region to fight each other for economic advantage. The historic tension between city and suburb are an obstacle that retards success. ... Saying that the public, private, and non-profit sectors and all local governments in a metropolitan area must work together is, of course, easier said than doing it. It helps to have a crisis, a long tradition of collaboration, or a new model of civic leadership that excites and motivates key stakeholders.”³⁹

My experience tells me that they are dead on with their assessment of the difficulties inherent in this issue. Creating a “tradition of collaboration” is accomplished through building trust one step at a time.

So there you have them – ten ingredients for a successful city in the 21st Century: strength from diversity, good governance, a skilled workforce, quality of life, connectivity, physical renewal, a culture of innovation, a business-friendly culture, a distinctive brand, and a healthy city-region relationship.

A Few Recommendations

There appears to be general consensus regarding the major factors that are likely to drive the future success of cities. That may be the easy part. Implementing some of those concepts locally may be far more difficult. Let’s remember that many of these points represent a radical departure for a mid-sized midwestern community. Too often it seems that we seek to rebound by doing what we have been doing, just working harder at it. Please allow me the privilege of offering a few recommendations:

First, let’s strive to create a “civic entrepreneurship” approach. The responsibility for sustaining success is not just that of government nor just that of business – it is a collaborative effort. James Johnson’s approach in a Model for Enhancing Community Competitiveness has much to offer.

³⁹ *The Metropolitan New Economy Index*; p. 43.

Second, we need a process through which our community can identify a few key issues toward which our collective resources can be directed. I would offer up the approach taken by the Greater Louisville Project soon after that community's vote to merge city and county government. The initiative, know as *Beyond Merger: A Competitive Vision for the Regional City of Louisville*, really had very little to do with government consolidation. Rather it was a process and a product for setting community priorities. I recall a comment made by the Hudson Institute in their 1990 study: "Lack of a common vision that its leaders could share and that large numbers of citizens could support is, in Hudson Institute's judgment, the greatest obstacle that Fort Wayne must overcome if it is ever to be able to take control of its own destiny."⁴⁰ Perhaps the Greater Louisville Project is an initiative worthy of our review.

Third, I suspect that a great many of you are disappointed that I did not come to you today with a series of very specific examines of "successful cities". I do not believe there are successful cities, only cities that do certain things exceptionally well. While I do not believe we can succeed by just copying what someone else has done, I do believe we can learn from their efforts. I strongly support an annual "community visitation program". Many communities across the U.S. identify an issue with which they are currently struggling, identify another community that has had success in dealing with that given issue, and subsequently take a group of interested citizen leaders and public officials to that given city. Each year they repeat the process with a different issue and a different destination. This is exactly what Invent Tomorrow did last year with the trip to Greenville, South Carolina to learn more about that city's downtown revitalization

⁴⁰"Summary of the Recommendations from Leadership and Vision: Taking the First Steps Toward the Year 2000" – Chapter One of *Fort Wayne: Toward 2000 and Beyond*; Hudson Institute; Indianapolis, IN; August, 1990; p. 1.

success. Hats off to Invent Tomorrow for taking the lead. Let's keep this process going. For what it's worth, I would put Charlotte, Nashville, Chattanooga, Lexington, Des Moines, Kenosha, Grand Rapids, and Naperville on the list of potential communities to visit.

Fourth, we need to accept the changes being brought about by the new economy and globalization. We cannot recreate the past. We prosper only when engaging the future. That starts with the belief that we indeed *can* be successful in the new economic model.

Fifth, we must approach issues from a competitive perspective. Most everything we undertake as a community has a direct or indirect bearing on our competitive position. Will a given action make us a more attractive place for the human capital we wish to attract or retain; will it make Fort Wayne a more compelling place from which to conduct business operations; and will it make us a more attractive place for attracting financial investment? Or, is the given activity more likely to serve only our collective self-interest. In times past we may have been able to afford more of the latter, but in the more competitive global new economy that is not likely to be so.

Sixth, think and act boldly. In my service on the Indiana Local Government Tax Control Board I had the opportunity last month to be presented with the bold plan the City of Noblesville, Indiana – just down the road along I-69 – is putting into play to capture a share of the economic momentum in the greater Indianapolis area. Keep your eye on their Corporate Campus proposal for the area between Exit 10 and the currently developed Noblesville community.⁴¹ It is a public-private partnership on a scale much

⁴¹More information on the Noblesville Corporate Council can be found at: <http://www.cityofnoblesville.org/cc/>

larger than anything I can image us attempting. It involves substantial public sector risk. But the potential rewards are huge for Noblesville.

In conclusion, I believe that Fort Wayne has been and is today, in a great many ways, a “successful city”. That is why I moved here in 1975. Yes, we have some challenges ahead – but they are not challenges unique to us. Hopefully that point came through clearly in the opening section of the paper. Fort Wayne also has much for which to be thankful and has many assets upon which to build. We have explored a number of the suggested “drivers” for future success and their applicability to us. While the battle to remain “successful” is no doubt a never-ending one; the day we fail to believe in ourselves, to doubt that Fort Wayne is and will continue to be a successful city, and is no longer a city that we are all proud to call our own – is the day we have lost the battle.

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