

# Preface

Most of the time America's small towns and cities (those with populations under 50,000) live in the shadow of large metropolises—San Francisco, New York, New Orleans, and Chicago, among others. Few people outside their metro areas even know their names. So when small town residents are asked where they come from they usually mention the city which is the economic hub of the region. Some would provide more detail and say that they live in a “suburb of” and name the big city close by.

Not surprisingly, many small towns never get the visibility (and revenue) associated with hosting national sporting events and commemorations. Thus they are seldom in the news. And when they go viral it's because something really bad happened. Take, for instance, Ferguson. We are sure that when you are asked if you've heard of this small Missouri suburb that you are going to say “yes.” Why? It's because of a sad and tragic event that happened there in 2014.

Most urban dwellers associate the economic development of small towns with the rural United States. Some may even picture many small towns as ghost town America. Not only are residential homes empty, factories are also closed and rusting. They imagine main streets and downtowns sprinkled with shuttered shops. Many speculate that it's because small towns lack the sophistication and lifestyle amenities that attract innovative businesses and creative hipsters. Consequently, in the era of mass urban renewal and megacities

this makes the small town's outlook rather bleak.

But our experiences living and serving in small town America say otherwise. We have seen their progress and especially their potential. There is a lot to share between and among small towns. Big cities need small towns in a symbiotic relationship. We believe that many have quietly kept big lessons that even large cities should consider emulating. We think they possess hidden gems.

In our travels, we've met millennials born and bred in small towns who leave for college and work in exciting big cities. But when it came down to raising a family some went back to their small town and started-up “big city”-inspired businesses, like the owners of Café Duet, a Brooklyn-inspired coffee experience, in downtown Stroudsburg, Pennsylvania. Returnees feel that the ingredients for livability, creativity, and inclusive growth are present in their small towns. And if they are not, then they will make them happen.

Thus, in *Small Town Economic Development*, we compiled case studies which not only looked into small town America's trials and struggles but also their successful rise and revival practices. Some involved old school approaches while some used contemporary and hip strategies. Many even enhanced local government revenues without having to increase taxes. Demographically, aging hippies and young hipsters, rustics and gentrifiers, artists and techies found common ground to co-exist.

### *Part I: The State of Small Towns*

We begin our story with a selection of nine essays on the state of small towns and cities in the United States. Where are they headed? What are their challenges?

Straight away, in Chapter 1, veteran small cities manager Tommy Engram predicts that the winds of growth or decline will be dictated largely by demographic shifts—particularly the coming and going of the young and the creative. Reinforcing this demographic forecast are two Smart Growth America (SGA) research findings, Chapters 2 and 3, which reveal that cities in metro areas are gaining population—and most are growing faster than their suburbs.

How then will the suburbs—which in some metro areas are comprised of villages, towns, cities, and similar sized jurisdictions—survive? At a gathering organized by the National League of Cities (NLC) and documented in Chapters 4 and 5, Emily Robbins reports that America's mayors promised economic development that will place equal attention to equity and inclusion concerns while Trevor Langan elaborates on the "how" based on the mayors' speeches.

But most of the NLC mayors who gave speeches were from urban cities. What about the small rural towns and cities? In response to this question are Chapters 6 and 7, wherein the Council of Economic Advisers details the federal government's view of the situation and the corresponding policies, programs, and incentives they seek to implement for rural communities so they are not left behind by urban metropolises. They should not only rely on the generosity of big cities. They could take matters into their own hands if they wish.

In Chapter 8, writing from her home base at Iowa State University, Erin Mullenix, a community development specialist, shares her thoughts on the economic, infrastructure, and fiscal challenges of small towns.

However, the context may be different during hard times—much more challenging. Thus, in Chapter 9, the highly respected International City/County Management Association (ICMA) suggests actions that cities, big and small, could and should be taking when pursuing economic growth initiatives during a recession.

### *Part II: Bright Ideas, Good Practices*

Given the state of small towns outlined in Part I, we sought out bright ideas and good practices for effective small town economic development. Our search of case studies did not disappoint. We uncovered a gold mine which we divided into 15 sections. Lessons came from tiny Judith Gap, Montana (pop. 216), to not-so-tiny Olympia, Washington (pop. 48,000).

The first cluster of sections describes the must-have hardware to be effective and efficient. The next two clusters provide the classic and contemporary bright ideas and best practices (or the software options) for citizens and leaders to consider and replicate. We think it's possible to mix and match old school approaches with trendy tactics depending on a town's growth needs and aspirations.

From Sections A through C, 18 chapters identify and elaborate on what our contributors have found as essential organizational practices for implementing successful small town economic development: leadership and strategy, marketing and branding, and capital and financing.

A leader who understands the politics and not just the economics of small town America is essential. This is what Christiana McFarland and Katie Seeger, in Chapter 10, outline as the role of local elected officials in economic development. The succeeding chapters in this section, 11 through 18, reinforce this theme and provide a range of strategies, ideas, and measures not just for

leaders, but also for citizens. They are based on practices and ideas from Bedford, Pennsylvania; Brookings, South Dakota; Lauderdale Lakes, Florida; Mooresville, North Carolina; Union City, Georgia; Marlborough, Massachusetts; Mission, Kansas; Littleton, Colorado; Tuscumbia, Alabama, to Centralia, Illinois.

To attract visitors, businesses, and residents, many small towns are being advised by planners and consultants to aggressively brand and market. Our contributors in Chapters 19 through 23 share useful tips and how-to guides on how to effectively achieve this. Ideas and practices were derived from Pretty Prairie, Kansas; Poquoson, Virginia; Corning, New York; Galesburg, Illinois; Petersburg, Alabama; Brookings, South Dakota, to Goshen, Indiana.

Good leadership and strategies and branding and marketing plans must be backed by sufficient funding and sustained investments. Chapters 24 through 27 in this section elaborate on some creative approaches for small towns in these two critical areas, from the use of tax increment financing, to capital improvement districts, and nudging state governments to act like “venture capitalists.”

**Classics.** Sections D through I are about classic ideas and old school practices for small town economic development. These basic approaches are tried and tested, prescribed by economists during recessions and depressions for big and small cities. Nineteen chapters describe the use of infrastructure, brownfield, downtown, main street, retail, and tourism programs for renewal and revitalization.

Chapters 28 through 32 are case experiences about constructing public infrastructure or rehabilitating old ones to create better access and enhance the attractiveness of small towns to residents and entrepreneurs. Chapters 33, 34, and 35 discuss the vast potential for brownfields—empty or abandoned sites previously used for industrial

or commercial purposes. Another classic economic development practice is to encourage business or public-private partnership investments downtown as discussed in Chapters 36 through 39. Connected to downtown development is main street development according to our case studies on Sandy, Oregon, and Marion and Morganton, North Carolina (Chapters 40 and 41).

The other classic economic development practices discussed are attracting retailers (Chapters 42 and 43) and tourists (Chapters 44 through 46). The assumption is that downtowns and main streets need to be connected to major highways by wider roads and bridges so that tourists and local consumers can reach retail shops. These are discussed in our retail cases from Bartlett, Tennessee, and Marion, Indiana, as well as tourism cases from Park City, Utah; Pigeon Forge, Tennessee, and New Mexico’s old West Country.

**Contemporary.** The 15 chapters in Sections J through O discuss the contemporary ideas and trendy practices that resonate with hip millennials but are also amenable to retiring baby boomers. They involve a mix of public, private, and nonprofit investments in the arts, technology, food, creative space, transportation, and multigenerational programs.

Our arts section is based on two quaint Kentucky towns. Chapter 47 is on Paducah’s Artist Relocation Program while Chapter 48 is about creating a community of artisans in Berea, a town of 14,000 residents. Our technology section is on tiny Judith Gap, Montana’s Green Technology program (Chapter 49), Chaska and Moorhead, Minnesota, and St. Cloud, Florida, experiences with providing municipal WiFi (Chapter 50), and Pelahatchie, Mississippi’s hotspot project (Chapter 51).

In our food section, we have not just economic development but community development examples, including using the supermarket as a neighborhood building

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block (Chapter 52) and sustainable food sources (Chapter 53). Creative space is an increasing demand from millennials. Hence, we selected two chapters on how creative spaces were conceptualized and constructed in Greensburg, Kansas (Chapter 54), as well as Biddeford and Saco, Maine (Chapter 55). After all, community building is economic development!

Another big trend popularized by the millennial generation is environmentally friendly transportation, covered in Chapter 56 on bike sharing as a critical livability issue as demonstrated in the case of College Park, Maryland. But it seems that rural legislators in Washington, D.C., disagree and are not in favor of federal government livability initiatives (Chapter 57).

Finally, our concluding section covers multigenerational economic development that not only attracts the hipsters but also the hippies, including brilliant ideas and good practices to: get millennials to revive small cities (Chapter 58), attract young professionals to return home and stay (Chapter 59), build intergenerational communities (Chapter 60), and utilize retirees for growth and prosperity (Chapter 61). Our small town case studies in this multigenerational section came from Auburn, New York (pop. 27,000); Shorewood, Michigan (pop. 13,100); Coeur d'Alene, Idaho (pop. 46,000), and Olympia, Washington (pop. 48,000).

### *Part III: Caveats and the Future*

Because Part II already focuses on a plethora of bright ideas and best practices, we felt we should balance them with essays providing important caveats on moving forward in Part III. After all, based on our experiences, leaders and citizens should always be ready for the unexpected dips and bumps.

Manhattan Institute Senior Fellow Aaron M. Renn posits in Chapter 62 that before starting, small town leaders should ask residents if they really want economic devel-

opment, especially the trendy kind. *Governing's* William Fulton adds in Chapter 63 that the latest economic development fad grounded in Richard Florida's "Creative Class" prescription might not be the silver bullet for all or any of small town America's ills. This is exactly the problem with the hip but underutilized new community center in blue-collar Johnsbury, New York (pop. 2,395), as reported by Rob Gurwitt in Chapter 64.

Instead of multigenerational harmony, what if intergenerational conflict erupted like in the case of Newtown, Connecticut (pop. 27,000), where schools and senior services were the two tax funding choices, according to *Stateline's* Jenni Bergal in Chapter 65? Another worst-case scenario, shared by Joseph McElroy in Chapter 66, is when a redevelopment project stalls and a pretty town like Petoskey Pointe, Michigan (pop. 6,000), is left with an ugly "dirt hole."

In Chapter 67, *Governing's* data editor Mike Maciag suggests localities should evaluate just how effective tax breaks and other incentives are at boosting economic development when they look to expand or renew programs. Moreover, cities that are being enticed to merge with larger ones to maximize economies of scale should read Aaron M. Renn's cautionary piece in Chapter 68. As businesses and jobs become more fluid, i.e., project to project, economic development planners have to prepare for an emerging 1099 labor force, according to William Fulton in Chapter 69.

### *Appendices*

Our four appendices yield useful economic development prescriptions and guides for leaders, followers, businesses, residents, advocates, voters, constituents, and taxpayers.

First, we would like to inspire you with a ranking of the best of the best. There are a lot of "best small town" rankings out there

but we chose Livability's because of its rigorous methodology. Second, we encourage you to consider the International City/County Management Association's nationally and internationally tried and tested blueprint for community-based economic development. Third, for those interested in the how-to-do economic development, we have the Government Finance Officers Association's how-to guide for communicating capital improvement strategies. Fourth and finally, we developed a handy glossary of essential economic development practices to help you wade through the technical language and acronyms thrown back and forth by both scholars and practitioners.

*Small Town Economic Development* is the result of a national literature search in the fields of economic development and re-

newal in small urban and rural cities and towns in the United States. It is the only book of its kind in America wherein public officials and citizens throughout our nation could read about bright ideas and best practices and how to adapt them in their own communities.

This book is easy to read and incisive. We cover small towns from the East Coast to the West Coast, from Crescent City, California, to Corning, New York, as well as small cities from the North to the South, from Chelsea, Michigan, to Tuscumbia, Alabama. The reputable publications and contributors offer a spectrum of ideas and opinions representing America's diversity and democracy.

Read on!