Overview

Innovation has become the buzzword for many new projects in the public and private sectors. But how do cities define this concept, in policy and practice? How might cities recruit dynamic innovators and promote new, equitable solutions to challenging problems?

Materials


Speakers

**Mayor Bill Bell** stepped into Durham politics approximately 40 years ago with the goal of maximizing Durham’s economy, education and other resources, believing that government best serves citizens by partnering with them and the private sector. Bell a retired IBM Senior Engineer (1996), served as an elected Durham County Commissioner for 26 years (1972 – 1994; 1996 – 2000) and Chairman of the Durham Board of County Commissioners for 12 years (1982 - 1994). As Chairman of the Durham County Board of Commissioners he was recognized as the architect of the 1992 merger of the then “Durham City Schools System” and the then “Durham County School System” into the now “Durham Public School System” (DPS). He was elected Mayor of Durham, NC in 2001 and continues to serve as the Mayor of Durham, NC. He is Chairman of the NC Metropolitan Mayors Coalition an organization of the 27 largest cities in NC with populations of more than 30,000. He has over the years served on numerous local, state and national boards and committees. He continues to serve on many committees and boards, such as the Triangle Transit Authority (TTA); NC Film Commission; M&F Bank Durham Advisory Board; US Conference of Mayors; National Conference of Black Mayors, and over the has years been the recipient of many awards and honors.

Born in Washington, DC, Bell attended the public schools in Winston-Salem, NC graduating from Atkins High School in 1957 prior to the integration of Atkins High School. He received his B.S./Electrical Engineering from Howard University in Washington, DC in 1961 and his M.S./Electrical Engineering from New York University in New York, NY in 1968. He served in the U.S. Army Signal Corps as a 1st Lieutenant from 1961 to 1963. He has worked as an Electrical Engineer in both the private and public sectors respectively at Martin Marietta Corporation, Orlando Florida, the U.S. Research and Development Laboratory Ft. Monmouth, NJ and the IBM Corporation, Research Triangle Park, NC where he retired in 1996.

He presently is the Executive Vice-President/Chief Operating Officer of UDI/Community Development Corporation, a 501(c3) Non-Profit Corporation here in Durham, NC. He is married to Judith Chatters Bell and they are the parents of 4 children and grandparents of 3 grandchildren.

**Story Bellows** joined the City of Philadelphia in April of 2012 as Co-Director of the Mayor's Office of New Urban Mechanics. The new office is a civic idea and innovation incubator, which develops innovative approaches and processes to solving complex problems in the public arena. Prior to coming to Philadelphia, Story served as Director of the Mayors’ Institute on City Design, a leadership initiative of the National Endowment for the Arts in partnership with the American Architectural Foundation
and the US Conference of Mayors. An urban designer by training, Story spent four years in a private design practice in Chicago, where she founded a research group and worked with leaders in the public, private and non-profit sectors on urban, education, healthcare and environmental design projects and initiatives. She holds an undergraduate degree from Colgate University and a Masters degree in City Design and Social Science from the London School of Economics and Political Science.

**Mayor Vincent C. Gray** was sworn in as the sixth elected Mayor of the District of Columbia on January 2, 2011. A native Washingtonian, Mayor Gray has advocated for the residents of the District for more than 30 years. His disciplined approach to public service was born from humble beginnings. He grew up in a one-bedroom apartment at 6th and L Streets, NE. Despite being scouted by two Major League Baseball teams, the Mayor chose to continue his education, studying psychology at The George Washington University at both the undergraduate and graduate school levels. While at George Washington, he became the first African-American admitted in the GW fraternity system, and in his junior and senior years, became the first person to serve consecutive terms as Chancellor of Tau Epsilon Phi.

Vincent C. Gray began his professional career with The Arc of DC (then known as the Association of Retarded Citizens). In 1991, then-Mayor Sharon Pratt Kelly appointed Gray to the post of Director of the Department of Human Services. In December 1994, he was named the first Executive Director of Covenant House Washington, an international, faith-based organization dedicated to serving homeless and at-risk youth. During his decade at the helm of Covenant House, Mayor Gray led successful campaigns to purchase and renovate a crisis center for homeless youth and a multi-purpose center and to build a new community service center in the far southeast community of the District of Columbia.

Mayor Gray’s dedication to his community and the residents of Ward 7 inspired a successful campaign for elected office in 2004. During his first term as Councilmember from Ward 7, he chaired a Special Committee on the Prevention of Youth Violence, and created the Effi Barry HIV/AIDS initiative. Two years after joining the Council, Gray ran for the citywide office of Chairman of the Council. He won the general election with 98 percent of the vote. As Chairman, Gray was a leader in efforts to improve the Council’s operations, transparency and oversight capacity, and was a true champion for school reform. He spearheaded the Pre-K Expansion and Enhancement Act, which established a voluntary, high-quality pre-school program to provide 2,000 new classroom slots for three-and four-year-olds over six years. The Mayor’s diligence resulted in that goal being met in September of 2010, well before the 2014 target.

**Mayor Sly James**, a former Marine MP, a small business owner, and a community leader, was elected mayor of Kansas City on March 22, 2011. Sly attended Bishop Hogan High School in Kansas City and graduated in 1969. While there, Sly was the president of his junior class. He also developed a great passion for music and was the lead singer in the Amelia Earhart Memorial Flying Band.

In 1971 he left the band and enlisted in the United States Marine Corps during the Vietnam War where he served as a military police officer for four years in California, the Philippines, and Japan and received an honorable discharge in 1975. When his service ended, Sly returned home to Kansas City and graduated cum laude from Rockhurst College before earning his law degree, also cum laude, from the University of Minnesota in 1983.

In 1992, the Missouri Supreme Court appointed Sly to the Missouri Board of Law Examiners. He was president of the Kansas City Metropolitan Bar Association (KCMLA) in 2003, director of the Kansas City Bar Foundation, and vice president of the Public Interest Litigation Clinic. In 2003, while president of the KCMLA, Sly established the Diversity Initiative with 26 managing partners of the largest law firms in the city. He was appointed to the board of directors of the Economic Development Corporation of Kansas City, Missouri, and to the board of the Land Clearance for Redevelopment Authority (LCRA) by former Mayor Kay Barnes. He was also appointed to the boards of the Enhanced Enterprise Zones of Kansas City and the Jackson County Ethics Commission. He served as one of two co-chairs of the Save Our Stadiums committee, a successful tax initiative to refurbish the Truman Sports Complex in Kansas City in 2006.

Sly has been a member and Board Secretary of the Board of Trustees of the Eye Foundation of Kansas City, Inc.; a member of the Board of The United Way; a member of the Executive Board of the Committee for County Progress; a member of the Steering Committee of the Partnership for Children, a joint project of the United Way and the Greater Kansas City Community Foundation; president of the Board of Bishop Hogan High School; a member of the Board of Trustees of Notre Dame de Sion schools; a member of the Board of Operation Breakthrough; and a member of the Board and the immediate past chair of the Genesis School.
What is "New Urban Mechanics" and Why Does Philadelphia Want Some?

BY NICK JUDD | Wednesday, October 3 2012

Photo: Kevin W. Burkett

When Philadelphia Mayor Michael Nutter announced on Monday that Philadelphia will get a new arm of city government called the Office of New Urban Mechanics, he was signing on to a sizable experiment in how government is supposed to work. Nutter's administration is emulating a program Boston City Hall put in place two years ago to find innovative — you might also say "untested" — ideas and see if they can make government work better. The Boston Office of New Urban Mechanics is just a handful of people led by Nigel Jacob, a former programmer, and Chris Osgood, a city official who came to Boston after a stint at New York City's Department of Parks and Recreation. Their job is to help those new solutions to old problems navigate the often tricky hallways of city bureaucracy.

For instance, Boston launched an application last year that lets iPhone users turn their phones into pothole detectors. If the app is on while someone's commuting, it uses the phone's accelerometer to detect the jarring sensation of running over a pothole, and sends the pothole's coordinates back to the city. Another series of projects, in partnership with Emerson College, use video games to get people more involved in public planning. The city is now working with the service design firm IDEO to build a pilot program that would rethink how Boston's sanitation department handles trash and recycling.

These projects make use of new technologies to create a different approach to age-old city problems. But they also reflect what Boston bills as "peer-produced governance." The pothole app, Street Bump, asks people to create a network of iPhones that collectively pushes useful intelligence about street conditions back to the city. The projects conducted with Emerson's Engagement Game Lab use City Hall's connection with Emerson to make it easier for City Hall to connect with constituents who have useful input for the public planning process. An earlier experiment called Participatory Chinatown, for example, drew up composite characters representative of Chinatown residents, then asked participants to imagine they were one of those characters. They were asked to tool around inside a virtual Chinatown created in the game Second Life and take note of aspects of the environment that were helpful and ones that weren't so helpful. Teenage volunteers were on-hand to help participants who might not be comfortable with the technology. By working this way, the city was able to drum up input from people who wouldn't otherwise show up to a public meeting — including the local teens who were on hand as volunteers.

Technology isn't so much the solution as it is a way to get more people involved in figuring out what the solution should be. That's where the "peer-produced" bit comes in. The idea of peer networks also plays a role in the way New Urban Mechanics gets things done. Jacob and Osgood are the interface for new and experimental technology projects that need City Hall's participation to succeed. They do that using a mix of personal connections, the fact that Boston Mayor Thomas Menino supports what they do, and relatively small cash infusions. Several projects I looked into last year were supported to the tune of between $10,000 and $25,000.
"The value that we add is we aggregate risk," Jacob explained to me in 2011. "Our approach has been, if you, Public Works, have something you want to try, but you don't want it to show up as a crazy Public Works project, you can present it as a New Urban Mechanics project."

In other words, newfangled ideas are okay if they go through New Urban Mechanics and rely more on external partnerships and low-cost engagements rather than risky, high-dollar requests for proposals and expensive consultants. If things that fail do so without causing colossal embarrassment and significant financial loss, failure once in a while is okay. But the office also acts as an incubator for external ideas, helping to make connections inside the city for innovative new companies.

A Boston-based startup called SoChange offers local businesses the chance to pledge to take certain social actions, like promising to hire someone who's been to prison or to make their business more green, when enough people indicate their support for the idea by buying gift certificates. When the business reaches its funding goal, it's supposed to then follow through on the pledge. SoChange's founder told me last year that he was able to get his project off the ground in part thanks to introductions to people inside government that Jacob and Osgood made for him. Building City Hall's peer network, so to speak, seems to also be part of their job.

The Office of New Urban Mechanics is so named because Menino won the moniker "urban mechanic" for his focus on service delivery, but exporting their model has always been part of the plan.

It is in the context of this model that we quoted Nutter saying this:

"We've engaged the city's entrepreneurial and startup communities for their energy and passion and intellect ... We've established solid working relationships with business incubators in Philadelphia, and expanding the network of those both in and outside government working to analyze and solve civic challenges."

It's also the context in which Story Bellows, the Philadelphia New Urban Mechanics co-chair, told Sarah Lai Stirland that Philadelphia's City Hall plans to use its "convening power" to solve problems. Rather than trying to hire a swarm of developers to implement an internal plan or pay a McKinsey or a KPMG hundreds of thousands of dollars to write a report, the New Urban Mechanics model would be to work within a city's own network to find solutions, try them out, and evaluate whether or not they were successful.

In Nutter's remarks Monday, he was essentially saying that he's starting up an office that will use technology and the concept of peer networks to let citizens help his administration get better at doing the things it was already supposed to be doing. That is one way to read this quote:

"To me, open government is about more than just sharing information or transparency. Those are critical components of it. But I think an open government is a conversation. It's a process. It's a new relationship ... Our agencies are constantly reminded that this is not about building better technology. It's about rethinking how services are delivered and integrated across our city government. Our vision is to take every service that does not require a face to face interaction and making it available online so that our citizens can interact with the government any time, anywhere on any device and on their schedule."

Boston's projects are heavily focused on service delivery and, to a certain extent, collecting additional input into the city planning process — in no way do they propose to alter City Hall's status as a power center or the mayor's role as the final authority on what his city agencies do.

Allowing people to keep better track of what the administration is doing — like more easily following how it sets and keeps to its budget, or reviewing the internal emails that informed a critical decision — would be the subject of an entirely separate conversation.

Lawmaking is also a separate issue. It was announced Tuesday that the Participatory Politics Foundation will deploy a new website to take legislative data about the City Council and make it more accessible to the casual observer.
Kansas City Is Boosting Its Tech Startups With Launch KC

This is a web-only companion piece to “The Startup Riding Google's Fiber-Optic Superhighway,” which appears in the October 22, 2012 issue of Forbes.

One of the best kept secrets of the Midwest is that Kansas City, Missouri is home to a thriving entrepreneurial community. But thanks to the launch of Google Fiber, Kansas City is making sure that it’s ready for its moment in the spotlight. Indeed, the City’s willingness to boost local entrepreneurs is one of the reasons why Google chose Kansas City to launch its fiber project there in the first place.

“We think gigabit speeds will lead to the applications of the future,” a Google spokesperson told me. “If you think back to dial-up, you couldn’t imagine having a company like Netflix. With higher speeds comes the next wave of applications, and one of the reasons we’re building in Kansas City is because there are a lot of entrepreneurs excited about that next generation.”

Local businesses are thrilled by the new opportunities being brought to bear by both Google and the city.

“The development of Google Fiber is exciting for Kansas City because it is opening doors for new tech businesses,” said Austin Brown, CMO of local social media marketer Hurrdat. “Community leaders and start-up entrepreneurs are all taking advantage of this opportunity.”

To help both its existing entrepreneurs and entrepreneurs interested in moving to Kansas City, the City is making sure that it can definitively answer this question: what can the City do to help out tech startups?

The answer to that question is Launch KC — a series of initiatives by the City in partnership with local businesses to develop tech and arts startups in downtown Kansas City. Its task force is made up of local leaders in both business and government, which spent months deliberating the best way to foster small business growth to take advantage of Google Fiber.
One of the key aspects of Launch KC is helping to reduce the cost constraints on launching tech companies. To that end, several major local companies will be collaborating with entrepreneurs to help them build their businesses. They’ve donated office space for startups, either for free or at reduced rates. And more than office space, they’ll also be providing resources and mentorship. To further reduce costs for startups, the City is also exploring its options to purchase a data center. The data center will be used to provide server space for tech startups at lower rates to help them keep costs down.

Another focus of Launch KC is the City’s plan to build a wireless district in downtown Kansas City, MO. Area entrepreneurs will be provided with access to this high bandwidth network. The goal of this aspect is to help foster a mobile, collaborative community of entrepreneurs in the downtown area.

“We want to look at social capital as well as financial capital,” said Drew Solomon, a Launch KC task force member.

Most traditional municipal incentives are geared towards large, brick and mortar facilities. But those incentives are generally involving real estate – tax incentives and subsidies for building factories, warehouses. etc. But tech startups don’t need that large scale real estate. To that end, as part of the Launch KC initiative, the City is considering a subsidy on business equipment that’s better suited to tech startups. Such equipment will be made available on a sales/leaseback basis, and other incentives are being considered as well. The idea behind these incentives is that companies grown locally are more likely to stay within the city than an incentive for a non-local company to build something in the area.

“It’s not uncommon for entrepreneurs to have more allegiance to the areas they come out of,” said another task force member. “If you help grow them, not just providing them a place to do business but also a place to live, work, and play. There’s a higher level of allegiance with those locally grown companies than those you recruit one day, then the next day they make a decision to pull back. They can pull out pretty easily. The first companies we reached out to with Launch KC were successful large corporations that got started out here.”

Finally, the City plans to establish a tech laboratory housed in its Union Station, where entrepreneurs can collaborate and test IT concepts. The $2 million facility will be established in the City’s Union Station building. Funding is coming from $1 million in federal grants and the other $1 million from local businesses. The laboratory is being spearheaded by the University of Missouri-Kansas City based on their successful “Whiteboard to Boardroom” program, which helps entrepreneurs turn ideas into businesses. The goal of the laboratory is to build a “digital sandbox” that turns ideas for businesses into moneymaking companies.

“That might involve additional research to make a product market ready,” said Maria Myers from UMKC. “Or it might involve helping a young entrepreneur learn the business skills they need to move their idea forward.”

Follow me on Twitter or Facebook. Read my Forbes blog here.

This article is available online at: http://www.forbes.com/sites/alexnapp/2012/10/04/kansas-city-is-boosting-its-tech-startups.
From Silicon Prairie News

Code for America chooses Kansas City as partner in 2013 fellowship

KANSAS CITY OCTOBER 2, 2012 by MICHAEL STACY

Code For America today announced that Kansas City, Mo. and Kansas City, Kan. have been selected as partner cities in its 2013 fellowship. The Code for America (CfA) application was a joint effort between the two cities, spearheaded by the offices of Sly James, the mayor of Kansas City, Mo., and Joe Reardon, the mayor of the Unified Government of Wyandotte County and Kansas City, Kan.

Kansas City was one of nine communities chosen from a pool of 30 applicants. The program's other 2013 partners are Las Vegas, Louisville, Ky., New York, Oakland, San Francisco, San Mateo, Calif., South Bend, Ind. and Summit County, Ohio.

CfA is a San Francisco-based nonprofit that aims to help cities use the web to increase efficiency, transparency and citizen participation. For its fellowship program, CfA recruits top tech talent to spend a year building civic software designed to help cities cut costs, work smarter and engage more with their citizens.

Among the benefits CfA touts for partner cities are a web application designed to solve one of the city's core problems, built at a fee "dramatically less than commercial vendors, at a higher quality." The program also includes hands-on training in agile development methodology for the partner city's staff, access to a network of industry leaders and the opportunity to collaborate with other cities.

Cities that applied to be partners in CfA's third-year fellowship program were asked to identify problem areas that would challenge the CfA fellows and make a significant impact on the cities.

Kansas City's stated goals are to increase local government's ability to serve as an asset to entrepreneurs and to assist local government in becoming more entrepreneurial in its operations.

Today's announcement has more on the specifics of the plans for CfA in Kansas City:

The Code for America project will take a regional approach working with both Kansas City governments to find ways for local municipal agencies to invest in ideas and innovation, acting as entrepreneurs themselves, to develop self-sustaining programs. The Fellowship will also help both governments identify web-based solutions to engage and partner with local entrepreneurs as the new knowledge economy continues to evolve.

In addition to the mayors' offices, other core backers of Kansas City's CfA application included the Ewing Marion Kauffman Foundation, the Mayor's Bi-State Innovations Team, the Greater Kansas City Chamber of Commerce's Big 5 Initiative, KCnext - The Technology Council of Greater Kansas City, Screampoint, Google Fiber and Kansas City IT Professionals.

Google and the Kauffman Foundation are among CfA's biggest donors.

Entrepreneurial Infrastructure: Kansas City

Mayor Sly James’s vision of building “Silicon Prairie” took a quantum leap forward when he successfully lobbied Google to partner with Kansas City in an exclusive test of its ultrahigh-speed fiber network, giving residents access to Internet service 100 times faster than average broadband speeds across the country. As a result, new businesses and entrepreneurs are already starting to come to this Midwestern tech mecca. James helped create the environment for this investment by embracing local tech startups and a business incubator that crowd-funds companies. James transitioned his City Hall office entirely to cloud computing and open-sourced the development of a new downtown streetcar project. These investments have already helped spur a resurgence in the downtown population, expanding the tax base while improving the quality of life. “Partnerships pay dividends,” James says. “The whole is greater than the sum of its parts.”
News and Noteworthy Details

Friday, October 26, 2012

Durham’s “Build a Better Block” Hosts Pop-Up Business Kick-Off Tomorrow

30-Day Pilot Demonstration for Businesses at Driver Street and Angier Avenue Intersection

DURHAM, N.C. – Durham residents and visitors will soon see some big changes coming to the Driver Street and Angier Avenue intersection thanks to a new initiative to bring “pop up” businesses in the hope of bringing new economic life to the existing underused storefronts.

The 30-day pilot demonstration, part of the "Build a Better Block with Tootie" initiative, will hold a kick-off event on Saturday, October 27 from noon to 8 p.m. at the Driver Street/Angier Avenue intersection. In the event of rain tomorrow, the alternate date will be Monday, October 29 from 5 p.m. to 6 p.m.

Saturday’s event will include multiple opportunities for the community to get involved and support these businesses as well as improve the aesthetics of this intersection with an urban garden and community artwork. During the event, organizers will be bringing in trees and plants to enhance the physical space, setting out tables for eating and engaging in conversation, and providing a space for food truck vendors, retail entrepreneurs, and local artists to pilot their products to nearby residents in East Durham.

To increase the aesthetic vibrancy of the space, organizers will also have a number of painting and art projects for residents and children to participate in. These projects will start Saturday and continue to take place over the next 30 days, both on the exteriors and the interiors of some of the properties. Planned activities will also include painting window scenes, benches, and planters.

According to Constance Stancil, director of the City’s Neighborhood Improvement Services Department, this initiative is a grassroots and resident-led project designed to encourage the local community to actively engage in a storefront build-out process for potential investors and business owners to operate a short-term business in this area before committing to a long-term effort. "A lot of major cities are doing this and adopting these ideas into their ordinances. Not everyone can afford commercial space downtown, so this could be a great way for entrepreneurs to trial-run a business," Stancil said. "We’re trying to be proactive in our attempts to improve neighborhoods and vacant properties. East Durham residents have continuously asked for reinvestment, especially along the Angier-Driver corridor, and our goal is to help the community create a positive atmosphere in a corridor that already has existing infrastructure and an active community that wants to see great things happen again."

In addition to the new businesses temporarily locating in this corridor, the community can further participate by providing paint, plants, and volunteers. Residents wanting to participate in Saturday’s activities or donate items for the project should contact Wanona Satcher, neighborhood development specialist with the City’s Neighborhood Improvement Services Department, at (919) 560-1647, ext. 34227 or by email at Wanona.Satcher@DurhamNC.gov.

The “Build a Better Block with Tootie” Initiative is supported by the Durham Urban Innovation Center, which is a division of the City’s Neighborhood Improvement Services Department. For more information, visit http://www.facebook.com/pages/Build-a-Better-Block-with-Tootie/222072414587180 or http://betterblock.org.

About the City of Durham Neighborhood Improvement Services Department

The Neighborhood Improvement Services Department works to preserve and improve quality of life conditions for Durham residents, and to encourage active participation in neighborhood redevelopment and public policy and decision making dialogue. The department is responsible for enforcement of quality of life ordinances and state statutes including the City’s Minimum Housing Code; Nonresidential Code; Weedy Lot, Abandoned and Junk Vehicle ordinances; and the State of North Carolina’s Unsafe Building Statute. The department's rapid responders, known as the Impact Team, remediate non-compliant housing properties; abate public nuisances, such as litter, graffiti, illegal dumping, and abandoned shopping carts; and conduct neighborhood service projects. The department’s Community Engagement staff provides outreach and education to Durham residents and community organizations. Guided by the City’s Strategic Plan, the department helps ensure that Durham has thriving, livable neighborhoods by providing the highest quality of services to engage and educate the community, eradicate blight, ensure safer neighborhoods, and enhance neighborhood revitalization. For more information, visit http://durhamnc.gov/Ich/cb/nis/Pages/Home.aspx.

Published: 10/26/2012 - Last Edited:
Durham Named as Top 20 Finalist in Bloomberg Philanthropies’ Mayors Challenge

DURHAM, N.C. – City of Durham Mayor William V. “Bill” Bell today announced that the City has been selected as a finalist for the Bloomberg Philanthropies’ Mayors Challenge, a competition created to inspire American cities to generate innovative ideas that solve major challenges and improve city life – and that ultimately can be shared with other cities across the nation.

Durham was selected based on its innovative idea to create entrepreneurship hubs in three distressed neighborhoods to positively impact job creation, family stability, workforce training, and overall economic growth in those areas. Submitted by the City’s Neighborhood Improvement Services Department’s Urban Innovation Center, the proposed project will now compete against 19 other cities across the country for a $5 million grand prize as well as one of four additional prizes of $1 million each.

The City’s Durham Urban Innovation Center partners with residents to creatively solve community issues by using talent and support from businesses, academic institutions, nonprofits and other health and human service agencies.

“This project presents Durham with an exciting opportunity to be transformative in a unique way which, if executed, could have a very positive impact on Durham in general, and specifically for the people in the selected neighborhoods,” Bell said. “To be selected as a finalist from more than 300 submissions across the country speaks volumes about the potential value of this project to Durham and to other cities.”

A team from Durham will attend the Bloomberg Ideas Camp, a two-day gathering in New York City in November during which city teams will work collaboratively with each other and experts to further refine their ideas. Coming out of the Camp, the Durham team will have access to additional technical support to prepare their ideas for final submission. Winners will be announced in spring 2013, with a total of $9 million going to five cities to jumpstart implementation of their ideas.

“Congratulations to Mayor Bell and the City of Durham for becoming a Mayors Challenge finalist. The response to the Mayors Challenge was extraordinary: bold and innovative ideas were submitted from every corner of the country. We look forward to welcoming the Durham team to Ideas Camp,” said James Anderson, who directs the Government Innovation Program at Bloomberg Philanthropies.

The 20 finalist ideas were rated on four key criteria: vision/creativity, ability to implement, potential for impact, and potential for replication. A specially-assembled selection committee, co-chaired by Shona Brown, senior vice president and head of Google.org, and Ron Daniel, Bloomberg Philanthropies board member and former managing partner at McKinsey & Company where he is still active, helped select the finalist cities.

About the Mayors Challenge
Mayors of U.S. cities with 30,000 residents or more were eligible to compete in the Mayors Challenge.
305 cities representing 45 states across the country submitted applications by September 14, 2012. The Mayors Challenge is the latest initiative of Bloomberg Philanthropies’ Mayors Project, which aims to spread proven and promising ideas among cities. Other Mayors Project investments include Cities of Service, Innovation Delivery Teams, and Financial Empowerment Centers. To learn more about the Mayors Challenge, visit http://bloomberg.org/mayorschallenge.

**About the City of Durham Neighborhood Improvement Services Department**

The Neighborhood Improvement Services Department works to preserve and improve quality of life conditions for Durham residents, and to encourage active participation in neighborhood redevelopment and public policy and decision making dialogue. The department is responsible for enforcement of quality of life ordinances and state statutes including the City’s Minimum Housing Code; Nonresidential Code; Weedy Lot, Abandoned and Junk Vehicle ordinances; and the State of North Carolina’s Unsafe Building Statute. The department’s rapid responders, known as the Impact Team, remediate non-compliant housing properties; abate public nuisances, such as litter, graffiti, illegal dumping, and abandoned shopping carts; and conduct neighborhood service projects. The department’s Community Engagement staff provides outreach and education to Durham residents and community organizations. Guided by the City’s Strategic Plan, the department helps ensure that Durham has thriving, livable neighborhoods by providing the highest quality of services to engage and educate the community, eradicate blight, ensure safer neighborhoods, and enhance neighborhood revitalization. For more information, visit [http://durhamnc.gov/ich/cb/nis/Pages/Home.aspx](http://durhamnc.gov/ich/cb/nis/Pages/Home.aspx).

**Tagline**

City’s Idea Selected from Over 300 Submissions to Compete for $5 million

**Grand Prize**

**Article Date**

11/5/2012
BUSINESS INCENTIVES

DC Tech Incentives

The District of Columbia offers incentives to reduce the cost of doing business for high-tech companies. To qualify for incentives, businesses must be located in the District, employ at least two individuals, and derive a majority of revenue from qualifying high technology activities.

Move to DC
- Five-year freeze on assessed value of real property (no increase in real property tax)
- Relocation reimbursements of up to $5,000 for each employee relocated to the District and $7,500 if the employee also relocates his or her principle residence to the District

Thrive in DC
- Reduction in the corporate income tax rate from 9.975% to 6% and elimination of the corporate income tax rate for five years if the firm locates in a High Technology Development Zone*
- Exemption from sales tax on purchase of hardware and software

Grow in DC
- Wage reimbursements of up to $5,000 for each person hired
- Ten-year abatement on qualified personal property taxes
- Exemption from sales tax charged for retail sales and service provided by qualified company

Invest in DC
- Exemption from District capital gains tax for the sale or exchange of qualified assets held for more than 5 years

*High Technology Development Zone map is available at dcbiz.dc.gov

Qualified High Technology Companies (QHTC)

A mid-size technology company can save nearly $300,000 each year

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Available in Yr. 1 $289,050

Carry forward-unused credits* $250,000

* Relocation and new hire wage credits carry forward for 10 years

Savings are based on a technology business with:
- Revenues of $12.5 million; taxable income of $1.25 million
- 20 new hires and 20 people relocated to work and live in DC
- Furniture and equipment valued at $5 million, with $1.25 million of new hardware purchases
- Renovation of leased space costing $625,000 (with increase in property value)

Office of the Deputy Mayor for Planning & Economic Development
Government of the District of Columbia
Office of Business Development
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Venture capital firm Fortify launches D.C.’s first tech accelerator

Premium content from Washington Business Journal by Bill Flook, Staff Reporter

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Fortify Ventures LLC and at least a dozen of its portfolio companies are immigrating to D.C. in a mass headquarters shift, launching the District’s only bona fide startup accelerator with the help of $100,000 from Mayor Vincent Gray.

With the 1627 K St. NW accelerator — dubbed “The Fort” — the region’s newest venture fund aims to correct one of the D.C. tech scene’s most glaring deficiencies: the lack of a centralized, intensive and collaborative hub for startups that offers a mix of office space, mentorship and money.

Silicon Valley has Y Combinator and 500 Startups. The Research Triangle in North Carolina has LaunchBox Digital. Boulder, Colo., and other cities have TechStars. Until now, the nation’s capital, despite undergoing a tech resurgence, had just about nothing.

The Fort will be home to an inaugural class of 12 tech startups slated for a six-month stay (give or take, depending on need). Fortify Ventures — also known as Fortify.vc — plans to make $2 million in new investments in Fort-based startups this year, according to a source familiar with the plans.

That group of tenants consists of new Fortify investments. Among the companies occupying the roughly 6,500-square-foot office are Venga, a restaurant marketing startup, Lemur Technologies and Social Tables. All are part of a new, more consumer-driven crop of D.C. tech entrepreneurs.

“The nature of startup land in the Mid-Atlantic region is changing and resembles Silicon Valley more and more each day,” said Fortify founding partner Jonathan Perrelli.

The partnership with the Gray administration and Fortify came together within a matter of...
weeks, overcoming competition from Arlington, and was cemented at the end of the year. The Fort owes its creation to the confluence of two forces: Fortify setting up its $25 million fund last spring in Sterling and aggressively investing in homegrown tech startups; and, secondly, a mayoral administration not much older, looking to build much-needed pro-business credentials by allying with a growing tech community.

Fortify bills itself as “founders funding founders,” with its two general partners — Jonathon Perrelli and Adam Fazackerley — touting long resumes in technology and entrepreneurship. Both are veterans of UU.Net, an early Internet service provider that has since been rolled into WorldCom and then Verizon Business.

As part of the deal, the Gray administration pledged a one-time grant of $100,000 to get The Fort up and running. In exchange, Fortify and its tech pitch-fest — Distilled Intelligence, now held in Herndon — will move to the District for at least the next four years. District officials will also have access to those portfolio companies to discuss ways to keep them in the city.

David Zipper, director of business development and strategy at the Office of the Deputy Mayor for Planning and Economic Development, draws a distinction between The Fort and a corporate headquarters relocation.

“It gives the District, as a home to Fortify, a perfect opportunity to make sure these companies are founded in the District but stay here,” said Zipper, who serves as a liaison with the tech community and helped put the Fortify relocation together.

Gray, in a statement, called expanding D.C.’s tech sector “one of my highest priorities, and essential to private sector job growth and our long-term economic success.”

“The investment that the District has made in Fortify.vc is going to pay dividends in the long run,” the mayor added.

With the exception of Steve Case’s Revolution LLC, most of the sources of early-stage capital in the region are based in the Maryland and Virginia suburbs. Fortify’s move into the city puts another source of seed funding closer to nascent tech startup clusters downtown.

“What we found is a lot of companies — a lot of hackers, a lot of designers — live and want to work in the city,” said Perrelli.

The terms “incubator” and “accelerator” are a bit squishy, meaning different things to different people. Some programs that invite those descriptors, such as Florida Avenue NW-based Geakeasy, offer affordable workspace and a sense of community without the funding. Others, like McLean-based Amplifier Ventures, provide capital and mentorship without consolidating the companies into a single physical space.

But the nationally known accelerator programs — the most vaunted of which is Mountain View, Calif.-based Y Combinator — offer each of those benefits in equal measure.

“The accelerator is a business model that is frankly widespread now, and really we’re about the only major tech market that doesn’t have one,” said Jonathan Aberman, managing director of Amplifier Ventures, who sees The Fort as “answering a market need.”
Just like a traditional venture capital shop, these programs take a slice of equity from their tenants — 5 percent or more — and depend on exits to sustain themselves. Those startups use their several-month accelerator stints to refine and launch their products and possibly prepare for a bigger institutional round of funding. Financially, the model is based on the premise that a company has a better chance to survive long enough to get acquired or go public if its founders are plunged into an ecosystem where they can work shoulder to shoulder with other founders and funders.

“At the end of the day, the challenge every venture investor has and what every angel investor has is to be something more than money,” Aberman said.

Fortify is banking heavily on mentorship to add value to its investments. Perrelli, Fazackerly and associate Carla Valdes will work within shouting distance of their portfolio. Perrelli also plans to attract entrepreneurs on the West Coast and abroad to The Fort.

In an unusual move, Fortify’s limited partners will double as advisers to the startups at The Fort. Limited partners, or LPs, are those individuals or institutions that put their money into a venture fund. In most cases, they have little or no interaction with the portfolio companies themselves.

Mentors include serial entrepreneur Roger Yee and Plaxo Inc. founder Minh Nguyen.

The D.C. region has had no full-blown accelerator since LaunchBox left for North Carolina in 2010. Fortify is making a bid that it can thrive where its predecessor couldn’t.

The two programs are far from identical, however. For one, Fortify has more money. And that’s key to its ability to participate in later, larger funding rounds, said Peter Corbett of iStrategyLabs LLC, organizer of the D.C. Tech Meetup events.

“[Fortify] is doing what LaunchBox should have done, which is raise enough money to do follow-on investments in some of these startups,” added Corbett, who introduced Zipper and Perrelli as The Fort was on the verge of settling in Arlington.

Bill Flook covers technology, biotech and venture capital.
November 14, 2012

Office of Mayor Vincent C. Gray
The District of Columbia
Inform brokers, accountants and lawyers about DC tax law, incentives and business services.

Brokers, accountants and lawyers are important intermediary advisers to District businesses on issues like tax law, incentives and business services. They play pivotal roles in the location decisions of many businesses. For that reason, it is vital that they have access to comprehensive and up-to-date information on relevant tax laws, incentives and business services.

Proactively identify and recruit businesses with expiring leases that can benefit from locating in DC.

The District will identify and recruit businesses with expiring office leases, opening the way for them to take advantage of available office space, incentives and business services in DC.

Establish an early review process for environmental regulations.

The Gray administration will bring the real estate and construction community into the environmental regulatory process. Before regulations are finalized and enacted, input from this community will be solicited and incorporated.

Create a robust team within DSLBD to monitor compliance by Certified Business Enterprises (CBEs) and CBE-related projects.

The goals of the team will be to ensure that CBEs meet at least the minimum requirements of their certifications and that they comply with guidelines in the CBE Participation Agreements. DSLBD has already begun the process to create five additional positions to restore the compliance and enforcement program within the agency.

Examine high-performing TIF bond-funded economic development projects and, whenever possible, repay the bonds early in order to free up District debt capacity for other high priority investments.

The District counts all TIF bond-funded economic development projects against the legislated debt cap. Because TIF projects historically have served as catalysts to neighborhood revitalization, the District’s Chief Financial Officer should examine existing TIF projects and identify those that are high performing. Where projects are generating tax increment revenue above projections necessary to pay debt service and fund reserves, the District should, whenever possible, defease (i.e., repay) the bonds early in order to free up District debt capacity. The additional debt capacity should be utilized for new high priority economic development and other capital investments that help to create livable communities. These investments will also increase the District’s revenue base.

Create the Largest Technology Center on the East Coast

The technology sector will play a central role in diversifying the District’s economy. DC has tremendous assets to leverage, with its neighborhoods, transit options and vibrant nightlife providing natural magnets for the young professionals who are the lifeblood of technology companies. Today, the District is home to more than 250 startups, with $979 million of capital invested in 146 tech companies. The National Venture Capital Association ranks Washington, DC, as fifth in the nation based on dollars invested in tech companies. Within five years the District can surpass Boston and New York to become the East Coast’s technology leader.

Three strategies support this vision:

- Doubling the number of technology jobs in DC (an additional 20,000 jobs) within five years
- Doubling the amount of capital invested in DC tech companies within five years
- Attracting the best academic institutions to contribute to an innovation ecosystem

CURRENT DISTRICT EFFORTS

In addition to new strategic initiatives, recent efforts by public and private entities to develop the technology sector have put DC on course to foster technology and innovation. This year the District took several steps toward creating a technology hub.

Enactment of the Social E-Commerce Job Creation Incentive Act of 2012: This incentive act enabled the District to retain the headquarters of LivingSocial, DC’s flagship technology company. LivingSocial currently employs more than 1,000 individuals in DC, of which half are District residents. Its consolidation will create 1,700 jobs.
Arrival of Fortify.vc: The District provided a $100,000 incentive to attract the venture capital firm from Sterling, Virginia, and to open a tech startup accelerator. The accelerator fast tracks the growth of companies that have received investments. The District’s investment also secured Digital Intelligence, a prominent technology conference previously hosted near Dulles Airport.

Hiring of a Tech Sector Specialist: The Gray administration created the first mayoral position solely dedicated to supporting the technology sector.

Partnership with newBrandAnalytics: After receiving $26 million in investment from a local venture capital firm, newBrandAnalytics chose to grow in the District rather than move to Silicon Valley. The District government has worked with the company to pilot an online platform that allows city residents to assign grades to DC government agencies.

MOVING FORWARD: STRATEGIC INITIATIVES

Create a collaborative space for technology firms, universities and hospitals by building an innovation hub at Saint Elizabeths.

An innovation hub at Saint Elizabeths will not only create a shared campus environment for academic institutions and technology firms, but will bring internship and training opportunities to residents in the historically underserved neighborhoods east of the Anacostia River. The hub at Saint Elizabeths will encourage technology companies and research and education institutions to leverage each other’s resources and assets.

A tech campus will also stimulate formation of a technology cluster, attracting foreign direct investment and multinational firms to the tech zone. That, in turn, will further technology density and innovation in the region. A federal technology-focused tenant can also be encouraged to relocate to the area. Efforts to create a technology center on the Saint Elizabeths campus have commenced. DMPED is actively soliciting and recruiting large, international-profile anchor institutions and technology companies. The solicitation process for universities will also be initiated in the coming months.

Encourage angel investment by lowering the capital gains tax rate for investments in local tech companies.

By decreasing the capital gains rates for local tech investments, the District could foment new investment and encourage people to move to or stay in DC. A lower capital gains tax rate can also stimulate天使 investors to fund other District-based enterprises. For comparison, Virginia currently levies no capital gains tax on investments in early-stage companies.

In 2012, the Gray administration introduced the Technology Sector Enhancement Act, which proposed establishment of a 3 percent capital gains rate for technology investments, down from 8.95 percent. The DC Council has requested that the Tax Revision Commission consider the economic impact of this proposal.

Leverage accelerators and informal networks to grow angel investor communities.

By encouraging the development of angel investor communities, the District nurtures a dynamic environment to attract startup capital. Organizations like StartupDC are building and growing the District’s angel investor community. StartupDC launched K Street Capital to connect startups with high-value individuals. Accelerators in DC, such as Fort.vc, Acceleprise and Endeavor, are also attracting investment dollars. Continued collaborations with the District’s accelerators and startups will broaden the angel investment environment.

Develop a program to provide affordable office space to early-stage tech entrepreneurs.

Affordable workspace is important to attracting and retaining technology firms engaged in innovation. The Hive, Canvas and Affinity Lab are just some of the groups already responding to the needs of local tech entrepreneurs. The District will identify ways to support and encourage additional efforts by the private sector to creatively and collaboratively open up workspace for local entrepreneurs.

Economic Impact of Technology Companies in the District

Technology firms face varying probabilities of success, depending on factors such as the founding team’s experience and the level of venture funding. These success rates are accounted for in the Economic Impact Model’s (EIM) output, which pinpoints for the District the break-even grant or investment amount that corresponds to specific probabilities of success.

The impact analyses generated models that evaluated the net present value (NPV) of technology companies in DC by considering factors such as the number of jobs created and additional tax revenue. Based on this assessed value of technology companies and accounting for different probabilities of success, the EIM identified break-even levels for District investments.

The following graphs depict the output of three EIM models under three scenarios. Scenario 1 is based on a small technology startup that grows from five to 25 employees, during a five-year period. Scenario 2 is based on a large consumer Internet company that adds 1,000 local jobs over a five-year period. Scenario 3 is based on a large multinational innovation facility that adds 500 new employees over five years. The tables included with each graph summarize the assumptions specific to each particular scenario.
Connect tech entrepreneurs with established corporate leaders who can guide the sector toward high-value innovations and potentially purchase services.

By developing deeper connections between tech entrepreneurs and established corporate leaders in core sectors like professional services and hospitality, the District can help entrepreneurs focus on initiatives that will have value for potential users and acquirers. The result would be more successful startups and more acquisitions of local companies—which would then inject new money into the District’s entrepreneurial community.

Launch a marketing campaign to showcase the District as a national tech hub to attract talent.

To encourage the expansion of the District’s technology sector and to attract talent, the city will partner with the technology community to develop and implement a marketing campaign. Marketing efforts will emphasize quality of life, the District’s vibrant startup community and the city’s successful transformation into a center of innovation and technology development.

Inform technology entrepreneurs, nonprofits and universities about philanthropic and federal grant opportunities.

The District will identify channels for communicating new and relevant tech-related grant opportunities to area entrepreneurs, nonprofits and universities.
Support local entrepreneurs with meeting space and mentorship opportunities.

Startups and small businesses in the area need meeting facilities. These shared spaces offer opportunities to house mentorship programs or similar educational programs.

For example, the Washington, DC, Economic Partnership, in collaboration with the Massachusetts Institute of Technology, is launching the Venture Mentoring Service for area small businesses. The program rotates mentors based on the specific stage and needs of the companies. An affordable state-of-the-art office facility will also be provided for startups in an effort to encourage tech innovation in the District.

Support investment in tech transfer and hard-skills education at local universities.

Universities can serve as catalysts for entrepreneurship and talent development. Their contributions can run the range from cutting-edge tech curriculum to mentoring and internship programs to the creation of university-run tech incubators. The District will encourage university initiatives and curriculum geared towards tech transfer and hard-skills education for students.

Create a DC-sponsored venture capital program.

A DC-sponsored venture capital program would provide early-stage dollars necessary to nurture new businesses. As a result, business acceleration strategies will be pushed forward to encourage startups with seed money they might not otherwise be able to find in the private sector. The District government is currently assessing the legality and potential structure of a city-sponsored venture capital program.

Connect District youth, DC Public Schools and the DC Community College with local tech companies.

Educating and preparing District youth for technology jobs is critical in the development of a technology sector. The District has already been working towards connecting youth to technology companies, especially through the Summer Youth Employment Program (SYEP). Limbic Systems and Edvotek, are among a new group of technology firms that participated in SYEP for the first time in 2011.

Become the Nation’s Destination of Choice

Washington, DC, has undergone tremendous revitalization in the last 15 years as a result of the billions of dollars invested throughout the city. These efforts have helped transform and rejuvenate the nation’s capital, bringing the District national recognition as a top destination in the United States and earning it accolades, including ranking highly for families, young professionals and businesses. It was also the nation’s top city for quality of life for women in 2012, according to *Forbes* magazine.

Three strategies support the District’s transformation into a destination of choice for both residence and travel:

- Invest in and build a nationally recognized infrastructure system
- Attract and retain talent by leveraging the convenience and excitement of living in DC
- Rival marketing efforts of the nation’s top destinations in promoting tourism
- Become renowned for delivering the highest standards in hospitality and service

CURRENT DISTRICT EFFORTS

Redevelopment of Union Station: The Union Station Redevelopment Corporation has assembled funding from the District government, Amtrak and private developers to revitalize the historic rail station.

Allocation of Funding to Destination DC: Destination DC markets the city as a premier destination for conventions, tourism and special events. In FY13, Destination DC received an additional infusion of $3 million from hotel tax revenues to market the city to visitors.

MOVING FORWARD: STRATEGIC INITIATIVES

Simplify the application process for hosting special events in DC.

Special events and conventions are important promotion channels for the District. That makes it vital for the city to have an events-friendly environment to continue attracting visitors and engaging local residents.

The existing application process to host special events in DC is unclear and cumbersome. The policies regarding security provisions for events held in the District are also inconsistently applied. Applicants must communicate with different DC agencies to obtain approvals. Appointing a dedicated events specialist to facilitate the approval will bring ease, clarity and convenience to the process. An events specialist can also provide strategic guidance on the best time of year and the ideal location for hosting a particular event. Cities like San Francisco and Chicago already have designated resources devoted to guiding applicants through their events approval process.
When We’re All Urban Planners

Making a Virtual Village to Create a Better City

Story by DAVID LEPESKA
Illustrations by ALEX LUKAS
On a sticky Friday morning in mid-July, Nuala Gallagher stood inside a chicken run in the back corner of a recently restored community garden in East New York. As a dozen white, brown and black hens strutted about the wood-chipped earth at her feet, pecking at scraps of green, she pointed out the laminated cards attached to the chicken wire, each carrying a comment from a field-tripping first or second-grader. “The chicken coop is an amazing learning tool for children that’s year-round, unlike the garden,” said Gallagher, project director for Cypress Hills Verde, the sustainability arm of a community improvement group.

The hens of Pollos del Pueblo, as the coop is called, will soon start laying nearly 200 eggs per week, all of which are to be distributed free in a neighborhood where a third of adults are obese, the rate of diabetes is nearly double the city-wide average and the leading cause of death is heart disease. “It’ll be a constant source of protein and fresh, organic eggs in a designated-food-desert neighborhood,” Gallagher said.

A wide swath of that neighborhood — nearly 80 individuals — pitched in to fund the coop, with matching contributions from Deutsche Bank Americas Foundation. The financing, all $6,200 of it, came together on ioby, a crowd-funding site for green neighborhood improvement projects that is at the forefront of an explosion of new media innovations for civic improvement.

Generally these tools expand the 311 concept, embrace the crowd or build on government data. Some might connect users directly to their municipal government or enable larger, more complex planning projects, but few match ioby’s polish and potential. Already the site is able to: Increase citizen engagement, particularly in low-income neighborhoods; bring local leaders closer to their community; build reusable networks between neighbors, local groups, city officials, developers and foundations; and track the social and environmental impact of a single project and the citywide impact of all projects.

Short for “In Our Backyard,” ioby boasts a proven sustainability plan and has inspired a slew of copycats. Citizinvestor, which launched this month in Philly with other cities to follow over the next few weeks, offers small-scale government projects for funding by locals. Neighborly, launched this summer by a group of tech entrepreneurs, offers major planning projects proposed by cities and civic organizations. MindMixer, launched last year, also offers city plans for discussion and support from the crowd. All are emblematic of a broader ideological shift away from traditional public financing, as cash-strapped governments, desperate for new ways to generate revenue, begin to see these virtual passes of the hat as a reasonable, even necessary, recourse.
The concept has already caught on among those at the very top. In April, President Obama signed the Jumpstart Our Business Startups Act into law, allowing businesses to raise up to $1 million via crowd-funding sites. The U.S. Department of Energy recently awarded a startup named Solar Mosaic, which plans to crowd-fund solar energy projects, a $2 million grant. And Miami-Dade County just announced a partnership with ioby to use community-devised, community-funded projects to implement part of its long-term sustainability plan.

What ioby, its competitors and even Obama are betting on is a future in which we’ll all be urban planners. You’ll open your city app over morning coffee and get news, traffic and weather as you geo-map a monster pothole and donate to a new charter school proposed by your neighbor with three studious daughters. And look, the transformation of that former meat-packing house on Oak Street into a brewery with a rooftop farm is on schedule, and expected to cut neighborhood greenhouse gas emissions by 12 percent upon completion.

But that day is some ways off, as most of today’s tools are toddlers. Cracking the sustainability code remains elusive, as does reliable government responsiveness on any effort larger than a pothole. And, for the most part, low-income communities remain on the outside looking in.

“A lot of these tools are in their early stages,” said Jennifer Pahlka, founder of Code for America, a program that places freshly graduated programmers inside U.S. City Halls for one-year fellowships. “You’re opening a door and getting people to walk through it, but you have to build out the walls, the rooms, the rest of the house. Still, it’s so powerful coming from a place where the doors had been shut.”

CLOSING THE LOOP

In 1798, the philosopher Thomas Malthus concluded that urban living inevitably led to epidemic and famine. In his “Essay on the Principle of Population,” he portrayed density as an incubator of bacteria and a showcase for human frailty. We now know the opposite to be true. Recent research from Geoffrey West and Luis Bettencourt has found that as a city’s population increases its denizens become more productive, more efficient and better at generating ideas and solving the problems of civilization.

Among the first to appreciate this in the Internet Age was Jerry Brown, who, as mayor of Oakland in 2000, put the city’s crime statistics online to inform residents
of danger areas and, ideally, improve street safety. Five years later Google partnered with Portland to launch Google Transit, revealing the promise of the civic-minded open source tool. The 2007 release of the iPhone and the subsequent proliferation and maturity of smartphones vastly expanded the possibilities for mobile engagement and presented the perfect, coder-friendly platform for civic tools: the app.

Governments and young programmers soon jumped on board. On his first full day in office, in January 2009, Obama issued a memorandum stating that government should be participatory and collaborative, and directed his chief technology officer to work toward open government. That same year, Pahlka, then a 39-year-old tech industry executive, came up with her idea for a domestic Peace Corps for tech geeks. Code for America has since created and promoted dozens of civic apps and helped many major municipal governments understand open source and better appreciate the possibilities of technology.

These fellows found that the most difficult challenge in bringing open data to bear is not a programming issue, but a conversational one. In many cases, to create real impact, a tool needs to facilitate two-way conversation — often easier said than done. Chicago, for instance, pushes out data with tools like Plow Tracker, which allows locals to see where city snowplows are during and after a snowstorm, but has no interface to help residents tell the city where a plow is needed. Textizen, developed by Code
for America fellows in Philadelphia this year, allows residents to submit input on future development projects via text message. But while the feedback is incorporated into the city’s long-term plan, according to Mark Wheeler of Philadelphia’s planning commission, responders never know the impact of their input. Without that gratification they have little incentive to participate.

The same could be said of any number of tools. IBM’s City Forward offers reams of data to help launch conversations and ideas, but fails to connect citizens to their city. Commonplace is more about building community than connecting citizens with officials to effect local change. Neighborland, a New Orleans-based local projects business backed by Twitter co-founder Biz Stone, is for now little more than an online coffee klatch. “The challenge everyone has right now is closing the loop on public input,” said Frank Hebbert, director of Civic Works at OpenPlans, a non-profit that builds tools for urban engagement. “If you make a contribution to some kind of process as a citizen you don’t necessarily see that resolved or its ultimate impact.”

Quick fixes, such as potholes and streetlight outages, are the exception. For these there are a handful of tools, like SeeClickFix, created in 2008 by entrepreneur Ben Berkowitz. Open the SeeClickFix app or website and report a pothole on a city map, and the system routes your report to the appropriate government department for response. When the issue has been fixed, the user receives an email notification. In 2012, SeeClickFix’s average time to close an issue is 11 days, down from 39 days last year and 100 days in 2010, according to Berkowitz.

It’s an imperfect, if popular tool, with citizen reports up more than 50 percent this year.

It’s also a take-off on FixMyStreet, created in 2007 by mySociety, a UK-based non-profit network of civic-minded developers and consultants. In June, mySociety released FixMyStreet for Councils, an upgrade managed directly by governments that offers FedEx-level issue tracking. Status updates include Investigating, Planned, In Progress, Fixed and Closed.

A few cities are developing these tools internally. New York City has developed more than a dozen mobile apps, including NYC 311. Beijing has partnered with the World Bank to create a platform for citizens to notify the city of problems with biking and pedestrian infrastructure, via the web, social media or mobile app. In early 2010, Nigel Jacob and Chris Osgood founded Boston’s New Urban Mechanics, the first civic innovation incubator embedded within a City Hall. “Government often does a bad job with this sort of thing, not really treating tools like this as products but as government services,” Jacob said. “So we went with more of a product.”
New Urban Mechanics’ most popular product thus far is Citizens Connect, a SeeClickFix-style app that has been downloaded more than 25,000 times since its 2009 release (Boston’s population is about 620,000, according to 2011 census figures). Using the app, a local reports a problem — pothole, nonfunctioning streetlight, graffiti, etc. — then receives an expected response time based on departmental estimates. Importantly, NUM staffers track how often they hit their marks. Some 95 percent of pothole reports are taken care of in the two-day window, according to Jacob, while 75 percent of streetlight outages are fixed in the expected 10 days.

With many cities looking to improve services inexpensively, it’s little surprise that these faster, cheaper 311 tools are proliferating. A 15-city study by the Pew Charitable Trusts in 2010 found that, due to the required phone lines and headset-wearing operators, 311 calls cost a city an average of $3.39. Cities around the world are therefore turning to apps like FixMyStreet, which has been copied in Canada, Germany, Georgia, Korea and Norway, among other countries. The New Urban Mechanics concept is also catching on. The office of Michael Nutter, mayor of Philadelphia, is readying the first NUM franchise. Similarly, San Francisco officials recently launched an internal civic accelerator to mentor and fund local start-ups that use technology to improve government efficiency. The advantage of having an in-house urban mechanic is direct communication between citizens and local officials. “That is really the sweet spot,” said Jacob.

Still, informed observers like Hebbert of Civic Works believe governments need to be more accountable on projects larger than a pothole, like a new stop sign or dog run. “It’s not ridiculous to think we can give people the same level of tracking on small-scale local projects,” said Hebbert.

Good thinking, as it turns out the small stuff is not so small. As Alan Ehrenhalt notes in his new book, The Great Inversion and the Future of the American City, grand public plans often achieve very little, while modest changes can spark significant neighborhood change. Many credit the Chicago Transit Authority’s decision to increase the number and length of elevated trains serving Sheffield, for example, as a driver for the neighborhood’s rebirth.
MINDING THE GAP

It's an unfortunate reality that the neighborhoods most in need of rebirth tend to be those on the far side of the digital divide, which often aggravates the phenomenon. For that reason, many of the latest civic tools aim to reach those who may not have the latest smartphone or spend a great deal of time online. Textizen, an SMS-based mobile phone platform, is one such example.

Another is ioby, which has focused on low-income communities since Erin Barnes founded the site with Yale classmates Brandon Whitney and Cassie Flynn. The trio earned graduate degrees in environmental science, water conservation and climate change, yet also had a good deal of experience with community development and organizing. “One of the reasons we started is because we wanted to bring people who are not part of the environmental movement into the movement,” Barnes said.

Three years after launching in New York City, the site went national in April. So far, it has successfully funded 162 projects totaling over $380,000. ioby claims a success rate of 85 percent, dwarfing Kickstarter's 44 percent — though ioby defines success as any project that generates enough funding for implementation. Unlike on Kickstarter, where a project's funding goal must be met within a specific time frame in order for any money to change hands, the final target for an ioby project may, after a late-stage revision, be up to one-third less than the initial goal.

Nearly 60 percent of ioby projects have an explicit social justice goal. Getting these projects off the ground in areas with minimal resources requires strong local leaders, people who know their community and can bring those offline networks online. ioby has found that in addition to being charismatic, caring and inspiring, the best project leaders are collaborative. “If a project has two or more leaders it's going to be funded six times faster and get deeper involvement from the community,” Barnes said.

Pollos del Pueblo is the child of many parents. Cypress Hills is a small corner of East New York, a sprawling northeast Brooklyn neighborhood with a diverse population and some of the city’s highest rates of violent crime. To improve their community, a group of residents and merchants formed the Cypress Hills Local Development Corporation in 1983. Its spring benefit, this May, raised nearly $40,000. It has provided housing to thousands of local residents, boosted economic activity along key corridors and, working with the city’s Department of Education, opened a community-supported, bilingual K-8 public school in 1997.

The school's rooftop greenhouse helped highlight the area's limited access to fresh foods. A group of parents began to rally around the issue and, with help from Cypress...
Hills, launched the People's Food Project in late 2010. The two organizations soon eyed a makeover for the community garden on Pitkin Avenue. “One of the things they wanted was year-round use, so we thought of the chicken coop,” said Nuala Gallagher of Cypress Hills’ Verde.

A couple months later, Sam Marks, vice president of Deutsche Bank Americas Foundation (DBAF), saw Barnes make a presentation about ioby at an event for environmental donors, and a light bulb went off. DBAF has supported community development organizations and green projects in New York for years. With ioby, Marks saw a way to link the two. “We’re interested in how community economic development and the transition to a low-carbon economy can be done hand-in-hand,” he said.

Marks contacted Barnes and suggested a matching grant. He then spoke to several development corporations, including Cypress Hills, about funding some of their neighborhood projects via ioby. DBAF soon committed to a $13,000 matching grant for all ioby projects sponsored by New York City community development corporations.

Once Pollos del Pueblo went up on ioby last November, Cypress Hills began to promote the matching grant. “We would send out an email blast saying, ‘Your $5 is worth $10!’” Gallagher said. “That was really a great tool for fundraising.” The project met its funding goal in April, construction began in May and the hens arrived in early July. They are expected to start laying eggs this month, about two dozen per day, which are given to locals who help care for the chickens.

Deutsche Bank’s matching grant is also funding a green infrastructure project in Brooklyn’s Gowanus neighborhood and a greenhouse in the Bronx, among other projects. If by the end of the year the grant funds have been fully matched by local donations, the bank is likely to make a larger commitment. “A lot of community development philanthropy is premised on the idea that low-income communities don’t have their own resources to bring to the table,” Marks said. “One of the appealing things about ioby is that it has this crowd-sourcing, funding-generation element. We’re hoping more projects will be coordinated and developed with community organizations as part of a broader sustainable community vision, not just a one-off like a local chicken coop.”

Cypress Hills controls six more vacant lots and plans to use ioby again. To further its engagement in low-income communities, ioby is rolling out a text-to-give feature early next year, along with a smartphone app. Other outfits are launching similar efforts. Boston’s New Urban Mechanics is piloting a Spanish-language text-messaging version of Citizens Connect and partnering with the Dudley Street Neighborhood Initiative, a respected community organization, on an interactive storefront that would be placed in prominent locations and offer transport, jobs and other apps.
Change By Us NYC, a city projects website run by the New York City mayor’s office, awards mini-grants to some of its most needy projects. In May, the Isabahlia Ladies of Elegance Foundation received $1,000 to use their community garden in Brownsville, Brooklyn, to educate the neighborhood about the value of nutrition and healthy eating. “These are the kind of projects we like to boost if we can,” said Robert Richardson, who is the director of strategic technology development for the mayor’s office and leads Change By Us.

The problem, Richardson admits, is a lack of funds. Right now, Change By Us generates no revenue. The mini-grants are funded not by taxpayer dollars, but by grants from the site’s main backers: The John S. and James L. Knight Foundation, the Rockefeller Foundation and the Case Foundation. “As we were digging in and trying to figure out how to achieve our goal of more informed and engaged communities, this seemed like a perfect fit,” said Damian Thorman, head of Knight Foundation’s two-year-old Technology for Engagement Initiative, a Change By Us funder. “It was clear that there was extraordinary power and potential in this space. But we’re very aware that we’re still at the frontier of this work. It’s still very experimental.”

Indeed, Change By Us began life in November 2010 as Give A Minute, created by Local Projects and CEOs for Cities. That initiative asked Chicago residents to contribute ideas, on a website or via text message, about what would make them walk, bike or ride transit more often. It evolved into Change By Us, launched in New York in mid-2011. Code for America fellows then made the new tool open source and, a few months ago, helped launch Philly Change By Us.

Now Buenos Aires is readying its Spanish-language version and Jake Barton, head of Local Projects, expects Change By Us to expand, with help from the Knight Foundation, into three as-yet-unnamed U.S. cities early next year. He’s also adding crowd-funding capabilities to the New York and Philadelphia franchises. That seems
to be the civic tech M.O.: Ship a lean tool; incorporate market input into version 2.0; rinse and repeat in other cities, adding emerging technologies as needed. In a few years you’ve got something useful, possibly even sustainable.

The seriousness of that latter challenge is underscored by the plethora of innovation competitions. Code for America’s Civic Accelerator, New York City’s Big Apps competition, TED’s The City 2.0 project and New York City Mayor Michael Bloomberg’s $9 million Mayor’s Challenge are among the efforts looking to nurture the best new urban solutions. Still, a grant or cash award rarely builds a yellow brick road. “We’re learning that it’s really hard for these things to survive,” said Thorman, of the Knight Foundation. Crowd-funding sites have great potential, he believes, as do those linked to government. But Change By Us NYC is part of the mayor’s office, yet still must go hat-in-hand to its foundation sponsors.

DEEPER POCKETS TOGETHER

We know a community is capable of funding a new bakery or a chicken coop, but can the crowd fund the crowd-funding site? To do so it will most likely need serial project leaders who build strong local networks — people like Tami Johnson. An active resident in the greater Park Slope area for nearly a dozen years, she created one of the first projects to appear on ioby: A cleanup of the lake in Prospect Park. After hitting her funding target of $460, she and a few friends rented pedal boats and pulled trash from the bottom of the lake, including two barbecue grills.

A couple years later, Johnson, who works as a quality assurance manager for a local game developer, convinced the owners of three adjacent vacant lots on Bergen Street to allow her to temporarily use their space for the community. Her ioby project, A Small Green Patch, proposed a 6,000-square-foot vegetable garden that could host concerts, kids activities and other events. After receiving a gardening license from the city, the project quickly reached its target of $4,500.

Johnson recently launched a second, more ambitious phase. The new Small Green Patch project has a $12,000 funding goal and partnerships with several local organizations. An arts group, a mobile urban farming lab and a nearby church are each planning a variety of uses for the space. Johnson hopes to receive full funding soon. Meanwhile, she’s building out the garden and solidifying relationships with local groups, neighbors and the city.

Imagine a Tami Johnson with the resources of a Donald Trump, and you begin to appreciate the revenue potential. Right now, ioby funds its operations via grants from more than a dozen charities and foundations, and receives support from a long list of
local businesses. But its long-term sustainability hinges on tips. Upon contributing to a project, each ioby donor is asked to give a 20 percent gratuity. Thus far, three out of every four ioby donors have agreed to the gratuity.

The model has succeeded before. In fiscal year 2011, DonorsChoose covered more than 100 percent of its operating expenses using a similar system, according to a supplement to the Summer 2012 Stanford Social Innovation Review. Considering that DonorsChoose was founded in 2000, and by 2011 had received some $75 million in donations, ioby has a handful of years before it might reach a similar tipping point.

Its latest partnership should provide a boost. Early this year, Nichole Hefty, manager of Miami-Dade County’s Office of Sustainability, was casting about for partners with which she hoped to apply for a local grant. After a staffer suggested ioby, Hefty checked out the site and called Barnes. The county ultimately partnered with ioby and the Health Foundation of South Florida, winning the $65,000 grant from the Funders’ Network for Smart Growth and Livable Communities, an environment and community improvement donor based in South Florida.

“It’s an innovative partnership that will help us engage the community,” Hefty said. “That’s one of the areas where we haven’t made a lot of inroads, but that’s where the good work gets done. An organization such as ioby is a really great way to get into the community and let people know that this is a plan for them and to let them be a part of it.”

The trio will work together to help locals generate project ideas that fit into the county’s long-term sustainability plan, “GreenPrint,” which includes promoting biking, urban reforestation and community gardens. With the first projects going on the site this fall, Barnes hopes to complete at least 20 projects by May. In her view, the crucial factor is that projects are community-led, not force-fed from the city. “We had a pretty explicit conversation with [Miami-Dade officials] about how we don’t tell the community what the project is,” Barnes said. “It’s very likely that the projects will fit inside the ‘GreenPrint’ plan, but we won’t make them.”

This is in stark contrast to Citizinvestor. On that site, a city government posts a project, often in the five-figure range. Citizinvestor, which receives a 5 percent transaction fee only when a project wins full funding, then launches geo-targeted promotions and ads to spark donations. As an example project, Raynor likes to cite the problematic stairs of one New York City subway station, which had been built incorrectly and kept tripping unsuspecting commuters. It’s a clear and simple example, yet underscores the potential problems of this model. Some people may not take kindly to being asked by their government to pay for a project that their tax dollars should have paid for in the first place. It’s akin to SeeClickFix in reverse.
Jeff Friedman, manager of civic innovation and participation in Mayor Nutter’s office, in Philadelphia, supported the creation of Textizen and helped franchise Change By Us and New Urban Mechanics. On September 12, Citizinvestor launched with Philly as its first pilot partner city, and Friedman said he’s not worried about potential backlash. “People understand the problems in the national and local economy and how that’s impacted local budgets,” he said. “We’re interested in experimenting with crowd-funding to see how it works and if we can use it to fund smaller dollar projects to start.”

Crowd-funding larger public projects, such as Neighborly’s $10 million Kansas City streetcar proposal, could pose an even bigger problem. If such a project were to succeed it would undoubtedly be hailed as a triumph. But it might also lower our expectations of government. “I think these models are very effective, very impressive, but they also scare the pants off me,” said Ethan Zuckerman, director of the Center for Civic Media at MIT, referring to sites that crowd-fund public projects. “In the long run they could end up shrinking what we expect from our governments. You end up with systematically underfunded governments and individuals picking up the slack, so that neighborhoods with money are the only ones that get things done.”

Few would portray Glyncoch, a small former mining town in Wales, as a place with money. In fact, Glyncoch officials had been trying to build a community center for years, but had failed to rally the necessary $1.2 million, despite considerable local support. The project looked set to die until it was posted on Spacehive, a London-based crowd-funding site focused on urban planning, early this year.

It soon became a minor cause célèbre. The local community hosted fund-raising stunts, like a sponsored silence of the town loudmouth, attracting media attention. Celebrities like Stephen Fry stepped in to support the project, drawing contributions from corporate sponsors such as Tesco. Glyncoch met its funding goal in April (though only a sliver of the total — about $47,000 — was raised via Spacehive) and the community center is set to open next month.

Launched in the UK last March, Spacehive is the brainchild of Chris Gourlay. While covering architecture for London’s Sunday Times, he noticed that a small cabal of designers, developers and city officials generally controlled the urban planning sphere. Spacehive is meant to upend that paradigm, giving input and even a measure of control to the people whom the project will impact most.

“The process of trying to bind communities together allows you to get a significant sense of how much buy-in you have,” said Gourlay, who hopes to expand abroad. “A lot of councils we’ve spoken to really like the idea, in part because it takes projects
TIMELINE OF THE URBANISTS’ INTERNET

Over the past decade, cities have increasingly looked to the Internet for help connecting with residents and providing information. Here is a timeline showing how the trend has evolved.

2000
Oakland, Calif. Mayor Jerry Brown puts the city’s crime data online, recognizing that informing residents of dangers could improve public safety. He is the first mayor to do so.

2005
Google collaborates with the City of Portland to launch Google Transit, the first major open-source, municipal-level traffic and travel-planning tool.

2007
The iPhone hits stores. Programmers begin to hunt down public data to be mined in apps that do everything from performing geolocating services to telling if the public library has the book you want on its shelves.

2009
President Obama issues memorandum stating that government should be participatory and collaborative, and directs his chief technology officer to work toward open government.

2010
Technologist Nigel Jacob and policy wonk Chris Osgood team up to found Boston’s New Urban Mechanics, the first civic innovation incubator embedded within a City Hall.

2011
Code for America, a domestic Peace Corps for tech geeks, welcomed its first class of fellows into city halls across the nation.

2012
Cities, including Philadelphia, follow Boston’s lead and dedicate funding for offices focused on using technology-based innovations to engage citizens and improve the city’s functioning.
out of their hands, takes away the risk. They can simply back off when it becomes clear that there’s very little community support.”

After nine months, it’s impossible to know whether Glyncoch is the exception or the norm. Thus far, only three Spacehive projects have completed their funding periods (one more is now in fundraising, with a half dozen on the way, according to Spacehive staffers) and all b were successful (the community center, an exhibition on rebuilding the riot-ravaged Tottenham neighborhood, and a giant replica of Queen Elizabeth’s head, costing 377 pounds, that was floated down the Regents Canal for the Diamond Jubilee celebration in June).

As on ioby and other sites, anyone can propose a Spacehive project. If the idea receives strong community support, the project creator takes it to a designer, architect or other collaborator, addresses zoning issues and other red tape, and submits a detailed plan for review. Spacehive staffers then verify the project’s viability, confirm planning commission consent and move the project to funding, which can last as long as a year. Because Spacehive projects are, like those on Kickstarter, all or nothing, project leaders are encouraged to set the lowest possible funding target.

Spacehive has a liaison inside the British government and strong connections at Design for London, the city’s planning office. It is also part of a thousand-member business group that supports social enterprise. If and when they choose to fund a project, Spacehive allows major institutional funders — governments, foundations, possibly businesses — to impose additional reporting requirements, such as periodic feedback on the project’s social or economic impact.

SCALING THE NETWORK

Nick Grossman, a visiting scholar at MIT’s Center for Civic Media, sees partnerships between cities and crowd-funding sites as crucial bellwethers. “It’s going to be really interesting to see how government can work with that sort of network, can support more services like ioby, because it delivers considerable leverage and creativity,” he said.

Few are better placed to assess the progress of this space. Grossman helped create and led the Civic Works program at OpenPlans for nearly six years. He is the executive director of Civic Commons, a clearinghouse for civic tech tools, and an advisor to Code for America. In the years to come, he envisions Urbanism 2.0 tools taking on larger, longer-term civic issues, like a major redevelopment project or a bill wending its way through the legislature. “We’re getting better at the smaller stuff,” Grossman
said. “But there’s still a tension between doing what we can do and attacking what’s really important at heart.”

Jacob, of New Urban Mechanics, echoes this view. “If all we’re doing with these technologies is finding a quicker way to fix potholes and ignoring the hard issues, we’re not really affecting anything,” he said. “Cities are about those core issues — education, healthcare and safer, better streets. All these point-and-click mechanisms should be aiming to build trust, build networks and really take on the tough problems.”

In a May 2010 paper for Polis, Brian Davis, an architecture professor at the University of Virginia, and Peter Sigrist, of Cornell’s city planning department, lay out their ideal new civic tech tool. Transparent and secure, it would bring together the best local leaders and community groups and engender broad-based funding and buy-in, much like ioby. It would offer engagement tools like Citizens’ Connect or OpenPlans’ shareabouts and the infinite design capabilities of the Open Architecture Network.

One might add the resources and know-how of foundations and the business community and the heft and political skill of city officials, with constant feedback and opportunity for input.

Such a tool could start with small-scale projects — a bike rack, a chicken coop — and slowly expand, refining its processes, moving up to an arts center and finally a transit extension or a new clinic. It could also fund temporary uses, like musical events, parklets and pop-up markets (Kickstarter was born in part because a New Orleanian had wanted to hold a concert). The final step would be connecting across cities, so that a resident of Tuscaloosa could learn about a successful trolley project in Toronto, and reach out to its leaders. The end result would be an international network of the finest tools, practices and solutions for rallying communities to build everything from a stop sign to a High Line.

It’s ironic that after decades of developing means to avoid our neighbors — hedges and fences, locks, garages and security systems — technology looks set to help us reconnect. Yet new tools are popping up every day, and the millennial generation, probably the most civic-minded since the days of FDR, is likely to keep pushing the envelope. Still, some patience is required. For starters, translating the tech-speak of Coders for America into the bureaucratese of civil servants and straining that into the do-gooder language of foundations and environmentalists takes time. “Those circles have been separate and are now inching closer together,” said Grossman. “I imagine a slowly converging Venn diagram of hackers getting educated about how cities work and people in cities getting educated about how technology can help.”
Further, investment for social good is miniscule compared to the funds being poured into for-profit technologies by the likes of Google, Facebook and IBM. This space is dominated not by the lords of venture capital but by tinkerers and tech geeks, environmentalists, civil servants and Coders for America. Lastly, innovation is a messy, fits-and-starts business. To keep moving forward, officials and developers mustn’t “get addicted to the quick win,” as Jen Pahlka puts it. Building extensive networks that improve planning and city services, particularly in disadvantaged communities, takes time — and failure. Much of what we’re seeing now is fast, cheap and minimally useful.

Thus far, crowd-funding seems the best way to organize people, rally resources and enable local projects to affect change in cities. By next year we’ll likely have more than a dozen such tools at our disposal. Neighborland and Popularise, a D.C.-based company that crowd-sources development projects, are said to be considering a crowd-funding element. Patronhood is set to debut soon, as is Fundrise. There’s also Brickstarter, a well-considered effort from the Finnish Innovation Fund, and Civic Sponsor, which is open-source and focuses on public goods like schools and green infrastructure. Most are generally incapable of funding large-scale development (ioby’s largest successful project to date totaled $8,000). But that may not be a bad thing. After all, DIO urbanism (do it ourselves) is no replacement for government action. Municipal bodies should continue to take the lead on major planning projects, with crowd-funding sites — which inevitably work better in wealthier neighborhoods — filling the gaps.

Yet ioby does offer another, longer-term advantage: the power of metrics. For each project, staffers track the total volunteer hours, involvement of neighbors and the community’s change in perception about public space. They also track the number of trees planted, pounds of waste composted and open acreage protected, among more than a hundred other eco-metrics.

By next fall, Barnes expects to be able to extrapolate the collective environmental impact of projects in a specific urban area and, a few years later, to present specific
data on how a certain project is equivalent to such-and-such level of reduced greenhouse gas emissions. “They’re going to be able to show at a city-scale how small-scale efforts add up to something really big,” said Hebert, of OpenPlans. “It’s a funding network but also this monitoring network for successful strategies with metrics for total impact.”

Some project consequences are impossible to measure. Back at Pollos del Pueblo, the comments from first and second-graders hint at a generational shift. A girl named Brooklyn said she wants to be a veterinarian; another, Jocelyn, proclaimed, “Chickens need to eat healthy so they don't get fat and can’t walk.”

When We’re All Urban Planners / David Lepeska

FOREFRONT
Boston's Innovation District Cultivating a Culture of Entrepreneurship

MAY 21, 2012

**November Congress of Cities to Spotlight Boston's Success**

by J. Katie McConnell

In January 2010, as Mayor Thomas M. Menino began his fifth consecutive term as Boston's mayor, he launched a new approach to spur economic development along the city's waterfront. The mayor called for a strategy that was more deliberate and experimental to create jobs, provide housing opportunities and build upon the city's many assets.

Coined the "Innovation District," this new model is designed to foster collaboration among firms to drive productivity, especially among start-ups and research-based companies.

City leaders will have the opportunity to see the new model first hand during NLC's Congress of Cities Exposition which will be held in November at the Boston Convention & Exhibition Center, right in the heart of the Innovation District.

The conference will offer a range of learning and networking opportunities including mobile tours highlighting successful programs from the city of Boston, including the Innovation District.

"The Innovation District and Boston itself are giant invitations to start something new, create jobs, collaborate and change the world," said Menino. "I look forward to showcasing this new district and our entire city to the National League of Cities in 2012."

Much of the Innovation District's success hinges on attracting entrepreneurs to the area; the major draw is the many networking, accelerator and support opportunities located in one place. For example, MassChallenge, a global start-up accelerator and competition offers 125 finalists access to three months of free office space in the Innovation District, mentors, workshops and cash prizes totaling $1 million. This year's MassChallenge has attracted applications from 1,237 start-ups from 36 U.S. states and 35 countries, a 69 percent increase from 2011.

In addition to MassChallenge, the Innovation District offers a number of other accelerators, incubators and co-working spaces to provide working areas and support systems to a variety of fledgling start-ups - from non-profits to clean-tech to a microbrewery.
There is a culture of entrepreneurship that is bubbling up in the district, and it's being supported by the City of Boston. The mayor has communicated a vision for the area and is its number one public champion; he routinely attends entrepreneurial events, demonstrating his support for entrepreneurs and startups. The city also uses the Innovation District website, blog and active Twitter feed to promote the Innovation District and to connect space-seekers with the incubators. Additionally, staff from the city and the Boston Redevelopment Authority frequently meet with new companies to introduce them to the Innovation District and relay the mayor's vision for the area.

The success of Boston's Innovation District becomes evident in the numbers. Currently home to 33,000 jobs and generating over $10 billion towards the city's gross product, the Innovation District has attracted 100 new businesses adding 3,000 new jobs to the area since January 2010.

The district has also attracted large, growing companies, like Vertex Pharmaceuticals, whose new headquarters will reportedly house 2,000 employees.

Recently, plans for a $5.5 million innovation center came online. The center which will be managed by Kendal Square's Cambridge Innovation Center, will provide additional space for entrepreneurs to network, test new concepts and showcase innovative businesses and ideas.

Details: For more information and to register for the Congress of Cities, visit [www.nlccongressofcities.org](http://www.nlccongressofcities.org).

This article was adapted from a case study featured in NLC Center for Research and Innovation's recent publication, [Supporting Entrepreneurship and Small Business: A Tool Kit for Local Leaders](http://www.nlccongressofcities.org).
When it comes to government innovation -- especially during tough times -- some of the best ideas come from thinking small. That’s the notion behind the Mayor’s Office of New Urban Mechanics, a unique Boston IT agency focused on finding innovative ways to deliver services and increase citizen engagement. It’s like an in-house R&D shop for the city, and the two-person team that leads the office -- Nigel Jacob (left) and Chris Osgood -- says that a flexible focus on micro-projects is key. Most of the projects cost about $10,000, which may be subsidized through a combination of city operations funds and contributions from nonprofit and private partners. “In order to get these products up and running as quickly as possible and start showing value as quickly as possible, we try to make them as bite-sized as possible,” Jacob says.

But Jacob and Osgood’s small-scale focus has yielded big results. Their signature product, a maintenance-request app called Citizens Connect, has been downloaded more than 16,000 times and replicated in more than 20 countries since it was launched in 2009.

Osgood, an urban policy guy with a Harvard MBA, and Jacob, a Canadian IT developer, both started as City Hall fellows in 2006 and eventually became advisers to Mayor Thomas Menino. When Menino conceived the idea of a nimble IT solutions shop in 2010, he knew Osgood and Jacob were the right people for the job. Now, the duo is tasked with developing partnerships within and outside of City Hall to quickly produce new apps and programs.

“Come to us, pitch your idea, work with us and let’s see if it could work,” Jacob says. The office currently has 100 pitches to sift through. Working with small development firms, nonprofits and colleges, New Urban Mechanics is managing almost 20 projects that address needs in infrastructure, education and what Osgood and Jacob call “participatory urbanism.”

What the New Urban Mechanics office shows is that investing in small, calculated risks can have a major impact. The work of Jacob and Osgood could fundamentally change the way citizens interact with cities. “I think people are beginning to recognize there’s a whole host of opportunities that can shift the way government serves its constituents,” says Osgood.

— Tina Trenkner

Photo by David Kidd

In this clip, Osgood and his Boston colleagues explain how GIS technology is helping the city's engagement efforts.
A Peace Corps for Civic-Minded Geeks

How young techies are saving cities time, money—even lives

By HOLLY FINN

At least one hurricane expert put the odds of a mandatory evacuation of Tampa during the Republican convention at a reassuring 0.2%. Tropical Storm Isaac could pass right by. But that doesn’t mean no bluster. And there will be even more of it at the Democratic convention. In the next few weeks there’s no avoiding partisan froth. If we want our civic spirit genuinely cheered, we’ll have to look away from the four men in rolled-up shirt sleeves and focus closer to home.

Oliver Munday

A gamelike Web app helps keep Seattle’s storm drains clear and Chicago’s snow-piled sidewalks safe.

So-called Government 2.0, tapping online power to tackle offline problems from city hall on up, is an underappreciated, and still revolutionary, idea. Also, it seems to work. Take the new nonprofit Code for America (CfA), a kind of Peace Corps for geeks. This Gov 2.0 standout handpicks a team of sprightly tech stars each year to give up their lives and jobs for 12 months, offer their services to local governments nationwide and bring the Web to the wide-eyed. This year there are 26 fellows for eight cities, and 550 have applied for the 25 to 30 spots next year. Average age: 28.

Surely, their youthful idealism will get chewed up and spat out by the bureaucracy, right? Well, maybe not. These young folks aren’t just writing the code, they seem to be cracking it.

In Boston, snowed-in fire hydrants were a safety hazard. So CfA coded a gamelike Web app inviting locals to adopt hydrants and keep them clear for firefighters. That app went viral: CfA adapted it for Honolulu’s tsunami warning sirens (which require battery checks), Seattle’s clogged storm drains and Chicago’s snow-piled sidewalks. It’s irritatingly obvious, really: Shared technology saves time, money, even lives.
CfA fellows have designed more than 35 apps, for everything from urban blight to school buses. In New Orleans, they coded a system to more accurately sort the backlog of properties for demolition. In Santa Cruz, Calif., they're streamlining the application process to open a business. The group runs an Accelerator for civic start-ups. Its work presses governments to make information more visible (530 data sets liberated) and helps communities to mobilize (write-a-thons with 2,500 people). Textizen, a citizen feedback app built this year, has already been repurposed in three cities.

Government spending on information technology in 2012 is set at $79.5 billion federally and $55.4 billion for state and local. Meanwhile, to complete one government project—estimated at two years and $2 million—it took a couple of CfA fellows just 2½ months.

Here's the trick: CfA fellows are based in an airy warehouse in San Francisco. They bond with each other, not with local bigwigs. "Coding sprints, design sprints, they're with us," says Jennifer Pahlka, CfA's founder and executive director. Then, when they fan out to do five-week research residencies within city governments across the country, they act less like sufferers from Stockholm syndrome than a stealth team of computer-savvy SEALs.

"It used to be hard to do something. You couldn't put up a website in a day," says Ms. Pahlka—but now anything's possible. Speed and ingeniousness aren't optional anymore. While a paltry third of us feel good about our federal government today—that's the lowest number in 15 years, according to Pew Research—we are still positive about democracy at the state and local level. And rightly so. It is where the scrappy stuff is happening.

But beyond bringing online efficiency to offline civics, is there more to learn from these Millennial brainiacs? "People underestimate how differently they think about the government," Ms. Pahlka says. Opaque is out. Openness is the next generation's default setting when they're up against big problems.

And their attitude isn't just easygoing; it gets results. During a recent negotiation with sponsors—CfA is supported by the Knight Foundation and O'Reilly Media, among others—Ms. Pahlka was feeling stymied, when a couple of young fellows strolled in.

"You haven't put all your cards on the table, you haven't given them the full picture," they said. "Be entirely transparent and see what happens." She did, and it worked. Startling candor can be as invaluable as technological agility—at every age. If not in every election.

For good reasons, the term "innovation economy" isn't usually associated with many entrepreneurship opportunities for women and people of color.

Enter Barbara Strothers. In August, after a 14-year career in security, she opened up her own company to connect the scores of tech start-ups sprouting around the city with trained security guards.

She is part of a wave of Pittsburgh neighborhood business owners who are capitalizing on the city's tech-based resurgence. They are proving that the right strategies can begin to bridge the longstanding gap between high-tech and low-income communities of color — a divide that is even more glaring as the economy simultaneously becomes more technology-based in a country ever more diverse.

The Pittsburgh Central Keystone Innovation Zone helped pave the way for Strothers to make the leap from employee to entrepreneur. The initiative is a consortium of universities, community organizations, businesses, foundations, and government agencies started by Duquesne University in 2007. It aims to transform a swath of the city's most disinvested neighborhoods by firmly linking them to the knowledge-based economy.

The zone includes the Hill District, the historic heart of the city's African American community. Back when steel powered the regional economy, the area thrived. Now it ranks among the city's poorest.

The zone helps foster the growth of technology-based businesses and jobs by offering incentives including tax credits, low-cost loans, and paid interns to businesses that locate in those areas.

The effort is seeing success. Forty-one start-ups have opened in the zone since 2008, including 20 in the Hill District, creating 225 new jobs. African Americans and women each own 20 percent of these firms. Across the region, African Americans own less than 10 percent of all firms.

The prosperity gap

Pittsburgh's regional economy is an emerging model for post-industrial innovation. Computer software, biotech, and other high-growth companies have blossomed. Its unemployment rate, at 7.3 percent in October, has been lower than the national rate for 71 consecutive months.

But not all of Pittsburgh's communities are sharing in the prosperity. African Americans make up about 26 percent of the city's population, yet black unemployment rates hover around 14 percent in the region. And three-quarters of black workers earn less than $50,000 per year, compared with about half of workers of other races/ethnicities.

"Everyone is saying we've done well at diversifying and strengthening the economy," says William Generett Jr., president and CEO of Urban Innovation21, the nonprofit that runs the Pittsburgh Central Keystone Innovation Zone. "But we haven't done well at connecting our communities of color to this prosperity. It's not just a racial issue. We
need to make sure this transformation includes all of our communities or it will hamper our region's economic progress."

**Re-thinking the innovation economy**

The initiative is bringing more people of color and women into the tech workforce through a job training effort and a robust internship program. Last summer it placed 42 college student interns in the zone's new economy businesses. Twenty-three were youth of color, and most of them came through a partnership with the Community College of Allegheny County.

If entering the tech workforce is challenging for these groups, becoming a tech entrepreneur is a challenge of nearly Olympian proportions. Nationwide, tech companies are overwhelmingly begun by white men, and Pittsburgh's tech start-ups are no exception.

But the people behind this Pittsburgh approach take a broader view of the innovation economy, and see opportunities for diverse entrepreneurs in the "ecosystem" of businesses that support, supply, and service technology firms.

"We look at the businesses that feed off the cluster of technology businesses. If we make sure a high percentage of them are owned by minorities and women, we can change the game in terms of the benefits of the innovation economy," Generett says.

Strothers is a shining example. A four-decade long Hill District resident, she's seen exciting signs of the area's rebirth — a $9 million renovation of the YMCA, construction of the first supermarket in more than three decades (a project of the innovation zone initiative), and the proliferation of start-ups.

"I woke up one morning and I said, I can do that, too," she recalls.

She took a seven-week course on business management and regulation and spent four Saturdays in classes learning how to fine-tune and sell her business plan.

"It all gave me the tools and the structure and the people to teach me what it meant to be an entrepreneur, how to get out there and do this," she says. "It opened so many doors for me."

Last July, four months after waking up with an idea and fierce determination, she and a partner opened Grace Security LLC. She continues to work as a security guard at the Hill House Association, and her employer contracted with Grace Security for special events and other properties. The Pittsburgh Central Keystone Innovation Zone is working to help her secure contracts with a film company that located in the designated area and with a large-scale development slated to occur in the lower Hill District.

Strothers has hired her first two guards and is taking applications for two more. "We've done stuff it takes people years to accomplish," she says.
Strategies for Increasing Diversity in Urban Tech Scenes

- **RICHARD FLORIDA**
- **DEC 14, 2012**

![Image](image_url)

Courtesy of Google

I've written [before](#) about the ongoing shift away from the Silicon Valley-style suburban nerdistan office park model. Entrepreneurial high-tech start-ups have taken an urban turn. Nowhere is this shift more apparent than New York City, which has emerged as the nation’s second-largest center of venture capital-financed high-tech start-ups, thanks to Google's significant presence in the old Port Authority building in Chelsea and companies ranging from [Foursquare](#) to burgeoning tech-fashion players like [Rent the Runway](#), [Warby Parker](#), and [Gilt Groupe](#).

A [report](#) from Manhattan Borough President [Scott Stringer](#)'s office, "Start-Up City: Growing New York City's Entrepreneurial Ecosystem for All," released earlier this week develops a series of important recommendations not only for deepening New York's start-up ecosystem but for extending its benefits to less-skilled workers, diverse demographic groups, and other groups typically thought to be outside of the tech community. (In the interest of full disclosure, I met with Stringer and his team, discussed these and other issues, and provided comments on a draft of the report.) That said, the report goes far beyond my own thinking and commentary, and in my view breaks important new ground on this critical issue.

While lauding the importance of start-ups and high-tech entrepreneurship to the city's' economy, the report identifies the uneven benefits that flow from it, noting that only one in five New York-based start-ups was founded by a woman and that only 29 percent employed African-Americans and 20 percent Latinos. That's compared to the half of all employed white New Yorkers who work in the creative economy, which includes science and technology, arts, design, media and entertainment, business and management, healthcare and law (a pattern which mirrors the national trends I [wrote about here](#)).

Echoing the dynamism of New York's burgeoning high-tech, entrepreneurial start-up economy, the report stresses the need for policies and strategies that can expand the city's economic power in ways that benefit a broader and more diverse array of workers and communities:

One important area of focus is the City’s emerging tech sector, which could offer a gateway to the middle class for thousands of New Yorkers—but only if the city ensures that workers have the skills needed to fill those jobs. Unlike other growth areas of the economy, an entry-level coding job at a start-up tech firm can pay as much as $65,000 a year, well above the city’s median household income.
The report includes a series of detailed recommendations for accomplishing this goal, across five key areas:

**Fill the talent gap:** The report suggests addressing the high-tech talent gap by upgrading the skills of a broader cross section of New Yorkers as well as by staying open to new immigrants. All New Yorkers need to be equipped with the core skills needed to succeed in high tech age — from computing and math to the "language of business." Specific recommendations include improving the computer science curriculum in the city’s public schools, creating STEM programs for college and continuing-education students, easing immigration restrictions and creating new visas for entrepreneurs and tech talent, and establishing an "Empire Engineers Initiative," which would offer financial aid to college students in exchange for working in the city or state after graduation.

**Streamline the bureaucracy for launching and building new start-ups:** The report notes the rapid cycle times on which start-ups are built and their need for flexible space to ramp up quickly. In contrast to suburban high-tech districts where start-ups can often grow into adjacent space in industrial and office parks, the nature of the center city often means start-ups have to move much more frequently as they grow and take on new people. Finding such space on quick turnaround is difficult given the city's permitting and coding processes. The report recommends creating simpler more flexible permitting and licensing processes for entrepreneurs and start-ups who need affordable, timely space for their enterprises. Specific recommendations include: expanding NYC Digital to match what the successful Office of TV and Film already does cutting red tape, and establishing a new cross-cabinet group to advise the mayor’s office on emerging core needs of start-ups and high-tech businesses.

**Improve high-tech infrastructure:** The report highlights the need for the city to improve its internet infrastructure, what it refers to as the city's "fourth utility." Just like American industrialization needed subways and pipes and electricity, the knowledge and innovation age needs wireless internet. The report recommends creating a city-wide fiber network to encourage competition between internet service providers and expanding Wi-Fi service across the city.

**Close the affordability gap:** New York City — despite or perhaps as a consequence of its many economic advantages — suffers from an affordability problem across two dimensions: the affordability of housing for budding entrepreneurs and affordability of space for their companies. It notes that aspiring entrepreneurs are building businesses and cannot afford to spend a great amount on space. Start-ups require the "garage spaces" and cheap re-configurable space Jane Jacobs long ago identified as key to innovation and new business development in cities. The report recommends creating resources for co-working spaces, reforming the city's regulatory restrictions to create more micro-housing units and enabling "accessory dwelling units" (additional full living spaces on a property), as well as reducing or eliminating parking minimums for residential properties near transit.

**Connect the high-tech economy to all corners of the city:** Right now, New York's high-tech economy is isolated and geographically uneven. This is a byproduct of start-up culture thriving on concentration and clustering, as we’ve pointed out many times here at Cities. But the report notes that there are strategies than can be adopted to improve access to less advantaged and less-skilled groups, as well as outlying
parts of the city. Here its recommendations include using light rail and bus service to supplement and connect people across job corridors. This to my mind may well be the most intriguing of the report's many recommendations. It shows how the density and public transit available in cities like New York make it possible to extend the urban tech model to benefit a broader cross-section of workers than the traditional suburban nerdistan model, with its dependence on the car.

As Stringer writes: It is time to set in place a framework that not only spurs high-tech development, but "shows the world how the entrepreneurial economy of the 21st century can reinvigorate our middle class." The recommendations in this report represent an important step in moving us in that direction that other cities and states as well as the federal government can take heed of and build upon.

* An earlier version of this post misstated the number of key areas listed in the report.

Top image courtesy of Google

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SUPPORTING ENTREPRENEURS AND SMALL BUSINESS

A Tool Kit for Local Leaders

J. Katie McConnell | Christiana McFarland | Brett Common
Local leaders recognize and often publicly tout the importance of a strong, growing entrepreneurial and small business community. Yet, when it comes to supporting entrepreneurs in practice, many local leaders are unsure how they can make a real impact.

Experts suggest that one essential element for entrepreneurial growth is the presence of an “eco system” or “culture.” Given the various dimensions and actors that can create eco systems — including universities, large and small businesses and their leadership, entrepreneurial support programs, workforce skills, financing, and probably a bit of luck — do local governments really have a role to play? Research by the National League of Cities’ Center for Research and Innovation suggests that they do.

This tool kit examines the question: How can local governments support entrepreneurship and small businesses?

This question is extremely timely and relevant. The importance of entrepreneurs and small businesses has been a central theme in discussions of the U.S. recovery. On the local level, there are distinct tangible reasons to do this:

• New companies create the majority of net new jobs in the economy¹;
• Small businesses employ local residents;
• New and small business play a pivotal role in creating a unique sense of place that enhances a community’s quality of life; and
• In a more footloose, global economy, homegrown businesses may have deeper roots than those gained through attraction strategies.

To encourage entrepreneurs, local governments need to examine how they can contribute to an entrepreneurial eco system by tackling efforts within city hall and partnering and connecting with external stakeholders. To help, NLC created this tool kit to outline activities local leaders can explore. This tool kit is divided into four sections:

1. Understanding small business development
2. Roles within city hall
3. Partners
4. City examples

Throughout this toolkit there are examples from cities that range in population from 40,000 people to 8 million. The examples presented hinge on leadership, communication, regulations and partnerships, and building connections on the individual or neighborhood basis — activities that are doable and necessary for any city of any size.

As with all economic development topics, small and new businesses are not a panacea for all local economic woes. Furthermore, all suggestions and examples in this tool kit need to be viewed through the lens of your own unique city, region, programs and partners. Additionally, while this tool kit does not touch upon the important roles that education, community development and infrastructure policies play in creating the environment for new and small businesses to thrive, these too are essential elements.

¹ Tim Kaine, “The Importance of Startups in Job Creation and Job Destruction,” (Kansas City, Mo.: Ewing Marion Kauffman Foundation, 2010).
UNDERSTANDING SMALL BUSINESS DEVELOPMENT

• While small businesses as a whole look incredibly diverse, research suggests entrepreneurs and businesses move through stages of development that reflect a high level of uniformity of management, technical, financial and challenges.²

• As they grow, entrepreneurs face new challenges and will likely need different resources and relationships to support them.

• Understanding small business development stages is important for local governments, because it allows them to better understand the challenges facing entrepreneurs and provide policies to support them.

ROLES WITHIN CITY HALL

• To support entrepreneurs and small businesses, local leaders should first look to the tools within their own wheel house — leadership, communication and regulations.

• Strong local elected leaders are needed to prioritize issues and outwardly demonstrate that entrepreneurs and small businesses are important to a community.

• Communication between the entrepreneurial and small business community and the municipal government is needed to improve processes and better respond to needs.³

• Unclear regulations with confusing steps are especially burdensome on new and small business. Successful review and improvement of permitting and regulatory functions hinges on communication with internal and external stakeholders and committed political leadership.

• Local leaders need to provide an accessible way for businesses to interface with regulations and permitting.

KEY PARTNERS

• To support entrepreneurs and small businesses, outside organizations with technical experience, resources and relationships are essential.

• Local leaders can bring together service providers and business groups to help identify gaps, encourage collaboration and be a centralized information source.

• If a local government embarks on a program that offers more targeted, direct services to entrepreneurs, it’s imperative to include partners with expertise and to have clear goals and realistic expectations.

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To support entrepreneurs, local governments must first examine the policies and actions that lie squarely within their powers. The National League of Cities conducted research in 2010 and 2011 to help identify key areas for action, including:

- Leadership;
- Communication strategies that create avenues for local businesses to engage with local government; and
- An efficient regulatory environment.

Each one of these factors is interrelated and each subsequent factor benefits from the one(s) preceding it.

**LEADERSHIP**

Local leadership appears to be a critical factor in promising small business and entrepreneurship efforts. Particularly important are local leaders with a clear economic vision who actively encourage entrepreneurs and small businesses to participate in the city policy and planning issues that relate to them.  

On the most practical level, strong local leadership with committed political capital is needed to get things done. It helps motivate internal and external stakeholders, provides legitimacy for issues and programs and can provide the budget and staff needed for program success. On a “soft” level, strong local leadership demonstrates to small business and entrepreneurs that they matter and are important to community success. It also raises increased awareness of the importance of entrepreneurs in the local economy.

The need for leadership will be apparent in the next two sections.

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COMMUNICATION

A government’s ability to contribute to an entrepreneurial eco system is inherently tied to a local government’s ability to understand local entrepreneurs and small businesses. Without venues of communication a local government cannot:

• Get input to examine how local regulations and policies help or hinder growth;
• Identify small businesses that are expanding;
• Promote community resources that provide support;
• Provide permitting and zoning information; or
• Celebrate success.

Research conducted by the National League of Cities suggests that creating avenues for communication, especially creating avenues for local businesses to engage with policy makers, is one of the key ways local governments can encourage small business growth.8 Research also suggests that it is a two-way street. Entrepreneurs and small businesses value having open channels of communication with local governments.9 Communities that have input and involvement from the business community in policy making have also been found to have a business community that is more active in other parts of the community, including arts, education and quality of life issues.10

It is quite likely that many entrepreneurs may not see local government as a natural partner. As such, a good way for local government to begin communications is by engaging with the stakeholder groups that represent or support small and new businesses, like chambers of commerce and universities.

PROVIDING CHANNELS OF COMMUNICATION

Seattle Business Casual, Seattle

More information: www.seattle.gov/economicdevelopment/citybusinesscasual.html

The City of Seattle is committed to creating channels for local businesses to interface with city government. The city created business advocates in its Office of Economic Development (OED) to help businesses navigate government processes and connect to resources. Additionally, OED hosts a well-attended, informal monthly networking event, so the local business community can connect with key political, departmental and economic development stakeholders. For example, the February 2012 event focused on connections with major education and healthcare institutions and had representatives from the region’s universities, community colleges and hospitals in attendance. Additionally, OED staff, elected officials, the director of the department of planning and representatives from the mayor’s office were also in attendance to network.


Another way to open channels of communication between entrepreneurs and small business is to create ways for elected officials to publically celebrate and acknowledge accomplishments and stress their importance to the community. These celebrations can help demonstrate that leadership is supportive of an entrepreneurial culture, convey to individual businesses they are valued and also establish relationships with companies that may be growing and looking at new areas to expand.

Regulations help safeguard citizens, protect built and natural assets and preserve a city’s sense of place. They can also create bureaucratic barriers that impede development and speed-to-market for business. Since local governments are one of the primary regulators of entrepreneurs, it’s essential for cities to evaluate the effects of their regulatory environment. In addition to communication efforts, providing regulatory assistance is one of the main ways local governments can encourage small business growth.\(^{11}\)

Navigating a regulatory process can be difficult for any business, but can be especially hard on small or new businesses that do not have the time, resources, and experience needed to navigate bureaucratic steps. Difficulties with the local regulatory process could stem from:

- Inaccessible ways to interface with government and access information;
- Lack of transparent timelines;
- Slow reaction for requests for approvals;
- Multiple uncoordinated agencies; and
- Outdated laws that no longer serve a purpose.

At first glance, regulatory reform appears to be a “low hanging fruit” policy choice for local governments, as it lies squarely within a local government’s wheel house. In actuality, the process is a much more complex undertaking, as it involves multiple stakeholders and government processes. Successful review and improvement of permitting and regulatory functions hinges on communication with internal and external stakeholders and committed political leadership.

There are a number of different, uncoordinated agencies that are involved in regulating new and small businesses (planning, public safety, health, etc). Typically, it is not a priority for these departments to be concerned with the experiences or ease of these processes on local business. Yet, it is one of the most direct ways that entrepreneurs and local businesses interact with their local government. A negative experience not only hurts a new business’s ability to succeed, but also sets a tone for how a community values its entrepreneurs.

Local leaders can be pivotal players in overcoming these challenges in a number of ways.

- **Gathering input**: The business community is a necessary partner in assessing a city’s regulatory

process, as they have intimate knowledge of the barriers associated with it. An open, two-way dialog between the business community’s stakeholders and the municipal government is needed to improve the process.¹²

- **Encouraging collaboration:** A strong leader, with the power to encourage and expect cooperation between internal city departments with economic development staff is often needed to bring various departments together to ensure a coordinated and transparent process.

- **Providing an accessible interface:** Having informed staff or advocates within municipal government enhances the ways the city communicates with its entrepreneurs. A major barrier facing new and small businesses isn’t insurmountable regulations, but a regulatory process that makes it difficult for them to engage with the system. Local governments can look to improve how it communicates about its regulatory and permitting process. For example, a city could have a central location, or a “one-stop” that houses all important information, handles forms and fees, and has knowledgeable staff. In a digital world, having an easy to navigate online presence with necessary information is become increasingly important.

Additionally, a local government can create business “advocates” or “ombudsmen” for entrepreneurs to help them navigate internal city departments. Tracking these interactions between city advocates and local businesses can also help local governments identify areas which cause repeated issues. This information can then be used improve policies or programs.

Last, in addition to creating resources, efforts must be made to communicate the availability of regulatory assistance services to entrepreneurs. Starting and running a business is a full time job, and entrepreneurs may be totally unaware that services are available to assist them.¹³

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**A WORD OF CAUTION:**

Not all development is good development, and it’s important not to throw important regulations out in the spirit of streamlining. Regulations should reflect and promote your city’s long-term economic development vision and safe guard assets. The key for local leaders is to find a balance and remove unnecessary delays, improve communication, while preserving the integrity of the community.


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**REGULATORY ASSISTANCE**

“Open for Business” Program, Rock Hill, South Carolina


Recognizing the difficulties that come with opening a new or expanding a business,, the City of Rock Hill created the “Open for Business” program, which includes a “special business assistance team ready to roll up their sleeves and guide you” through the regulatory process.

The program encourages business owners to fill out a questionnaire and to schedule an appointment with “Open for Business” staff. This meeting helps determines whether a proposed business location is properly zoned and identifies problems. Following the meeting, staff performs a feasibility inspection of a business’ proposed site. To determine what modifications may be needed to ensure that it complies with existing codes. This information helps a potential owner understand timelines and costs. Following the inspection, staff will meet with the business owner again, go over results and provide guidance of next steps. This program ensures that plans will be reviewed within 5-10 days, and provide feedbacks for any issues. The “Open for Business” program also assists business in obtaining a business license and setting up utility and sanitation service.


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KEY TAKE AWAYS FOR LOCAL LEADERS

• To support entrepreneurs and small businesses, local leaders should first look to the tools within their own wheel house — leadership, communication and regulations.

• Strong local elected leaders are needed to prioritize issues and outwardly demonstrate that entrepreneurs and small businesses are important to a community.

• Communication between the entrepreneurial and small business community and the municipal government is needed to improve processes and better respond to needs.¹⁴

• Unclear regulations with confusing steps are especially burdensome on new and small business. Successful review and improvement of permitting and regulatory functions hinges on communication with internal and external stakeholders and committed political leadership.

• Local leaders need to provide an accessible way for businesses to interface with regulations and permitting.