

THE RESTORATION ECONOMY 15 YEARS LATER: IMPROVING THE PROCESS OF REVITALIZING PLACES

By Storm Cunningham. Cunningham is an advisor on policies and strategies for local managers who are responsible for implementing sustainable and resilient economic growth. He is the publisher of *REVITALIZATION* and the author of *The Restoration Economy and Rewealth*.

The dream of virtually all firms that sell products or services to public entities—whether municipal, county, state, or national—is to have the inside track: to ensure that the contracting agency writes its requests for proposals/requests for qualifications (RFPs/RFQs) in a way that favors their company. (For the sake of simplicity, we'll just refer to these public clients as "municipalities" hereafter.)

The "traditional" ways of making this happen are mostly illegal. There is, however, a tried-and-true legal path to this best-of-all-worlds situation that's too seldom used: becoming a valued advisor early in the process, so that public leaders see your firm more as a partner than as a vendor.

Most of the "green" products and services sold by firms falling into the broad category of "environmental" come into play when the municipality is pursuing "re" goals: resilience, redevelopment, regeneration, revitalization, etc. So, becoming that trusted advisor early in the process requires that you understand exactly what that process is, so you can find the ideal insertion point for your firm.

GOOD NEWS AND BAD NEWS

There's good news and bad news on that front. The bad news is that few municipalities actually have a process to achieve larger goals like revitalization and resilience. This might sound strange, since every rational person knows that producing anything on a reliable basis—whether trucks, ice cream, or tax revenues—requires a process. Any farmer, manufacturer, and bureaucrat un-

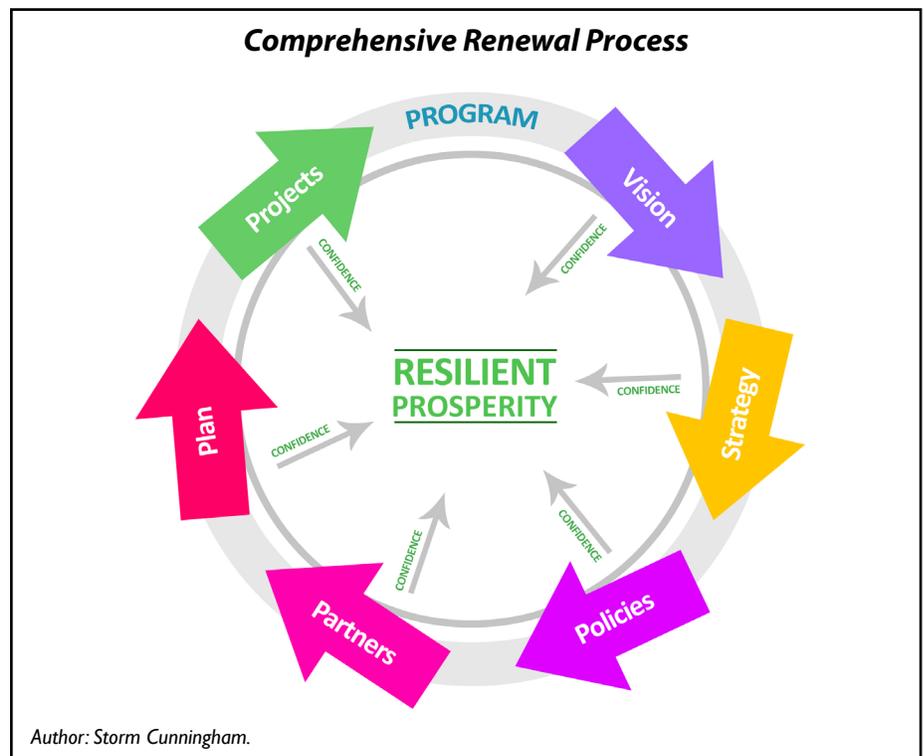
derstands this, yet process is conspicuously absent when municipalities try to achieve those grand goals promised by local leaders in their political campaigns.

This lack of process is the primary reason that the vast majority of revitalization and resilience initiatives either fail outright, or substantially fail to achieve their goal. I refer to "revitalization" and "resilience" separately, because they are very different goals, funded by very different kinds of organizations and agencies. But regenerating obsolete and underutilized assets is at the heart of both goals, because that's where sustainable new vitality is found. Revitalization is the process of regaining

lost vitality. Resilience is the process of retaining vitality. Resilient prosperity is the process of regaining *and* retaining vitality.

The good news is that municipalities are finally becoming more aware of their need for a complete process, and many are actively striving to form one. For companies that understand this process, the best "insertion point" in the process might, ironically, actually be in helping the public sector understand and implement the process itself.

I referred to "a complete process" above because most places have elements of a process already in place. In the past, and even today, most firms that have tried to become trusted advisors have tried to insert themselves into the planning process, which—in most communities—is the only avenue they have prior to the bidding process. That can certainly work, but that's where your competitors are likely to be found as well. A more effective approach is to get involved prior to the planning process.



This is especially true in the increasing number of municipalities that are skipping the process of creating a formal plan. It sounds like heresy not to have a formal 5-year or 10-year comprehensive plan, but that's the future. The climate change-driven need for resilience is primarily to blame. The heart of a good resilience plan is adaptive management, which is the antithesis of traditional planning.

The "ideal" process is represented in the nearby chart. It includes a plan because most municipalities are required to have one. But that requirement derives from tradition or statute, not from reality.

The six elements of the regeneration process aren't just activities or checklist items: each is its own unique path to success, and each is a potential insertion point, where your firm might offer advice. Which of those elements—vision, strategy, program, policies, partners, and projects—is right for you depends on where your expertise lies.

Without a formal plan, the focus is on performance over activity or, one might say, effective activity versus official activity. Most communities expend vast amounts of time and money on official revitalization activities, like planning, marketing, beautification, and "economic development." That keeps people busy, but seldom results in any meaningful, lasting change in the community's fortunes.

Effective regeneration moves the community out of the "red ocean" of thousands of communities doing exactly the same official activities and moves it into the blue ocean of places using a solid regeneration process to create their own unique form of revitalization.

Since 1996, when I started researching and writing my first book, *The Restoration Economy*, I've been scanning the world for proven regeneration practices. As a writer, I am constantly in research mode, and as the publisher of *REVITALIZATION*, I scan the global news daily for projects, plans, successes, and failures related to regeneration.

As a consultant, I dive deeply into current practices as well as the causes of my clients' previous triumphs and disappoint-

ments. As a keynoter and workshop leader, I spent vast amounts of time at events in hundreds of cities across dozens of nations, all related to some form of urban, rural and environmental regeneration. At each, I have listened carefully to the talks and workshops of my fellow presenters.

I've probably been exposed to and involved in more regeneration practices, in a broader variety of settings, than anyone else on the planet. Throughout these two decades, I've been analyzing what I've seen and heard, plumbing these thousands of regeneration stories for commonalities. What factors were usually present in the success stories? What factors were usually absent in the failure stories?

The result? I've identified six factors whose presence reliably contributes to success, and whose absence reliably contributes to failure. It's now time for regeneration leaders to apply them as a whole, rather than in bits and pieces.

I've assembled all six factors into a "Resilient Prosperity process," which comprises two phases: a Foundation Phase and an Activities Phase. The Foundation Phase comprises Vision, Strategy, and Program. The Activities Phase comprises Policies, Partners and Projects.

Where's planning, you might ask? It's not there, because a plan was usually present in the failure stories, and was often absent in the success stories. Thus, planning falls into the category of official activ-

ity; most places are required to do it, but there's little correlation between having a plan and achieving successful regeneration. It doesn't matter whether the plan is good or bad; if there's no process to implement it, who cares?

I'm not saying "don't plan," but it might be better to say, "you don't need a plan." Planning is optional—not an essential part of the regeneration process. The act of planning is a positive, but the possession of an official plan is often a negative that stifles both innovative solutions and agility (that is, responsiveness to changing challenges and resources).

The other downside is that plan-based regeneration puts too much control in the hands of the planning department. Most of the urban revitalization agendas of the 21st Century are based on undoing the damage done by professional planners in the 20th Century. Likewise, most of the environmental restoration agendas of the 21st Century are based on undoing the work of professional civil engineers over the past two centuries.

Most municipalities have some elements of a renewal process, but with missing steps, their efforts tend to be unproductive or less-productive. The two most common gaps in the regeneration process are strategy and ongoing program.

Let's clarify the role of each element of the process:

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- Visions guide actions to researched, desired outcomes;
 - Strategies drive actions to success;
 - Partners fund or support actions;
 - Policies enable and encourage strategic actions;
 - Plans organize actions;
 - Projects are actions;
- Programs perpetuate, evaluate, and adjust actions. Ongoing programs create synergies, capture momentum (to grease the wheels for more projects), and inspire confidence in the local future.

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Of those six action elements, the plan—which often takes longest to produce and approve—will likely be obsolete the soonest. Complex systems (e.g. cities, ecosystems) resist rigid, imposed order. (It’s worth noting that “design” isn’t listed separately in this process, because it’s integral to several of the elements, such as visioning, planning, and projects.)

Ironically, many places *only* have a plan. Or they have a vision plus a plan. The common result is a plan without funding to implement it. Unfunded plans are so common that many folks consider them normal. In reality, they are often just for show, and shouldn’t be allowed. The strategy (supported by partners and policies) should yield funding, since its job is to create success. Strategize first. Then plan.

Revitalization is a living process—a flow of ideas, images, relationships, and energy. “Stuff” is essential, but designing urban or regional resilience without designing a regenerative process is like bas-

ing personal wellness on buying exercise equipment, without engaging in ongoing exercise.

Similarly, strategies live in the mind; they die on paper. Many folks confuse strategies with actions. Actions are tactics: strategies determine tactics. Others confuse strategies with goals. They might say “our strategy is to make this a greener or more equitable community.” That’s a goal.

A strategy is a technique that simplifies, speeds, or helps secure the achievement of a goal, or does all three. It can be devised for *any* situation. If it fails, it’s probably because it didn’t fit the situation.

Your project didn’t fail because it lacked sufficient funding, but because its strategy didn’t take that level of funding into account. Your program didn’t fail because your citizens lacked sufficient motivation, but because your strategy didn’t take their level of motivation into account.

Many factors, like efficiency and quality of work, contribute to success, of course. But strategy is the only element of an endeavor whose sole function is to make it succeed. If it’s a bad strategy—or if the competition has a better strategy—failure is still possible. Without a strategy, failure is likely.

The strategic disconnect is most damaging in policy making, where local, state/provincial, and national policies affect so much of what happens. Policies should execute strategies. Instead, most policies are tactical band aids.

Everyone uses the word “strategy,” but few people understand what it truly involves. Everyone says they have a strategy, but few can state it. Everyone knows what a tactic is, and assume a strategy is a collection of tactics. Nope: that’s a plan.

Some dictionaries even define strategy as a “plan” for achieving a goal. Little wonder, then, that folks are confused as to the difference between a strategy and a plan.

Here’s a quick test: the next time you’re talking to a mayor, planner, or developer who says they are going to revitalize a place, ask what their strategy is. If they’re still talking a minute later, they might have a strategy, but not a good one. If they hand

you a 50-page document, they don’t have a strategy, but they might not know it. And if they get defensive, they don’t have one, and they know it.

Creating and implementing an appropriate strategy is vital to the achieving the goals of a revitalized and resilient economy. As I mentioned earlier, those goals and the needed actions are inextricably related: Regeneration is the repurposing, renewing, and reconnecting of your natural, built, and socioeconomic assets. Economic resilience derives from a constant pulse of regeneration.

“Constant” is the key word. Creating a pulse requires an ongoing strategic renewal process. Otherwise, the path to regeneration and resilience can come up short in many ways:

- Some municipalities do visioning with citizens, but forget to create a strategy to deliver the vision;
- Some skip vision and strategy and go straight to the plan (which is planning in the dark);
- Some forget to boost resources via public-private partnerships, or don’t create good ones;
- Some do everything right, but don’t enact policies to allow, fund, or incentivize required actions;
- Some don’t bother preparing at all, and just start doing projects (the “blind faith” approach);
- Some complete a project that yields a burst of hope, but it fades for want of an ongoing program.

RFP OFTEN SPELLS REALLY FAULTY PROCESS

Without a strategic renewal process, disappointment is—sadly—the norm after resilience and revitalization efforts are completed. This is true of rural towns, metropolitan areas, and regions alike. But don’t let all this talk of process obscure a simple truth: if your mission or vision isn’t worthy—and you aren’t committed to it—the most perfect of processes won’t save you.

Virtually every community on the planet wants to boost its quality of life, its economy, its health, and its resilience. In

other words, virtually every community wants to revitalize in some manner, even if it's already in good economic shape. But in most cases, communities don't have good processes for doing so.

I emphasized "good" because most cities use the RFP process to redevelop their derelict properties. While the process certainly has value, many places sabotage that value by being overly specific with regard to what they want to see on a redeveloped site. They assume that no one could imagine anything better, and they are often wrong in that assumption. They'll have plenty of time to reject bad ideas later in the process; restricting creativity in the RFP itself is usually a mistake.

Some say that "RFP" stands for "really faulty process." Nick Halter expressed this viewpoint in the Nov. 30, 2017 edition of the *Minneapolis/St. Paul Business Journal* in an article titled "RFP: Really Faulty Process. Why cities and counties struggle to develop their properties." In the article, Halter says, "At least \$600 million worth of development has been promised but not yet delivered, and that doesn't include the massive redevelopment of the Arden Hills ammunition plant, which also has been delayed and could eventually add hundreds of millions to the Ramsey County tax base." He blames the RFP process for these delays and failures.

Go to the leaders of any of the tens of thousands of communities that are attempting to revitalize and ask what their process is, and you'll get a blank look. They will probably start listing their activities, such as recruiting employers, or beautifying the streetscapes, or redeveloping brownfields.

But they won't have a process that ensures these things are being done in a productive sequence. They are like farmers who don't know that crops have to be planted before they can be harvested. If you or your firm can help them create a better process, it's highly likely that the grateful municipality will want to retain and expand your involvement in their quest for resilience or revitalization. ■