

Sustainable Communities

Creating a Durable Local Economy

Bruce Seifer



With thoughtful attention to planning, social enterprise development, clean energy, the environment, food systems, and cultural well-being, a community can create a sustainable economy.

Burlington is the largest municipality in the state of Vermont by far. Situated on the edge of Lake Champlain, the city boasts a hospital, five colleges, and quality-of-life amenities that include a bike path, a boat house, historic architecture, a marina, and parks. But it wasn't always so ideal.

When I first began working for the municipal government over 30 years ago, this city of 37,894 was on the decline. Bernard Sanders had just won a close mayoral election against a sleepy contingent of what was known as the “old guard.” With his Brooklyn, New York, roots, socialist label, and fiery speeches, Mayor Sanders was not favorably perceived by local business groups. In fact, 12 companies left for the suburbs.

Given the growing vacancy rate of commercial properties—and the need to fulfill mayoral-campaign promises about reducing property taxes and improving quality of life—it was clear that something had to change.

Start with a Plan

In the hostile business climate that followed the mayoral election, using traditional methods to lure companies from other places to locate in Burlington seemed unlikely to work. Clearly, an innovative urban-development plan was needed. The city turned to the Industrial Cooperative Association, based in Somerville, Massachusetts, for help creating a long-term, strategic economic plan.

The resulting document, “Jobs & People: A Strategic Analysis of the Greater Burlington Economy,” became the city’s bible for economic development. The plan and its regular updates were fol-

lowed assiduously for the next three decades with great success.

Six public policy principles guided the city’s economic development activities:

1. Encourage economic self-sufficiency through local ownership and maximum use of local resources (“seal the leaky bucket” of companies likely to move away);
2. Equalize the benefits and burdens of growth;
3. Leverage and recycle scarce public funds;
4. Protect and preserve fragile environmental resources;
5. Ensure full participation by populations normally excluded from the political and economic mainstream; and
6. Nurture a robust “third sector” and “fourth sector” of nonprofit and private for-profit organizations capable of working in concert with government to deliver essential goods and services.

One of the specific recommendations in the original “Jobs & People” report was to have the city provide direct technical assistance to people interested in starting or expanding businesses and nonprofit organizations.

With no more than our existing staff and an 800 number, we

A Sampling of Companies

Burlington provided technical assistance to more than 4,000 companies during the author’s 29 years in city government. He himself worked directly with the following organizations:

Ben and Jerry’s	Terry Precision Bicycles	Ethan Allen Shopping Center
Lake Champlain Chocolates	Vermont Teddy Bear Company	Burlington Town Center
Rhino Foods	Innovation Center of Vermont	Burlington Hyundai Subaru
Koffee Kup Bakery	Courtyard Marriott Burlington Harbor	Dealer.com
Bruegger’s Bagels	Hotel Vermont	Marsh Management and Real Estate
Magic Hat Brewing Company	Radisson Hotel	Select Design
Vermont Pub and Brewery	Spirit of Ethan Allen	Merrill Lynch
Burton Snowboards	Filene’s Department Store	Associates in Rural Development
Seventh Generation	Anichini	Northfield Savings Bank
Gardener’s Supply Company	Danforth Pewterers	Fletcher Allen Health Care
Blodgett Oven	Cornell Trading	Champlain Housing Trust
Pratt & Whitney	Skirack	Vermont Department of Health
Conant Metal & Light	Outdoor Gear Exchange	

marketed free business assistance from city government. The effort brought thousands of people to the city's door, including a good number who eventually launched projects, some of them major ones that helped to create thousands of jobs and fill the vacant commercial buildings. The offer of technical assistance for small businesses was important to residents and ignited partnerships that, in turn, fueled communitywide networking.

Providing a supportive, business-incubator environment and promoting local ownership can yield impressive results. (See "A Sampling of Companies.")

The City as Incubator

Vermont Energy Investment Corporation (VEIC) and City Market are good examples of what offering technical assistance can produce. In 1986, the late Blair Hamilton and his wife, Beth Sachs, approached City Hall to discuss their idea to start a nonprofit corporation, Vermont Energy Investment Corporation. Their plan was to make buildings more energy efficient and reduce the community's dependence on fuel.

Since the idea was consistent with all six principles in the "Jobs & People" plan, Burlington began providing technical assistance to VEIC and continued to do so over 12 years. The assistance included helping to develop a network of supporters among other local nonprofit and governmental organizations. With a small seed grant from the city, the supporters raised more than \$15,000 in start-up money at a fundraiser in the Hamilton-Sachs home.

Twenty-eight years later, VEIC has more than 320 employees and fills 50,000 square feet of a building that had been left behind by a large defense contractor. Moreover, VEIC has helped to save customers the equivalent of 120 megawatts of electrical consumption since 2000.

Experience with VEIC, among others, taught the city that to create jobs and build a sustainable economy, it should consider making its partnerships with nonprofits the norm and not the exception. Nonprofits actually have the potential to create jobs, and they can be extra valuable to local governments because their public mission and goals are often consistent with the ones in a municipality's strategic plan.

City Market, another example of the value of local ownership, is Burlington's only downtown supermarket. Despite early resistance to the idea of a cooperative, it became over the course of 12 years an award-winning anchor for the entire downtown shopping area. Today it is hard to fathom the original hostility. In addition to the large supermarket operator that hired protesters to express opposition, there were residents who were convinced that coops only sell in bulk, some who were worried a coop wouldn't carry popular brands, and others who were opposed to a coop selling brands at all. Patient educational efforts eventually succeeded in countering all the misinformation.

Today the 9,000-member food cooperative strengthens the entire economic base of Burlington by attracting 1.5 million separate visits annually and employing more than 210 people, mostly from

the neighborhood. It also provides an outlet for local food producers to sell their products, and that encourages the development of more agricultural jobs in nearby rural areas.

The support for agriculture provided by City Market helped Burlington meet a food-security goal it had embraced in 1993 as part of its "Jobs & People III" document—to grow 10 percent of the produce consumed in Burlington.

Other initiatives that were key to the development of a sustainable economy in the city included developing small-business incubator space in an industrial area, supporting efforts to transform existing companies into employee-owned companies, and creating business associations interested in understanding and supporting sustainable development. Together, Burlington's strategies and the networks they fostered created an irrepressible demand for an increasingly sustainable business climate that continues to build upon itself.

Although the objectives of the long-term strategic economic plan evolved over the decades, the six principles remained the same. By embracing them and implementing long-term strategies, the goal of economic self-sufficiency was achieved even beyond what was envisioned 30 years ago. As of this writing, the city of Burlington had the fourth-lowest unemployment rate in the nation and the second-lowest foreclosure rate. It had been named one of the "Top 10 Cities for the Next Decade" by Kiplinger and "The Happiest Small City in the U.S." by Gallup.¹ Such recognition tops a solid foundation of more than five dozen similar accolades over the past 15 years, which reference the city's low crime rates, its residents' overall health, and its desirability as a place to raise children.²

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Endnotes

¹ See <http://www.kiplinger.com/article/business/T006-C000-S002-10-best-cities-for-the-next-decade.html> and <http://www.cbsnews.com/news/the-10-happiest-and-saddest-cities-in-the-us/>.

² See Bruce Seifer, Rhonda Phillips, and Ed Antczak, *Sustainable Communities: Creating a Durable Local Economy* (New York: Routledge, 2013), <http://durablecommunities.weebly.com>. The book is designed to be both an academic resource and a tool for practitioners.

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