

THE BROOKINGS INSTITUTION

WEBINAR

THE FUTURE OF PLACE-BASED INVESTMENTS:
NEW TOOLS TO ALIGN PLANNING, INFRASTRUCTURE,
AND ECONOMIC DEVELOPMENT

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PARTICIPANTS:

Welcome and Moderator:

ADIE TOMER
Senior Fellow
Brookings Metro

Keynote Remarks:

Alejandra Castillo
U.S. Assistant Secretary of Commerce for Economic Development
U.S. Department of Commerce

Panelists:

LISA BARAJAS
Director of Community Development
Metropolitan Council of the Twin Cities

ELISSA GERTLER
Director, Planning and Development
Oregon Metro (Portland)

SHERI GONZALES
Vice President and Director, KC Rising
Kansas City Civic Council

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P R O C E E D I N G S

MR. TOMER: Good afternoon and good morning to our friends on the West Coast. My name is Adie Tomer and on behalf of my colleagues and our speakers today, I want to thank everyone for joining us at the Brookings Institution for today's event, *The future of place-based investments: New tools to align planning, infrastructure, and economic development*. We know that it's a frantic news cycle. Summer breaks are underway. Work doesn't stop. It's a long way of saying we really appreciate you carving out time to spend with us today.

We don't normally have theme weeks here at the Brookings Metro Program. But this week is a bit different for us. The concept of place-based economic development has been a common focus in work we published Monday and Tuesday. And now, on Wednesday, we're having today's public conversation. Now, the timing is somewhat accidental, but the motivation is not.

American communities are dealing with a giant list of structural conditions impacting their ability to compete in the contemporary, domestic, and global economy, attracting investment capital for all kinds of industries and businesses within them, creating durable career pathways for their residents, managing the specter of digitalization, confronting climate change. These are common themes in every single place. The recent mix of inflation, supply chain disruptions, and other market volatilities, they've all only added to the complexity.

Now while those economic conditions are often framed through a national list and for really good reasons, each one of them actually touches every single city, town, and metropolitan area in different ways. We know that places don't have the same starting points whether it comes to their tradeable industries, their collective expertise across their labor force, or the natural environment where they're situated. Which all begs the overarching question, how can metropolitan leaders manage these structural conditions to improve their collective future?

While there's no single answer, one of the most potent opportunities is to better sync place-based investments with long-run economic goals. Now, America doesn't suffer from a lack of planning and that certainly applies to both economic development and built environment practice. Regional business groups and government agencies consistently draft plans, sometimes together, to designate an economic future for their region. And, of course, infrastructure, housing, and similar

agencies are always crafting long-range plans to guide their fixed investment.

But there's often something missing. There's almost no formal requirements and next to no tradition to marry those two disciplines. Simply put, we often make fixed investments in neighborhoods that can work at odds with our long-range regional goals. And that's what today's event is all about. Discussing new tools and techniques to incentivize greater alignment and collaboration between those actors and those two distinct practices.

Now, for the bulk of the next hour, we're going to frame that conversation through the lens of regional practitioners. Yesterday, we at Brookings Metro, released the *Lessons of a Cohort* that specifically addressed how to incentivize alignment in three metropolitan areas, including the use of a new toolset we call the Economic Value Atlas. I want to thank both the Ewing Marion Kauffman and McKnight Foundations for making that work possible. And we're delighted to be joined by three of the incredible practitioners that we work with along the way who will be able to situate those topics in their specific regions and neighborhoods.

But where we're going to start today is through a national perspective on place-based investment. On Monday, seven Brookings authors -- that's not a misstatement -- put out a piece outlining how Congress could reauthorize the Economic Development Administration to help give that vital agency new kinds of tools to better support regional needs. And it's for that reason we are honored to hear directly from Alejandra Castillo, Assistant Secretary of Commerce for Economic Development, which means essentially, she leads the EDA. Ms. Castillo has served in three different presidential administrations at the federal level, including a range of economic and business focused roles.

Today, that means she's leading an organization at the center of supporting regions of all sizes with an array of long-standing and emerging tools at her disposal, including the Build Back Better Regional Challenge that received so much national attention. Madam Secretary, the floor is yours.

MS. CASTILLO: Thank you so much, Adie, for the kind introduction. I value the important work that Brookings does to spark the ideas that are solving the globe's most pressing problems and a huge shoutout because the paper you just mentioned in terms of making that argument for the reauthorization of EDA was truly spot on.

I'm delighted to be with everyone today, albeit virtually. So, I'm looking forward to

hopefully someday soon be in a room with all of you and have meaningful and candid conversation of what's happening on the ground. We are living in very exciting times. I know that it may feel there's so much happening, and there is. But in the space that we work in, in this space that is of core to who we are as professionals, it could not be a better time to be an economic development professional.

And many of you are the true on the ground economic development practitioners who are shaping and setting the stage for our nation's future. Thank you for coming together to explore the future of place-based investment. I'm excited to share with you how the Biden-Harris administration supports place-based economic development strategies to build a better America for the future.

To start, I want to be clear. The Biden-Harris administration believes strongly that the federal government has an important role to play in supporting our communities and regions as they work to create economic opportunity. We are but one of many players that must be at the table. The President's push to ensure that the landmark American Rescue Plan and Infrastructure Investment and Jobs Act made it over the finish line are significant indicators of our commitment.

The federal government continues to work diligently to move this critical funding equitably into communities and regions. As many of you know, back in April of 2021, EDA revisited its investment priorities making equity a top investment driver. The U.S. Economic Development Administration, or also known EDA, which I am honored to lead, is proud to be playing a major role in how we support our communities and regions as they work to build on their local assets to recover and come back stronger than ever, but also, to plant the seed of what the future growth opportunities will be.

We are especially proud of the innovative and transformative American Rescue Plan programs we have implemented. With just a year to fully execute, our team at EDA developed six grants to truly drive critical investments into industries and communities across the nation. From the travel and tourism industry, which was so badly hit by the pandemic, to our commitment to coal communities and Indigenous communities, our ARPA funding seeks to touch those areas of greatest distress.

I will outline two of those programs for your shortly, but I'd like to let you know a little more about EDA and our history. And for those of you who have worked with EDA forgive me, but it's always important to tell the EDA story. I think you'll find it interesting as literally everything we have done throughout the 57 years in existence, has fallen under the umbrella of advancing place-based economic

development.

As the only federal government agency focused exclusively on economic development, EDA's mission is to foster regional economic development efforts in communities all across the nation. Our approach is grounded in the principle that regional strategies should be place-based. While the vast majority of federal funding goes to individuals, firms, or institutions, we at EDA believe in funding the economic building blocks of communities. That is an effective economic development strategy is one that is created around the unique assets and capabilities of each region. And only by considering how these investments work together within a region to build on local capacities can we effectively pursue place-based economic development.

These assets and capabilities include both human and physical infrastructure. No two regions are alike. And it is poor use of federal resources to assume the federal agencies have all the information needed to dictate what industries and capacities should be invested in these regional levels. Therefore, our place-based strategy approach provides resources for communities to engage in a thoughtful analysis of their own economic development and growth assets.

This enables them to create strategies that will lower business risks in the face of global competition and encourage growth through local investments in skills building, greater access to technical assistance for businesses, and physical infrastructure that supports business expansion.

As President Biden often says, we are seeking to build communities from the bottom up, middle out. At EDA, our primary tool for place-based strategy is our partnership planning program. Partnership planning provides funds to help eligible regional planning organizations with their long-term strategic planning efforts. And I want to emphasize long-term because you're going to hear that very often. We support a national network of 400 regional economic development organizations known as economic development districts, also EDDs. These districts are comprised of multiple local government jurisdictions who understand that their economic advantage comes through collaboration and cooperation, rather than interjurisdictional competition.

These comprehensive economic development planning efforts are market-based and are essential components of successful regional economic development. They provide a unified strategic direction, help to determine resource allocations, and project development, and justify federal, state, and

local investment in economic development. The idea is not to offer a top-down plan based on what some federal government agencies think is best for a region, or a we-too strategy where one region looks at the industries of another region and tries to replicate them. Neither of these approaches can lead to successful outcomes. That's why throughout our history, we have always supported place-based economic development that builds on regional assets, sparks innovation, and includes wide collaboration.

I want to quickly mention since tools are a focus of this session, that EDA has a long history of partnering with entities to develop and disseminate tools on new and emerging economic development concepts that practitioners and policy makers, like yourselves, can utilize to make more informed development decisions. Our tools can help you, among other things, identify your local level of distress, develop a strategic plan, build regional economic, and identify competitive advantages, decide among competing projects. These tools and our research reports can be found under the resource tab at EDA.gov.

Let me now pivot to another area of EDA's efforts. While our program budget has historically hovered around \$300 million, recent funding provided by Congress, including through disaster supplemental appropriations like the CARES Act, which took EDA from \$300 million to \$1.5 billion in budget, and most recently, the American Rescue Plan, which added \$3 billion, has resulted in EDA's budget expanding exponentially.

Under President Biden's American Rescue Plan, as I mentioned before, the EDA was allocated 3 billion in supplemental funding to assist communities nationwide in their efforts to build a better America by accelerating the economic recovery from the pandemic and building local economies that will be more resilient to future economic shocks. As I stated at the beginning, EDA's American Rescue Plan funding is being distributed equitably through six innovative programs. These programs provide a once in a generation opportunity to invest in communities across the country.

I'd like to spotlight two of those programs. Some of you may already have heard extensively about them. Some of you may be involved in them. The first is the Build Back Better Regional Challenge and the second is the Good Jobs Challenge. On December 13th, Secretary Raimondo announced 60 finalists for the \$1 billion Build Back Better Regional Challenge. And let me pause here because I want to emphasize, we received 529 applications. We had to take 529

applications, review them, evaluate them, and bring that to 60 finalists. We've journeyed with these 60 finalists. And the Build Back Better truly is the marquee of EDA's American Rescue Plan program that aims to boost economic pandemic recovery and rebuild American communities, including some of those communities that have been grappling with decades of disinvestments.

The 60 finalists, each a coalition of partnering entities, have proposed projects that will develop or scale industry sectors, develop and train the workforce of today, and also support the arc of the future for communities in the economic development journey. Finalists are now competing in phase 2 of the challenge, which will award 20 to 30 regional coalitions up to \$100 million to implement three to eight projects that support an industry.

The Build Back Better Regional Challenge is encouraging the collaboration needed to help communities and businesses thrive and succeed in the long-term. If you look at regions that successfully move from low to high value industry, it usually takes 20 to 30 years to make this transition. This is because projects are funded individually and over a long period of time. The core principle of the \$1 billion regional challenge is that with large enough grants, regions can fund all the necessary economic ingredients at once, achieving a generation worth of economic development in less than five years.

We also hope that the Regional Challenge won't be a one-off, but a new model for federal funding that relies on bottom-up strategies and coalition coupled with large, flexible, and competitive dollars. I'm glad to know that the National Science Foundation has actually borrowed a bit of the Build Back Better Regional Challenge. So, they have a challenge themselves.

At EDA, we also recognize that over the last few years, our businesses have faced hiring difficulties. Our American Rescue Plan Good Jobs Challenge was created to address this need. The \$500 million Good Jobs Challenge is EDA's signature workforce development initiative. It is designed to help get Americans back to work by building and strengthening regional systems and industry-led partnerships that will lead to good paying jobs.

We received 509 applications from all states, territories, and the District of Columbia for that challenge. Applications were submitted from a diverse range of workforce development programs and demonstrate a strong commitment to support underserved communities and groups with barriers to

employment. They reflect the importance of creating interconnected workforce systems that enable access to in-demand skills training and connections to employers that lead good paying jobs. We anticipate announcing these awards later this month and providing related technical assistance opportunities to further this work among grantees.

To close, I want to thank you all for coming together to share ideas on how to reimagine, truly reimagine place-based economic development strategies, policies, and programs. By working together and sharing best practices, we will be better positioned to advance the collaborative regional focused place-based economic development strategies of the future.

I thank you and I hope to continue to collaborate with you and your respective organizations. EDA's DNA is anchored around people, places, community, and equity. It is our goal to continue to push the envelope and continue to drive economic growth across the nation and strengthen our global competitiveness. I can't thank you enough and encourage you to please continue to partner with us. We need your real time understanding of what's happening. We need your partnership. But we also need to make sure that we can truly be the future architects of what it is to work in communities. Thank you very much, Adie.

MR. TOMER: Thank you so much, Secretary Castillo. We really appreciate you making time in what's an incredibly busy calendar of events and work to be done on your side. And there's a bunch of themes that you hit that I am sure we're going to see echoed from my peers that are working directly in communities. So, with that I want to actually invite our three panelists to the virtual stage. We have got so much ground to cover. So, I'm going to barely touch on the amazing experiences and expertise all three of them bring to today's conversation.

But I do want to introduce them briefly. And we'll go in alphabetical order. So, we are going to start with Lisa Barajas, who serves as the Executive Director of Community Development at the Metropolitan Council, or what many folks call Met Council, which is the cog in MPO, or council of government, and metropolitan planning organization -- there are going to be more acronyms coming, everyone, just be ready -- in Minnesota's Twin Cities region. Lisa's work touches on a range of land use and community engagement issues, making her an ideal person to speak to today's topic.

Next, is Elissa Gertler, who is the Planning and Development Director at Metro in

Portland, Oregon. Elissa is also technically our returning champion for today's conversation so, I'm just letting the rest of you know. Elissa's been at the national forefront of thinking about how regional planning organizations are growing their investment footprint and working with regional partners and their local constituents, even going directly with multiple ballot referenda.

Finally, we have Sheri Gonzales, who is the Vice President of the Kansas City Civic Council and Director of KC Rising, which you're going to hear more about what KC Rising is over the course of today's panel. You're going to hear more from Sheri, but just know that she is one of those unicorns that actually knows how regional planning and business development work from past hats and current hats she has worn. And she also has the chops to get regional leaders all singing from the same song sheet.

So, before we jump in, I want to remind everyone to submit questions via Twitter by using #PlaceBasedInvestments or just go look at @BrookingsMetro you will find this conversation being live tweeted. You can also email at events@brookings.edu. We are actually monitoring those. I know we already have at least one question that's come in and I'm trying to juggle everything else happening today. So, please keep them coming in today.

All right, everyone, thank you again for joining. All the pleasantries out of the way, let's introduce kind of where you're coming from. Portland, Kansas City, the Twin Cities, or Minneapolis-St. Paul, whichever you prefer. You all are major league cities. Folks know your names. They know you're probably some archetype. You might have a friend or family you've gone and visited. But those kind of archetypal summaries, those are not actually necessarily who you are on the ground on a day-to-day basis.

Let's do a kind of quick round robin so you can introduce yourself and just as importantly the places you're representing to tell us a little bit more about what are the regional economic conditions that you and your peers are kind of most concerned about, right? You're obviously real players on the global economy, not just domestic. But what's the kind of stuff that's keeping you up at night? What are the priorities that you all have going forward so you're going to continue to be competitive in the future?

So, this is open, but let's go in maybe the same order and I'll start with you, Lisa.

MS. BARAJAS: Thank you, Adie. My pleasure to be here today. At the Metropolitan

Council in the Twin Cities region just for a little bit of an overview, we at the regional governments, we're actually technically not a cog. We are the regional planning agency designated by the state for the seven-county metro area and we do more than plan. We are also the wastewater provider and the transit provider. So, really building in a whole lot of place-based investments is part and parcel of what we do at the council. And coordinating the long-range planning efforts for the 181 cities and townships in seven counties in our metro area.

So, we're really good at the planning piece. And connecting with the business community as part of that has been something that has been just a little bit out of reach over our 50-year tradition of planning here in the metro area. But we were really fortunate in the last several years ago to have a collaborative partnership with greater MSP, which is our regional business chamber, as well as our center for economic inclusion, to tackle developing comprehensive academic development strategy together, which was the first time we had done that as a region here in the Twin Cities.

So, really at the right time and right place we started that work in 2019 and were able to adopt that in 2020. Really amidst a whole lot of the pandemic, the racial reckoning with the murder of George Floyd within the Twin Cities region that I think really laid bare what we already knew were economic disparities within our region between communities of color and White communities, despite our significant regional prosperity is not shared across or evenly with all communities in the region. And that was just exacerbated further and laid out for the world to see and for us to tackle all together.

So, that's probably the largest economic thing that keeps us up at night is how do we both continue to build on our strong tradition of coordinated planning that's predictable and orderly and understanding but bring the benefits of that work to all of the folks in our region so that they are part of that shared prosperity in our region. So, both place-based investments and people-based investments is part of that. And it takes all of the partners in our region to do that.

We don't do workforce development, although we do have a significant workforce at the council. But we do need partners in the region to be a part of that. As our region continues to diversify, we would not have continued prosperity without those targeted efforts in that work.

MR. TOMER: Yeah, thank you. Kind of same question to you, Elissa, right? Where's Portland now and kind of what's getting in the way of where you want to be in the future?

MS. GERTLER: Hi, everyone. Thank you for asking the question. The Portland region has seen its reputation change dramatically over the last several years. From being a hipster paradise with amazing beer, a killer restaurant scene, a world class transit system, and the West Coast's most affordable city, events of the last couple of years have spotlighted police and white supremacist violence, social unrest, and boarded up businesses downtown amidst a huge homelessness crisis.

There's always more than the media hype though, and our region is much more than our central core. Our economic climate remains healthy and our businesses remain competitive. With groundbreaking state legislation, we're seeing suburban cities remove their single-family zoning and start planning to build middle housing. Downtown Vancouver, Washington, which is a part of our bi-state region, is thriving with beautiful new redevelopment. And community vision, such as transforming an unsafe orphan highway into a thriving boulevard in the heart of east Portland's Asian American community are coming to fruition.

And voters of our region have approved two funding measures to address our region's housing crisis. As a result, our regional government in Metro is now leading the implementation of a regional housing system for affordable housing development and supportive housing services. On top of land use, transportation, and parts planning, running the region's garbage system, as well as overseeing our zoo and convention center, and performing arts venues, Metro also has a unique regional portfolio. But it speaks to the ways all of our systems are regional, a collection of communities that come together into a whole.

And while parts of our region and certain people are doing well, there are places and people struggling and suffering. We see businesses leaving downtown Portland and moving to the suburbs because of increased crime and trash in the city. We see our transit dependent workers forced to adapt to less transit service in our region. And while our natural environment is one of the best things about living in Oregon, heat domes, forest fires, and other predictable climate events have affected nature and our businesses that depend on natural resources. You mess with Oregon's Pinot noir grapes, Christmas trees, or Hood strawberries, and that's a real crisis right there. While it's easy to joke, so many people have lost their homes and livelihoods. Whole communities have been devastated as result of these forces of nature.

One part of our regional brand that is strong and thriving is our reputation for regional collaboration and planning. While we have our moments of interjurisdictional politics, our region has a long and robust history of knowing that we're stronger together than we are apart. Our economic recovery plan and our regionally completed comprehensive economic development strategy are great examples of how government, business, and community partners have come together to address common concerns and put our collective energy toward addressing our community's highest priorities.

So, Metro may be a unique regional government in that we are the only one in the country with our own regional elected officials. But this regional framework has proved adaptable to address things beyond transportation and land use, our core business. Our work with the economic value outlets has allowed us to make much stronger connections between our economic conditions and needs and our infrastructure conditions and needs.

See, Adie, I'm getting to the themes that the Secretary started bringing up. Our workforce development conditions and needs and to identify and target the inequities in our region. It has allowed Metro to find synergies in its portfolio around economic development. Aligning our visitor venue work with our land use planning work. Developing workforce opportunities in our garbage and construction trades. And recognizing that the common thread that unites Metro's diverse business lines is place. Place making and place keeping.

And now, we're doing something else no one in the nation is doing, addressing homelessness at a regional scale, creating a network of government service providers and funders to create an unprecedented response to an unprecedented problem. This includes not only creating a new funding source, but a new governance model, new programs, new organizational capacity, and experiments and performance metrics. How do we measure success in addressing homelessness? Is it successful if we bring people out of homelessness with housing and services but we are not able to address the root causes in society that lead to people not having homes? What value does a regional approach add?

And necessity can create some unlikely alliances. The connections between our affordable housing crisis and our regional economic competitiveness are evident. Business and community leaders are partnering with government in new ways and making new connections. Those

living in homeless camps are getting paid \$20 an hour to clean up trash. Business leaders have invested funds and donated property to create shelters. And workers are being trained to help fill the needed positions that are being created as a result of these significant new funding resources available to the region's homeless service providers.

While, of course, there is community tension and political frustration, the fact that this region knows how to work together so well and has a strong regional government to convene diverse partners gives us a solid foundation to try to apply our collective impact model in this space.

So, this is a centerpiece of our region's economic recovery, but it's not the only focus. Our governor has convened a semiconductor task force to recognize this industry's importance to Oregon's economy. Our CEDS focuses on small business, entrepreneurship, workforce development, and international trade with a particular focus on wealth creation for Black, Indigenous, and people of color.

And I want to shout out to the Economic Development Administration that you have been a key partner in supporting our region's aspirations with significant grants to meaningful projects. And we are extremely appreciative of where the federal government is aligned with not only our goals at the state and regional level, but all the way down to the community level.

We're very excited about the grant we got from EDA to work on Albina Vision Trust that helps us look at community driven public investments models in Portland's historic Black neighborhood that has suffered more gentrification, displacement, and environmental injustice than anywhere else in our region. And we're very proud to support the mass timber manufacturing industry work led by the Port of Portland and are very grateful for EDA's Build Back Better grant to support and invest in our region's climate friendly economic development. Another example of alignment.

So, I just want to say addressing complex challenges and seizing these emerging opportunities is not something any of us can do alone. Finding common ground is key. Cutting through the politics with good planning and partnerships has been our tried-and-true approach. Changes in our world and community are requiring us to level up, to try new approaches, build new relationships, and apply new tools.

MR. TOMER: That was excellent. And it was everything I could do to stay focused

thinking about those Pinot grapes disappearing for all of us. So, on behalf of national wine drinkers, thank you.

Not too easy acts to follow, Sheri, but I know you've got this. So, same question, right? Tell us more about what's happening in Kansas City. Where you are, where you want to be, and how you're thinking about getting there.

MS. GONZALES: Yeah. So, if you have ever interacted with Kansas City, one of the first things you notice is that we have a very strong sense of hometown pride. We wear our KC hearts proudly all over town. And we really see ourselves as the heart in the heartland. We hope that you come visit us during one of the World Cup games that we'll be holding or that you enjoy highlights of this great city during the upcoming NFL draft.

But also, about KC is we have a state line right down the middle of our city. The metro on both sides of that state line hold very important pieces to our economic engine as a metro, but also serve as a economic engine for both of the states, Kansas and Missouri. There are 166 cities that make up this metro and 14 counties and some have different governance structures. So, there's a lot of coordination and alignment that is very necessary.

We have a very strong work ethic being in the heartland and in the Midwest, relatively affordable cost of living, and a relatively affordable cost of doing business, which has served us well really over the long-term. If you look at our economic growth over decades, you see that we have had not too low lows, right? We felt the great recession less than others. But what we also see is that we don't have too high of highs, which has caused us to have a pacing issue. When we compare our city to cities of similar size, they are outpacing us because their highs are higher and then they sort of keep that higher pace.

Our concerns for our community in the work that we're doing is really driving innovation. We want to make sure that we are a place that is attracting and retaining the business and the talent, that we are growing those high-value industries. You know what the Secretary said about having to move from sort of those low value to high value, Kansas City is in that transition, and we are trying to drive that forward. So, 20 years from now, maybe 15 or 10 years from now, we look and see this work and say this helped us to move to those high value industries in sort of this tech-enabled digital age.

Workforce development in that digital age is very important across all industries and across all geographies and populations in Kansas City. The Civic Council is a CEO member organization. And in 2015, they launched what is now known as KC Rising. It's really this regional business plan to make sure that we are doing all we can so that Kansas City can reach her potential.

It is only one approach, but it is important to note that this isn't an organization. It's this matrix model of volunteer leaders that are working together to grow the economy and include everyone. We bring in predominately business, but we also work with philanthropy. We work with educational institutions. We work with government, elected officials. All sort of at this table that we have been building a broader and more diverse decision-making table toward an ever better tomorrow because we really do believe that together we rise.

MR. TOMER: That was great, thank you. And I'm so glad that this entire audience which, I think, is pretty massive today gets a chance to meet all three of you because we've been talking to you all and your colleagues for at 18 months, if not longer, especially Elissa in the case of this project, and Sheri, our teams have known each other for years.

So, there's a lot of commonalities from what you all were talking about and the reflection I've got of this front row seat is three really, really successful metropolitan economies and the candidness by which you -- or the candor by which you're all saying, hey, we've got issues. Like we're not -- things are not perfect. You've all also touched on collaboration right away, right, with either peer organizations or down into the community level. So, I want to ask a collaboration question that I think is really important. You heard this in my opening comments about, hey, how do we tie these things together? Let me open this to kind of, you know, the whole group and have you all jump in as you all want.

What are some examples, some specific examples beyond let's say just KC Rising, right, or writing the regional economic framework, or working on the new CEDS? It can be within it, but even just like almost within those plans, right? What are some specific examples of how you all have made collaboration work? And again, let me open this to the field. What do you got?

MS. GONZALES: I'll quickly jump in. One of the things that -- and this was led by KC Rising, but it's actually what we call a shared vision of regional prosperity. Again, that was our tagline. But we borrowed a playbook, honestly, from Portland on something they had done, a community-

engaged effort when they were creating the EVA. And we asked the question. This was in 2019, pre-pandemic, pre-racial reckoning, you know, envision Kansas City in the year 2030. Are we prosperous? Are we not? Why or why not?

What was interesting is that as we went to all parts of town and all sorts of socioeconomic and different demographics, we were all talking about the same things. And so, these became the seven pillars of shared prosperity. It includes things like digital connectivity and transit. It includes neighborhoods that are safe, as well as creating opportunity. It includes culture, arts, and sports, and food, and it also includes sectors that are high value and entrepreneurship where we're able to create an environment. We call it the fertile soil so that business can both grow in scale the number of and size of.

This sort of community created effort was originally going to be a framework for our work, right? We could do a million things, but what are we going to do? Let's prioritize it based on this shared vision of what the community has really driven and prioritized. And what we found is that it is a great framework for our work, but it's also been a really great alignment strategy.

At this point, the shared vision has been broadly adopted by a dozen organizations where they said we're working to similar ends. One of those is the downtown council, which is really focused on success of our downtown. They were going through a strategic planning process that also began before the pandemic but was very influenced by the events of the last few years. And while that plan was being created, the downtown council board of directors voted to adopt this KC Rising shared vision.

They've also adopted some of the same language, the same measures of success. And the image of downtown 2030 -- like the imagine downtown 2030 strategic plan, it focuses on catalytic projects and unique neighborhoods, while driving toward inclusive economic growth.

Similar adoption has happened through the KC chamber and other sort of economic development efforts and their economic report card. The Overland Park chamber and their forward OP plan. It wasn't sort of the original design, but we think of this almost like the UN sustainable Development goals. If they can bring countries together and have corporations agree on these things so governments and corporations are saying this and philanthropic organizations, this can be our sort of development goals for the region in that shared vision. So, that's one example of alignment or strategies.

MR. TOMER: Yeah, same questions, Elissa, Lisa, yeah.

MS. BARAJAS: I would just jump in with another example of collaboration that's a little bit separate but more related to tools. We just in this region, as I talked about, we like to talk together a lot. We have lots of tables. We're talking. Lots of planning and lots of conversations. And regional tables are quite common here.

But I think kind of in practice, one of those collaborations that we had recently was in planning for some of the climate impacts that we're facing here in this region. And in how equitably or inequitably those impacts are born was a partnership that we had the Metropolitan Council with the Nature Conservancy and Tree Trust, which is an organization here in Minnesota, to build a tool, a tree canopy tool, to really help folks understand where how our canopy across the region is actually distributed. How it relates to place and where people are living in place. And while a lot of sorts of national level discussions around place-based are really focused on areas of economic distress or concentrated poverty, what we are finding in our region with continued collaboration and conversation was that, you know, more than 70 percent of folks experiencing living in poverty don't live in areas of concentrated poverty.

So, we really needed to pull that apart more and be more granular when we're looking place-based investments. And so, you'll see some of that demonstrated in our tree canopy tool, but it was really an opportunity for us to have that conversation with experts in the field. And also hearing from our local government partners who are usually the ones responsible for maintaining the city's tree canopy within their jurisdictions about just not having the resources to build their own datasets to support that work and so, being able to see that big picture. And so, we're supplementing kind of local staff with these tools, but also giving another lens look at who are you impacting or what other measures should you be considering as you're considering how to prioritize your expansion efforts. We also, of course, get all of the great things like invasive species that are killing off some of our canopy too. So, it's become a little bit more pressing.

But while that seems separate from economic development, we do know that here in the Twin Cities, but like Elissa was talking about in Portland, that our natural resources are some of our best assets and contribute to the quality of life that people just love about here about living in the Twin Cities. And when that canopy is gone, it totally changes the character of a neighborhood.

But it also creates stress on people who live in those neighborhoods to live in high heat conditions, especially when we are not set up for high heat here in Minnesota. Our homes aren't traditionally air conditioned, for example, so. And we typically experience, you know, half a dozen days over 90 degrees here in any given year. But that's been going up and up and up over these last several years due to climate change. So, that can have a real impact on people's health and then on their ability to participate in the economy as well.

So, they're all connected in some way, but I just wanted to share that example of an on the ground collaboration with a tool or resource to help in those efforts.

MR. TOMER: Yeah, and Elissa, you all know all about emergence of new urban kind of heat islands and other kind of impacts on what it means be to the city, right?

MS. GERTLER: Yeah, that was a really interesting example, actually. I want to learn more about that. I think I'll take it in a bit of a different direction. I was thinking as the other two were talking like what's a good example from Portland that complements these?

And, you know, collaboration's really in our DNA and it's like I could point to the transportation work, and I can point to our land use work. But I really want to highlight our community placemaking program because I think it's another way that collaboration is happening and bringing new voices to the table and getting different outcomes that we are noticing differently and measuring differently in our community.

You know, I'm famous for saying that, you know, we use sticks, but we paint them orange to look like carrots. Which is really, you know, putting your money where your mouth is. You want to have policy intentions we give grant programs to our local government and community partners to help accomplish shared goals. And we do that on the transportation side. We do that with transit-oriented development. We do that on the redevelopment side to help people, you know, develop along the urban edge.

But we have started a program around community place making that brings new partnerships that are beyond local governments and beyond service providers to actually allowing community-based solutions to place, to emerge, and Metro to emerge in them -- to respond to them rather than us saying here's our policy goals. Who wants to implement them?

We found that, you know, communities often know best what they need to address their place needs. And are actually working on things without having to be connected to the government. But when we've reached out and found, you know, offered just small grants in sort of the range of \$5,000 to \$25,000 to community-based organizations to really offer place-based solutions to gentrification and displacement, to immigrant and refugees who are finding themselves in Portland. And actually, creating places, making art and culture in the homes and in communities and in park spaces.

It has opened up to Metro a whole new range of partnerships across the region and taking this regional perspective really down not just to a city or a county role, but to community by community, neighborhood by neighborhood. You know, housing building by housing building. And it allows us to have an impact in a way that's so different, but also that build relationships where people say, oh, there's a regional government. I can plug into this. We've developed leaders from this. We've developed new models from this. People have gone on to take our small grant and turn it into much bigger profits. And so, I think it's just an interesting example of how collaboration can come in many forms and then with many gifts.

MR. TOMER: Yeah, that's great. Well, I want to pull out one kind of theme there too, which has to do, you know, we're talking loosely around tools. I want to kind of dive right into it and, Lisa, thank you for actually getting a lot of that started. Like we're all vaguely on some level planners types, right? And that can be also with a regional business hat on even, right? You know, we like data. That is not the problem here.

I want to throw out kind of high level to you all. It's not for anything specific. But how can we use data inside new tools to kind of foster even more of that collaboration and start to get that kind of alignment. So, I have no problem saying this bluntly, so we don't build a whole bunch of big physical infrastructure projects that not only we have to maintain but once we look back later, we're saying that doesn't reflect the kind of priorities that you all mentioned in your opening, that the Secretary mentioned in hers too, how can we use data to kind of help foster just better relationships and start to kind of like what you were saying too in your intro, Sheri, like getting more people rolling in the same direction, right?

MS. GONZALES: Yeah, one thing I'll mention because like I'm a total data wonk. I love data, right? Like in this --

MR. TOMER: Safe space.

MS. GONZALES: In this process of creating the shared vision, we have the words that sort of outline a description of what that end state might look like and hopefully anyone who reads it you're inspired and going, yeah, like I want to be a part of that future. But then we have to measure progress toward it. We're business led. We measure everything. We have KPIs around all of the pillars, right? And one of the most difficult data points that we had so much discussion around really like months and months of discussion is how you really get to that neighborhood's pillar and start to measure things like opportunity.

What we, all of us, have sort of been guilty of in the past is we go to a common metric of concentrations of poverty, right? And nobody wants that. If you have concentrations of poverty, we know lots of other bad things tend to happen there, right? Crime and lack of opportunity to even get fresh foods. I mean, there's a whole bunch of things that come with those kinds of concentrations. But there was work we did because we were part of this cohort that actually Minneapolis informed us on where when you continue to look at things from that deficit perspective, what you're actually creating is the opposite of what you want, right? You end up with a bunch more disinvestment from a community that's been identified as a concentration of poverty.

And so, clearly, that's not the measure we want. But how do we still call out this disparate impact that happens with economic development because it is disparate, right? By place and by demographics, race in particular. And so, we rallied around mixed income neighborhoods. And it was hard to get there. But where we're at is we believe that if we are tracking mixed income neighborhoods, what we are also tracking potentially is displacement. If you are no longer mixed, you are then displacing people, right? Which we don't want to do. But it also gets to something we believe is that while concentrations of poverty are not sort of our end goal, we also think that concentrations of affluence are also equally harmful to a community. And so, it sort of doesn't give a blind spot to concentrations of affluence because it starts to call those out as well because they are not mixed.

And so, I don't know that it's a perfect measure, but it was a fascinating conversation. So, I just I share that because I think even in picking your metrics that is a moment to sort of reinforce your values and think about what it is you're trying to get to. And then once this tool is created, we're

already seeing it's now embedded in the tool, right?

And so, we're seeing in that tool our local MPO, Mid-America regional councils, they're allocating their federal funds from the allocation that they get to things like their Sustainable Places Policy Committee in that second tier of consideration, they're not just using geographic equity like that part of town hasn't got funding in a while, I guess we'll sort of fund that. They're actually using what we call it here, EVA, right? Like ask EVA. They're looking at EVA and saying, okay, what is it that we would score that on based on these metrics and those metrics have equity not just geographic equity like inclusion in equity, economic equity built into it.

We're also seeing it as being very useful. As we're having conversations and prioritization of transit dollars to identify key corridors to make sure that it isn't just sort of one destination that it gets you to maybe something that has a lot of political power. But really who do we cross? How do we make those connections? It's been really helpful to have spatial mapping that has embedded metrics around equity and economic development in it. Those are some thoughts of data.

MR. TOMER: Yeah, Lisa, Elissa.

MS. GERTLER: Sure, I'll jump in. One of the tools that I'm excited that we're working on at Metro is a tool that we're calling Social Vulnerability Index. And it is a really interesting, you know, continuation of our conversation around the Economic Value Atlas of bringing together unlikely sources of data. You know, if we want to be about the data nerds, well, you know, we're going to talk about the, you know, multivariable analyses here and all of the different ways we can look at different pieces of data and how they come together.

But what I also wanted to say is it's not just what we're going, but how we're doing it. And I think, you know, we're all involved in the sort of decolonization of data conversation and, you know, we're having a really interesting opportunity to bring people in, have a different conversation about how you get the data, who analyses it, where does it come from, what other sources do we need? And I think that that, you know, you end up with a much more robust input/output when you're building a process that is actually letting more hands touch data than just the data nerds themselves.

And to that point, I think the other thing that I'm learning as Metro -- recently we've reorganized and now the research team is in the Planning and Development Department, which is so

much fun. But one of the things we're talking about is we have this incredible rich resource of information but it's not as easily accessible to all different audiences. And so, we're having a really interesting conversation about user interface and data visualization and turning statistics into stories. You know, our council's super interested in dashboards and, you know, easy to read things that, I mean, we all have this. But really sort of taking that conversation too and not just being focused on what we have and sort of the technicalities of measuring it but really using it to communicate and engage with people as well. So, I think that's pretty cool.

MR. TOMER: Yeah, that's great. Lisa?

MS. BARAJAS: I would just say briefly I touched on it a little bit about how we transitioned away from using areas of concentrated poverty. And that was really to Elissa's point was about process that was 20 listening sessions with communities and practitioners and what does this data mean to you and what does it help with and what didn't it help with? And that process was so important to helping us build a broader dataset that actually was meaningful to the communities who were being impacted and being measured by these different tools but also to the practitioners because they also didn't want to be in the position of kind of perpetuating things that they were trying to undo at the same time.

But I also wanted to switch lanes a little bit. In addition to that work in that process, one of the pieces, you know, we have heavily relied on are those datasets are easy to pick up and measure and where we're really transitioning to is more of that engagement in the qualitative elements that are much more important about, well, what does this actually mean? What is this first tool about what we can gather from census or something? Flag for us that we need to further follow-up with conversations. What is the story happening here? And what are people's lived experiences? Because those are the elements that really especially as a planning agency that's kind of touching people's lives in so many different ways.

I mean, in addition to the transit and the wastewater, we're also with the housing authority for a fair portion of our region and we deliver the ADA paratransit services. Just so many different elements that we are touching people's lives with. And really trying to understand those experiences and what they mean for what our regional policy should be and how those experiences might be different across place, across our region from our smaller towns to our more urbanized environments.

And those are the data elements I think are like the new frontier of really using that data, that qualitative information to help inform where should we be going? Why is this a barrier? Like, yeah, we can identify barriers all day long. But why is that a barrier? How do you work around that? How do we simplify that and peel that apart to actually get at some of the things? Like we can look at our disparities data all day long and still from sitting at a place of not experiencing it, it can be hard to know like, well, I don't know how to fix it, right? All of our tools aren't working. Well, why don't we just ask the people experiencing these disparities, where do you keep running up against issues and how can we -- what can we do to remove those barriers?

MR. TOMER: Yeah, that was great.

MS. BARAJAS: I think that's exciting too.

MR. TOMER: I'm really upset this cohort's done because we don't get to hear from you all and your peers anymore. And it think now it's the time. Bittersweet that now our national audience gets to hear the same kind of conversation.

We are running tight on time. I was going to ask a last question about, hey, like you've got a federal audience actually, like some people logged in here. What would you ask of them? But I'm going to actually put it in a knot for a second and maybe we can get to it very briefly at the close. I want to actually make good on taking on what's actually a big list of questions both in advance and current. And unfortunately, we can only ask one. I'm sure you can find all of these folks after.

The one I kind of pulled out that I really want to ask is from -- and I'm probably going to mispronounce your name -- Matt Googalazie (phonetic) for the Community Investment Fund in the State of Connecticut. And what he asked, which I think is a perfect way to maybe close a little bit is what are the new trends in data that are being measured to analyze the impact of investment in capital projects in underserved communities? I know we've only got about three minutes on your side to answer that. So, what I really want to emphasize here is you can touch on anything from, hey, how do we even measure disadvantaged communities are disinvested? How do we make good on like older capital projects and maybe do better in the future?

I think, Matt, especially from a government seat, is asking some of that. So, open to all three of you whoever wants to answer.

MS. GERTLER: I'll go first this time. We, you know, like many regional governments run a regional transportation plan and we have created what we call equity focused areas through those transportation plan efforts. And that has given us a beautiful geographic tool to at least start understanding that. I wanted to mention that.

I also I wanted to mention that Metro has sort of evolved our corridor planning program where we plan for transit or major transportation projects actually including highways as well as transit. And you know, there's that lovely saying that we all know, right, you build communities through transit, not transit through communities. But we have really transformed our model to what we call investment areas for corridor planning where we wrap around all of these other tools around transportation, community development, place making, economic development. Each of those areas now has an equitable development coalition that's led by community groups to wrap around the community development work.

And so, there are all kinds of new ways to link the capital projects to new approaches and new ways to measure success. So, I'll leave it at that.

MS. GONZALES: I'll be really quick. One of our major funding organizations here the Kauffman Foundation for the last few years has funded a survey called the Quality of Life Survey. It asks residents things like how do you rate your quality of schools, your parks, your just your overall quality of life, your sense of safety, and green space and those sorts of things? You can disaggregate this by part of town, by race and ethnicity, by gender, by income, lots of important information.

They supplemented this the last couple of years also with the qualitative part Lisa started talking about, the why, right? Why is it that maybe more Black residents think they're going to leave in the next five years? And the answer is they don't see economic opportunity. Okay, how do we fix that? And lot of it was just systemic systems of race and prejudice. And so, I just I think Lisa's on it is that you got to get past the available data and ask people.

MR. TOMER: Yeah, any last words, Lisa?

MS. BARAJAS: I would just add one of the things that we are also working on is reframing how we are reviewing our investments, right? It's not just what we build and who did it negatively impact, but who is benefitting? And what did we inherit? We're an organization that inherited a lot of infrastructure from our predecessors, from the cities that owned them prior and so while we maybe

we don't own the decision making, we still own where it is and the impact that it might still be having on communities.

So, thinking more about that of where can we repair those negative impacts? Or at least start to mitigate them if they haven't been mitigated in the past. And then who is really benefiting from the capital investments that we are making? And are those benefits distributed to the communities of color typically who haven't ever received those benefits in the past.

MR. TOMER: Yeah, it's a great way to kind of close. I want to kind of top off with three quick comments to close us out. Number one is that there is so much innovation happening. We can invite other sets of peers of yours here and probably different distinct stories, but common themes. And it's clear that this kind of this marriage is starting to happen between, right, actors disparate in a region trying to move in the same direction. It's figuring out this kind of new contemporary scheme that honestly just I feel comfortable saying, it looks different than 20th Century planning, right? Both economic development and kind of urban, regional, whatever you want to call that.

So, we're clear on the process. Thank you for sharing your stories and I'm glad everyone else could hear them.

Second, and this is the part I was saying on the federal, state, if you are from the federal government or a state office, I'm saying it so, I know they would say it too probably, is how can you support your anchor regions that are driving your economy, that are trying to do good for everyone? When regions win, the entire country wins. And there are huge opportunities to innovate. So, I really hope we continue to see this awesome marriage between all the different federalist levels to give those tool and techniques both community engagement, data, everything in between, to help places get to where they want to go.

Third and finally, thank you, thank you, thank you, to the three of you for being here, for being candid like I mentioned earlier, for Secretary Castillo for sharing her lessons and the history and what's going on at EDA. Thank you to everyone who tuned in.

Again, it's Economic Development Week, intentionally, at Brookings Metro. Go to [brookings.edu](https://www.brookings.edu). You'll find these reports. Go to these three organization sites. Go to EDA, which is actually making funding available as she mentioned today. So, hopefully you all got a lot of good

information. And again, thank you, everyone for being here and enjoy the rest of your day and week.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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