

— Community —
Heart & Soul™

RESOURCE



For Heart & Soul Process Phase



Fostering a Vibrant Local Economy



ORTON FAMILY
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Mission

The Orton Family Foundation seeks to empower people to shape the future of their communities by improving local decision-making, creating a shared sense of belonging, and ultimately strengthening the social, cultural, and economic vibrancy of each place.

ACKNOWLEDGMENTS

ORTON FAMILY FOUNDATION

The Orton Family Foundation is a small family operating foundation that invests in practices that enhance the ability of citizens to participate in local decision making. Our initiative, Community Heart & Soul™: Guided by What Matters Most, is a new approach to community planning and development designed to help people in small cities and towns navigate change in a way that honors their connection to community and upholds the unique character of each place.

The Foundation wishes to thank the many individuals, local elected and appointed officials, community volunteers, and likeminded practitioners, non-profits, foundations and trade organizations that have contributed in countless ways to our development of the Community Heart & Soul approach.

A special thank you to the residents, volunteers, and leaders in our nine Community Heart & Soul Towns who learned with us—on the ground—to evolve the Heart & Soul method presented in this Field Guide. We could not possibly have done it without all of you, a community of inventive, determined people.

Finally, deep gratitude to Lyman Orton—founder, board chair, and funder of the Orton Family Foundation—for his generosity, passion, and patience. Community Heart & Soul would be a dream, not a growing reality, without his persistent belief in the regular folks who live and work in America's small towns.

Learn more about Heart & Soul at orton.org/heart-soul

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A community with Heart & Soul™ fosters a vibrant economy.

What does it mean?

Supporting businesses and jobs means helping existing businesses prosper, new businesses get established, and individual residents find work. Local businesses could include a neighborhood hair salon or a downtown grocery store, a web-designer working from home, a farm, or a bow-tie factory. Local businesses provide services to residents and depend on the services, infrastructure, and resources that are managed by the town

or local government. Besides providing employment, local jobs allow individuals to live and work in the same area, spend less time commuting, and spend more time with family, staying healthy, or even volunteering on a committee. For some communities, helping residents find work means helping them get to potential jobs in nearby cities or other job centers.

What does this matter?

Local businesses and employment are the cornerstones of any prosperous community. Beyond simply providing jobs and incomes for residents, local businesses build community by providing gathering places, landmarks, and a sense of place. Local businesses are often the first to finance or initiate a public project, knowing full well that their own self-interest is tied to the well-being of

the community. Local business owners and managers are also neighbors, giving them insights that can be a competitive advantage over other non-local businesses. Finally, locally-owned businesses are more likely to use local banks and other services, so that revenues stay within the community and generate more jobs [see the [Andersonville Study, 2004](#)].

What can a community do?

Local governments can support business start-ups, help existing businesses thrive, and help individuals find work and develop job skills. As increasingly complex economic forces exert an influence on every Main Street in the US, local businesses and working individuals can rarely succeed without a healthy and supportive environment in which to operate. This includes

the physical environment of pipes and pavement, the regulatory environment of permitting and taxes, the lifestyle environment of local amenities and costs of living, and the good will environment of local support for businesses. By nurturing and promoting these aspects of the economic environment, a local government can become an "economic gardener".

Setting goals and taking action

Below are potential actions that can support a community's values around jobs and the economy. They are organized within five broad goals. This guide provides a review of each action.

Links to examples and additional resources are also provided.



website



pdf



book



video

GOALS

ACTIONS

Build knowledge and capacity to steward the economy

- Conduct a market analysis
- Create an economic development program

Help residents get jobs and expand job skills

- Create a job/career center
- Support job training programs
- Hold a job fair
- Coordinate transportation to work

Reduce the barriers to starting and operating a business

- Create business incubators
- Encourage public markets
- Support home based businesses and cottage industries
- Invest in local businesses (micro-equity)
- Relax parking requirements

Increase sales and opportunities for local businesses

- Start a local currency
- Start a "buy local" campaign
- Promote the community
- Spruce up the downtown
- Save/bring back the anchor

Attract and retain businesses

- Coordinate a business clustering strategy
- Promote industrial clusters and networks
- Use tax incentives to attract investment
- Invest in infrastructure and utilities
- Allocate the right amount of commercially zoned land
- Evaluate the big box vs. Main Street tradeoffs
- Focus on quality of life

Goal Build local knowledge and capacity to steward the economy

Conduct a market analysis

A market analysis examines the assets, gaps, and market opportunities that exist in the industrial, service commercial, and retail commercial sectors of the community. This can include everything from local demographics and workforce skills to rent, construction

costs, and land suitability. A good analysis will recommend types of new businesses or stores that could succeed in the area, appropriate locations for them, and potential barriers to these opportunities.

Examples



-  [Brief market analysis—Prince George, British Columbia](#)
-  [County GIS economic gardening program—Pueblo, Colorado](#)

Create an economic development program

An economic development program can be organized in a number of ways—a town could have an Economic Development coordinator on staff, or a larger community or region could have an Economic Development Office that is structured as an arm’s-length non-profit. These programs are specifically focused on attracting investment, maintaining jobs, liaising with the business community, coordinating with municipal planners, and supporting business and workforce development. Example activities include: collecting and profiling community information that is relevant to businesses, such

as workforce statistics and industrial land availability; running business and workforce training programs; coordinating business resources such as business grants or credit programs; and, coordinating local initiatives such as a "Buy Local" or "You Should Invest Here" campaign. From within city or town government, cross department awareness of economic development efforts may be physically seen as better designs for pedestrian access, higher regard for design and aesthetics, and safety through outdoor lighting and landscaping.

Examples

-  [CEDO Office—Burlington, Vermont](#)
-  [Jefferson Economic Council—Colorado](#)

Goal Help residents get jobs and expand job skills

Create a job/career center

Job centers or career centers provide resources for people to prepare for and seek out jobs. This can include a variety of resources, from a basic computer station and printer at the local library to a dedicated facility

with career counselors, resume-writing programs, and classes. Job centers often provide the venue for job training programs.

Support job training programs

Job training programs offer classes and certification programs for developing specific job skills, such as computer literacy or skilled trades. State-wide resources such as community colleges or workforce development

agencies are often available to deliver these programs, requiring local governments to initiate and coordinate the program but not provide the expertise.

Example

 [Small Towns Big Ideas—Rugby, North Dakota case study](#)

Hold a job fair

A job fair is an event to help connect employers and job-seekers. Job fairs are often held as an annual event, but can also be successful as a one-off event. In Morrilton, Arkansas, for example, the mayor and economic

development staff organized a job fair after two large employers closed in the same week [see the "Small Towns Big Ideas" example below].

Example

 [Small Towns Big Ideas—Morrilton, Arkansas case study](#)

Coordinate transportation to work

Residents of smaller communities are often required to travel or commute to work. Communities can support coordinated transportation by building a park and ride

lot; starting an online ride-share forum; setting up public transit; getting the existing transit to stop in town; or encouraging large employers to set up vanpools.

Examples

 [Regional transit system—Addison County, Vermont](#)

 [Profiles of innovative rural vanpool programs](#)





Goal Reduce the barriers to starting and operating a business

Create business incubators

Business incubators provide opportunities for small businesses to reduce their start-up and operating costs. Incubators reduce costs by using shared office or subsidized work spaces, shared equipment and utilities, or shared business support services such as accounting and reception. A kitchen incubator, for example, is a commercial kitchen facility that is usually owned and

managed by a non-profit and can be rented hourly by a baker or caterer. A business-services incubator would include rentable desks or offices with shared printers, servers, and meeting rooms. Incubators are often subsidized by using public lands or town-owned building space.

Examples

-  [National Business Incubator Association](#)
-  [Mentorships for incubator businesses](#)
-  [Long Prairie Industrial Incubator—Minnesota](#)
-  [Mission Mountain Food Enterprise Center—Ronan, Montana](#)

Encourage public markets

Public or farmer's markets are regular events where vendors rent table space to sell produce, crafts, or other goods. Because of the low investment required from vendors, markets provide an excellent opportunity for businesses and start-ups to start small or stay small. Markets usually rely on the use of free space such as a

park, gymnasium, or parking lot. Market coordinators also require some hand-holding from municipal staff as they navigate permitting and traffic management. Many successful markets have grown enough to establish a permanent venue, where they become an anchor attraction to the downtown.

Examples

-  [Bellingham Farmer's Market—Bellingham Washington](#)
-  [Project for Public Spaces—Markets](#)

Support home based businesses and cottage industries

Technology and corporate practices are spurring a tremendous shift toward "homepreneurs": individuals who work from home as freelancers, consultants, or remote employees. Other individuals are using technology to make or sell products from home and distribute them around the world. These home businesses and cottage

industries are both impacted by local regulations such as "home occupation" policies and parking bylaws. Communities seeking to encourage this form of employment should review zoning and other bylaws to ensure that they are not overly restrictive.

Example



-  [Zoning for home occupations—Albany Law School](#)

Invest in local businesses (micro-equity)

Local micro-equity programs are an emerging idea that basically helps local businesses or start-ups access venture capital from investors in their own community. The LION program in Washington is simply a network of investors who consider local investment opportunities. The Little Muddy Dry Goods store in Plentywood, Montana (pop.2000) was started with capital from

eighteen local investors who each purchased a \$10,000 share. Merc, a profitable department store in Powell, Montana that competes with a nearby Wal-Mart, has over 500 investors who each own one or more \$500 share. Many local banks also provide micro-equity, and economic development agents can simply direct entrepreneurs to these programs.

Examples

-  [Community-owned stores as alternative to chains](#)
-  [Local Investing Opportunities Network \(LION\)—East Jefferson County, Washington](#)

Relax parking requirements

Excessive parking requirements—such as *parking spaces per restaurant table or per retail square feet*—can be the limiting factor for small businesses to grow or establish. Parking standards are often overly generous, created with little consideration for the context, and use

cookie-cutter standards from suburban super malls or other auto-oriented land uses. Flexible, managed parking approaches such as shared parking or location-efficient parking standards can help new businesses reduce costs and invest capital in other areas.

Example

-  [Parking management strategies—Victoria Transport Policy Institute](#)

Goal Increase sales and opportunities for local businesses

Start a local currency

Local currencies are essentially coupons, representing real money, which can be spent within the community at participating stores. Local currencies promote local businesses by encouraging people to spend at participating stores and in many cases getting a built-in discount on purchases (\$95 US dollars gives you \$100

BerkShares, the local currency in western Massachusetts). Local currencies do have a price tag though: BerkShares, for example, cost about a quarter million US dollars to get started, and requires ongoing operating expenses such as printing and staffing costs.

Examples

-  [BerkShares—Massachusetts](#)
-  [Ithaca Hours—New York](#)

Start a “buy local” campaign

Buy local campaigns promote local businesses and promote the civic virtues of supporting them. These campaigns often develop a brand for local businesses,

an internet presence, maps, and special coupons or other incentives to drum up interest.

Examples

- 📍 [Local First](#)
- ▶ [Online session of Revitalizing Wisconsin’s Downtowns: Buy Local Campaigns \(content begins around 11:25. Enjoy the introduction\)](#)

Promote the community

Community marketing campaigns seek to attract businesses, industries, or visitors to the community through outreach and promotion. A campaign could promote tourism by highlighting the natural and

cultural assets of the region, or it could lure business by highlighting the special tax programs, state-of-the-art infrastructure, educated residents, or underutilized buildings that happen to be available for a great price.

Example

- 📍 [Comox Valley regional business outreach campaign](#)

Spruce up the downtown

Downtown improvements make the area more attractive to shoppers and generate more foot traffic for businesses. Improvements can include a major overhaul such as street and sidewalk redesign, building façade improvements, or the redevelopment of vacant lots or buildings. They can also include less costly upgrades

such as planters, banners, or volunteer clean ups. Beyond aesthetics, great downtowns need to be safe, interesting, and comfortable, so any small upgrades should keep an eye towards realizing a complete vision for the district.

Examples

- 📍 [The Main Street program](#)
- 📍 [Wilder Block restoration—Brattleboro, Vermont](#)
- 📍 [Façade improvement program—Biddeford, Maine](#)

Save/bring back the anchor

Many downtowns are failing to thrive because there isn’t a strong enough attraction for shoppers. Maybe the grocery store, for example, is out on the highway. Anchors are destinations that provide a consistent attraction for visitors and shoppers. This can be a grocery store, a public market, a theater, or a cluster of smaller

shops and services. Towns often take an active role in recruiting anchor businesses to the downtown, or provide incentives for existing businesses to stay. In some cases, communities have even bought the store in order to keep it in town.

Examples

- 📍 [Main Street Program solution center](#)
- 📍 [Community-owned stores: New anchors for older Main Streets](#)

Goal Attract and retain businesses

Coordinate a business clustering strategy

Pretty streets and buildings are just "lipstick on the hog" if there aren't enough destinations or a viable mix of service-oriented uses to attract people in the first place. A business cluster, similar in theory to an industrial cluster, are groups of shops or services that are designed to either specialize in a certain retail sector or offer a balanced variety of retail services. With a suf-

ficient quantity and/or diversity of offerings, a business cluster can successfully attract shoppers. Business clusters often occur naturally in downtowns, but economic development programs or chambers of commerce can proactively identify business cluster gaps and recruit businesses to fill those gaps.

Examples

-  [Space utilization overview, University of Wisconsin Cooperative Extension](#)
-  [Business retention, expansion, and recruitment efforts in Baraboo, Wisconsin](#)

Promote industrial clusters and networks

Industrial clusters and networks seek to make industries more cost effective and competitive by recruiting groups of similar businesses that can share resources and optimize the use of local assets such as energy, materials, human resources, and infrastructure. Clustered or networked industries benefit by sharing specific services and resources that could not exist otherwise—

such as a group of farms that all supply a cheese factory or a restaurant, or a number of restaurants that order from the same wholesaler. Industrial networking may also develop material connections between different producers—one industry's waste stream, for example, might become another's material or energy resource, adding value to both enterprises.

Examples

-  [Oregon's industry clusters](#)
-  [Hardwick Center for an Agricultural Economy, Vermont](#)

Use tax incentives to attract investment

Tax incentives can reduce costs for businesses to invest in and develop property. These are typically offered in specific districts where redevelopment would provide multiple benefits to the community, including new commercial or industrial space and amenities that may attract new businesses. These "Rehabilitation Districts"

or 'Re-Investment Districts' typically include a temporary freeze on property assessments (maintaining the assessed value at pre-development levels, for instance), a specific reduction in assessed value or tax rates, or an exemption with some payment-in-lieu-of-taxes (PILOT), such as providing jobs or community amenities. Not all states allow TIFS.

Example

-  [Cowlitz EDC tax incentives—sample](#)

Invest in infrastructure and utilities

Infrastructure is one of the original business attractors. Where roads, sewers, communications, transportation, and energy services are inadequate, businesses will find it difficult to stay competitive and will think twice before setting up shop. High-speed internet and cell-

phone reception is increasingly important, if not more important to some businesses than pipes and pavement, although each business and every community has its own unique needs that should be strategically assessed regularly.

Allocate the right amount of commercially zoned land

Communities can only support a finite amount of commercial services. Over-commercialization can drive down rents, lead to decreased investment in commercial properties (read: peeling paint, weedy lots), and drive retailers to other towns. Investors with foresight will notice the vacant 10-acre commercial lots along

the highway (the same size as many village commercial districts) and reasonably avoid building or maintaining a grocery store in the downtown. On the other hand, some neighborhoods can be underserved, especially where single-use zoning and land use policies segregate housing from commercial services.

Evaluate the big box vs. main street tradeoffs

National large-format retailers offer some attractive expectations for towns: new tax revenue, less "leakage" of shoppers to other towns, more pull from those other towns, spinoff sales for local businesses, new jobs, cheaper stuff. Many studies¹, however, suggest that towns actually lose pull, local businesses lose revenue almost dollar for dollar, new jobs simply replace existing jobs but with lower wages and higher taxpayer

burdens (to subsidize the low-wage earners' housing or health care, for example), and almost seven-eighths of the big store's revenue immediately leaves the region (compared to only one-half of locally-owned store revenues)². Towns that choose to say 'no' to big stores can choose to limit commercially zoned land to existing commercial districts, or set a maximum floor area restriction on new commercial development.

Example

 [Big Box Evaluator](#)

Focus on quality of life

Quality of life is an important factor in business relocations and investment. Cost of living, affordable housing, good schools, and great cultural and recreational amenities can all be found in the 'offerings' on a community's business recruitment campaign. Why? Because finding and retaining a talented workforce is a critical business resource, and talented workers seek

communities where they can enjoy a quality lifestyle. This strategy clearly suggests a comprehensive and multi-faceted approach to economic development that includes investments in community assets such as arts and entertainment venues, parks and outdoor recreation opportunities, workforce housing, schools, and public services.

1 Dr. Kenneth Stone, "Competing with the Discount Mass Merchandisers," Iowa State University, 1995; Dr. Kenneth Stone and Georgeanne M. Artz, "The Impact of 'Big-Box' Building Materials Stores on Host Towns and Surrounding Counties in a Midwestern State," Iowa State University, 2001.

2 "The Economic Impact of Locally Owned Businesses vs. Chains: A Case Study in Midcoast Maine," Institute for Local Self-Reliance and Friends of Midcoast Maine, September 2003.

Learn More

-  [Maine State Planning Office Economic and Demographic Program and Publications](#)
-  [University of Wisconsin Cooperative Extension—Center for Community and Economic Development](#)
-  [Littleton, Colorado—Economic Gardening Plan 2013: Beyond Economic Gardening](#)
-  [Home Town Competitiveness—Asset building in rural communities](#)
-  [National Trust for Historic Preservation—Main Street Approach](#)
-  [Institute for Local Self-Reliance \(has been merged with the New Rules Project page\)](#)
-  [Business Alliance for Local Living Economies \(BALLE\)](#)

