



# reporter

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## The Loring Park Development:

The Design, the Development, and the Difference It Has Made

by Warner Shippee, Philip Wagner, and Dana Reed

For many years American cities have attempted to create new close-in neighborhoods in order to arrest the flight of the affluent to the suburbs and to attract and hold middle- and upper-income people. The Loring Park Development District, planned and built in the last decade, has been the most comprehensive and significant such effort in the Twin Cities metropolitan area.

In 1982-83, CURA conducted a study of the Loring Park Development District hoping to discover whether such a planned residential neighborhood did indeed provide a style of urban living attractive to affluent urbanites. Did the development, as built, carry out the objectives set forth by its planners and designers? Have the residents responded to the environment as anticipated? Did their move to the Loring district enhance their lives? What were their expectations and were they met? Are the residents using the amenities provided? And what kind of difference has the development made to the city of Minneapolis.

During the course of this study, plans for the Loring district were compared with the development as it was built; the planners, designers, and developers were interviewed; and a survey was made of residents in selected parts of the area.

### The Loring District in the Past

Until very recently, Minneapolis's downtown and its main stem, Nicollet Mall, frayed out in a hodge podge of dilapidated commercial buildings and down at the heels walk-up apartments and rooming houses. The area lying between downtown and Loring Park to the south presented a classic example of the decline of a prestige residential neighborhood at the edge of a city's center. Starting in the 1860s the area was

the site of mansions and luxury row houses of the wealthy. By 1910 the city's elite had moved farther south and west. Much of the first generation housing was cut up into smaller units or replaced by walkup apartment buildings, mostly occupied by the white collar workers and professional people employed downtown. By the 1950s and 1960s the area had been inherited by the poor, many of them aging or aged.

### The Loring District Plan

In the early 1970s the city's planners and downtown interests, hoping to turn an apparent liability into an asset, produced a series of plans to be followed by development proposals for the extension of downtown and the construction of a new high amenity residential-institutional area.

The *Metro Center '85* plan, recommended by the Downtown Council and adopted by the Minneapolis Planning Commission in 1973, pointed out the potential for high density residential redevelopment around Loring Park. The plan called for the southward extension of the downtown Nicollet Mall to the Loring Park area, the upgrading and addition of major cultural and recreational facilities in the neighborhood, and the creation of a finger park to connect Loring Park to the extended mall. The previous year the city council had officially created the Loring Park Development District. The city proposed to underwrite high density residential and commercial development within the district by means of tax-increment financing. The city would acquire and clear land, provide the additional necessary infrastructure, including an attractive pedestrian parkway, and absorb much of the financial risk associated with private development.

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Acting on the assumption that only an exceptionally attractive physical environment would draw upper and middle income residential development to the district, the city wanted to create a park-like atmosphere that would compete with the most desirable suburbs. The planning office developed a series of design objectives for open space, building design and orientation, and security in the district.

The Urban Design Plan for the Loring district, developed by M. Paul Friedberg, a nationally prominent urban designer, detailed and somewhat modified city objectives. It identified the Loring Greenway, a finger park stretching from Nicollet Mall to Loring Park, as the major open space for the area, creating both an attractive pedestrian walkway and a park for the residential community.

The proposed greenway had two parts. The first, from Nicollet Mall to the LaSalle Avenue overpass, was to be commercial, consisting of a relatively narrow pedestrian shopping mall framed by small retail shops. It was to be enhanced by street furniture, signage, lighting, and attractive shop fa-

acades. The greenway was to cross LaSalle on a wide overpass connected by stairs to the bus stop on the street below. The second part, from the overpass to Loring Park, would create a green park varying in width and accommodating differing activities. It would include a small amphitheater-like lawn, tot-lot, trellis-covered picnic tables, and benches along the path.

In some cases residential courtyards for the high-rise apartment complexes would open directly onto the greenway, although for the most part townhouses would separate apartment complexes from the greenway. Pedestrian entries, however, were to link the greenway to all the apartment courtyards. Friedberg envisioned a carefully controlled mix of low- and high-rise buildings in each land parcel of the district, with the tall buildings along the street side and townhouses along the greenway.

Security was to be provided through surveillance as advocated by Jane Jacobs and Oscar Newman.\* A continuous line of

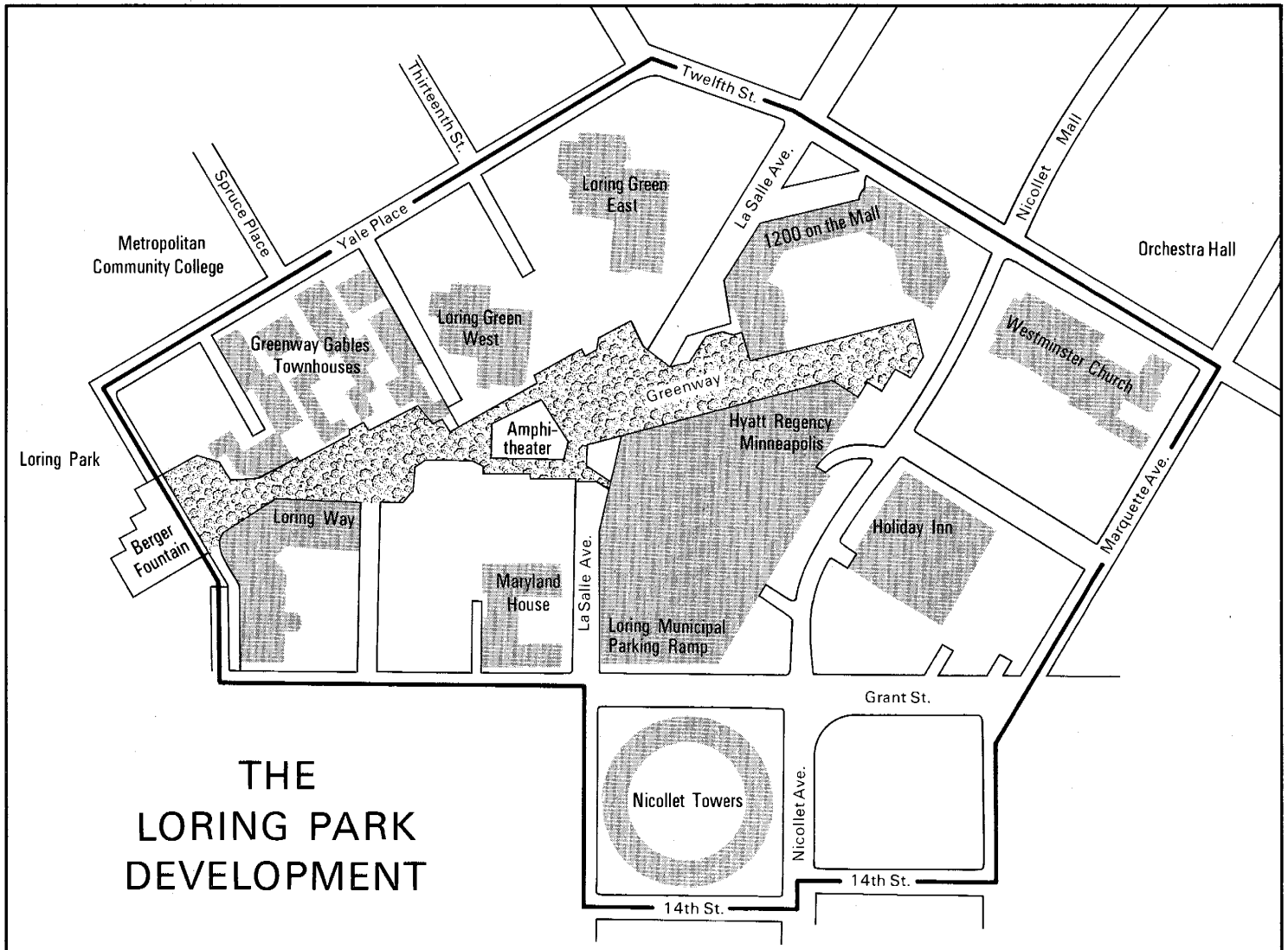
buildings along the borders of the greenway would allow residents to look out on greenway activity. The addition of retail shops would generate activity and further surveillance at the Nicollet end of the greenway. Thus, the original plan notes, the "eyes of the community" would supply "the best anti-crime deterrent design can contribute."

Generally, Friedberg's plan was faithful to the city's own design objectives for the district. The urban design plan attempted to reconcile security with aesthetics, using attractive street furniture, active open spaces, the townhouses, and commercial activities to contribute to a high level of activity on the greenway.

### New Development

The environment actually created in the Loring district departs from the design plans in several significant ways. Most of the design objectives and plans focused in some way on the greenway. Development had been planned so that the design of the

\*See Jane Jacobs, *The Death and Life of Great American Cities* (New York: Random House, 1961); and Oscar Newman, *Defensible Space* (New York: Macmillan, 1972).



public greenway and private buildings would complement and enhance each other.

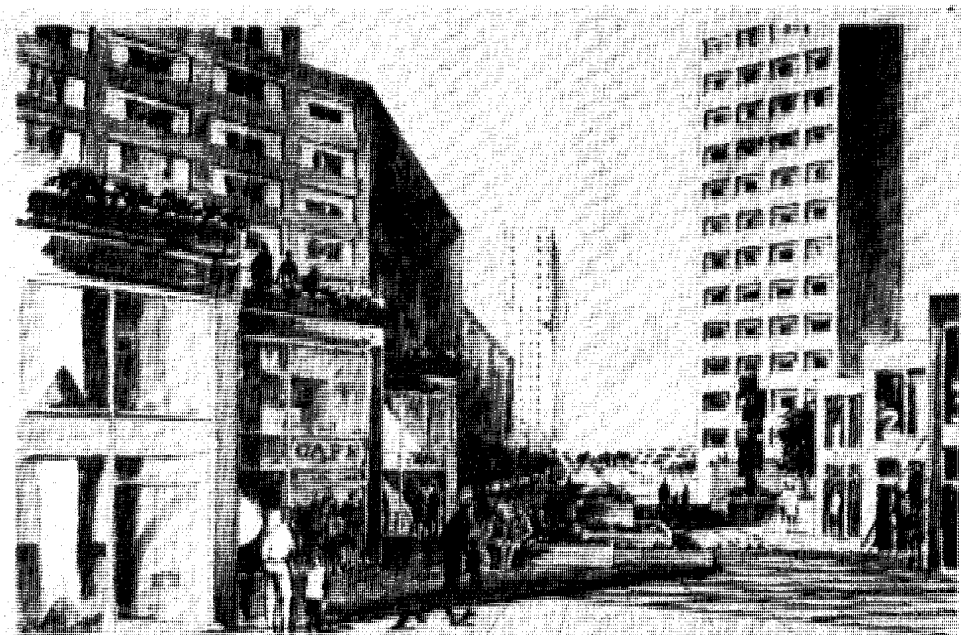
Although the greenway was built as planned, specifications regarding building size and orientation were largely disregarded. Friedberg and the city had proposed low-rise townhouse development along the greenway. Townhouses were built, but instead of lining the greenway, they are all concentrated in one area (Greenway Gables) at the northwest end of the greenway. Elsewhere, the greenway border consists entirely of high-rise buildings.

In order to generate a great deal of activity on the greenway near the Nicollet Mall, Friedberg planned a variety of small, street-level retail shops. Apparently, the developers vetoed this idea, and the city acquiesced. The resulting buildings, especially the Hyatt Regency Hotel along the south edge of the Nicollet entrance to the greenway, embody the form but not the function of the Friedberg plan. Setback walls facing the greenway from the south were designed as shop fronts. Instead they now house only darkened windows and oversized air-conditioning vents. There are no windows on the north side, but only a drab, high, concrete wall. What remains of the original plan are the short, pedestrian scale, lightposts that line both sides of the greenway at this point. Friedberg specifically designed them so as not to obstruct the signs that were to be above the retail shops here. The retail shops, instead, were placed inside the Hyatt Regency Hotel and 1200 on the Mall. They open onto indoor corridors or the Nicollet Mall. None open directly to the greenway.

According to the plan, the west half of the greenway was to be more park-like in character. Here the finished product most nearly resembles the plan. The landscaped amphitheater was built, though it has not yet been the location of the small, casual, spectator events envisioned. The Berger fountain is in Loring Park, but its role as a visual terminus is subverted by a high wall placed at the end of the greenway.

The development district departs most from the plan in the relationship of public to private space. Intermediate, semi-public spaces have been eliminated and large physical and visual barriers have been erected between the private and public spaces.

Friedberg's residential courts were to serve as the major entrances to the residential buildings. Each court was to function essentially as the front door for its respective building. In fact, townhouses and residential courts were replaced by high-rises and security walls. Residential courts were either drastically reduced in size, as at Loring Green; walled in, as at Greenway Gables; or eliminated altogether, as at Loring Way. Major entrances of buildings and complexes shifted from the greenway to the street. Greenway Gables' main entrance is an automobile driveway



LORING GREENWAY FROM NICOLLET MALL

**The designer's concept featured street level shops opening on the greenway to generate activity. Semi-private space above the shops at the left formed a link between the public greenway and the private high-rise residences.**

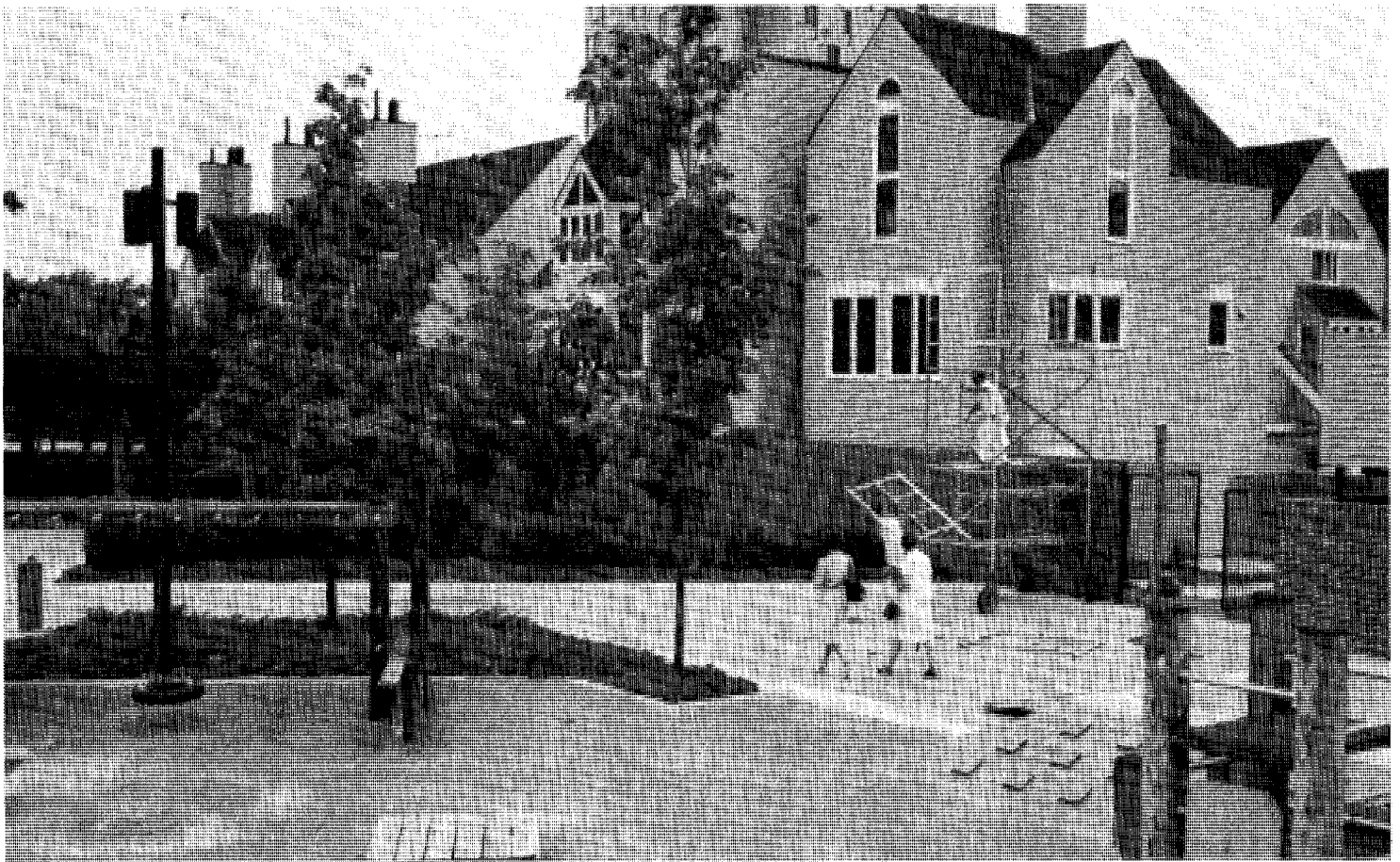


**The greenway as it was built embodies some of the form but none of the function of the original design plan. Low-rise buildings on the left (part of the Hyatt Regency Hotel) do not house shops. The semi-private terrace above them has been eliminated. On the right (where 1200 on the Mall rises), a high concrete wall replaces the intended shops and creates a barrier between public and private spaces.**

facing Yale Place. Loring Green and 1200 on the Mall both shifted their major entrances from the greenway to the street. 1200 on the Mall retained its court, but walled it off. Its nearest greenway entrance is a single door located at the east end of the greenway wall.

Friedberg had planned the district for pedestrians. The residential courts and

greenway entrances all had reflected this pedestrian orientation. Ironically, the major alterations to the plan represent a rejection of the pedestrian orientation in favor of an automobile orientation—one the city planners had originally sought to avoid. While some buildings have retained partial pedestrian access to the greenway, others have none.



**Greenway Gables Townhouses are clustered near the Loring Park end of the greenway. A public playground and picnic area on the left are separated from private spaces by a brick wall and iron gate.**

The Maryland Hotel apartment building, renamed Maryland House, on the corner of Grant and LaSalle is one of the few older residential buildings in the district that was not torn down. Friedberg incorporated it into his plan. While not on the greenway, the Maryland was to have access to it via a stairway ascending from LaSalle Avenue to the LaSalle overpass. This stairway never materialized and the LaSalle overpass today is completely inaccessible from LaSalle Avenue. Instead of the stairway, there is another wall punctuated at several points by garage and service entrances to the Hyatt Regency Hotel. Maryland House residents, as well as other pedestrians using LaSalle Avenue, have been effectively cut off from the greenway's public space.

Why has the Loring Park development departed in so many ways from Friedberg's plan? No single explanation will account for it. Rather, it appears that the city, for a variety of reasons, was not able to enforce the original design guidelines as development began.

At about the same time that the city began soliciting development proposals for the private parcels in the district, an economic recession made it difficult or impos-

sible for developers to secure needed investment financing. Consequently, the city planning office began to adjust its design objectives in order to facilitate private development. The first and perhaps most extreme example of such a change was the city's approval of the design of Greenway Gables, the only townhouses in the entire development. The city was either unwilling or unable to force developers and architects to comply with the urban design guidelines.

In the absence of guidelines, developers shifted their concerns away from the public spaces of the district toward the private spaces of individual parcels and buildings. Protective walls, fortress-like building facades, and elaborate building security systems, all reflect an overriding concern for personal security in buildings at the expense of the surrounding public space.

#### **Reactions of the Residents**

CURA set about discovering who the new residents of the Loring district were, how they felt about their new habitat, and whether moving to the area had made an

appreciable difference in how they lived. Was a new urban life style in evidence? Had the development attracted the relatively affluent people sought by the planners, architects, and city council?

Some general conclusions can be made. The newcomers are predominately affluent, single people and couples without children. Although their responses do not evidence a new urban life style, they do indicate increased use of the cultural opportunities in the area, a greater propensity to shop downtown, less dependence upon private automobiles, and more walking to work and to play. Despite the barriers presented by the design of the buildings, many of the new residents are making use of the greenway.

CURA surveyed the residents of the forty-six townhouses in Greenway Gables, and sampled the population of the two high-rise buildings of 1200 on the Mall, and for contrast, the people living in the Maryland House apartment building.

The area is virtually childless. Even in the Greenway Gables townhouses, only one-fourth of the households include three or more persons. In the Maryland House, 91.2 percent of the apartments are occu-

**TABLE 1. CHANGE IN HABITS (In percents)**

|                               | Greenway Gables<br>N=29 | 1200 on the Mall<br>N=42 |
|-------------------------------|-------------------------|--------------------------|
| Automobile Use                |                         |                          |
| using less                    | 69.0                    | 52.4                     |
| using more                    | 3.4                     | 2.4                      |
| no change                     | 20.7                    | 23.8                     |
| no answer                     | 6.9                     | 21.4                     |
| Walking                       |                         |                          |
| more                          | 75.9                    | 69.0                     |
| less                          | 3.4                     | 0                        |
| no change                     | 13.8                    | 9.5                      |
| no answer                     | 6.9                     | 21.4                     |
| Attendance at Cultural Events |                         |                          |
| Guthrie Theater               |                         |                          |
| using more                    | 27.6                    | 19.0                     |
| using less                    | 3.4                     | 9.5                      |
| no change                     | 55.2                    | 40.5                     |
| no answer or never use        | 13.8                    | 31.0                     |
| Walker Art Center             |                         |                          |
| using more                    | 55.2                    | 16.7                     |
| using less                    | 0                       | 2.4                      |
| no change                     | 34.5                    | 45.2                     |
| no answer or never use        | 10.3                    | 35.7                     |
| Orchestra Hall                |                         |                          |
| using more                    | 48.3                    | 45.2                     |
| using less                    | 37.9                    | 23.8                     |
| no change                     | 0                       | 4.8                      |
| no answer or never use        | 13.8                    | 26.2                     |
| Downtown Shopping             |                         |                          |
| increased                     | 82.8                    | 57.1                     |
| decreased                     | 6.9                     | 19.0                     |
| never use                     | 10.3                    | 23.8                     |

pied by single people, while at 1200 on the Mall 63 percent of the households are single people and 31 percent two persons.

Maryland House residents may actually be typical of a fairly large segment of the population of the area prior to the new development. Comparing them with the new people moving into Greenway Gables and 1200 on the Mall shows a significant difference. The Maryland House people are predominately old, 83 percent are sixty or older. On the other hand, the majority of the new residents are middle-aged. Seventy-one percent of the respondents at Greenway Gables and 49 percent at 1200 on the Mall are between 40 and 60 years old. Fourteen percent of the residents at Greenway Gables are over 60 and 14 percent under 40, as compared with 31 percent over 60 and 20 percent under 40 at 1200 on the Mall.

Differences in income are even more striking. The elderly people at Maryland House live mostly on pensions and old age insurance. More than half report incomes under \$5,000 and the remainder between \$5,000 and \$15,000. None had an income over \$15,000. The new buildings, however, have been very successful in attracting

upper- and upper middle-income people. The median family income at Greenway Gables exceeds \$75,000 while at 1200 on the Mall it is about \$34,000. Twenty-four percent reported incomes between \$50,000 and \$100,000 at Greenway Gables (20 percent at 1200 on the Mall); and 35 percent reported incomes over \$100,000 at Greenway Gables (2 percent at 1200 on the Mall).

Most of the people in Greenway Gables and 1200 on the Mall moved there from a more outlying location. Forty-one percent at Greenway Gables came from the suburbs; 31 percent at 1200 on the Mall. Others, 45 percent at Greenway Gables and 50 percent at 1200 on the Mall, had previously lived farther from downtown but within the City of Minneapolis.

Thus a major objective of the city council, the architects, and planners appears to have been achieved. The newcomers are affluent. They have been attracted from the suburbs or persuaded to stay in Minneapolis.

Another objective may also have been served. The new buildings house many people who formerly lived in single family houses. More than half of the residents of

Greenway Gables and 31 percent of the residents at 1200 on the Mall report that they previously occupied single family homes. With the move these houses became available for others, presumably larger middle-and upper-income families.

### Change in Habits

We were interested in knowing whether the move to the Loring Park District had significantly affected the way people lived and used their time. Had their use of car or bus changed since the move? Did they walk more? Were they taking advantage of the nearby cultural centers? Had their shopping patterns been affected?

Table 1 displays the results of our survey questions about changes in habits. Changes in the way people get around were dramatic. Almost 70 percent at Greenway Gables and more than half at 1200 on the Mall reported they were using their cars less. The amount of walking they do has increased for over two-thirds of those we talked with: 76 percent at Greenway Gables and 69 percent at 1200 on the Mall. Use of cultural facilities in or near the area has also increased. Attendance at the Walker Art Center, the Guthrie Theater, and Orchestra Hall has increased more than it has decreased. And downtown shopping seems to be booming for the new residents, especially those at Greenway Gables where 82 percent have increased their downtown shopping.

### Use of Parks

The greenway, the most important design feature of the district, was intended for use as a pedestrian pathway and a park both for residents of the development and for others. Residents were asked about the frequency of their use of the greenway and of nearby Loring Park as well. Both parks appear to be well used (Table 2). All of the respondents in Greenway Gables use the greenway, while 95 percent of those at 1200 on the Mall and 70 percent at Maryland House use it. In comparison with the greenway, Loring Park is less frequently used by residents of Greenway Gables, but more often used by people from Maryland House. Residents of 1200 on the Mall use both parks about equally.

Use of the parks may reflect the location of each park and its accessibility from the three housing areas studied. There is no direct access from Maryland House to the greenway. People in 1200 on the Mall can walk downtown without using the greenway, while people in Greenway Gables may well use the greenway enroute to downtown even though access is not as easy as it might be. In addition, the age of the Maryland House residents may curtail their use of both parks.

### Security

Perceptions of personal safety in the parks may also have influenced their use. Loring Park has a long-standing reputation as an

**TABLE 2. USE OF PARKS (in percents)**

|                          | Maryland House<br>N=24 | Greenway Gables<br>N=29 | 1200 on the Mall<br>N=42 |
|--------------------------|------------------------|-------------------------|--------------------------|
| Loring Greenway          |                        |                         |                          |
| 3 times a week or more   | 4.2                    | 65.5                    | 35.7                     |
| Less than 3 times a week | 66.7                   | 34.5                    | 59.5                     |
| Never use or no answer   | 29.2                   | 0                       | 4.8                      |
| Loring Park              |                        |                         |                          |
| 3 times a week or more   | 25.0                   | 31.0                    | 30.9                     |
| Less than 3 times a week | 58.3                   | 58.6                    | 61.9                     |
| Never use or no answer   | 16.7                   | 10.3                    | 7.2                      |

**TABLE 3. SENSE OF PERSONAL SAFETY (in percents)**

|                              | Maryland House<br>N=24 | Greenway Gables<br>N=29 | 1200 on the Mall<br>N=42 |
|------------------------------|------------------------|-------------------------|--------------------------|
| Have you ever felt unsafe... |                        |                         |                          |
| ...in your home?             |                        |                         |                          |
| yes                          | 4.5                    | 51.7                    | 4.8                      |
| no                           | 95.5                   | 48.3                    | 95.2                     |
| don't know                   | 0                      | 0                       | 0                        |
| ...on Loring Greenway?       |                        |                         |                          |
| yes                          | 21.7                   | 27.6                    | 40.5                     |
| no                           | 65.2                   | 72.4                    | 57.1                     |
| don't know                   | 13.0                   | 0                       | 2.4                      |
| ...in Loring Park?           |                        |                         |                          |
| yes                          | 60.9                   | 58.6                    | 54.8                     |
| no                           | 39.1                   | 37.9                    | 33.3                     |
| don't know                   | 0                      | 3.4                     | 11.9                     |

unsafe place, particularly after dark. The greenway, a new facility, has no such history but may have taken on some of the notoriety of its neighboring park. We asked the respondents to assess their sense of personal safety in their home as well as in the two parks (Table 3).

Strikingly, half of the people in the low-rise townhouses at Greenway Gables have felt insecure or have worried about personal safety in their homes, while in the apartment buildings, both old and new, 95 percent felt secure. On the other hand, 50 to 60 percent of the respondents in each of the groups have been concerned about their security in Loring Park. On the greenway only about one-fourth of the people of Greenway Gables, one-fifth of those at Maryland House, and 40 percent of those at 1200 on the Mall have felt insecure.

### Satisfaction

Has life in the Loring District met the expectations of the new residents? Two-thirds of the respondents at both Greenway Gables and 1200 on the Mall reported that they were more satisfied than they had expected to be, while only 7 percent at Greenway Gables and 2 percent at 1200 on the Mall

were less satisfied. These results should be gratifying to both the planners and the developers of the new area.

### The Difference It Has Made

The Loring Park development was a conscious effort on the part of the City of Minneapolis to turn around a deteriorating city neighborhood. They sought to replace a low income population living in a crime-ridden neighborhood with an affluent population living in a lively and safe neighborhood. Generally the project has been successful.

Despite the continued existence of Maryland House and the provision of a limited amount of subsidized housing for low- and middle-income people, most of the Loring newcomers are affluent people introduced to an area that had long since seen an earlier elite succeeded by people of much lower economic status. Socially and economically the area may now be regarded as an extension of the prestigious Kenwood District which lies to the south of Loring Park and includes the Walker Art Center and the Guthrie Theater.

The original design objectives of the Loring Park development were modified as

the project was built. We have noted that there was a shift away from the planned pedestrian orientation toward an automobile orientation. There was a shift from the planned mix of commercial and residential functions at the Nicollet Mall end of the district to a more highly segregated commercial and residential land use pattern. And there was a shift from the original plan's emphasis on interconnected public, semi-public, and private space to an emphasis on sharply demarcated public and private space. Nevertheless the newly created environment has wrought noticeable changes in the life style of its new residents.

The survey of people now living in the Loring Park development showed that they are walking more and driving less, using nearby cultural and recreational facilities, and shopping more in the downtown area than they did previously. The greenway is being used despite the physical barriers created against its use by security and prestige-conscious developers. These developers seem to have been more worried by the potential mixing of different populations in public places than were the planners or, one would guess, the residents. Though there have been some problems among the new residents in their sense of personal safety and security, on the whole the newcomers like their new environment.

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# Economic Health Through Community-Based Development

by Jeffrey D. Freeman and Warren W. Hanson



The largest project undertaken by the CEDs studied was this shopping mall at 13th and Franklin Avenue in Minneapolis. Stores reflected at the entrance to the supermarket include a drug store, shoe store, hairdresser's, and auto parts store. Costs for the shopping center, developed by the American Indian Business Development Corporation, were especially large because of the number of businesses included and the all new construction required.

Minnesota's community-based economic development organizations (CEDs) are one of the better-kept secrets of the state's economic development activities. Highly decentralized and with most of their individual projects on a relatively small-scale, these organizations have often gone unnoticed. Nevertheless, fourteen CEDs recently studied in Minnesota have helped, through over 140 projects, to create or retain more than 840 permanent, private sector jobs with public and private investments totaling \$17.3 million.

In the winter of 1982-83 the authors surveyed fourteen of Minnesota's CEDs. Each organization was examined for its development pattern and characteristics, its funding sources, and the economic development projects and activities which it had undertaken. The organizations surveyed were:

- American Indian Business Development Corporation, Minneapolis
- Community Development of Little Falls
- HELP Development Corporation, St. Paul
- Minneapolis North Development Corporation, Minneapolis
- Peoples Community Enterprises, Duluth
- Phillips Neighborhood Improvement Association, Minneapolis
- Powderhorn Development Corporation, Minneapolis
- Project for Pride in Living Industries, Minneapolis
- Region II Community Development Corporation, Bemidji
- University Avenue Development Corporation, St. Paul
- West Bank Community Development Corporation, Minneapolis
- West Seventh Development Corporation, St. Paul
- White Earth Development Corporation, White Earth
- Whittier Alliance, Minneapolis

Ten of these organizations are located in the Twin Cities, four in greater Minnesota. All are "community-based," meaning that their membership and boards of directors consist primarily of community residents or community businesspeople or both. All

concentrate at least a significant part of their efforts on small business development and job creation. Not all Minnesota CED organizations fulfilling these characteristics were included in the survey; those surveyed do present an illustrative sample.

### What is a Community-Based Economic Development Organization?

CEDs have no set pattern. Several examples will illustrate the diversity of their origins and activities.

Region II Community Development Corporation in Bemidji was incorporated in 1977 by a small group of people with previous experience in community development. The organization now has a staff of two and has obtained and packaged financing for numerous business development projects and provided technical assistance to many small businesses in north-central Minnesota. Finance packages have included support from the state's Community Development Corporation (CDC) Pilot Program (established in 1977), the American Lutheran Church, and the Region II Revolving Loan Fund as well as numerous private sources. Between 1977 and 1983 the corporation has brought in \$334,600 from public funds and \$425,000 from private sources.

A CED in northwestern Minnesota, the White Earth Community Development Corporation, was started in 1981 by members of the White Earth Reservation Business Committee. Having to rely exclusively on public monies, including funds from the Department of Housing and Urban Development and the Office of Economic Opportunity, the organization has been directly responsible for starting a garment manufacturing business and a saw mill on the reservation. Forty-two new jobs were provided at an average cost of \$11,500 per job.

In 1978 in Minneapolis, a group of community residents and local businesspeople, with the help of the Dayton-Hudson Foundation, incorporated the Whittier Alliance. In the last two years, through its revolving loan program, the organization has provided financing for two new businesses, and for equipment purchases and fixed improvements for three existing businesses; twenty new jobs were created. The organization has also helped small businesses finance storefront improvements through a grant program, and has worked with the city to implement a public improvement project for the community. Total cost for these programs was \$84,500 in Community Development Block Grant monies and \$152,800 from a variety of private sources.

The West Seventh Development Corporation in St. Paul was begun in 1977 by a group of community business owners who worked through the Small Business Association's 502 loan program to obtain and package financing for one business start-up and six expansion/relocations. The or-

ganization now provides technical assistance services to community businesses and, in cooperation with the city, has planned and implemented a public improvement program. The development corporation works jointly with the West Seventh—Fort Road Federation, a community residents' organization. The two organizations have three staff members and have secured a total of \$239,700 in public monies and \$696,300 in private funds for the development efforts.

### What Have They Accomplished?

Table 1 presents in summary form some of the accomplishments of the over 140 projects of the fourteen CEDs included in the survey.

Almost all CED projects involve some combination of public and private resources. Four organizations have financed projects totally through private sources although only one used private bank loans. Financing could be obtained in this case because the loans were secured by the value of the land and buildings purchased. More frequently, entrepreneurs in low-income communities lack the necessary equity to start a new business or improve an existing one and therefore require some type of public funding to leverage private

monies. An excellent means, here, is the use of small business low-interest loan programs such as the now extinct Small Business Administration 502 program. Three organizations included in the survey have recently established their own revolving loan programs; two are capitalized through the state's Community Development Corporation (CDC) Pilot Program and the third through Community Development Block Grant funds.

CED organizations also frequently provide indirect development assistance to the small businesses in their communities. This assistance has generally been in the areas of financial planning, management, and marketing, and often in conjunction with efforts to secure financing for a community business. Other indirect development activities involve the local business community as a whole. Some organizations have worked with city officials to plan and implement public improvement projects to make their commercial areas more attractive to shoppers. A few organizations have helped community business owners coordinate joint promotional activities. One organization held a conference where executives from large corporations and city officials met with minority and women owners of small businesses to learn of the services these businesses provide. Several organi-

**TABLE 1. PROJECT RESULTS IN FOURTEEN MINNESOTA CED ORGANIZATIONS**

| Organization  | Financial Totals   |                     | Job Totals |            |
|---|--------------------|---------------------|------------|------------|
|   | Public             | Private             | New        | Retained   |
| American Indian Business Development Corporation, Minneapolis | \$3,246,000        | \$ 2,500,000        | 43.5       | —          |
| Community Development of Little Falls                         | 610,000            | 1,537,000           | 92         | 98         |
| HELP Development Corporation, St. Paul                        | 29,500             | 280,000             | —          | 19         |
| Minneapolis North Community Development Corporation           | 63,000             | 507,000             | N/A        | N/A        |
| Peoples Community Enterprises, Duluth                         | 36,300             | —                   | 5          | —          |
| Phillips Neighborhood Improvement Association, Minneapolis    | —                  | 60,000              | 6          | —          |
| Powderhorn Development Corporation                            | 41,000             | 3,223,000           | 244        | —          |
| Project for Pride in Living, Minneapolis                      | —                  | 125,000             | 27         | —          |
| Region II Community Development Corp., Bemidji                | 334,600            | 425,000             | 58         | —          |
| University Avenue Development Corp., St. Paul                 | 220,000            | 1,310,000           | 35         | 30         |
| West Bank Community Development Corp., Minneapolis            | 515,500            | 588,600             | 34.5       | 89         |
| West Seventh Development Corporation, St. Paul                | 239,700            | 696,300             | N/A        | N/A        |
| White Earth Community Development Corporation, White Earth    | 483,400            | —                   | 42         | —          |
| Whittier Alliance, Minneapolis                                | 84,500             | 152,800             | 20         | —          |
|   | <u>\$5,903,500</u> | <u>\$11,404,700</u> | <u>607</u> | <u>236</u> |
|   | \$17,308,200 total |                     | 843 total  |            |

Public/Private ratio = 1/1.93

Average total cost per job: \$18,342; range of \$132,091 to \$4,630; median of \$11,509.\*

Average public cost per job: \$6,583; range from \$74,620 to \$0; median of \$4,225.\*

\*The costs of projects where job figures were unavailable (N/A) were excluded when calculating these figures. The project costs used in these calculations were \$15,462,300 total, \$5,550,200 public.



zations have conducted or contracted for various types of technical studies in their communities such as market studies, land use plans, and architectural design plans.

### What Makes a Successful CED?

Through the survey, six critical needs were identified that must be met for the long-term success of a CED.

**Leadership.** During its early stages, a CED needs strong leadership from one or two key individuals who can bring together an effective board of directors, and when necessary, build coalitions or relationships with existing groups or organizations in the community. As a CED grows and matures, effective staff leadership also becomes an important part of the success of the organization. Over time, a staff leader will acquire more and more responsibility for the specific activities of the organization, while the leaders of the board will shift their attention away from these activities and focus more on long-range planning and goal setting for the organization.

**Funding for administration and planning.** An organization must invest a considerable amount of time and effort in developing its technical capacity and conducting necessary planning and feasibility work before it can begin to undertake actual

development projects and programs. Initially, funds must be provided on the basis of an organization's potential for stimulating economic development, rather than its actual track record. Most of the organizations studied were able to acquire only one source of funding during their first few years; the two most common sources were the state's CDC Pilot Program and private foundations. Additional sources of funding usually come with added maturity and a track record of successful projects. Multiple sources of funding, especially self-generating income, provide the CED organization with some measure of financial stability.

**Professional staff.** Organizations which had no staff during their first few years developed very slowly and accomplished little in terms of economic development. In most cases, the sooner an organization was able to acquire full-time staff, the sooner it was able to mature to a point where it could begin to implement projects and programs to stimulate economic activity in its community.

**Political marketing.** This is a conscious on-going strategy by a CED organization to develop a network of relationships with key actors in the field of development. It is important for a CED organization to develop a broad network of relationships in all three sectors—public, private, and non-

profit. Since most funding is provided only on a short-term basis, a CED's budget is often quite fragile. The wider an organization's base of support, the better its chances to survive as an effective, long-term force for economic development in its community.

**Technical capacity.** The level of technical skills possessed by, or available to, a CED organization is critical in its ability to successfully plan and implement economic development projects. One of the best methods of capacity building is to learn by doing—conducting community development plans, market surveys and analysis, business feasibility studies, and design studies. Similarly, consultants are used most effectively when they work closely with organization staff, so that, in addition to performing specific activities, they are building staff capacity.

**Project capital.** In order to implement their projects, CEDs must have access to sources of financing. As already mentioned, public and private sources are usually needed with each frequently requiring the other. The state's CDC Pilot Program is unique among Minnesota public funding sources because it is reserved for community-based organizations. To obtain funds from other government sources, CEDs must compete with many other organizations. Public funds are usually the key to leveraging funds from private sources; this leveraging is one of the most important functions the CED organization fulfills.



West Bank Community Development Corporation packaged the financing and provided technical assistance to help create this neighborhood store—the West Bank Co-op Grocery.

### CEDs and a Healthy Economy

As important as it is, a revitalized community economy is not an end in itself for CED organizations. Rather, it is a product of the process by which community members can directly participate in improving the economic conditions of their communities. The real purpose of the community development movement is to empower community residents and local business owners to gain some measure of control over their environment. Through a CED organization, residents gain an understanding of what is needed to build a healthy community economy and the means to participate meaningfully in this revitalization.

Resources provided to CED organizations by government, private corporations, and foundations are not giveaways, they are investments—investments in human capital as well as in the economic development of low-income communities. Effective community development requires a public/private/community partnership in which each side respects the important roles the others play. To be successful in their development efforts, community residents do not need things done for them, they need the resources to do things for themselves.

While CED organizations operate with a social purpose in mind, they are very cognizant of the need for sound management and for following accepted business prac-

tices. This is true for the CEDs themselves and it guides the way they approach their development projects and activities. The businesses that CED organizations assist and develop, either directly or indirectly, are viable business ventures. The jobs created are long-term jobs. The benefits of CED activities reach far beyond the immediate community.

Collectively, CED organizations throughout the state have acquired a wide range of community development skills and experience. Up to now, they have been unable to use their collective expertise effectively because they have no formal ties with each other. A number of CED organizations have begun exploring ways that they can share their development expertise in order to expand their efforts. If CEDs can find a way to work together, they each will gain access to a greater range of development expertise and sources of project capital than they could find alone.

Recently there has been a great deal of discussion among state leaders about ways to stimulate economic development in Minnesota. The track records of the organizations included in this survey demonstrate the potential of community-based economic development organizations to play a significant role in a statewide economic development strategy. Although many of their efforts have been on a small scale, when taken as a whole these organizations have achieved significant results. And they have made these accomplishments in low-income areas where the need for economic development and job creation is greatest but where results are most difficult to achieve. With continued support, community-based economic development efforts will continue to expand, benefiting not only individual communities and their residents, but the state as a whole.

**Jeffrey Freeman recently received his master's degree from the Hubert H. Humphrey Institute of Public Affairs, where he concentrated on studies in planning and administration. He is currently working as a grants analyst for the Minnesota Pollution Control Agency in their water quality division. Warren Hanson is director of business development for the West Bank Community Development Corporation in Minneapolis. He has a background in economic development planning and is a fellow of the Development Training Institute in Baltimore. This article is based on Freeman's report, *Community-Based Economic Development Organizations in Minnesota*, published in January by CURA. The full report may be ordered by phoning (612) 373-7833. For additional information on material contained in this article, please contact Warren Hanson, West Bank CDC, 2000 S. 5th St., Minneapolis, MN 55454, (612) 332-6910.**

# Top Ten Environmental Issues

by Thomas L. Anding

As part of CURA's continuing involvement in environmental issues, CURA surveyed Minnesota-based environmental organizations in mid-1983 to determine how they would rank Minnesota's environmental problems. One hundred and forty-two surveys were completed. Each organization ranked the top three issues from a list of fifteen suggested by CURA. Acid rain was the number one issue, closely followed by hazardous waste and ground water quality (Table 1). The Minnesota survey was carried out by Julie Stephens, environmental intern, at CURA.

It is interesting to compare the Minnesota survey with two similar surveys completed a year earlier. In 1982 the French government conducted a survey of 295 French experts including academics, government officials, consultants, association leaders, and members of industry and agriculture to identify top environmental issues.\* This survey was done with a more

global perspective than the Minnesota survey (Table 2). A Swedish "strategic set" of priorities for environmental research and management was developed at a conference in late 1982 by a group of thirty-five independent scientists convened by the Royal Swedish Academy of Sciences.\*\* The Swedish lists are unranked but show considerable similarity to the Minnesota list (Table 3).

The tables suggest that global forces account for many of our high priority environmental issues and that regional and local permutations of both problems and solutions need to be sorted out. In fact, environmental research in Minnesota and the nation seems already to be focused in this way, particularly with regard to issues such as acid rain, hazardous waste, and ground water problems. The current number one dilemma is to find politically feasible solutions to these complex problems. Will our political system be able to deal in a

\*"Consultation Prospective sur L'Environnement," Mission des Etudes et de la Recherche, Ministry of the Environment, Paris, November 1982.

\*\**Ambio*, Vol. 12, No. 2. (1983). Stockholm: Royal Swedish Academy of Sciences. Contains a full report on the Swedish conference.

**TABLE 1. TOP TEN MINNESOTA ISSUES (in rank order)**

acid rain  
hazardous waste  
ground water quality  
wildlife protection  
surface water quality  
wetland management  
air quality  
energy conservation  
soil erosion  
low level radiation

**TABLE 2. FRENCH EXPERTS SURVEY (in rank order)**

reduce waste  
drinking water quality  
protection of natural environment  
Third World environment  
noise pollution  
toxic substances  
food quality  
biosphere protection  
conventional pollutants  
qualitative growth

**TABLE 3. SWEDISH STRATEGIC SET OF PRIORITIES FOR RESEARCH AND MANAGEMENT (not ranked)**

| Research Priorities for the 1980s                    | Management Priorities for the 1980s                             |
|--|---|
| Depletion of tropical forests                        | management of hazardous chemicals, processes and wastes         |
| reduction of biological diversity                    | depletion of tropical forests                                   |
| cryptic spread of mutant genes                       | desertification due to overgrazing                              |
| droughts and floods                                  | control of pathogens from human waste and their aquatic vectors |
| acid deposition                                      | river basin management  |
| carbon dioxide build-up and climate change           | population growth and urbanization                              |
| impact of hazardous substances on ecosystems and man | acid deposition   |
| loss of productive land due to salinization          | species loss  |
| impact of urbanization                               | protection of the marine environment                            |
| meeting current and future energy needs              | fuelwood crisis   |

timely manner with major problems such as these—problems that are multidimensional and involve internal conflicting interests? This is perhaps best seen in the acid rain question where decisions on solutions must be made now in order to bring about results that will occur well into the future. The issue of acid rain is made even more complex because of the geographic differences between the areas where the problem is caused and the areas where the problem occurs. This set of problems present a monumental challenge to our system of governance.

The keynote address to the Swedish conference by Maurice Strong stated, "The principal problem we now face as we sur-

vey the environmental prospects of our planet is our inability to mobilize sufficient will on the part of people and their governments to take the actions necessary to remove or mitigate environment risks, even when the state of knowledge about those risks and the kind of measures required to obviate them have been established." Solutions found for the acid rain problem could and should provide a model for resolving other serious environmental issues of the 1980s and 1990s.

**Thomas L. Anding is associate director of CURA and the director of CURA's Outreach Office.**

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## Project on the Future of Public Education in Minnesota

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Public education, traditionally of vital interest to Minnesotans, has become a major topic of public discussion over the last two years. In response to a heightened public concern about the quality of public schools, a number of Minnesota groups are now examining various aspects of education and a wide variety of reforms have been proposed.

The current debate is characterized by concern for improving students performance on standardized tests, better training of students for jobs in a changing economy, enhancing the quality of teachers and administrators, updating curricula, utilizing microcomputers and telecommunications in the schools, and improving the efficiency and accountability of the system. Unfortunately, much of this discussion is based on general assessments of the condition of public education or focuses on reform proposals rather than clearly describing the situation and identifying problems in Minnesota public schools. It is unclear to what degree these general critiques and reform proposals have application in Minnesota.

CURA and the College of Education have established a project to examine K-12 public education in Minnesota. While these may change as the project evolves, the preliminary goals of this effort are:

- to use an interdisciplinary approach in developing an accurate picture of the current condition of public schools in Minnesota;
- to examine how the University of Minnesota carries out that portion of its mission that impacts public schools and public education;

- to examine public school reform proposals and their applicability in various Minnesota settings;
- to develop findings and formulate policy recommendations that reflect an interdisciplinary and integrated examination;
- to provide the opportunity for members of the education community and University of Minnesota faculty to interact concerning topics of mutual interest;
- to encourage University of Minnesota faculty to increase teaching and research efforts that focus on public education, especially in the context of Minnesota.

### The University Panel

A central component of the project is a panel of faculty from various disciplines within the University of Minnesota who have expertise or interest in state and local education policy. This group will issue a report of its findings and recommendations in January 1985. The panel is composed of more than two dozen faculty who will meet once a month throughout 1984, beginning in late February. The panel will listen to presentations by various people involved in education, review materials provided by staff, and participate in a series of workshops on the topic during the winter and spring of 1984. In the fall of 1984 the panel will review drafts of research reports and deliberate over recommendations.

### Proposed Project Activities

**Historical Perspectives.** Much of the discussion and many of the suggested reforms concerning Minnesota public education have been carried on outside the context of history. It would be beneficial to prepare a brief history of education in Minnesota. Such a statement might include a discussion of the goals of education and the purpose of public schools as they have evolved in the state. Emphasis would be placed on changes made throughout the state's history in response to social forces and public and legislative concerns. Legislative intent, as well as outcomes, would be delineated.

**Workshops.** Workshops could be conducted with various people involved in public education in Minnesota in which the panel would participate. Possible sessions include:

- a discussion of the conditions of public education and its possible reform among administrators, teachers, board members and state officials;
- a discussion of the conditions of private schools with administrators and teachers from several private and/or parochial schools;
- a discussion of parents' expectations for schools and their assessment of the schools, involving parents active in one or more school districts;
- a discussion of the particular problems of children of low income families and other special populations in the public schools;
- a discussion among representatives of teacher unions, school boards and administrators regarding teacher-management relations and reforms that may alter those relations;
- a discussion among teachers and administrators who have left public education to pursue other careers;
- a discussion of education reform by leading reform advocates in Minnesota's education community.

**Clearinghouse.** The project could assume responsibility for maintaining an inventory of research and reform efforts regarding public education in Minnesota.

**Statistical profiles.** Statistical profiles of Minnesota public and private schools are being assembled from data available from state and national departments of education and other public and private agencies. Data are also being collected that will enable the project to compare the condition of Minnesota education to that in other states. These efforts will be useful in assessing the condition of public and private education in Minnesota as well as assisting in the identification of particular schools in Minnesota in which direct field work might be done.

**Field Work With Selected Minnesota Schools.** Field work could be undertaken to buttress data collection and analysis in a number of schools in selected public school districts in Minnesota. This would be a

major source of information for the assessment of the current condition of public schools in Minnesota. These schools could also serve as settings for examining the implications of particular reform strategies on the variety of public schools which operate in Minnesota. Meetings and interviews would be conducted with teachers, students, administrators, board members, and parents of children of these schools. These, combined with onsite investigation, would enable the project to obtain a realistic understanding of Minnesota schools as they currently operate around the state and to assess the strengths and weaknesses of the public schools in Minnesota.

A number of school districts could be selected in an attempt to reflect the variety of factors that may affect the nature of schooling as it occurs in Minnesota. Possible factors to consider are enrollment size, financial condition, class size, minority populations, geographic location, and the socio-economic/political context. After selecting appropriate districts, schools within each district could be identified for field work.

**Survey Research.** If resources can be found, the project might also collect data by surveying teachers, administrators, and

others to solicit opinions regarding the conditions of Minnesota public education and proposals for its reform.

**Research Reports.** The project staff will prepare integrative policy reports on K-12 public education in Minnesota that will draw on information gathered throughout the project. The reports will summarize this information, highlight the issues and dilemmas facing the state's education system, and discuss alternatives for reform of public education in Minnesota. Possible topics of discussion include:

- the current ferment over public education in Minnesota;
- historical development of public education in Minnesota;
- Minnesota public education today—a statistical profile;
- recent and emerging trends affecting Minnesota public education;
- critiques of public education;
- the condition of Minnesota public schools;
- alternatives for reforming public schools;
- school finance;
- difficult issues and dilemmas.

Map on p. 2 by Gregory Chu.  
Drawing on p. 3 by M. Paul Friedberg.  
Photos on p. 3 & 4 by Dana Reed.  
Photo on p. 7 by Judith Weir.  
Photo on p. 9 by Warren Hanson.



## reporter

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The Center for Urban and Regional Affairs was established to help make the University of Minnesota more responsive to the needs of the larger community and to increase the constructive interaction between faculty and students, on the one hand, and those dealing directly with major public problems, on the other hand.

The **CURA REPORTER** is published by CURA to provide information about:

- what CURA projects are doing
- related programs and projects in the University
- related programs in other Minnesota colleges and universities, and
- actions outside the educational establishment which affect our plans and programs.

Comments and contributions are welcome. Thomas M. Scott, director; Thomas L. Anding, associate director; William J. Craig, assistant director; Judith H. Weir, editor.

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