Why are Local Economies and Vibrant Main Streets Essential to a Sustainable Community?

There are two basic ways to increase local wealth. The first is by exporting goods – such as steel – and services – such as medical treatment – to the rest of the world. The second way is to supply most needs locally. Vital local economies engage in both strategies by supporting a mix of enterprises that build diversity and resilience – in short, sustainability.

Supporting local economies keeps the wealth in the community and recycles dollars as they are spent locally. Every dollar spent at a locally-owned store magnifies through the local economy by supporting that store and its local suppliers. In contrast, for example, shopping at national, big-box stores contributes far less to local economies as profits are returned to headquarters and shareholders around the country and world. New jobs created by chain stores are too often offset by local enterprises put out of business when these retailers flood the market and, for a time, offer products for less to knock out independent local competition.

Economic development depends on smart people who will create new jobs and replace the aging workforce. Fortunately smart young people are attracted to a wide range of living environments. Some prefer the diversity and excitement plus the economic benefits of living in or near an urban area (for example, good transit service relieving them of the need to buy and maintain a car). Others treasure a more contemplative environment such as the slower pace and open space of a small town or rural environment.

Another key element of a strong local economy is the food system. Consumption of locally produced food not only keeps local dollars local but also provides a fresher and tastier product. Local food, purchased locally also produces a smaller carbon footprint than food trucked from distant places.

Maintaining a healthy main street and core community and discouraging greenfield development saves public dollars by optimizing existing infrastructure rather than requiring new, redundant infrastructure that must be maintained and ultimately, replaced. Focusing development in the core also protects farms and open space. Dense, mixed use core development served by pedestrian and bicycle trails also reduces auto dependency and the related air pollution while mitigating greenhouse gas emissions too. A vibrant town center will provide the range of goods and services citizens require on a daily basis. It will also provide amenities such as street trees and benches, wide sidewalks and a few pocket parks for socializing over a cup from the local coffee shop. Perhaps a town square can provide outdoor concerts on summer evenings.

A program that provides housing choice within the financial reach of all benefits the local economy in at least two ways. First, it provides housing near to jobs thus benefiting those looking for employees. Second, the construction or rehabilitation provides work to local tradespeople and the subsequent furnishing of the home can provide further stimulus to the local economy.

In addition to walking and bicycle trails vital town centers need viable transit service. A sustainable model produces dense mixed-use development in the core. Such density fulfills the requirement that transit needs sufficient density to be viable. Transit Oriented Development is a strategy that reinforces local housing and commerce as well provides mutually supporting ridership essential to keep trains and buses running.

Resources for Communities

Fay-Penn Economic Development Council
www.faypenn.org
724/437-7913

Pennsylvania Department of Community and Economic Development
www.newpa.com
412/565-5005

Pennsylvania Downtown Center
www.padowntown.org
717/233-4675

Pittsburgh Urban Redevelopment Authority
www.ura.org
412/255-6669

Three Rivers Workforce Investment Board
http://www.trwib.org
412/552-7090
Actions for Implementation

- A comprehensive plan – preferably a multi-municipal plan – is an important first step to chart the community’s future. The plan must be based on solid analysis of the demand for residential and commercial development. The plan must then be implemented by consistent zoning and subdivision/land development ordinances. These land use tools are necessary to direct growth to the core and preserve farms and open space.

- Some municipalities supplement these tools with more prescriptive design guidelines for downtown development. For example, a municipality may wish to continue an historic theme in any new construction, street lighting and other street furniture. As one approach to this, municipalities are given authority in Section 1106 of the Pennsylvania Municipalities Planning Code to create a Specific Plan that can provide highly detailed guidance to private developers.

- Public policies and investment intended to revitalize a main street must be based on market studies to identify the type of investment with the best chance of succeeding. The context for commercial ventures has become more difficult. Therefore, it is important to use scarce resources wisely. An example of this approach is the Pittsburgh Urban Redevelopment Authority’s Market Value Analysis conducted to guide their investments.

- An economic development strategy based on the comprehensive plan should target enterprises that will grow the local economy and provide family-supporting wages and benefits to local residents.

- Focus on firms that have a commitment to a diverse workforce. Make such firms feel welcome.

- Reserve any incentives to targeted firms, especially those that manufacture or provide environmentally supportive goods and services and provide green jobs.

- Zoning should encourage farm stands in rural areas and farmers’ markets in urban ones.

- Ordinances governing the development process should ensure that the public has an early opportunity to review proposals and advise officials of their concerns.

- Use of the Transfer of Development Rights program can encourage core development while preserving farms and open space.

- Public investments through the operating and capital budget should also be guided by the comprehensive plan. These investments are a clear signal of the municipality’s intent.

- Revolving loan funds available only to locally owned businesses can provide support.

- Some communities have encouraged a “buy local” campaign through the use of local currency or a community credit card.

- Municipalities, perhaps with the assistance of their counties, can access various state programs offered through the Department of Community and Economic Development that support local economies.

- Municipalities can support the use of vacant lots for small lot urban agriculture.

- The municipality can sponsor educational publications and workshops to alert the public to the benefits of supporting the local economy.

- The municipality should use its plans and ordinances to promote a vital commercial core that responds to market needs by local merchants and that provides an inviting pedestrian experience with consistent signage, traffic calming, parking in the rear of stores, street trees, benches, lighting, and other street furniture (such as large animals that children like to climb on) and perhaps a town center green with a gazebo or other focal point.
Local Economies

SUSTAINABILITY CASE STUDY—Fayette County Local Economy Initiative

The Fay-Penn Economic Development Council has launched a new initiative, focused on commercial business centers, to spur economic activity within the local communities of Fayette County. Through the reduction of dollars flowing out from local communities simultaneously combined with the increase in cash flow within communities, the initiative is working to build a stronger local, economic foundation that will result in a resurgence of small businesses and a revitalization of downtown areas.

In anticipation of major economic shifts nationally and globally, Fay-Penn created a new position - Local Economy Manager - to spearhead the initiative. While improving the local economy is the primary mission, it is accomplished through several different strategies that include local energy, environmental sustainability, local agriculture and government policy. Increasing local energy generation and environmental efforts will help sustain a community both economically and ecologically and increase greater public support for such projects.

A large challenge and part of the local economy project involves consumer education. Consumers need to understand the impact of their purchasing decisions. Where money is spent has a profound impact on the economic viability of every community and on the quality of life for its residents. Spending dollars in large box retailers has been shown to have much less economic impact than spending dollars in locally owned, independent businesses. While large box retailers do create employment opportunities, often the employees are paid minimally with little or no benefits. The profits from local businesses circulate much more within local communities rather than leaving the area which result in greater purchases or additional cash flowing within the local community. Local independently-owned businesses offer a variety of services with a unique feel that is very important to the commercial ambience of a community, especially in downtown areas.

It is also important to understand where dollars come into a community. For example a manufacturer is where a resident goes to get money through an earned paycheck, versus a retailer where a resident goes to spend money. This is why so much economic development support is directed to the manufacturing or technology sectors. However, a major portion of the benefit is lost when those dollars are spent where the profits and wealth leave the community. Each buy and sell transaction by every individual has the potential of increasing the local benefit to the community.

A renewed sense of community, of neighbor supporting neighbor, is part of the effort. In some communities around the country, local businesses publicize their values as a way to market their goods and services. These businesses stand for much more than just making money. They make it a point to give back and be involved in their community. Some advertise the fact that they use renewable energy, what local charities they support, the type of products they buy from other local businesses, use fair trade principles or support environmental causes. More and more people want to connect with those that share similar values, including supporting value-aligned businesses. It would only be minimally successful if some local residents were to decide to make more local purchases from local merchants, only to find that the local merchants did not make the same decisions. Fay-Penn plans to form a local BALLE chapter (Business Alliance of Local Living Economies is a national organization devoted to rebuilding local economies).

One strategy that Fay-Penn is using to help make these shifts in attitudes and economic perspectives is to offer innovative leadership training. The primary theme is to “Put the Unity Back Into Community.” Intent is to empower individuals to become involved and make a positive difference. A brochure describing the training is found at www.faypenn.org/economy.jsp (click ‘Strategic Plan/Leadership Training’). The training is the first phase of a larger county wide strategic planning effort that will identify projects specific to several smaller communities. These projects include establishing local merchant networks within different communities.

Another area where Fay-Penn is working to increase local economic activity is in helping to start new local farm businesses. This includes connecting local consumers, whether it is an individual or business, with local producers. The intent is to increase the number of local producers to meet the rapidly growing number of consumers who want to make buy fresh and local food purchasing decisions. The production of local foods and the value added processing potential are two ways to significantly increase local cash flows and preserve green spaces, farmland and the environment at the same time. Information about Fay-Penn’s efforts to establish federal funding for local farming loan funds can be found at www.faypenn.org (click on ‘Federal Agricultural Stimulus Program’).

Case study courtesy of the Fay-Penn Economic Development Council
How Can This Essential be Measured?

The federal and state governments compile statistics on local wages by sector. Various types of tax income can also be used to track expenditures. These data can then be used to identify trends in employment. Local chambers of commerce also have knowledge of the health of the local economy.

The state’s Main Street program is available to communities who wish to use it. Because the program encourages upgrading the physical appearance of main street, progress is apparent when it occurs.

The ability of young people to find work in the area is a measure of a healthy economy. This may require a pro-active job assessment and training program in cooperation with schools and growing economic sectors.

SUSTAINABILITY CASE STUDY–
Beaver Rivertowns Partnership

The Rivertowns Partnership of Beaver County was created to jointly address the financial and development needs of ten municipalities that lie along the banks of the Beaver and Ohio rivers. These communities realized that by working together they would be eligible for larger grants, would be able to share resources to quicken the pace of redevelopment and could construct redevelopment projects more consistently.

These traditional riverfront communities contain walkable main street business districts and dense residential neighborhoods, in contrast to the sprawling, auto-dependent suburban communities that now dominate much of the county. In short, the partnership was formed in the interest of preserving these urban communities and in promoting cooperation rather than competition between them.

The work program embodies the values of sustainable development by revitalizing previously developed areas, reinvigorating older communities and providing housing and jobs in a region that has suffered from the loss of population and local industries. Some examples include:

- Twenty years ago Bridgewater was nearly vacant. Today, it contains marinas and trendy riverside restaurants, plus diverse housing options from affordable units for lower income families to luxury townhouses for retirees.
- New Brighton has focused on quality of life by constructing a fishing park on an old industrial site.
- Beaver is an example of respect for tradition and the feel of a comfortable downtown. New buildings respect the architectural style of main street and as funds are available the common light poles are replaced with old-fashioned street lamps.
- In Beaver Falls, Geneva College is planning to reuse an old theatre for a performing arts center.

As a staff member said, “Each town has its little treasures.”

In sum, the Rivertowns Partnership is an excellent example of sustainability by working collaboratively and building on existing assets to revitalize core communities that satisfy residential, commercial and social needs, all within walking distance.

Courtesy of Susan Jacobs for Sustainable Pittsburgh

Resource sheet produced by:

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Sustainable Pittsburgh | 425 Sixth Avenue, Suite 1335 | Pittsburgh, PA 15219 | (412) 258-6642
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