

By Tammy Zborel

## Sustainable Connections: Strategies to Support Local Economies

Economic health and prosperity is a defining component of sustainability. Yet until recently the conversation surrounding sustainability efforts has focused largely on issues of environmental protection and too often presumed to be in competition with, or otherwise tangential to, economic growth. In the past several years however, cities and towns across the country have taken deliberate steps toward pursuing sustainability as a strategy for financial savings and overall economic development. This guide, while not intended as a comprehensive review,<sup>1</sup> will present five components often associated with sustainability — green space, community design, complete streets, food access and green buildings — that also benefit the local economy, and in so doing, may enhance regional resiliency and the ability of cities to compete in the global marketplace.

### NATURAL CONNECTIONS

The connections between a healthy environment and economic opportunity become most evident when considering the essential role of natural resources such as clean air and water, minerals, fuel sources, and availability of land in producing or delivering goods and services. And while economic prosperity is often credited with producing a high quality of life, it is often the combination of social, environmental and economic factors that create the conditions

<sup>1</sup> NLC's publication "Sustainable Cities: 10 Steps Forward" provides an overview of additional sustainability initiatives that cities can adopt that may enhance economic competitiveness.

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Communities across the country ranging in size, geography and political persuasion are increasingly combining the goals of economic development and sustainability. According to a 2010 National League of Cities survey, more than 80 percent of respondents reported potential for financial savings (long- and short-term) as a primary factor prompting sustainability efforts in their cities. Furthermore, when asked what impact the economic recession has had on their city's willingness to invest in sustainability, one third of the cities reported an overall increase, while an additional 25 percent report no reductions in sustainability investments.

While cities have typically approached sustainability for many different reasons and from varying perspectives, the combination of economic and environmental goals in particular may be motivated by several factors, such as:

- Economic impacts resulting from a loss, decrease in quality or accessibility of natural resources;
- Increased opportunities including a growing public awareness, federal support and private investment;
- A need for greater competitiveness and resiliency at the local, regional and global level; and
- Recognition that a healthy environment, if protected, will provide long-lasting natural, social and economic benefits.

that attract and retain residents and businesses. Sustainability is the term used to describe the intersection of these factors and, similar to the field of economic development, there is rarely a single activity or set of practices that will consistently ensure sustainable outcomes in every situation. In considering sustainability initiatives, cities and towns are encouraged to begin by examining current needs, assets and opportunities; engaging with local and regional stakeholders; and creating a long-term vision coupled with tangible action items, programs and policies to reach agreed-upon goals.

In the short term, sustainability is most often associated with cost savings resulting from increased productivity and more efficient use of resources, such as energy or water. These savings present opportunities for cities to continue efforts through supporting staff positions or expanding programs. Beyond direct cost savings, many sustainability-focused programs and policies will also provide long-term benefits, such as job creation or retention, increased property values, community revitalization, business attraction and reduced costs (e.g. transportation, housing, and healthcare) for businesses and residents.



### URBAN FORESTRY, GREEN AND OPEN SPACE

Beyond offering community beautification, green space and urban forestry can have far-reaching impacts on a local economy. Public spaces, such as parks, community gardens, recreational areas and woodlands provide revenue for a city through increased property values (some estimate increases as great as 30 percent) and sales tax resulting in part from park-associated tourism. Urban forestry, including trees planted along street corridors, in parks and on private property — as well as appropriate landscape vegetation — also returns important indirect benefits such as reducing heating and cooling costs, increasing air and water quality and providing a safe and welcoming environment.

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—Matt Appelbaum,  
Councilmember, Boulder, Colo.

Studies have linked the presence of urban greenery to retail success, demonstrating consumers’ willingness to stay longer and pay more (7-20 percent) for goods and services in areas with a mature tree canopy. In fact a study examining urban forestry benefits across five U.S. cities found that for every dollar these cities invested in tree management they received an annual return of \$1.37-\$3.09. An ambitious green infrastructure plan using rain gardens, detention basins and street trees to control stormwater overflow in Kansas City, Mo., — considered the largest economic development project in the city’s history — is expected to create nearly 20,000 jobs and bring economic benefits to 28 communities in the region.<sup>2</sup>

<sup>2</sup> Learn more about the benefits of green infrastructure in NLC’s guide “[Green Infrastructure: Using Nature to Solve Stormwater Challenges.](#)”



Green public spaces also provide opportunities for increased public health and contribute to social cohesion linked with reduced crime and increased public safety.<sup>3</sup> The protection of open space in Boulder, Colo., has, according to councilmember Matt Appelbaum, “long been acknowledged as a critical component of Boulder’s quality of life and ‘brand,’ attracting well-educated entrepreneurs and contributing to the city’s economic vitality.” In Chattanooga, Tenn., a strategic decision in the 1980s to invest in parks, open space and trails significantly contributed to the revitalization of the city, which had been struggling with high unemployment, crime and environmental degradation.

Today the city credits the community’s “greenness,” including ample outdoor and recreational opportunities, as a catalyst for substantial, private investment and the return of young, skilled workers to the area.

### Recommended Resources

- Center for Neighborhood Technology and American Rivers. 2010. [The Value of Green Infrastructure: A Guide to Recognizing Its Economic, Environmental and Social Benefits.](#)
- Harnik, P. and B. Welle. 2009. [Measuring the Economic Value of a City Park System.](#) The Trust for Public Land.
- Active Living Research. May 2010. [The Economic Benefits of Open Space, Recreation Facilities and Walkable Community Design.](#)

## COMMUNITY DESIGN

Research continues to demonstrate that there is a growing demand for mixed-use communities that provide a variety of housing and transportation options. More than 50 percent of respondents to a 2011 National Association of Realtors survey report that they would prefer to purchase a home in a smart-growth neighborhood while 77 percent consider pedestrian features a priority. A confluence of factors, including a growing aging population, an increasing market for single-occupant housing and soaring transportation costs, are giving rise to a demand for small lot or attached homes expected to outstrip that for large lot homes by as much as 70 percent by 2025. These anticipated market demands, coupled with research indicating that skilled workers are choosing where to live based on quality of life conditions (including housing located in proximity to desired amenities), are encouraging cities to reevaluate their existing housing stock to ensure that they are prepared to compete for and retain talent.

Increased access to public, multi-modal and/or non-motorized transportation in areas containing a range of housing options, amenities and activities has important and direct impacts on the local economy. Typically referred to as transit-oriented development, this land use has been



<sup>3</sup> Learn more in NLC’s publication “[Healthy People, Healthy Places – Building Sustainable Communities Through Active Living.](#)”

shown to increase sales and property tax revenue, attract businesses and tourism and create or retain jobs. An analysis of property tax revenues in Asheville, N.C., and Sarasota County, Fla., revealed a significant return in property taxes per acre for compact mixed-used buildings (31 to 36 times more) compared with surrounding mall development.

Furthermore, redeveloping existing areas through repurposing vacant lots or urban infill often yields significant economic value by returning previously underutilized land to productive use. Proximity to existing transportation, water and energy infrastructure reduces overall development costs while locating in and around established residential or commercial areas may serve to connect neighborhoods and expand consumer base for goods and services. The redevelopment of brownfields in particular has been shown to reduce crime, increase surrounding property values, create jobs and encourage private investment. State and federal grant programs and technical assistance are commonly available to help owners (private or public) of vacant and/or contaminated properties repurpose these areas. Local governments may also offer incentives such as tax breaks, low-interest loans, expedited permitting or rezoning to permit residential or commercial uses. Milwaukee has been an early leader in brownfield redevelopment, investing \$21.7 million since 1990 in the testing and clean-up efforts of 87 sites. Resulting redevelopment investment has totaled \$766 million, and an estimated 3,384 jobs have been created or retained.

### Recommended Resources

- Cortright, J. 2009. [Walking the Walk: How Walkability Raises Home Values in U.S. Cities](#). CEOs for Cities.
- International Economic Development Council. [Brownfields Resource Center](#).
- U.S. Environmental Protection Agency. [Brownfields and Land Revitalization](#).
- The National League of Cities Sustainability Program also features resources related to [Planning, Land Use, and Community Design](#).



### COMPLETE STREETS

Street design that ensures safe use of multiple modes of transportation for all users regardless of age or ability — commonly referred to as “complete streets” — is an important element of sustainable community design. Traffic calming measures, safe and connected bike lanes, crosswalks, pedestrian signals and well-maintained sidewalks can revitalize areas and contribute to a safe, enjoyable atmosphere where people want to spend time. Increased transportation options also help to defray overall transportation costs for the user — currently one of the largest household expenses — freeing up funds that can be invested back into the local economy. As fuel prices rise, non-motorized and public transportation options are expected to continue to grow in popularity. Businesses and community amenities located in or near areas accessible via a range of transportation options may therefore be at an advantage in attracting a sustained customer base.

Investments in bicycle infrastructure can have a particularly positive economic impact for communities and individuals. In many urban areas, developing bike lanes typically costs much less than increasing road capacity for personal vehicles. Bicycle infrastruc-

ture also produces less wear and tear on the pavement, can accommodate more people, reduces individual transportation expenses and provides opportunities for physical activity. A University of Wisconsin-Madison study revealed numerous benefits of bicycling to the state, including contributing \$1.5 billion annually, supporting more than 13,000 jobs, attracting tourism, reducing health care costs and improving overall quality of life. A similar review of the economic impacts of bicycle infrastructure in Baltimore determined that the development of bike lanes created almost twice the number of direct, indirect and induced jobs, compared with jobs created from road surfacing, paving or repairs.<sup>4</sup>

### Recommended Resources

- National Complete Streets Coalition. [Complete Streets Spark Economic Revitalization](#).
- Flusche, D. June 2009. [The Economic Benefits of Bicycle Infrastructure Investments](#). League of American Bicyclists.

## FOOD ACCESS

Rising food-related health issues (namely obesity, diabetes and cardiovascular disease), food security concerns



and a growing interest in locally produced products have raised awareness of the several economic, social and environmental opportunities associated with food access.

Expanding access to supermarkets, for example, can be a powerful strategy for revitalizing downtown areas, increasing property values and keeping revenue within a community. Supermarkets will often act as “anchors,” attracting other businesses while creating new jobs. A review of supermarket access in New York City found that approximately \$1 billion in grocery sales were being lost to the suburbs as a result of limited access within the city. Supermarkets also tend to have better selections

and lower prices compared with smaller convenience stores, thus allowing customers to better control food costs and invest their savings into other areas of the local economy. Regardless of the potential or interest in attracting a full-service supermarket to a neighborhood, local governments are encouraged to help existing small businesses incorporate healthy food options into their product offerings. Healthy corner store initiatives, while not without challenges, are gaining popularity and are expected to yield significant benefits for small business owners and surrounding communities.

Locally sourced or produced products also contribute directly to the local and regional economy by supporting small businesses such as food hubs, farmers markets, food incubators and the producers directly. A growing movement for fresh and local foods has aided the development and

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—Institute for Local Government

<sup>4</sup> For more information on how to introduce biking into your community, check out NLC’s guide [“Integrating Bike Share Programs into a Sustainable Transportation System”](#) and accompanying [blog post](#) on [Cityspeak.org](#) examining economic advantages of bicycle infrastructure.

rapid expansion of farmers markets across the country. Between 2009 and 2010 the number of registered farmers markets rose 16 percent (an increase of nearly 250 percent since 1994). In addition to directly benefiting local producers and regional suppliers, markets located in downtown areas have been shown to attract shoppers to surrounding businesses. According to the Institute for Local Government, “Communities that have reworked their downtowns to be more pedestrian- and bicycle-friendly have the added benefit of making it easier for shoppers at farmers markets to navigate the downtown area and contribute to the local economy and tax base.” Permanent public marketplaces can have an even greater economic impact in an area, as evidenced by Pike’s Place Market in Seattle. According to a 2002 analysis, the year-round market, which houses close to 200 local vendors, contributed nearly \$4 million in tax revenues and thousands of local jobs (approximately 1,500 in winter months; as many as 2,400 in the summer), not to mention far-reaching community development and tourism benefits.<sup>5</sup>

### Recommended Resources

- PolicyLink and LISC Bay Area. 2007. [Grocery Store Attraction Strategies: A Resource Guide for Community Activists and Local Governments](#).
- The Food Trust. January 2011. [Healthy Corner Stores Issue Brief: Healthy Corner Stores as an Economic Development Strategy](#).
- Leadership for Healthy Communities. February 2009. Policy Brief: [Tax Increment Financing: A Tool for Advancing Healthy Eating and Active Living](#).

## BUILDINGS

Nearly all stages of construction, operation and eventual disposal of buildings present significant financial investments and opportunities for savings. Employing green building principles during new construction or through



retrofitting existing buildings can significantly reduce operating costs while increasing the overall property value. Energy efficiency in particular reduces operating and maintenance expenses, increases occupant health and productivity and may assist in attracting or retaining businesses and skilled workers. The U.S. Environmental Protection Agency has identified energy as the single largest controllable operating cost in buildings. It estimates that, “The average office building can reduce energy costs by 10 to 30 percent through low-cost energy efficiency measures and operational adjustments.”

Policies incentivizing or requiring green standards in new buildings and retrofits can also support economic development goals through increasing market demand for energy efficient products or equipment and supporting related job creation. A study by the U.S. Green Building Council (USGBC) on jobs associated with green buildings found that from 2000 to 2008 the green construction market generated \$173 billion in GDP, supported more than 2.4 million jobs and provided \$123 billion dollars in labor earnings. The study also forecasts that between 2009 and 2013, green construction will generate an additional \$554 billion dollars in GDP, support

<sup>5</sup> For additional information about how cities are increasing food access in their communities check out NLC’s guide “[Developing a Sustainable Food System](#).”

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—Norman Miller, CoStar Group

“The average office building can reduce energy costs by 10 to 30 percent through low-cost energy efficiency measures and operational adjustments.”

—U.S. Environmental Protection Agency

more than 7.9 million jobs and provide \$396 billion in labor earnings.

Rising market demand for green buildings is also gaining the attention of private business and investors. According to a 2008 study by the CoStar group, both LEED™ and ENERGY STAR certified buildings average higher rent premiums (\$11.33 and \$2.40/sq. ft. respectively), have higher occupancy (approximately 4 percent) and sell for \$61-\$171 more per square foot as compared with non-green certified buildings. A joint study by Deloitte and Charles Lockwood cautioned, “Companies that do not have green workplaces will be at a competitive disadvantage from higher operating costs, lower productivity, declining attraction and retention of skilled workers and an increasingly negative brand image.” Norman Miller of the CoStar group put it more simply: “Those who have ignored many of the simple actions

necessary to improve existing buildings ... or to design buildings for greater occupant comfort and operating efficiency will find not a premium for green but a discount for brown.”

Considering increased demand and cumulative benefits associated with green buildings, large property owners, including business and municipalities, are encouraged to adopt appropriate policies and ordinances to incorporate green practices in their existing and future building stock. A USGBC report, “[Green Buildings for Cool Cities](#),” explores strategies and examples of local governments that have incentivized green building practices within municipal, commercial and residential sectors.

### Recommended Resources

- Deloitte and Charles Lockwood. 2008. [The Dollars and Sense of Green Retrofits](#).
- U.S. Green Building Council. [Green Building Incentive Strategies](#).
- U.S. Environmental Protection Agency. June 2010. [Sustainable Design and Green Building Toolkit for Local Governments](#).
- The National League of Cities Sustainability Program features resources related to [Green Buildings](#).

## ABOUT THIS PUBLICATION

Tammy Zborel is the senior associate for sustainability in the Center for Research and Innovation at the National League of Cities. For additional information about cities and sustainability, visit the NLC website at [www.nlc.org/sustainability](http://www.nlc.org/sustainability), e-mail [sustainability@nlc.org](mailto:sustainability@nlc.org), and follow us on Twitter [@NLCgreencities](https://twitter.com/NLCgreencities).

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