ura

ORGANIZATIONAL STRATEGY

FINAL REPORT

March 2020

ura Urban Redevelopment Authority of Pittsburgh

HR&A Analyze. Advise. Act.

Dear Pittsburgh Residents,

Thank you for your warm welcome to the City that I now have the privilege to call home!

As the new Executive Director of the Urban Redevelopment Authority (URA), I am excited to help write Pittsburgh's next chapter. I know that the past 75 years of URA history have been a mixed record, but the present provides an opportunity to try to fully correct the course. We can help spread prosperity to neighborhoods and populations at risk of being left even further behind in Pittsburgh's ongoing resurgence.

This is an important time for Pittsburgh. A dynamic new Economic Development Team is in place and ready to move forward. In many ways, this report, completed before my arrival, provides us with a roadmap— giving an overview of the economic landscape and suggesting various routes available to us. We must be expert navigators, thinking on our feet and being able to adjust as the road bends.

Collaboration and communication are key – across internal departments and with outside partners and the community. I want to hear from all my new neighbors—what is working and what isn't. What's your next great idea? I operate with an open-door policy and an attitude that isn't afraid to challenge assumptions or disrupt the status quo.

As we head in this bold new direction, the focus must be on the people of Pittsburgh – and enabling access to economic opportunities and an exemplary quality of life for all Pittsburghers. I was pleased to see this report recommend we concentrate our efforts on creating more housing that is affordable to the average Pittsburgher; encouraging more entrepreneurship and small business development; promoting inclusive growth and quality job creation; expanding neighborhood and main streets revitalization efforts; and developing a talented workforce that is equipped with the skills of the future. These priorities will make a real difference in people's lives.

One element that I feel is key to our City's progress is a focus on the environment and emerging green economy. This is an opportunity that Pittsburgh, with its legacy assets in scientific discovery and applied research is particularly well positioned for. Moving toward a cleaner, greener economy is not just a jobs generator, it's also a quality-of-life imperative for our region. In short, we see environmental sustainability and economic sustainability as a single transformative piece. Making Pittsburgh a leader in a green economy should be a goal that everyone embraces.

I look forward to working with our URA board and staff, the Mayor's Office, our for-profit and not-for-profit partners, and all Pittsburgh residents in charting this new path for the city.

Sincerely,

Greg Flisram
Executive Director, Urban Redevelopment Authority of Pittsburgh

Greg Filsram, Executive Director of the URA, Sam Williamson, Board Chair of the URA, and Diamonte Walker, Deputy Executive Director of the URA

COURTESY OF THE URA

Dear Pittsburgh Residents,

Since its founding almost 75 years ago, the Urban Redevelopment Authority (URA) has played a profound role in Pittsburgh's history. Today, we recognize the opportunity to meet our city at an important point in our collective history—and in more meaningful ways than ever before.

Pittsburgh has experienced tremendous change in recent years. In the aftermath of an industrial, steel-driven boom and bust, we saw economic stagnation and population decline. Now, in the wake of a burgeoning service and technological economy, Pittsburgh is at an inflection point. We've seen development occur faster than ever in recent memory, and the impact of the URA can be felt throughout the City. From spearheading riverfront development to financing affordable housing to supporting the growth of small businesses, the URA has stepped up.

Nevertheless, far too many Pittsburghers still live in poverty. Low wages and overpriced housing have made the gap between wealthy and low-income families wider than ever. Vacant homes and shuttered storefronts still dominate far too many neighborhoods. Notoriously poor air quality and other impacts of climate change are not just public health dangers but also drags on our economy. Further, we must acknowledge the steady stream of research that reminds us that all of these hardships break down starkly along race and gender lines.

As our city's economic development agency, these challenges demand urgent action from the URA. If we hope to build a city for all in which health, prosperity and economic opportunity are broadly shared, we need a URA that is fully equipped to meet the challenges of the 21st century. Despite a talented staff and a well-earned reputation for "getting things done," the URA can and should do even more.

As outlined in this report, there are several key reforms that both the URA and City Hall must undertake to advance progress towards a more prosperous and equitable Pittsburgh. These include establishing a clear economic development agenda; strengthening connections between the URA, City agencies, external stakeholders, and community partners; embedding clear goals and metrics into URA strategic planning; standardizing community engagement procedures; and developing a financial sustainability plan.

These recommendations share two common themes. First, they will continue the URA on a path of transformation: from an agency focused primarily on bricks and mortar into an organization focused on supporting the people of Pittsburgh, who are truly the city's greatest asset. Second, they will renew the URA's partnerships with City Hall and its partner agencies and accelerate progress on citywide economic development priorities.

Since the report's initial recommendations were drafted in summer 2019, the URA and the City have already made significant progress, including: welcoming Greg Flisram as new Executive Director for the URA and appointing Diamonte Walker as Deputy Executive Director; appointing a Chief Economic Development Officer (CEDO) for the City of Pittsburgh to coordinate economic development efforts; reorganizing the URA to streamline reporting and clarify functions; and launching long-term business and financial planning efforts.

My fellow board members and I are deeply committed to supporting the URA as it advances these recommendations in the coming months. We also understand that must do our work honestly and transparently while continuing to own the mistakes of our past—including our history of race and class-based displacement. From the Lower Hill to East Liberty and the North Side, the remnants of urban renewal are scars dotting the landscape of our city, reminders not only of mistakes never to be repeated but of a history yet to be healed.

With a new and revitalized URA working alongside the Mayor's Office, City Council, and our partners throughout Pittsburgh, we intend to do just that as we chart a brighter and fairer future for all Pittsburghers, not just a wealthy few.

Sincerely,

Sam Williamson
Chair, Urban Redevelopment Authority of Pittsburgh

Acknowledgements

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The objective of this report is to gather, analyze, and present findings within the time and budget constraints agreed upon with the URA and funders of the study. This report should not be read as a comprehensive review of all URA staff, functions, departments, and programs, but rather as an overview of the key issues and opportunities facing the organization. The conclusions contained in this report are based on the best judgments of HR&A Advisors, Inc. and data provided by the URA and third parties. HR&A and its project partners make no guarantees or assurances that the projections or conclusions will be realized as stated. Any errors in the document are the sole responsibility of HR&A Advisors, Inc.

HR&A Advisors is an industry leader in economic development, real estate and public policy consulting. Equipped with a unique understanding of the intersection of the public and private sectors, HR&A has served a diversity of clients since 1976. HR&A has extensive experience advising on some of the most complicated real estate and economic development projects in communities across the country. HR&A has offices in New York, Los Angeles, Dallas, Raleigh, and Washington, DC.

HR&A's work has been recognized with numerous prestigious awards, including the International Economic Development Council's 2009 Public-Private Partnership Award for the creation of the Cincinnati Center City Development Corporation (3CDC), the New Jersey Future 2009 Smart Growth Award for the Newark Broad Street Station plan, and the 2005 American Institute of Architects Honor Award for Regional and Urban Design for the Anacostia Waterfront Initiative.

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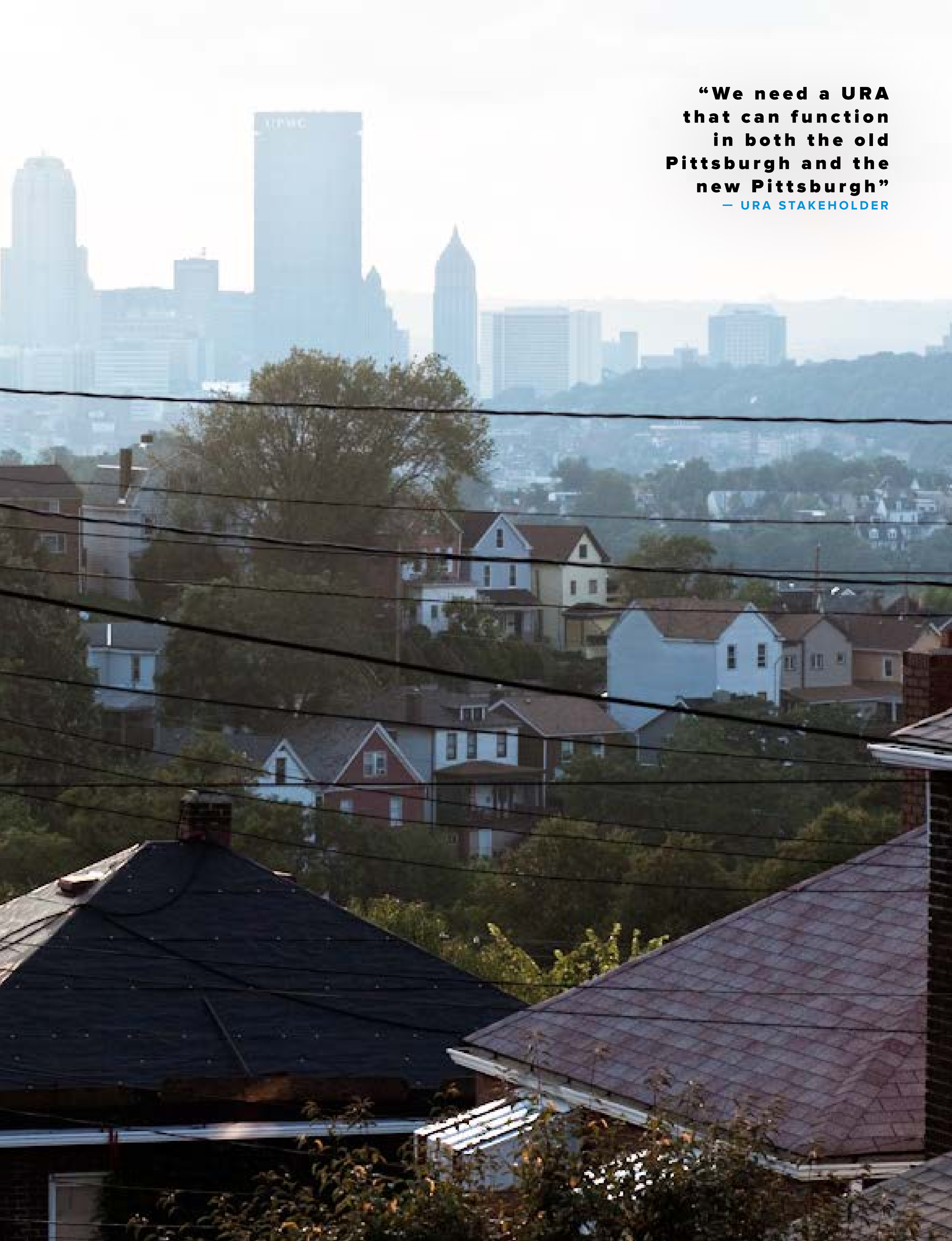
EXECUTIVE SUMMARY



"We need a URA that can function in both the old Pittsburgh and the new Pittsburgh"
— URA STAKEHOLDER

For almost 75 years, the Urban Redevelopment Authority of Pittsburgh (URA) has served as the City of Pittsburgh's community and economic development agency, working to strengthen Pittsburgh's neighborhoods and businesses. The URA has played many roles since 1946, starting by leading the redevelopment of Downtown Pittsburgh and laying the foundations for Pittsburgh's resurgence. Following the collapse of the steel industry, the URA reinvented itself as a national leader in postindustrial revitalization. As concerns over inequality have mounted, the URA has more recently added an emphasis on affordable housing, minority- and women-owned business support, and main streets revitalization. Throughout its history, the URA has had significant impacts across Pittsburgh, reclaiming thousands of acres of brownfield and riverfront sites, building and restoring tens of thousands of homes, and supporting hundreds of businesses.

With Pittsburgh at another inflection point, the time is right for the URA to adapt to the current needs of the city. After a decades-long transition marked by a contracting economy, depopulation, and fiscal receivership, Pittsburgh is emerging as a national leader in future-facing industries. From robotics and autonomous vehicles to healthcare and advanced manufacturing, people and companies increasingly look to Pittsburgh as a place where research and innovation translate into new industries and new jobs. Despite this attention and investment, Pittsburgh's economy has not realized its full potential, and too many Pittsburghers have yet to share in the prosperity. More work is needed to build on Pittsburgh's current momentum and ensure that this growth is both sustainable and inclusive. For these trends to culminate in a true renaissance, the City and the URA must work together with public, private, and nonprofit partners to advance a **shared agenda for inclusive prosperity**.

CITYWIDE ECONOMIC DEVELOPMENT PRIORITIES

1. Create more **housing that is affordable to Pittsburghers of every income level**
2. Encourage more **entrepreneurship and small business development**
3. Promote **inclusive growth and quality job creation**
4. Expand **neighborhood and main streets revitalization efforts**
5. Develop a **talented workforce** that is equipped with the skills of the future

A Citywide Agenda

To address the challenges and opportunities posed by the new economy, the City of Pittsburgh has formulated five priorities to guide economic development in the coming years (see sidebar). The URA can lead implementation of some of these priorities, while for others, it will play a coordinating or convening role. Together these priorities balance the need for continued growth with the imperatives of equity and inclusion. By incorporating the performance metrics of the City's p4 Framework, these priorities will also shape an economic development strategy that is sustainable and resilient.

The City needs an approach to community and economic development that is dynamic, responsive, well-resourced, and guided by a clear strategic vision. As the City's economic development agency, the URA must play a leading role in this. This report lays out an organizational strategy for the URA that also incorporates the challenges and opportunities facing the City of Pittsburgh's economic development apparatus writ large. It also identifies a set of actionable next steps for both the URA and the City to improve delivery of economic development services. Success requires coordinated action across entities that differ in mandates, resources, and authorities but share a common objective: to fuel inclusive economic growth in Pittsburgh.

The URA's Current State

Respected nationwide as a leader in economic development and brownfield revitalization, the URA has made significant impacts throughout Pittsburgh. The URA today is distinguished by a **talented and increasingly diverse staff** that is deeply committed to Pittsburgh's economic future. The URA's enabling legislation, which has served as a model for redevelopment agencies across the country, grants the agency **considerable flexibility and authority**. Properly leveraged, the URA's consolidation of key functions, including affordable housing, small business support, business attraction and retention, vacant land recycling, and mixed-use redevelopment, creates the **potential for a highly coordinated approach to economic development**.

Looking ahead, there are significant untapped opportunities for the URA to better capitalize on this moment in Pittsburgh's history. Economic development in Pittsburgh is currently characterized by a **lack of formal coordination and strategic alignment** between the URA, Mayor's Office, and other City departments. The URA also has **limited formal partnerships with private and nonprofit entities** on key issues such as workforce development, open space management, and business attraction and retention. Similarly, **community engagement is conducted on an ad-hoc basis** that varies by both neighborhood and URA department. Finally, **the URA's marketing and communications capabilities have not been properly leveraged** to promote the agency's core values, services, and accomplishments.

Shifting economic headwinds also pose a threat to the URA in the coming years. The agency has a long history of leveraging intergovernmental funds, but many of these resources are dwindling, particularly at the federal level. As a result, the **URA has few flexible and sustainable funding streams** to support its work going forward. Complicating matters, the URA's **budget tracking procedures lack clarity**, creating confusion about the agency's financial position among both staff and external stakeholders. **New staff and a forthcoming generational change** will bring fresh ideas but may further endanger the URA's ability to retain critical institutional knowledge if organizational challenges are not addressed.

An Action Plan for a More Prosperous & Inclusive City

Accelerating progress towards citywide economic development priorities requires a new organizational strategy for the URA, including changing how both the URA and the City collaboratively plan, organize, and implement economic development initiatives.

The URA must clearly define and communicate its core functions – including **affordable housing, entrepreneurship and small business support, business attraction and retention, and neighborhood revitalization and redevelopment**. In collaboration with the City, the URA should articulate how these functions support citywide policy priorities. Similarly, potential confusion or duplication of efforts across City agencies can be avoided through better coordination. Surveys and interviews with URA staff and external stakeholders revealed significant disagreement over the role of the URA in executing certain key services on behalf of the City. For the URA to play an effective role steering economic development in Pittsburgh, both the City and the URA need to clearly communicate the URA's responsibilities vis-à-vis peer agencies.

To create a prosperous and inclusive Pittsburgh, significant organizational changes are required across the City of Pittsburgh's economic development apparatus. **Derived from an in-depth review of economic development best practices nationwide, as well as Pittsburgh's current state, high-priority action items for the City in the coming year include:**

+ Communicate **citywide economic development priorities** and pair them with relevant targets, metrics, roles and responsibilities;
+ Create **a new Chief Economic Development Officer (CEDO)** position within the Mayor's Office to coordinate progress towards citywide priorities; and
+ Establish a **new reporting structure** linking the CEDO with key City and City-affiliated economic development actors (including the URA, the Department of City Planning (DCP), the Department of Mobility & Infrastructure (DOMI), the Department of Permits & Licensing (PLI), the Department of Public Works (DPW), the Housing Authority of the City of Pittsburgh (HACP), the Pittsburgh Parking Authority, the Pittsburgh Water & Sewer Authority (PWSA), and the Stadium Authority of the City of Pittsburgh, and the Stadium & Exhibition Authority of Pittsburgh & Allegheny County.

"We have grown into a better organization and our changes haven't been communicated well to residents. It would be great if we could own up to our mistakes (mostly urban renewal) and press hard on how we are trying to make Pittsburgh a better place for everyone."
— URA STAKEHOLDER

For the URA, key action items in the next eighteen months include:

- **Reorganize the URA** to streamline reporting, clarify functions, and, over time, **redistribute Engineering & Construction functions** within relevant City and URA departments as appropriate;
- Create a new **Office of Strategic Policy & Communications**, reporting to the Executive Director, to spearhead policy development, community engagement, and communications on behalf of the agency;
- Develop an **updated mission statement, organizational brand, and name** more reflective of the City's strategic goals;
- Develop **a long-term business plan** that outlines strategic goals, targets, actions, funding sources, and an implementation timeframe; and
- Create **a financial sustainability plan** that identifies key sources of revenue to support operational and programmatic costs, with a particular emphasis on increasing earned income.

This organizational strategy report provides more detail on these required actions, outlining key findings and recommendations to improve the planning, coordination, and delivery of economic development services in the City of Pittsburgh. These findings and proposed action items are organized in a five-point framework that captures the critical components of a healthy, successful, and sustainable organization: **mission and vision; leadership and governance; resources; talent; and external engagement**.

Taken together, these recommendations and action plans provide a new organizational strategy for a new URA. As implementation begins, the URA is undergoing transformational changes: relocation to new offices in the heart of downtown Pittsburgh, leadership from a new Executive Director, and the upcoming commemoration of the agency's 75th anniversary. Despite the challenges, the URA has the staff and authority to be a nimble and powerful instrument helping to shape Pittsburgh's future on behalf of all its residents. By focusing on a clear and shared set of priorities, the URA and the City of Pittsburgh have taken the first step in reinventing Pittsburgh's economic development apparatus for a brighter, more equitable future.

KEY FINDINGS AND RECOMMENDATIONS

FINDINGS	RECOMMENDATIONS
MISSION & VISION	
F1.1 The City of Pittsburgh has not clearly articulated its economic development priorities. **F1.2** There is a lack of consensus on the URA's role in accomplishing the City's economic development priorities. **F1.3** The URA does not consistently apply metrics and targets to guide its work.	**R1.1** The City should consistently communicate a set of citywide economic development priorities and targets. **R1.2** The URA should create a business plan guided by citywide economic development priorities, with clear metrics and targets. **R1.3** The URA should revise its core mission statement, brand, and potentially its name in order to better reflect the City's strategic goals.
LEADERSHIP & GOVERNANCE	
F2.1 There is a lack of formal coordination between the URA, City Hall, and other City departments. **F2.2** The URA's consolidated functions provide flexibility and authority, but there is a lack of coordination and strategic alignment. **F2.3** The URA currently lacks a dedicated team to lead strategic planning on behalf of the agency.	**R2.1** The City should appoint a Chief Economic Development Officer within the Mayor's Office to coordinate economic development. **R2.2** The URA should reorganize its departments to streamline decision-making, reduce duplication, and improve functional clarity. **R2.3** The URA and the City should develop Intergovernmental Agreements (IGAs) outlining core services and funding obligations.
RESOURCES	
F3.1 The URA currently has few sustainable and flexible funding sources. **F3.2** The URA has not optimally leveraged its real estate assets for financial sustainability. **F3.3** URA budget tracking procedures lack clarity, creating confusion among stakeholders vis-à-vis the URA's financial position.	**R3.1** The URA should create a financial sustainability plan to pursue new revenue sources and maximize existing assets. **R3.2** The URA should modernize its financial tracking to provide transparent and on-going reporting of its financial position. **R3.3** The URA should increase revenue streams from existing assets as well as public, private, and philanthropic partners.
TALENT	
F4.1 The URA has a motivated and talented staff but lacks succession planning or processes to retain institutional knowledge. **F4.2** Compensation is broadly in line with industry norms, but there is an opportunity to further incentivize performance. **F4.3** The URA is committed to improving its workplace diversity and addressing pay equity.	**R4.1** The URA should put systems in place to boost morale, raise productivity, and ensure transfer of institutional knowledge. **R4.2** While retaining a focus on base pay equity, the URA should add awards or bonuses to incentivize performance. **R4.3** The URA should continue its efforts to create an inclusive workplace and communicate this progress to key stakeholders.
EXTERNAL ENGAGEMENT	
F5.1 The URA has few formal partnerships with private and nonprofit entities. **F5.2** The URA lacks a standardized approach to community engagement. **F5.3** The URA's marketing and communications team has not effectively communicated agency accomplishments to key stakeholders.	**R5.1** The URA should strengthen and formalize partnerships with external entities in service of economic development objectives. **R5.2** The URA should unify its approach to community engagement between departments and across neighborhoods. **R5.3** The URA should create a new executive office merging strategic policy, communications, and community engagement.

FINDINGS & RECOMMENDATIONS

The URA's new offices at
420 Boulevard of the Allies
in downtown Pittsburgh.

COURTESY OF THE URA

In January 2019, HR&A Advisors was engaged to prepare an organizational strategy for the URA to:

- Enable the organization and the City of Pittsburgh to better respond to ongoing changes in the city's economic landscape and within the organization itself.
- Create stronger ties between all economic development stakeholders in Pittsburgh.
- Ensure the URA's resources and processes are aligned with its mandate to advance citywide economic development priorities.

To assess the URA's current state and develop recommendations, this report uses a five-point framework designed to capture the full breadth of an economic development organization's capacity and effectiveness, including Mission & Vision, Leadership & Governance, Resources, Talent, and External Engagement.

HR&A began with an organizational assessment, including an overview of the URA's history and current state:

- **One of the first redevelopment authorities** chartered in the United States, the URA has served as a national and international model for urban revitalization since 1946.
- As the **City of Pittsburgh's community and economic development agency**, the URA's current mission is to create jobs, expand the City's tax base, and improve the vitality of businesses and neighborhoods. This mission also includes an addendum that spells out the URA's commitment to equitable development and the incorporation of best practices for equity and inclusion into its internal and external policies and activities.
- The URA's activities include assembling, preparing, and conveying sites for **major mixed-use development and a portfolio of business and housing programs** that include: financing for business location, relocation, and expansion; housing construction and rehabilitation; and home purchases and improvements. Since its incorporation, the URA has constructed or rehabilitated tens of thousands of homes, reclaimed thousands of acres of contaminated brownfield and riverfront sites, and assisted hundreds of businesses in neighborhoods throughout the City of Pittsburgh.
- As of August 2019, the URA has **96 employees organized into twelve departments**: Economic Development, Center for Innovation & Entrepreneurship, Housing, Housing Opportunity Fund, Real Estate, Engineering & Construction, Legal, Performance & Compliance, Accounting & Finance, Information Systems, Human Resources, and Executive.

- Today, the URA's projects and initiatives range from complex redevelopment projects to small business support, including:

- **The Larimer / East Liberty Choice Neighborhoods Initiative**, adding 334 new housing units and a neighborhood park and significantly rehabilitating existing homes following an extensive, community-driven planning process.
- **The Garden Theater Block**, adding 63 units of housing and street-level retail adjacent to the recently renovated Garden Theater on the North Side.
- **The Smallman St. and Produce Terminal** projects, adding 160,000 square feet of mixed-use space to the Strip District.
- **The Neighborhood Business Support Program**, providing direct grants, technical assistance, and capacity-building to business districts throughout the city.
- **The Micro-Enterprise Loan Program**, providing loans of up to $30,000 to entrepreneurs for business start-up and expansion.

HR&A used the following data sources to produce its recommendations:

1. DOCUMENT REVIEW
HR&A reviewed over 100 documents pertaining to the URA's mission, finances, departments, programs, and staff.

2. STAKEHOLDER INTERVIEWS
HR&A conducted over 70 in-person stakeholder interviews to assess the URA's current strengths and challenges as well as key opportunities moving forward (see Appendix A: Stakeholder Interviewees).

3. ONLINE SURVEYS
HR&A conducted two online surveys:

- **Internal Survey:** Nearly 90% of URA employees responded to an online survey to identify the city's economic development priorities, the role URA currently plays and could play in accomplishing them, and employee alignment and satisfaction (see Appendix B: URA Staff Survey).
- **External Survey:** Over 150 external URA stakeholders helped identify the city's economic development priorities, the role URA currently plays and could play in accomplishing them, and their experience working with the URA (see Appendix C: URA Stakeholder Survey).

4. CASE STUDIES
HR&A conducted detailed research on economic development best practices in nine cities across the country, including over a dozen interviews with the executive leadership of primary economic development agencies and analysis of funding, staffing, governance, and citywide coordination. The team selected these cities based on:

- **City and metropolitan area size and growth;**
- **Economic development entity alignment with URA priorities; and**
- **Overall effectiveness and reputation of the economic development entity.**

The cities selected include a set of mid-sized (200,000-500,000 people) cities within mid-sized metropolitan areas (1.5-2 million people) that are transitioning from a post-industrial context, as well as a group of best-in-class agencies in cities that can help capture a diversity of economic development landscapes and governance structures. The cities include:

Atlanta, GA	**Cincinnati, OH**	**Philadelphia, PA**
Baltimore, MD	**Minneapolis, MN**	**Portland, OR**
Boston, MA	**New Orleans, LA**	**St. Louis, MO**

See Appendix G for further details.

In the following pages, this report identifies key findings and recommendations for the URA and the City of Pittsburgh to improve its delivery of economic development services. For each element of the analytical five-point framework described in the approach section, the report contains the following:

- **Overarching findings;**
- **Relevant peer city findings;**
- **Recommendations; and**
- **An implementation timeline, including key next steps.**

In addition to the main report, an appendix contains detailed case studies on the peer cities reviewed, results from our online surveys, an evaluation of potential funding sources, a sample business plan, and acknowledgements.

MISSION & VISION

Establishing a clear mission and long-term strategic vision is critical to the success of economic development agencies. Economic development typically comprises a wide variety of services, ranging from affordable housing to business lending, and is often misunderstood by the general public. In addition to motivating staff, a clear mission statement and business plan provide the framework for communicating an agency's values, priorities, and tools to external parties. As a community's core economic development agency, the mission, values, and objectives of an agency need to align with the strategic priorities of the City and appropriate metrics and targets need to be used to monitor progress towards stated objectives.

To evaluate the URA's mission and values in comparison to its peer agencies and the current needs of Pittsburgh one must ask:

- **Is the organization's mission clear, generally understood, and conducive to demonstrable fulfillment?**
- **How does the agency's mission align with the needs and values of its partners, key stakeholders and city residents?**
- **What changes are needed such that the agency can better deliver on its mission?**

FINDINGS

FINDING 1.1

The City of Pittsburgh has not clearly articulated its economic development priorities.

The City of Pittsburgh has yet to publicly communicate a clearly articulated economic development strategy, despite notable strategic initiatives including OnePGH, Preserve PGH, OpenSpacePGH, All-In Pittsburgh, and the p4 Framework.

These studies capture the priorities of a broad range of stakeholders and provide a useful framework for local community and economic development goals and for comprehensive planning more generally. The City's p4 framework, for instance, offers an instructive template for framing economic development objectives. Anchored around the four "P"s of People, Place, Planet and Performance, the p4 performance measures (originally published in October 2016, piloted by the URA in 2017, and updated in February 2018) provide a readily operable and Pittsburgh-specific set of metrics for evaluating new development projects. The p4 scoring system takes into account a wide range of factors related to economic development, including level of affordability, non-public financing, and innovation (the latter measured also by the developer's willingness for these innovations to be replicated elsewhere in the city). While p4 provides a useful evaluation framework and set of indicators, it has yet to be tied to a set of citywide or regional objectives, targets, and next steps to motivate action.

OnePGH, the city's resilience strategy, also outlines 27 high-level objectives, several of which relate to economic development. These include:

- **Develop, attract, and retain the best and most diverse talent for Pittsburgh's workforce;**
- **Repurpose underutilized land and building stock in vulnerable places for community benefit;**
- **Promote innovation and incubation of new technologies and businesses; and**
- **Provide safe, affordable, and sustainable housing in new development or redevelopment.**

The objectives outlined in OnePGH are primarily framed with respect to existing programs (such as the City's Roadmap for Inclusive Innovation or Welcoming Pittsburgh Plan) rather than used to support new actions or initiatives. Few of these high-level objectives are supplemented by quantitative targets or implementation milestones. OnePGH lays a useful foundation for more specific economic

"If everything is a priority, nothing is a priority."
— URA STAFF MEMEBER

development objectives, but lacks clear metrics and action plans that the economic development ecosystem can use to implement or measure success.

In addition to these citywide activities, plans have been developed at the neighborhood and regional scales by public, private, and nonprofit organizations. These plans include:

- Allegheny County's 2008 comprehensive plan, Allegheny Places;
- Allegheny County's 2016 strategic plan to address the needs of immigrants in the region, Community Blueprint;
- The Allegheny Conference's 2017 study of the future of work in the Pittsburgh region, Inflection Point;
- The Brookings Institution's 2017 study of the city's tech ecosystem, Capturing the Next Economy: Pittsburgh's Rise as a Global Innovation City;
- Neighborhood Allies and Policy Link's 2016 policy brief, Equitable Development: The Path to an All-in Pittsburgh;
- POISE Foundation and African American Neighborhoods of Choice research group's 2017 report, Neighborhood Attraction Factors Impacting the Young African American Population in the City of Pittsburgh; and
- The Port Authority of Allegheny County, Pennsylvania Turnpike Commission, and Allegheny County's 2019 Southwest Partnership for Mobility report on a regional vision for mobility and transportation.

Given this wide range of plans and documents, alignment on a shared set of priorities for the URA and other economic development stakeholders is critical. **To assess the current state, 25 potential priorities were identified, validated, and ranked through a survey of over 80 URA staff and 134 stakeholders.**

URA staff and stakeholders reported differing economic development priorities for Pittsburgh as a whole. Despite broad agreement over the importance of affordable housing, equitable development, and business growth and retention, staff and stakeholders held varying opinions of the other 22 potential priorities. URA staff emphasized job creation and tax revenue as key priorities, while stakeholders emphasized infrastructure investment and main streets revitalization as important citywide goals (see Fig. 1). As one stakeholder noted in the online survey, "a good start might be getting out the word on what exactly the City's economic development priorities are."

Peer cities reviewed for this study use a variety of approaches to establish and communicate citywide economic development priorities to city agencies, external partners, and the general public. These include the development of **citywide economic development strategies**, the creation of **expert task forces** to develop strategic priorities, and the use of **innovative civic engagement methods** to elicit resident input on citywide economic development goals.

In recent years, several peer agencies have spearheaded the creation of **citywide economic development strategies** on behalf of City Hall. In 2013, the New Orleans Business Alliance (NOLABA), which leads business attraction/retention and workforce development for the City, authored ProsperityNOLA, a five-year plan to drive inclusive growth in five key industry clusters.[1] Developed in collaboration with over 200 stakeholders, the plan identified the relevant strategies, actions, metrics, lead agencies, support partners, and timeframe needed to advance implementation. Major accomplishments of the strategic plan include the development of the $24 million Cobalt Medical Center, a state-of-the-art medical facility that has provided a boost to the City's burgeoning biomedical cluster. With the five-year time-frame complete and a new administration in office, City Hall is currently developing a new economic development strategy, led by the City's Office of Economic Development.

Cities can use a variety of methods to establish citywide economic development goals. One is to develop **task forces** staffed with civic and business leaders and issue-area experts and charge them with the identification of key priorities. The creation of ProsperityNOLA, for instance, was driven by a Strategic Advisory Council with key representatives of the public, private, and nonprofit sectors in New Orleans. The Council then established a set of focused subcommittees to develop recommendations and an action plan to drive inclusive growth in five specific industry clusters.

FIG. 1: Citywide economic development priorities identified by URA staff and stakeholders: Respondents were asked to rank their top five priorities; the table shows the five most highly-ranked priorities and highlights those that differed between staff and stakeholders. While both staff and stakeholders agreed that affordable housing as the City's number one priority, staff placed greater emphasis on job creation and the tax base, while stakeholders placed greater emphasis on public infrastructure and neighborhood/main streets revitalization.

WHAT ARE PITTSBURGH'S MOST IMPORTANT ECONOMIC DEVELOPMENT PRIORITIES? PLEASE SELECT UP TO FIVE OPTIONS.[2]

URA Staff Results Top Citywide Economic Development Priorities as Identified by URA Staff	**External Stakeholder Results** Top Citywide Economic Development Priorities as Identified by URA Stakeholders
1. Affordable housing	1. Affordable housing
2. Equitable & inclusive growth	2. **Public infrastructure**
3. **Job creation**	3. Equitable & inclusive growth
4. **Building the tax base**	4. **Neighborhood/main streets revitalization**
5. Business growth & retention	5. Business growth & retention

"We know there is a deficiency of 20,000 housing units, but [the City has] not articulated costs or goals associated… [and] the URA has no clear mandate."

— COMMUNITY DEVELOPMENT CORPORATION REPRESENTATIVE

Several cities have also used **new methods to engage residents** in the strategic planning process. Imagine Boston 2030, the City of Boston's first comprehensive plan in 50 years, was built on a community engagement effort that reached over 15,000 residents. Participatory methods included open houses, visioning kits, text message surveys, online mapping tools, street team surveys, and "building block" activities in which residents visualized future development patterns using plastic building blocks.[3]

Both New York City and Washington, D.C., meanwhile, held **"Talking Transition" events** designed to elicit resident input on policy priorities for incoming mayoral administrations. The New York iteration, held in November 2013, engaged over 50,000 residents through an online survey, canvassing effort, and intensive programming at a temporary structure in Lower Manhattan. 55% of respondents had not voted in the mayoral election, creating an important opportunity for participatory planning beyond the ballot box. The results of the civic engagement process were compiled in a report for the Mayor's Office.[4] The report's finding that the unaffordability of housing was residents' top concern strengthened the incoming administration's mandate to focus on housing as a top priority. As of September 2019, the City has built or preserved over 120,000 units of affordable housing, significantly ahead of its initial target of 200,000 units over ten years. In 2017, the City released a successor housing plan that committed to completing the initial 200,000-unit goal by 2022 and delivering an additional 100,000 affordable homes by 2026.[5]

As Pittsburgh articulates its own set of economic and community development priorities, city leaders should review and draw upon the extensive community and stakeholder engagement conducted in prior city, neighborhood, and regional planning efforts. Beyond articulating these high-level priorities, City Hall should accompany them with a clear implementation roadmap to ensure they are translated into meaningful action.

A Pittsburgh resident at the URA's Inclusive Innovation summit

COURTESY OF THE URA

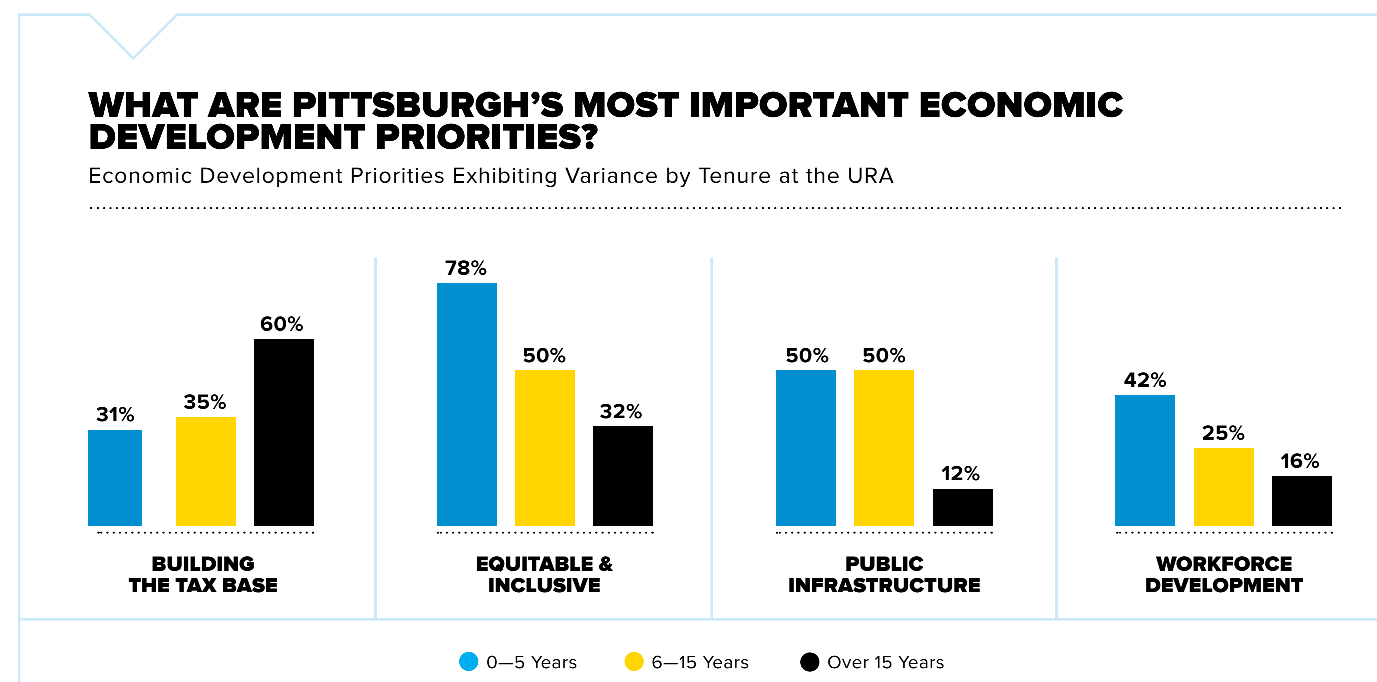
FINDING 1.2

There is a lack of consensus on the URA's role in accomplishing the City's economic development priorities.

In addition to a lack of clarity on citywide priorities, the role of the URA in implementing the City's economic development objectives is unclear. The URA currently lacks an overarching, uniform vision across its many departments or clarity regarding its role in implementing key policy priorities.

Although both staff and stakeholders agreed on the importance of affordable housing to the city's economic development agenda – and stated that the URA's role in leading affordable housing on behalf of the City was clear, particularly following the implementation of the Housing Opportunity Fund (HOF) – other policy areas were characterized by disagreement. For instance, while URA staff demonstrate an overall commitment to economic development, survey results showed divergence of opinion over the most important economic development objectives depending on length of tenure at the URA (see Fig. 2).

FIG. 2: Economic Development Priorities Exhibiting Variance by Tenure at the URA: More recent hires placed a stronger emphasis on public infrastructure, inclusive growth, and workforce development, while longer-tenured staff placed a greater emphasis on building the tax base.



Stakeholders also reported a lack of clarity regarding the URA's role in several key areas (see Fig. 3). In particular, stakeholders identified workforce development and public infrastructure as two policy domains in which the role of the URA vis-à-vis other agencies was unclear. Independent entities and City departments are actively advancing work in these policy arenas, while the URA's lack of partnerships places constraints on the organization's ability to articulate priorities, leading to limited stakeholder understanding.

Workforce development is an important complement to any economic development organization. While the URA's job creation mandate is clear, there is little current agreement on its role in ensuring Pittsburgh's workforce is ready for the new jobs and businesses to be created. Partnerships with workforce development organizations could better align training programs with the URA's job creating programs. In particular, the URA could broker partnerships among developers, employers, and workforce development organizations.

As for public infrastructure, investments in roads and other infrastructure are often key to the success of any transformative development project. The URA's longstanding role in facilitating Tax-Increment Financing is critical to raising the funds necessary for such infrastructure improvements. The URA has also played an important role in stepping in to fill gaps in physical public works, spearheading construction projects that have accelerated the completion of major economic development projects. While such efforts have been helpful at the project-level and have provided valuable services to the City of Pittsburgh, public infrastructure can pull resources from the URA's other activities, and the organization is not directly funded to do such work. The varying interpretations of roles and responsibilities observed in the surveys and stakeholder interviews reflects a lack of clarity as to the URA's role in the City's public infrastructure.

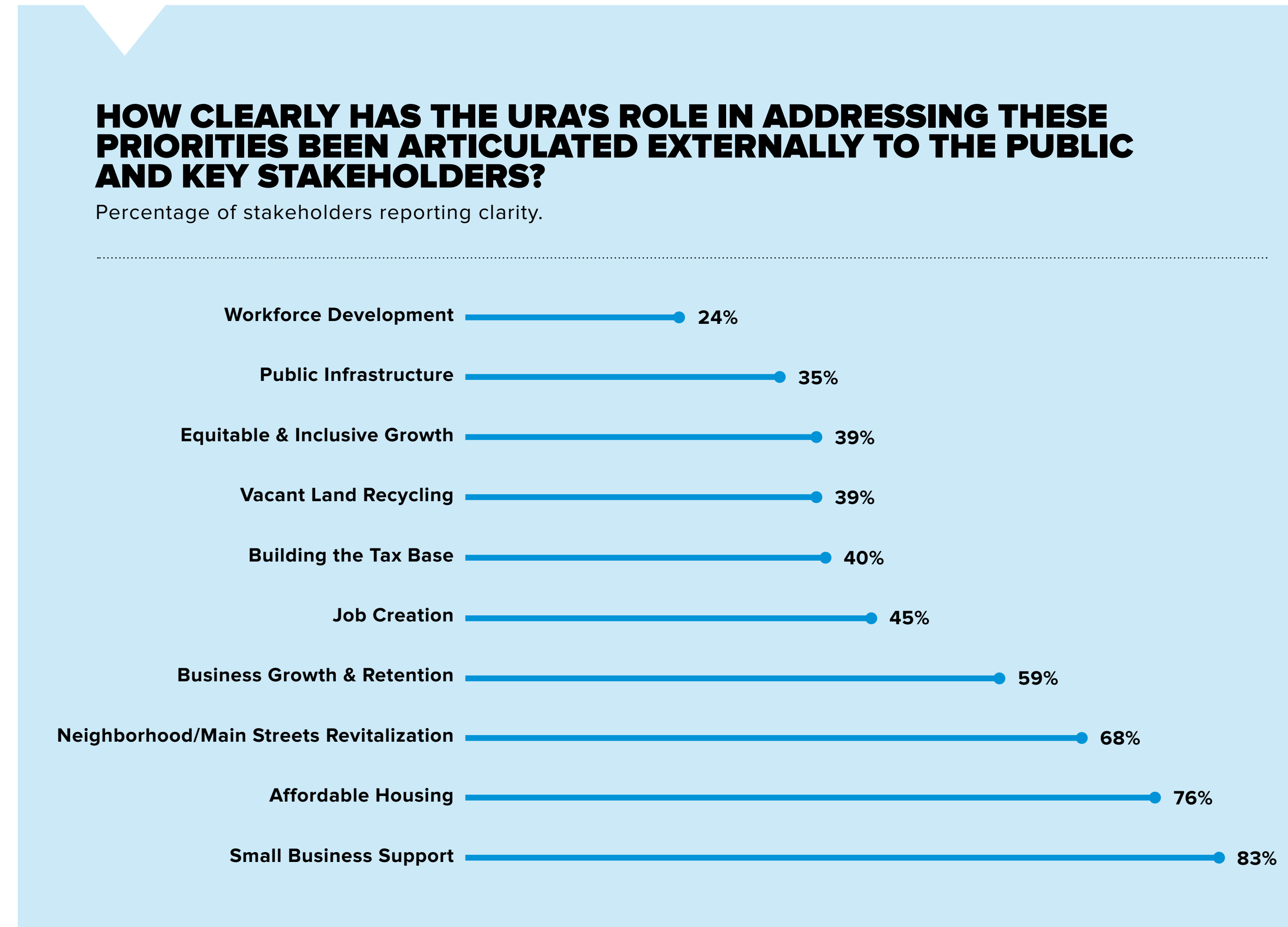
Another symptom of this lack of clarity is the URA's current mission statement, which identifies job creation and business support as the agency's primary focus:

> The Urban Redevelopment Authority of Pittsburgh (URA) is the City of Pittsburgh's economic development agency, committed to creating jobs, expanding the City's tax base and improving the vitality of businesses and neighborhoods.

While job creation and business attraction should remain cornerstones of the URA's work, this mission statement does little to elucidate the URA's significant focus on affordable housing, small business development, and entrepreneurship. In recognition of this discrepancy, the URA added in 2018 a qualifying paragraph to its mission statement laying out its tools and values, including the agency's work in affordable housing and its commitment to equity and inclusion:

> The URA achieves this mission by assembling, preparing and conveying sites for major mixed-use development; and by providing a portfolio of programs that include financing for business location, relocation and expansion, housing construction and rehabilitation, and home purchases and improvements. The URA is also committed to equitable development, and incorporates best practices for equity and inclusion into its internal and external policies and activities.

FIG. 3: Clarity of the URA's role in City economic development priorities as reported by URA stakeholders: Stakeholders reported that the URA's role in small business support and affordable housing was very clear, and its role in workforce development and public infrastructure was relatively unclear.[6]



In the long term, **an updated mission statement and brand** that more clearly aligns with both the City's economic development objectives and the agency's strategic goals, highlighting the URA's people-focused work, would diminish confusion among URA staff and stakeholders and accelerate progress towards common objectives.

Dating back to its inception, the URA has historically served as a key partner and lead agency to implement many of the City's economic development objectives. Most recently, the Mayor has indicated through public statements that his vision for the future of Pittsburgh includes a URA that focuses on affordable housing, main streets revitalization, small business support, and the new economy. It is now critical to pair this high-level vision with an economic development strategy that details current conditions, future vision, and a series of priority goals and actions.

In addition to the citywide economic development strategies, several peer agencies reviewed for this study have authored internal strategy documents, such as **annual or multi-year business plans**, driven by City goals and guided by clear metrics. Business plans provide a critical strategic framework for economic development agencies, allowing them to prioritize resources and actions and monitor progress towards key objectives. More fundamentally, business plans provide a roadmap for decision-making, turning organizations from reactive to proactive.

The City of Minneapolis' Department of Community Planning and Economic Development (CPED), for instance, has produced a set of **annual business plans** since 2014 setting out the department's mission, values, business lines, goals, and key performance indicators, and tying them explicitly to citywide strategic objectives. For each of the agency's four divisions, the plan also outlined strategic direction, goals, tactics, and metrics. As of September 2019, CPED is in the process of developing a new business plan to align with the City's new strategic and racial equity action plans, which are currently under development.

In the lead-up to its restructuring from the Portland Development Commission (PDC) to Prosper Portland, in 2015, Portland's economic development agency produced a detailed **five-year business** plan that identified five high-level objectives and 18 desired outcomes to guide the agency's work.[7] As part of its restructuring, the agency also created a new mission statement to more accurately reflect its current activities and City priorities, shifting from an emphasis on economic growth and job creation to a focus on equity, wealth-building and collaboration. In January 2019, the agency released a status report on progress towards its goals, finding that of 18 key objectives, 5 were ahead of schedule, 8 were on track, and 5 were difficult to measure due to a discontinued or unavailable data source.[8]

As the URA embarks on its own business planning effort in the coming year (see Recommendation 1.2), agency leaders should ensure that they connect discrete programs and activities to high-level strategic goals, pair them with quantifiable and readily available metrics (including the p4 Framework), and set aside the necessary staffing resources to conduct regular updates to monitor progress towards identified objectives.

> **"Part of the reason that people don't understand what the URA does is that it doesn't have clear goals or a clear mission. URA has to be able to tell a story, not just do [stuff]. URA should have a stronger and more articulated focus on affordable housing and workforce development that is focused on the quality of jobs."**
>
> — URA BOARD MEMBER

FINDING 1.3

The URA does not consistently apply metrics and targets to guide its work.

While metrics and goals are critical for motivating employee performance, guiding prioritization of projects, enforcing compliance, and measuring impact, the URA's use of goals and benchmarks is limited at present.

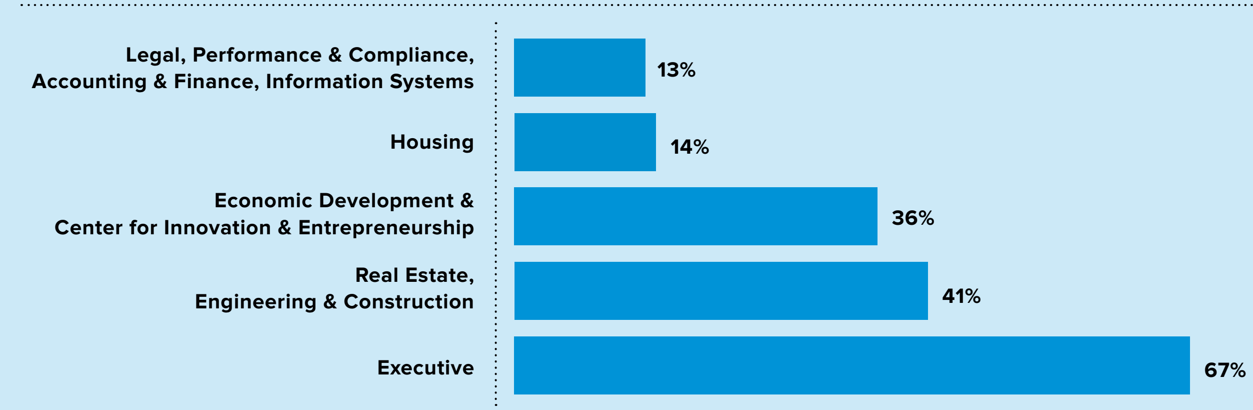
The agency's annual report does tally certain key indicators, such as number of jobs or affordable housing units created, though with the exception of MWBE participation targets, these metrics are not tied to an overall strategy or operationalized as goals to communicate agency priorities to the public (see Fig. 4).

As a result, key partners including City Hall are unable to evaluate whether the URA is reaching its performance objectives. In interviews, developers also reported a lack of clarity on the URA's policy priorities and timelines for decision making. This unpredictability can create scheduling challenges, especially for those new

FIG. 4: The URA's Effectiveness in Metrics & Benchmarking: With the exception of the Executive Department, the majority of staff across URA departments identified opportunities for greater effectiveness in the agency's use of metrics and benchmarking.[9]

USE OF METRICS & BENCHMARKS

Percentage of staff by department reporting perception of effectiveness.



An excerpt from PIDC's 2017-2020 Organizational Strategy showing the relationship between strategic goals, specific objectives, and associated metrics:

- **GOAL:** Execute delivery of products and services that drive growth throughout the city
- **OBJECTIVE:** Close a broad portfolio of loans, grants and technical assistance services
- **METRIC 1:** Maintain 100% zip code coverage for PIDC's portfolio on a rolling 5-year basis
- **METRIC 2:** Achieve 50% MBE/WBE/DBE business loans across all PIDC products by 2020
- **METRIC 3:** Secure three grant awards for brownfield cleanup from state & federal sources totaling $2+ million by 2020

to working with the URA, increasing the cost of development and making it more difficult to advance projects in an efficient manner. A lack of metrics also makes it difficult for City stakeholders to evaluate the efficacy of URA work when considering funding decisions.

Following the Mayor's designation of the URA as a pilot entity for implementation of the City's p4 performance framework in 2017, the agency created a p4 Working Group to explore how the framework might be operationalized. Over a 12-month period, URA staff evaluated and scored projects exceeding $2M in total cost. To date, this effort has not progressed to implementation, primarily due to a lack of administrative capacity. Moving forward, as the city's economic development goals are established and communicated with reference to p4, the URA might relaunch this effort to create a common framework for evaluating economic development. The City's newly created Office of Equity and ongoing Equity Indicators initiative might also provide potential benchmarks and partners for the URA's work. The Office of Equity, established in May 2019, builds on the Bureau of Neighborhood Empowerment's prior work and aims to increase equity and inclusion for all residents of Pittsburgh. The Office of Equity will leverage research and results from the Equity Indicators initiative, which launched in 2017 to assess and measure the city's annual progress toward equitable opportunities and outcomes for all Pittsburghers.

Other cities offer useful precedents for **integrating quantitative goals and metrics into both internal planning and external communications**. Metrics should not be chosen in an ad-hoc manner, but rather through in-depth analysis of: 1) how relevant they are to strategic objectives; and 2) how easy they are to collect and analyze. In 2017, the Philadelphia Industrial Development Corporation (PIDC) developed a three-year organizational strategy primarily for an internal audience. The document identified high-level goals and associated targets to measure success. An example of a high-level strategic goal, specific objective, and associated metrics is included at left (see sidebar).

Prosper Portland's 2015-2020 strategic and business plan also includes a defined set of indicators to monitor progress and motivate performance. For each of the agency's eighteen desired outcomes, the plan outlines a relevant metric, the existing baseline, and a detailed explanation of why the metric was chosen (for illustrative excerpts from Prosper Portland's strategic plan, see Appendix E). Prosper Portland also released a status report on progress towards the plan in January 2019, showing that the majority of goals were either on track or ahead of schedule.[10] In keeping with its Business & Workforce Equity Policy, Prosper Portland also maintains a publicly accessible data platform on its website which tracks the agency's progress towards equitable construction and contracting.[11] The data is updated regularly and provides a transparent platform to monitor the agency's progress towards its stated goals of increasing diversity in hiring on projects it works on.

Metrics and targets are critical for maintaining the focus of economic development agencies and ensuring alignment with overarching objectives. They also provide a measure of public accountability and help display agency progress (or lack thereof) on initiatives and programs.

RECOMMENDATIONS

MAYOR'S OFFICE TO LEAD

RECOMMENDATION 1.1

The City should consistently communicate a set of citywide economic development priorities and targets.

Establishing clear citywide economic and community development objectives is essential for municipal coordination, stakeholder alignment, and long-term strategic planning.

Key stakeholder interviews and online survey results revealed some disagreement as to the City of Pittsburgh's overarching economic development goals, with some respondents emphasizing the expansion of the tax base and others emphasizing equitable and inclusive growth. Even if not every economic development actor will play a leading role in each goal, a common understanding of citywide priorities is essential in coordination and allocation of resources across the URA and other entities.

Discussions with key stakeholders and results from the online survey disseminated by HR&A in February and March 2019 generated a comprehensive list of economic development goals included, in alphabetical order, in the sidebar at right.

Through multiple rounds of analysis, discussion with stakeholders, and comparison to best practices, the HR&A team subsequently consolidated this list to focus on priorities, as opposed to tools and tactics. Priorities are defined as overarching strategic objectives, such as ensuring that Pittsburghers have access to housing. In contrast, tools and tactics are the means to an end, such as providing incentives to encourage the production of housing units.

The priorities that were most consistently cited were then synthesized into a set of five economic development priorities for the City of Pittsburgh overall:

- Create more housing that is affordable to Pittsburghers of every income level
- Encourage entrepreneurship and small business development
- Promote inclusive growth and quality job creation
- Expand neighborhood and main streets revitalization efforts
- Develop a talented workforce that is equipped with the skills of the future

Comprehensive List of Economic Development Goals

- Affordable housing
- Attracting private investment
- Brownfield reclamation
- Building the tax base
- Business attraction
- Business growth & retention;
- Downtown revitalization
- Entrepreneurship
- Equitable & inclusive growth
- Job creation
- Neighborhood/Main streets revitalization
- Public infrastructure, including public space and transportation improvements
- Public-private partnerships
- Small business support
- Vacant land recycling
- Workforce development

For some of these priorities, such as housing affordability, the URA has the capacity to lead the City's efforts. For others, such as workforce development, the URA's role is more likely to be one of institutionalizing these priorities and building upon the p4 initiative can provide a long-term framework for economic development on behalf of Pittsburgh's residents. In moving these high-level priorities towards implementation, the City should pursue the following steps:

1. **Articulate these priorities in coordination with partners to develop consensus on goals.** Depending on the goal, this may include relevant City agencies, the URA, and advocacy organizations (see Fig. 5).

2. **Establish targets, metrics, and timelines.** These high-level priorities should be tied to specific metrics (e.g. build X units of affordable housing by 2025, or reduce poverty in Pittsburgh by X% by 2030) and fully integrated with the sustainability performance targets specified in the City's p4 Framework.

3. **Communicate, track, and report on those metrics regularly.** Communicate housing priorities in coordination with the URA, DCP, and other relevant partner organizations (e.g. CBOs, CDCs, housing advocacy groups).

FIG. 5: Potential partners, targets, and metrics for citywide economic development priorities.

PRELIMINARY LIST OF PARTNERS AND KEY METRICS

	Citywide Priority 1: Housing Affordability	Citywide Priority 2: Entrepreneurship & Small Business Support	Citywide Priority 3: Inclusive Growth & Quality Job Creation	Citywide Priority 4: Neighborhood/ Main Streets Revitalization	Citywide Priority 5: Workforce Development
Potential Partners	URA; DCP; HACP; for-profit and nonprofit developers; banks; realtors; Neighborworks; Neighborhood Allies; Magistrates; Fair Housing Partnership; Pittsburgh Commission on Human Relations; Pittsburgh Public Schools.	URA; Allegheny Conference; startup accelerators; InnovatePGH; InnovationWorks; universities; Community College of Allegheny County; Partner4Work; Greater Pittsburgh Chamber of Commerce.	URA; Pittsburgh Regional Alliance; Allegheny County.	URA; DCP; BIDs; CBOs; relevant CDCs.	URA; Allegheny Conference; Partner4Work; Pittsburgh Public Schools; Community College of Allegheny County; universities; K-12 educators; labor unions; other industry-specific workforce development organizations.
Potential Targets, Metrics	Number of affordable rental units to be built and preserved within a given timeframe and in specific locations, at specific tiers of affordability; number of market-rate rental and homeownership units to be built in a given timeframe; number of households benefiting from consumer-facing and service-oriented.	Firm formation; firm longevity; job growth; startup growth targets (e.g. benchmarks of VC funding, university research grants, etc.); integration with existing MWBE targets; target number of networking events/participants.	Specific industry clusters for support; job creation targets by industry; metrics for "quality jobs" (wages, benefits, etc.); population growth targets.	Acreage or number of property targets for vacant land recycling; share of zip codes/ Council Districts to receive URA assistance; identification of priority commercial corridors in alignment with ongoing DCP neighborhood planning efforts.	Participation targets for programs by industry sector; completion rates; share of workforce program participants passing competency exams; share of workforce program participants to be employed after a certain time period.

Note: this is intended not as an exhaustive list but rather an example of the types of organizations and metrics that could be used.

URA TO LEAD

RECOMMENDATION **1.2**

The URA should create a business plan guided by citywide economic development priorities, with clear metrics and targets.

Business plans are critical to the long-term success of an organization. Properly conceived, business plans provide strategic direction, prioritization, a funding approach, and milestones and indicators to monitor progress – in other words, a plan of action.

Currently, the URA is almost wholly focused on the details of day-to-day projects and transactions and lacks a long-term strategic vision. In order to communicate a sense of direction to staff and stakeholders and guarantee alignment with City objectives, a business plan is essential. The business planning process should be led by the Deputy Executive Director who will also oversee the new Office of Strategic Policy & Communications (described in more detail in Recommendations 2.2 and 5.3).

In the case of the URA, the organization should develop a **three-year business plan** outlining agency objectives. Development of the business plan should be in consultation with the URA Board of Directors, the Mayor's Office, and URA departmental Directors. Three-year plans provide a particularly effective timeframe for business planning. While one- to two-year plans are overly labor-intensive for a short timeframe and four- to five-year business plans risk becoming overly associated with the four-year time horizons of political administrations, three-year business plans balance the need for political buy-in with the capacity for long-term planning.

Attendees celebrate at the ribbon cutting for the Larimer development in East Pittsburgh

COURTESY OF THE URA

BUSINESS PLAN ELEMENTS

Element	Description
Mission	A clear elaboration of the mission and values of the URA.
Objectives	Overview of high-level strategic objectives and their connection to the City of Pittsburgh's public policy priorities. The five economic development priorities described in Recommendation 1.1 are an appropriate starting point for these overarching objectives.
Goals	Discrete goals that underlie higher-level objectives. Goals tied to the aforementioned economic development priorities could include: • Affordable Housing: Increase the supply of all types of housing, preserve and develop affordable housing, expand homeownership opportunities for low-income households. • Entrepreneurship & Small Business Support: Provide capital and technical assistance to small business owners, support minority and women-owned businesses, grow the technology economy. • Inclusive Growth & Quality Job Creation: Create well-paying jobs, ensure that residents from disadvantaged backgrounds can access new jobs. • Neighborhood/Main Streets Revitalization: Increase the vitality of neighborhood business districts, strengthen existing commercial businesses. • Workforce Development: Promote workforce development organizations on URA projects, broker partnerships between developers/businesses and workforce development organizations.
Relevant Plans and Initiatives	Reference to other existing plans and initiatives in Pittsburgh that are synergistic with URA activities; discussion of how the URA's work is complementary rather than duplicative of existing approaches. Examples include City plans and documents (OnePGH, p4, African-American Neighborhoods of Choice, All in PGH with Policy Link, Welcoming Pittsburgh, Affordable Housing Taskforce Recommendations), the Allegheny Conference's Inflection Point report on the future of work, and the Brookings' Institution's study of the innovation economy in Pittsburgh, "Capturing the Next Economy."
Actions	Specific tactical approaches proposed to accomplish aforementioned goals and objectives, including new programs, tools, and initiatives.
Metrics	Quantitative indicators to measure progress towards high-level goals and specific objectives, including baseline targets. The URA should ensure that reliable data sources and accurate reporting mechanisms are in place to monitor indicators and evaluate progress towards stated objectives. While the p4 framework was developed as a scorecard, its high-level framework of People, Planet, Place, and Performance may provide a useful basis for indicator development. The URA should also establish internal, department-level metrics to track performance.
Responsible Parties	Identification of partner organizations (City, City-affiliated, and non-City) necessary for accomplishment of goals.
Funding	Specification of funding tools for accomplishing stated goals and objectives, including assessment of feasibility.
Timeframe	Elaboration of timeframe within which goals and objectives are to be accomplished.

SAMPLE BUSINESS PLAN METRICS BY URA DEPARTMENT

Department/Unit	Sample Metrics
Economic Development	Number of construction jobs created; number of permanent jobs created by salary range; square footage developed; direct investment and leveraged investment.
Center for Innovation & Entrepreneurship	Geographic distribution of CIE loan products across neighborhoods and City Council districts; number of storefront facades renovated; number of jobs created and retained by industry sector and salary range; number of companies assisted; number of networking events/participants at events.
Real Estate	Number of land sales executed; number of ground leases executed; number of properties purchased; number of properties sold; acreage of land sales.
Housing	Number of affordable housing units built or preserved at various AMI levels; number of supportive housing units built or preserved.
Housing Opportunity Fund	Number of transactions completed across HOF's program offerings (Rental Gap Program, Homeowner Assistance Program, Down Payment and Closing Cost Assistance Program, Housing Stabilization Program, For-Sale Development Program).
Engineering & Construction	Number of URA projects supported; share of URA properties meeting satisfactory inspection standards.
Performance & Compliance	MWBE participation rate in URA projects; percentage of regulatory reports submitted on-time.
Accounting & Finance	Progress towards revenue goals outlined in financial sustainability plan; on-time completion of periodic financial reports; number of issues identified in audits.
Human Resources	Number of professional development opportunities (courses, degrees) supported; rate of staff turnover; staff engagement level (as measured by employee surveys); cost of HR per employee; share of women and minority candidates interviewed and hired; time since last promotion.
Legal	Number of contracts drafted or reviewed; average turnaround time.
Information Systems	Number of support incidents resolved; average time to resolve incidents; share of staff using specified URA-wide tools.
Communications	Number of website visitors; duration of engagement with website; engagement on social media platforms (e.g., followers, likes, retweets); number of articles or other press coverage; number of interviews, press briefings, or other direct engagement.

The URA should commit to producing **annual status updates** that monitor progress towards stated objectives in the business plan. These documents are essential for communicating accomplishments to key stakeholders, revealing gaps in data collection, and identifying roadblocks to reaching stated objectives. These status updates would be similar to current annual reports but would more explicitly detail ongoing initiatives and progress on targets and metrics. In addition, the annual reports should include anecdotes and case studies on particular projects undertaken each year. The reports will be produced by the reorganized Strategic Policy and Communications department (see Recommendation 5.3).

To support these updates, the URA should develop **streamlined and automated procedures to collect and report on key metrics**. Leveraging the enterprise systems that underlie the URA (such as Salesforce), staff could automatically track key project data, thereby reducing data collection time and efforts. Such data can also be linked to online cloud databases, which would enable live tracking of URA initiatives and targets. This in turn would facilitate URA-wide dashboards, useful for day-to-day management as well as periodic reports to the Board of Directors and other stakeholders. CIE's monthly data updates to the Board and the URA's new quarterly reports to City Council are a promising step in this direction. The annual "State of the URA" sessions should also incorporate reporting on key metrics as well as articulation of key strategic objectives, linked to citywide economic development priorities. The URA might also explore strategies to measure long-term impacts and outcomes of community investments, potentially through research partnerships with local universities and community-based organizations.

URA Housing Opportunity Fund Community Feedback Meeting in Beechview

COURTESY OF THE URA

URA TO LEAD

RECOMMENDATION

1.3

The URA should revise its core mission statement, brand, and potentially its name in order to better reflect the City's strategic goals.

In tandem with the establishment of the City's overarching economic development priorities and in parallel with the development of a URA business plan, the URA should develop a new mission statement that articulates the URA's role in advancing key citywide priorities including affordable housing, quality job creation, small business development, and entrepreneurship.

This mission statement might also more explicitly spell out the URA's role in supporting key economic development activities such as the growth of industry clusters and stronger coordination with workforce development policies and providers.

As the economic development profession and Pittsburgh have evolved, the URA's name no longer accurately reflects its current priorities. Both "redevelopment" and "authority" conjure up images of midcentury bulldozer renewal, hardly appropriate for an agency focused on equitable economic opportunity. The URA's name also does not sufficiently emphasize that the Authority serves Pittsburgh. While the URA represents Pittsburgh on the national and international stage, it does so without the city's name in its branding, unlike many of its peers.

As part of the agency's organizational realignment, the URA should **explore the opportunity to rebrand the organization** with a new name that more appropriately conveys the agency's core services and values. City redevelopment authorities and agencies that have recently undergone this sort of rebranding include Invest Atlanta (formerly the Atlanta Development Authority), Prosper Portland (formerly the Portland Development Commission), and the Boston Planning & Development Agency (formerly the Boston Redevelopment Authority). It should be noted that the rebranded names of these peer entities are "doing business as" (d/b/a) names, as changing the organizations' legal names would have required approval of their respective state legislatures. As the URA explores opportunities for rebranding, it too should avoid the burdensome process of state legislative approval.

Undertaking an image overhaul of this extent will require the stewardship of a new URA Executive Director in close coordination with the URA Board and the Mayor's Office. It will also require engaging graphic design and web services professionals to reimagine the URA's logo and website. The URA's upcoming 75th anniversary in 2021 provides an appropriate occasion for unveiling a logo, brand, website and possibly name for the organization.

"People tend to connect us with specific projects or programs, but not a cohesive vision."

— URA STAFF MEMBER

MISSION & VISION: Implementation Considerations & Timeline

	Action	Lead	Support	Timing
1.1 The City should consistently communicate a set of citywide economic development priorities and targets.	**A)** Develop consensus on economic development goals and establish quantitative targets and timelines.	Mayor's Office	URA	In Process
	B) Assign roles and responsibilities among City and City-affiliated entities.	Mayor's Office	URA	In Process
	C) Coordinate on communication of economic development goals to public and key stakeholders.	Mayor's Office	URA	In Process
1.2 The URA should create a business plan guided by citywide economic development priorities, with clear metrics and targets.	**A)** Create three-year business plan outlining tangible objectives, metrics, and timelines for accomplishment of strategic priorities.	URA		In Process
	B) Develop streamlined and automated procedures to collect and report on key metrics.	URA		Medium-Term
	C) Conduct annual status updates that leverage metrics to report on progress towards stated goals.	URA		Medium-Term
1.3 The URA should revise its core mission statement, brand, and potentially its name in order to better reflect the City's strategic goals.	**A)** Revise the URA mission statement to increase emphasis on equitable development.	URA		Medium-Term
	B) Explore and implement changes to the URA name, logo, and brand.	URA		Long-Term

= Mayor's Office Implements = URA Implements **Short-Term** = Within 9 months | **Medium-Term** = 9-18 months | **Long-Term** = 18-24 months

LEADERSHIP & GOVERNANCE

Economic development is a complex endeavor, involving innumerable financial, legal, political, and regulatory considerations. To translate ideas into action, economic development agencies require effective governance mechanisms that structure internal decision-making and ensure alignment with external partners. Examples of governance mechanisms include intergovernmental agreements, reporting structures, and organizational design.

To evaluate the URA's current state and that of peer agencies, the guiding questions included:

- Is the organization's leadership appropriately aligned with City priorities and effective at setting internal strategic goals?
- Is the organization's structure of governance and decision-making clear and effective? Are its internal processes and procedures well suited to their purposes and efficiently carried out?

FINDINGS

FINDING 2.1

There is a lack of formal coordination between the URA, City Hall, and other City departments.

Communication and coordination between the URA, City Hall, and other City departments is mostly informal.

Historically, the URA was linked to City Hall via its Board chair, who simultaneously served as the Mayor's Chief of Staff. While the Mayor's Office recently added a representative to the URA Board, the distance between City Hall and the URA is further reinforced by limited meetings between the Mayor and the Board. With the ability to appoint all five members of the Board, the structure of the Mayor's relationship with the URA is strong relative to peer cities across the country. While the URA's legal status as a public authority means that it operates with more day-to-day autonomy than a City department, it is still critical to ensure that priorities are aligned and that interactions with other City agencies are streamlined and effective. The URA in particular requires a counterparty in the Mayor's Office who has the time and resources to advance collaborative planning and implementation.

Coordinating responsibilities across entities requires clear communication and documentation. While agreements between the URA and City departments exist for particular projects or funding commitments, **no overarching contracts or documents serve to define long-term working relationships among the parties.**

Groundbreaking ceremony for the Strip District Terminal, a 160,000 SF mixed-use project in a renovated historic structure

COURTESY OF THE URA

One symptom of these gaps in knowledge and coordination is **considerable confusion over the role of the URA regarding public works and open space management.** The URA is a more nimble and flexible entity than the City, and as a result often takes the lead acquiring troubled properties, including derelict parks, schools, and parking garages, on the understanding that these will rapidly be transferred to City ownership. The URA often ends up maintaining these assets longer than expected, straining the agency's resources. As one staff member noted, "as an effective organization with a reputation of getting things done, we often get called on to take the lead on projects and programs that seem tangential to our core competencies and mission."

The URA has also taken the lead on several transportation planning initiatives, including the East Liberty Transit Center and the Pittsburgh EcoInnovation District's Bus Rapid Transit (BRT) system, despite not having full-time transportation planners.[12] Public works and transit entities typically spearhead such projects in other cities and may be a more natural fit, including the City's Department of Mobility and Infrastructure (DOMI), Department of Public Works (DPW), and the County's Port Authority. Current efforts **strain the URA's limited resources**, but also lead to misunderstanding regarding the role of the URA in infrastructure planning, with 65% of stakeholders reporting that the URA's role in public infrastructure was either not clear or slightly clear.

Another symptom of inadequate coordination is frustration from business owners who have had to work with both the URA and partner agencies to move projects forward. While business owners interviewed found the **URA responsive and relatively nimble**, they encountered delays and uncertainties regarding required interactions with other City departments, especially for zoning and permitting. The URA's recent move to its new headquarters on Boulevard of the Allies, together with several of its partner agencies, represents an important opportunity to strengthen links and build upon existing plans for a "one-stop shop."

Finally, the URA and the City have ongoing tensions concerning **legacy assets** that the URA is currently operating. The URA currently operates approximately a half-dozen assets at the request of the City of Pittsburgh or City Council, including derelict schools, parks, and vacant property. This arrangement often occurs due to: (1) the greater speed and flexibility with which the URA can buy and sell real estate, and (2) a misunderstanding of the URA's staff and budget capacity to absorb non-performing properties. The URA lacks an ongoing inventory of these assets, separately from its property held for redevelopment. The URA also does not separately document the annual property holding costs of legacy assets that it is operating. Key properties identified by the URA for resolution include: City's Edge / Lot F, Lower Hill, Summerset at Frick Park, Steven's School, Hays Woods, 62nd St Industrial Park, The Hunt Armory, and Lamar Billboards. These longstanding disputes undermine the necessary collaboration between the City and the URA and underscore the need for greater coordination.

"The URA is not a parks department and should not be left operating these long-term."

— URA STAFF MEMBER

Precedents for this sort of inter-agency coordination exist in Pittsburgh. **The City and the URA have collectively developed a range of plans and tools** to catalyze economic development and job creation efforts. These include the creation of PGH Lab (a program pairing local startups with municipal partners), LaunchPGH (a business resource portal), Steel City Code Fest (a civic hackathon that ran annually from 2013-18), and the Roadmap for Inclusive Innovation (a strategic plan to drive equitable growth in the city's technology economy). In the 1980s, the Mayor also formed a short-lived Economic Development Council (including URA, DCP and others) that met on a weekly basis to coordinate major downtown office projects. Given the volume of development that Pittsburgh is currently experiencing, now is an appropriate time to resuscitate this governance arrangement to drive coordinated progress towards common economic development goals.

Other cities across the country offer templates for integration of economic development entities with City Hall and other city agencies, whether they are city agencies, nonprofits, or public authorities like the URA. Three strategies to improve coordination include: **1) intergovernmental agreements; 2) board structures;** and **3) Mayoral subcabinets.**

The relationship between the City of Atlanta and its quasi-public economic development agency, Invest Atlanta, is outlined in a series of contracts known as **Intergovernmental Agreements (IGAs)**. Piloted under the mayoral administration of Kasim Reed (2010-18), these documents outline the services that Invest Atlanta will provide on behalf of the City as well as the funding the City will commit for the agency to execute those functions. Specific IGAs govern economic development services (e.g. business attraction and retention, small business assistance) redevelopment services (e.g. land acquisition and redevelopment, infrastructure financing, façade improvement programs, etc.), and administration and management of particular grants and programs (e.g. federal brownfield revolving loan funds on behalf of the city). High-level IGAs are established on a 4 to 5 year basis, with specific budgetary allocations negotiated on an annual basis. Each year, Invest Atlanta submits a detailed request to the City of Atlanta stating key services to be provided, staff to be supported, and metrics and targets to evaluate the impacts of the City's investments. In its FY20 request of $3,000,000 from the City's general fund, for instance, Invest Atlanta outlined its ten core services, five strategic objectives (with associated quantitative targets), and financial and operational summary (with projected costs of personnel, program initiatives, support services, and operating costs). To strengthen its case, Invest Atlanta also leveraged metrics from the prior fiscal year to demonstrate the agency's capacity to deliver on its stated objectives.

The **board structure** of the Philadelphia Industrial Development Corporation (PIDC) offers an instructive model for integration of a non-City department into a City's economic development apparatus. Despite its joint governance by the City of Philadelphia and the Chamber of Commerce, PIDC is strongly linked to the Mayor's Office through its 17-member Executive Committee, which includes the Mayor and five members of the Mayor's Executive Cabinet: the Director of Planning & Development, Director of Commerce, Director of Finance, Managing Director/COO of City, and the City Solicitor. PIDC's Executive Committee meets every two weeks to approve transactions and cannot vote via proxy, ensuring strong alignment with the City

The relationship between the City of Atlanta and its quasi-public economic development agency, Invest Atlanta, is outlined in a series of contracts known as Intergovernmental Agreements (IGAS).

Economic development in peer cities is often coordinated via a Mayoral subcabinet or Deputy Mayor uniting disparate City and City-affiliated entities under a single reporting structure.

on both overall strategy and project-level logistics. PIDC's president cited the regular interaction of executive level cabinet staff as a best practice for ensuring coordination and engagement. This close coordination has been essential to advancing large-scale projects like the Philadelphia Navy Yard, which has attracted over $150 million of public investment by the City and State since its founding in 1996.

Economic development in peer cities is often coordinated via a **Mayoral subcabinet or Deputy Mayor** uniting disparate City and City-affiliated entities under a single reporting structure. This consolidated organizational model creates a mechanism for frequent communication and helps to strengthen alignment, both on high-level strategic vision and granular implementation hurdles. These subcabinets or reporting structures are typically organized by issue area or policy domain. In the case of economic development, relevant entities often include a city's housing, planning, zoning, permitting, workforce development, and small business support functions. Examples across the United States include:

- **Baltimore:** Chief of Strategic Alliances
- **Boston:** Chief of Economic Development
- **Detroit:** Group Executive for Jobs & Economy
- **Indianapolis:** Deputy Mayor for Economic Development
- **Los Angeles:** Deputy Mayor for Economic Development
- **New York:** Deputy Mayor for Housing & Economic Development
- **St. Louis:** Deputy Mayor for Development
- **Washington, DC:** Deputy Mayor for Planning & Economic Development

The recent reorganization of Baltimore's community development activities, meanwhile, offers a model for **improved coordination across multiple agencies.** A new neighborhood-focused sub-cabinet within City Hall now brings together executive-level staff from departments overseeing housing, planning, transportation, parks, public works, public safety, economic development, education, workforce development, and public health. The sub-cabinet is divided into seven working groups, four of which are geographically defined and three of which are organized around specific issue areas (urban greening, middle neighborhoods, and commercial corridors). These working groups focus on project-level operations and report to the executive-level sub-cabinet on a quarterly basis. The entire sub-cabinet is led by the City's Chief Operating Officer, ensuring tight integration with City Hall.

As it prepares to revise the structure of its economic development apparatus, the City of Pittsburgh should balance the need to assign clear roles and responsibilities with the flexibility to respond to changing circumstances. The serial nature of the IGAs governing the relationship between Invest Atlanta and the City are an example of this sort of adaptive structure. City Hall should also ensure that the reporting structure between the URA, the Mayor's Office, and peer agencies is suitably aligned in order to ensure that agencies are not duplicating each other's work or working at cross purposes. Both PIDC's board structure and Baltimore's neighborhood sub-cabinet provide useful models of tightly integrated governance.

FINDING 2.2

The URA's consolidated functions provide flexibility and authority, but there is a lack of coordination and strategic alignment.

The City of Pittsburgh's community and economic development functions – including affordable housing, business attraction and retention, mixed-use redevelopment, vacant land recycling, and small business and entrepreneurship development – are concentrated within the URA, as shown in Figure 6.

The URA's economic development functions are currently distributed between three departments: the Economic Development Department, the Center for Innovation and Entrepreneurship, and the Real Estate Department. The Economic Development Department manages the planning, financing, and implementation of large-scale,

FIG. 6: Consolidation of municipal functions across economic development agencies in different U.S. cities: Relative to peer cities, the range of community and economic development functions housed within the URA is uniquely broad, creating the opportunity for a highly coordinated strategic approach.

	Pittsburgh URA	Atlanta Invest Atlanta	Baltimore BDC	Boston BPDA	Cincinnati DCED	Minneapolis CPED	New Orleans NOLABA	Philadelphia PIDC	Portland Prosper Portland	St. Louis STLP
Business Attraction/ Retention	◐	●	●	◐	●	◐	●	●	◐	●
Business Support	●	●	●	◐	●	●	◐	●	●	●
Entrepreneurship	●	●	●	○	○	◐	●	●	●	●
Workforce Development	○	○	○	●	○	●	◐	○	●	●
Commercial/ Mixed Use Redevelopment	●	●	●	●	●	●	◐	●	●	●
Land Acquisition/ Disposition	●	◐	○	●	●	●	○	◐	●	◐
Affordable Housing	●	◐	○	◐	●	●	○	○	○	○
Infrastructure/ Public Works	◐	○	○	○	○	○	○	○	○	○

Economic Development Agency is: ● Primarily Responsible ◐ Partially Responsible ○ Not Responsible mixed-use projects. The Center for Innovation and Entrepreneurship (formerly part of the Economic Development Department) leads business attraction and retention on behalf of the URA, drives inclusive growth in the city's entrepreneurial ecosystem, and supports the revitalization of neighborhood business districts. The Real Estate Department oversees the acquisition, maintenance, and disposition of the URA's real estate portfolio and leads the City's vacant land recycling efforts.

The URA's key powers and authorities under Pennsylvania Redevelopment Law are **essential for executing the organization's mission**, including the ability to buy and sell property and issue tax-exempt bonds. The flexibility of the URA's enabling legislation has allowed it to develop new tools and adapt to changing economic circumstances without having to significantly amend its bylaws. If united by a strategic vision, the URA's consolidation of key development functions (housing, small business support, entrepreneurship, vacant land recycling, and business attraction/retention) creates the potential for a coordinated approach to economic development.

Indeed, the URA is currently viewed outside Pittsburgh as a **best-in-class organization in the field of economic development**, particularly with respect to its work in brownfield revitalization. URA staff regularly field requests from national and international economic development organizations interested in understanding the URA's work and emulating its structure. For example, when founded in the 1960s, the New Orleans Redevelopment Authority (NORA) modeled its legislation on the URA.

Nevertheless, the URA has not fully leveraged the potential of its consolidated functions to address strategic priorities in a holistic manner. One staff member described URA departments as "separate compan[ies] that [get] together and [talk] once a week."

For instance, the URA's approach to quality job creation is relatively ad-hoc. While the agency has informal connections with the Allegheny Conference on regional business attraction and retention efforts, it lacks strategic coordination to encourage meaningful job creation in core industries. In other aspects of quality job creation, such as workforce training and development, the URA has minimal coordination with peer entities. For example, connections between the URA and Partner4Work, Pittsburgh's regional workforce development board, are limited, despite working on similar economic development challenges.

The URA (and the Pittsburgh region more generally) also has a limited focus on **cluster development**. Clusters are concentrations of related businesses and institutions within the same geography. Proximity to similar businesses gives both firms and workers competitive advantages by boosting productivity, increasing innovation, and stimulating the creation of new firms. While Silicon Valley and Hollywood remain two of the best known clusters, for technology and the entertainment industry respectively, many cities and regions globally are focusing on cluster development as a growth strategy that takes advantage of local economic characteristics.

As a recent Brookings Institution report argued, more work is needed to translate Pittsburgh's research prowess in robotics, life sciences, and advanced manufacturing into broad-based economic growth.[13] In the online survey, a URA staff member also noted that "targeting the expansion of strategic clusters has never been thought out at the city level." As the city's economic development agency, the URA should play a lead role in articulating the importance of cluster development for Pittsburgh's economic future and appropriately aligning its redevelopment, small business, entrepreneurship and even housing work to advance this agenda. The URA can also integrate workforce development objectives into projects and programs that contribute to the development of identified key industry clusters and quality job creation.

Relative to its peers across the country, **Pittsburgh's economic development apparatus is centralized**, with the URA consolidating the majority of the City's development functions. The economic development agencies of Baltimore, New Orleans, Philadelphia, Portland, and St. Louis, for instance, are not involved in affordable housing, reducing the potential for synergies between job creation and housing initiatives.[14] Five of the nine economic development organizations surveyed for this report did coordinate workforce development on behalf of their cities, suggesting an area of potential missed opportunity for the URA to play a supporting or coordinating role.

The URA's Inclusive Innovation Summit, October 2018

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Several peer cities have also anchored their business attraction and retention, workforce development, and entrepreneurship programs around the **growth of key industry clusters**, including the New Orleans Business Alliance (NOLABA), the St. Louis Economic Development Partnership (STLP), and Prosper Portland. In its 2013 economic development strategy, for instance, NOLABA created a detailed Cluster Based Action Matrix that identified key actions and metrics to drive growth in five key industry clusters, including Advanced Manufacturing, BioInnovation & Health Services, Creative Digital Media, Sustainable Industries & Transportation, and Trade & Logistics. Important "early wins" for the strategy included: securing a grant from JP Morgan Chase Foundation to work on strategies to support local small and minority-owned businesses in the BioInnovation & Health Services cluster; hosting regular industry council meetings for each identified industry cluster;[15] and attracting Cobalt Rehabilitation Hospital of New Orleans, a new 60,000 SF hospital, to the City's BioDistrict, a special economic zone anchored by a number of health-care institutions and administered by NOLABA.[16]

Susquehanna Homes Phase II, a 36 unit scattered-site, affordable rental project in Homewood

COURTESY OF THE URA

The St. Louis Economic Development Partnership, meanwhile, has focused much of its work on turning the city into a national hub of bioscience and agricultural technology, building on research conducted by the U.S. Cluster Mapping Project that demonstrated that St. Louis was positioned for growth in the sector. STLP has concentrated its workforce development, business attraction, and placemaking efforts in 39 North, an ag-tech innovation district in western St. Louis. The Brookings Institution recently praised the organization for its cluster development efforts, arguing that they "have made St. Louis a better place to start and grow an ag-tech firm, put the region on the radar of global firms and talent, and positioned it as a leader in solving the global challenge of creating more sustainable food sources."[17]

Housing is an area of particular strength and opportunity for the URA. The URA's housing functions are distributed between two departments, the Housing Department and the Housing Opportunity Fund (HOF) Department. The Housing Department oversees longstanding financing programs for new construction or preservation of mixed-income or affordable rental and for-sale housing in Pittsburgh. The Housing Opportunity Fund oversees a set of five new programs, from rental gap financing to owner-occupied rehabs. The HOF was founded in 2017 following the allocation of $10 million per year by the City of Pittsburgh after an increase in the real estate transfer tax to address affordable housing needs over the next 12 years.

The City of Pittsburgh has played a leadership role in identifying needs and proposing solutions to create more affordable housing. Led by City Council and Mayor Bill Peduto, the City convened an Affordable Housing Task Force in 2015 to analyze the city's affordable housing needs and recommend actions for the City to preserve and build more housing. One of the key recommendations of the report was to establish a Housing Opportunity Fund (HOF), now administered by the URA.

Aside from the URA, other key players in affordable housing in Pittsburgh include the Housing Authority of the City of Pittsburgh (HACP), which oversees existing public housing and Section 8 housing voucher programs, and local community development corporations and nonprofit developers who develop and operate affordable housing.

In general, it is relatively uncommon for affordable housing functions to be co-located with economic development in larger cities. Among the peer cities reviewed, Baltimore, Boston, New Orleans, Philadelphia, Portland, and St. Louis have separate housing departments or agencies. This separation is a result of either: 1) a decision to **dedicate executive level resources to the mission of affordable housing** (e.g. Prosper Portland and Portland Housing Bureau); or 2) **historic separation between the two entities** (e.g. Philadelphia and St. Louis).

The centralization of housing functions within the URA presents several advantages:

- **Opportunity for coordination within large urban development projects:** By being involved in both affordable housing development and large-scale economic development and redevelopment projects, the URA can bring various sources of funding to a single project, and help ensure that new projects have an affordable housing component.

- **Coordination of investment within a geographic area:** The URA's concentration of functions allows the URA Directors in the housing, economic development, and real estate departments to be kept abreast of various investments in neighborhoods and can lead to opportunities for coordination.
- **Centering of inclusive economic development efforts:** There is a growing recognition that affordable housing and "typical" economic development efforts like business attraction or redevelopment go hand-in-hand. Redevelopment projects can better serve the communities they are located in by including affordable housing, and the development of affordable and mixed-income housing can serve to strengthen neighborhoods, provide more business activity, and can act as "first move" projects in economically disinvested areas.

Such centralization also comes with a few key challenges and weaknesses for the current Housing and Housing Opportunity Fund Departments:

- **Lack of clear prioritization of housing funds and programs:** Designing a program to pursue both economic growth and housing affordability can dilute or undermine its effectiveness. For example, the City of Pittsburgh oversees a three-year citywide 100% tax abatement on increases in assessed value for any new residential development. Such an abatement can make it difficult to incentivize market-rate developers to include affordable housing in exchange for tax subsidies or reduce the viability of tax-increment-financing for infrastructure or other improvements. Building upon changes recently implemented by City Council, the City, working with the URA, is assessing the viability of these incentive programs in light of the City's equitable development agenda.
- **Range of housing programs relative to funding and staffing available:** The Housing Department has 12 staff members and administers over a dozen programs for rental development or preservation, for-sale development, and homeowners. Similarly, the HOF is composed of 6 staff and oversees 5 different programs. This is a large number of programs for relatively moderate levels of funding and staffing. In particular, the consumer programs run by the Housing Department have relatively low levels of funding and utilization. 12 consumer programs were funded with a total of approximately $1.7 million in 2017 (an average of $140,000 per program), and most of the programs were used by fewer than ten projects each.

The centralization of the URA's affordable housing programs and economic development programs can be leveraged for positive effect in Pittsburgh, provided strong coordination with the Mayor's Office and City Council (who can set direction, policy, and direct funding) and City Planning (who play a significant role in shaping zoning).

Minneapolis is considered a best-in-class model for comprehensively addressing rising housing costs and preserving and expanding affordability. Minneapolis' affordable housing, economic development, and planning functions are all co-located within the Department of Community Planning & Economic Development (CPED). Minneapolis' strategy, summarized in its recently passed comprehensive plan, Minneapolis 2040, lays out the following key policy and program choices:

- **Increase housing supply:** The number one priority of Minneapolis is to increase the supply of housing and its diversity of location and typologies. The City is in the process of legalizing triplexes in every neighborhood in the city, as well as upzoning commercial corridors and areas within ¼ and ½ mile of light rail transit. Commercial corridors will be upzoned to allow 3 to 4 stories of mixed-use development and light rail station areas will allow buildings up to 6 stories in most areas and up to 20 stories in others.
- **Institute mandatory inclusionary zoning:** In December 2018, Minneapolis adopted an interim ordinance that mandates that a percentage of units be set aside for households of low and moderate incomes. The interim ordinance mandates that new development requiring substantial zoning variance must restrict 10% of all rental units for households making less than 60% of the Area Median Income. Residential development on City-owned land requires 20% of units be set aside for rental projects and 10% for ownership projects. As of September 2019, Minneapolis CPED is currently developing a comprehensive inclusionary zoning ordinance.
- **Increase funding for affordable housing and anti-displacement effort:** Minneapolis has been funding an "Affordable Housing Trust Fund Program," local funds that help developers to preserve or develop new affordable rental units, since 2003, as well as Minneapolis Homes, which provides financing assistance for developers, homeowners and landlords. Under Mayor Jacob Frey, the total investment in affordable housing tripled to a record $40 million per year in 2019, most of which is under the management of CPED.
- **Focus new development and affordable housing near transit:** Minneapolis is focusing development near transit stations. Supporting actions include appropriate zoning as well as active pursuit of opportunities to acquire and assemble land for affordable housing near transit stations and corridors.
- **Coordinate development and investment:** The City is seeking to coordinate City investment (such as schools, infrastructure, transportation improvements, and land acquisition and assembly) in locations where there are existing disparities or where growth is expected. Minneapolis is conducting community-centered planning in areas that need reinvestment (leveraging data on racial disparities and community asset mapping), and then prioritizing City investment to those areas.

The URA's operational functions also present opportunities for better coordination. Legal, financial, HR, and operational support functions are currently distributed among five departments, all of which report directly to the Executive Director:

- The **Legal Department** has four staff members and provides legal counsel and support to agency activities, including the preparation of loan documents, tax credit transactions, and real estate transactions;
- The **Performance & Compliance Department** has six staff members, and oversees compliance for MWBE requirements, Davis-Bacon/prevailing wage provisions, P4 implementation, and other equitable development functions;

"Think of each [URA] department as a separate company that gets together and talks once a week."

— URA STAFF MEMBER

- **Accounting, Finance & Information Systems** has 14 staff members, overseen by the Chief Financial Officer. There are 12 staff in Accounting & Finance who oversee accounting, budgeting, forecasting, job costing, investor relationships, and partnership compliance, and 2 staff in Information Systems who oversee the URA's Salesforce platform, manage the agency's enterprise systems, and provide overall technical and operational support.
- The Executive Department contains a two-person **Human Resources** team, which leads talent acquisition, employment processing, compensation, health and welfare benefits, training and development, AA/EEO compliance, and other HR initiatives on behalf of the URA.

A survey of peer cities reveals two best practice approaches for structuring administration and support functions within economic development agencies:

- **Streamline Reporting of Administrative Functions through a Vice President or Chief Operating Officer:** Currently, all five of the URA's operating and support functions (Legal, Performance & Compliance, HR, Accounting & Finance, and Information Systems) report directly to the Executive Director and Chief Strategy Officer. This highly centralized reporting structure is relatively unusual. Several of the quasi-public and nonprofit agencies surveyed have a Chief Operating Officer (COO) or Vice President position overseeing agency operating and support functions. Invest Atlanta's President/CEO, for instance, is supported by an Executive Vice President/Chief Operating Officer who oversees the agency's Information Technology, Finance, and Human Resources departments, as well Community Development and Investment Services. The Philadelphia Industrial Development Corporation (PIDC), meanwhile, has a Chief Operating Officer overseeing accounting, financial reporting, compliance, legal services, IT, HR, and credit and portfolio management.

- **Consolidate Business Support Functions into a Single Division or Concentrated Set of Divisions:** The dispersal of the URA's administrative and operational functions might be further mitigated through consolidation into a single division. PIDC offers an instructive example of an economic development organization whose business support functions are concentrated within a single team. Led by the agency's Chief Operating Officer, the Business Operations Unit aggregates accounting and financial reporting, business services, and credit and portfolio management. Prosper Portland also represents a case of an agency with comparatively streamlined business support functions, with administrative functions distributed among Finance & Business Operations (with IT, accounting, business operations and procurement services), Human Resources & Workforce Development, and Legal.

FINDING 2.3

The URA currently lacks a dedicated team to lead strategic planning on behalf of the agency.

The URA has no dedicated staff or team to lead strategic planning and policy development for the agency. The recently created position of Chief Strategy Officer is currently vacant, and strategic planning takes place in a somewhat ad-hoc manner in individual departments, if at all.

An agency-wide strategy team could lead a number of critical activities on behalf of the organization, including: ensuring alignment between URA departments and programs and agency-wide strategic goals; producing the URA's annual report; tracking key metrics and indicators; and creating and maintaining a repository of relevant data.

Several peer agencies surveyed for the report have dedicated strategy teams that lead strategic planning and policy development. For the Philadelphia Industrial Development Corporation (PIDC), one of the three departments (along with Finance & Real Estate and Business Operations) is the four-person Strategy, Communications & Partnerships Department. This team leads strategic communications, product innovation, stakeholder relationships, and business growth initiatives on behalf of the agency, shaping the agency's overall strategic vision and providing a clear "front door" for external partners. In Baltimore, BDC recently created a five-person Strategy, Research and Analytics Department charged with turning the agency into a more data-driven organization. The team was initially launched to support the agency's work on Baltimore's Comprehensive Economic Development Strategy (CEDS) but has now become a permanent department. Finally, Boston's BPDA has an eight-person research department that analyzes demographic, economic, and real estate market trends to support key policy and development decisions. Recent studies have included analyses of Boston's small business ecosystem, demographic trends, and the gender wage gap.

Moving forward, the URA would benefit from a similar structure to conduct strategic planning, shape long-term policy agendas, and ensure alignment among the URA's many departments, programs, and activities. In addition to developing additional capacity to conduct policy research, data analysis, and strategic planning, a review of peer cities highlights the role that a strategic planning team can play in strengthening business attraction and retention:

- **Develop Private Sector Partnerships:** Relative to peer cities, the URA's relationships with private and nonprofit partners are relatively circumscribed. This is particularly the case with regard to business attraction and retention.

> **"The URA needs to think trans-formatively not transactionally."**
> — LOCAL FOUNDATION REPRESENTATIVE

The URA currently has limited strategic partnerships with local and regional business organizations such as the Allegheny Conference on Community Development. This stands in contrast to the hybrid governance of several peer economic development entities surveyed. Philadelphia's PIDC, for instance, is jointly governed by the City of Philadelphia and the Chamber of Commerce of Greater Philadelphia. In interviews, agency leaders noted that the tight integration of public and private sectors proved critical to the city's business and retention efforts, allowing strategic coordination with City Hall while also leveraging the transactional expertise of business leaders.

- **Increase Focus on Industry Clusters:** The URA's emphasis on industry clusters is also limited relative to peer cities. Invest Atlanta, the New Orleans Business Alliance (NOLABA), Prosper Portland, the St. Louis Economic Development Corporation, and the Baltimore Development Corporation all center their business attraction and retention work around the growth of key industry clusters. In its 2017 annual report, Invest Atlanta identified the following industries for targeted investment: FinTech, Corporate Headquarters, Logistics, Health IT, Cybersecurity, and Film/Television. NOLABA, meanwhile, has staff supporting specific sectors fulltime, including a Director of Food & Music Technology and a Senior Director of Bio Business Development & Strategy. By aligning investments in sectors that already have a rich ecosystem and working closely with anchor institutions, cities can consolidate their competitive advantage.

Southside Works

RECOMMENDATIONS

MAYOR'S OFFICE TO LEAD

RECOMMENDATION **2.1**

The City should appoint a Chief Economic Development Officer within the Mayor's Office to coordinate economic development.

The City of Pittsburgh's economic development apparatus currently suffers from a lack of coordination and communication. Stakeholders expressed significant confusion regarding the URA's role in certain core economic development functions, including public infrastructure and workforce development. URA staff, meanwhile, reported a lack of alignment with the Mayor's Office in strategic planning and project implementation.

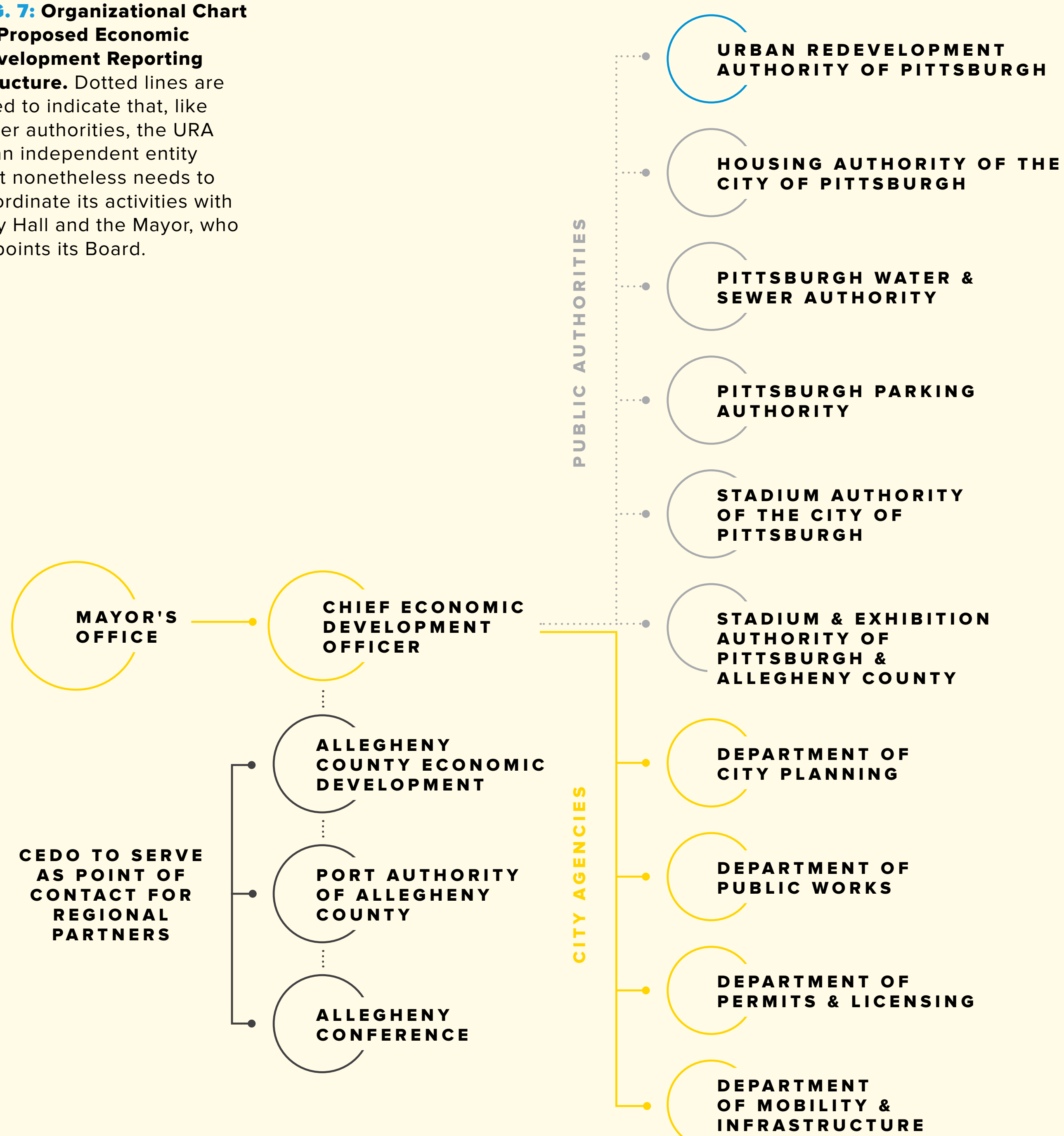
Historically, municipal governance in Pittsburgh has had varying levels of coordination across economic development actors. In the 1980s, an Economic Development Council was established to coordinate downtown development. More recently, the Mayor's Office created a Chief Development Officer (CDO) designation. Between 2014 and 2018, this role had significant operational responsibilities, with the same individual also serving as the Mayor's Chief of Staff. Since 2018, the CDO role has been vacant.

To advance progress towards economic development priorities, the City should appoint a **Chief Economic Development Officer (CEDO)** within the Mayor's Office that expands the CDO role into a full-time position. The CEDO would coordinate the work of agencies and entities that perform functions related to economic development, specifically: the URA, the Department of City Planning (DCP), Housing Authority of the City of Pittsburgh (HACP), the Department of Permits, Licensing & Inspections (PLI), the Department of Mobility & Infrastructure (DOMI), the Department of Public Works (DPW), the Pittsburgh Water & Sewer Authority (PWSA), the Pittsburgh Parking Authority (PPA), the Sports & Exhibition Authority of Pittsburgh & Allegheny County (SEA), the Stadium Authority of the City of Pittsburgh (SACP), and the Stadium & Exhibition Authority of Pittsburgh & Allegheny County (see Fig. 7).

The CEDO's role should be to communicate the City's economic development vision, coordinate key City and City-affiliated entities in service of citywide objectives, and provide a key point of contact between the Mayor's Office and agency leadership.

As a first step, the new CEDO should oversee the formalization and communication of the City's economic development priorities (as discussed in Recommendation 1.1). The CEDO should work closely with the URA, City agencies, public officials, and stakeholders to articulate and publicly communicate citywide goals. Going forward, the CEDO should also help streamline decision making for ongoing or upcoming large-scale projects and implement coordinated approaches to neighborhood planning, including providing increased support for URA community engagement efforts, as appropriate. Working with DCP, the CEDO should also oversee the City's ongoing efforts to complete the citywide Comprehensive Plan.

FIG. 7: Organizational Chart of Proposed Economic Development Reporting Structure. Dotted lines are used to indicate that, like other authorities, the URA is an independent entity that nonetheless needs to coordinate its activities with City Hall and the Mayor, who appoints its Board.



URA TO LEAD

RECOMMENDATION

2.2

The URA should reorganize its departments to streamline decision-making, reduce duplication, and improve functional clarity.

The URA's consolidation of functions holds the potential for a highly coordinated approach to economic and community development.

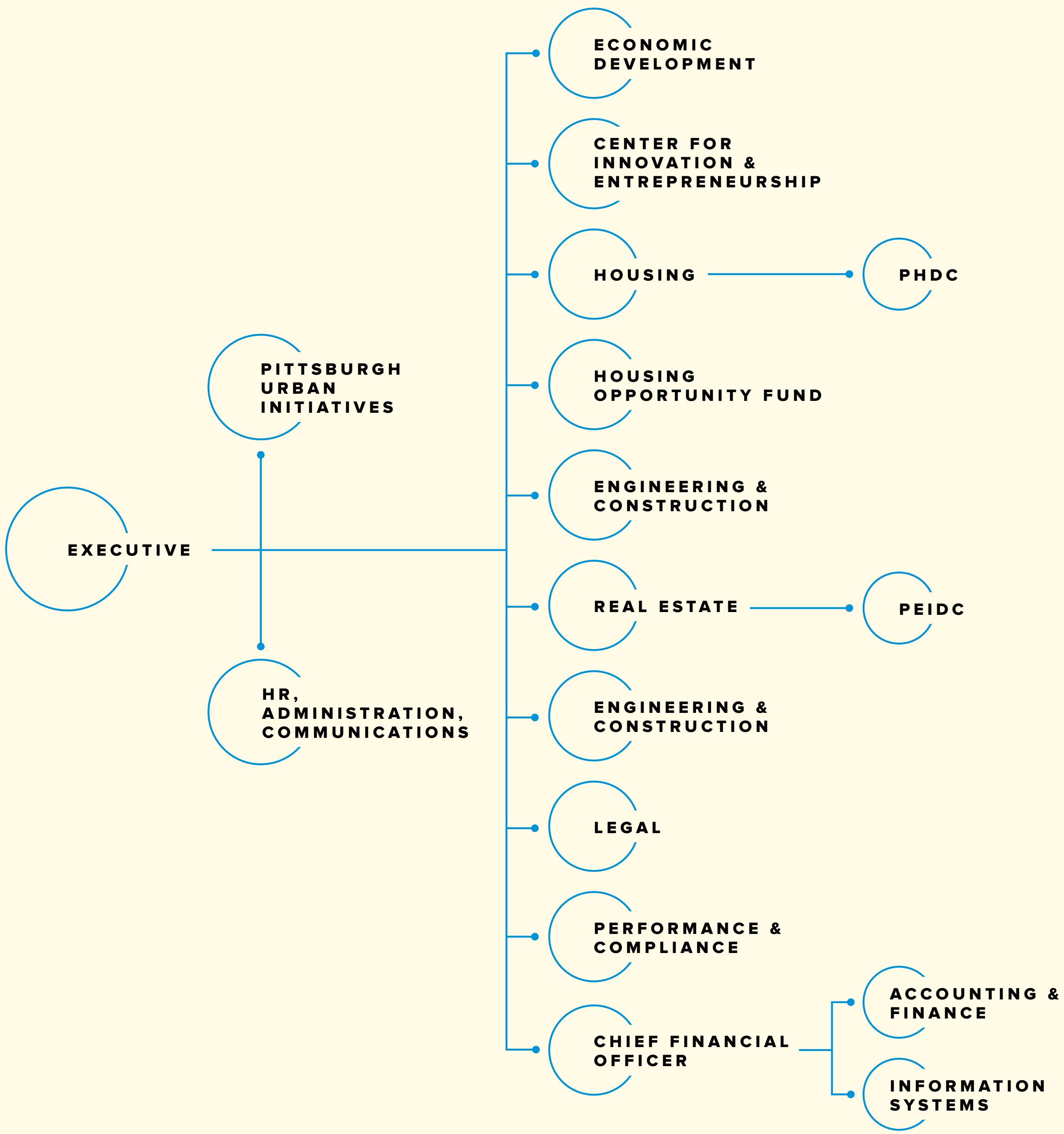
However, as discussed in Findings 2.1 and 2.2, the URA is currently involved in a range of activities ancillary to its core mission, and could be more actively involved in other aspects of economic development in Pittsburgh. Building upon this sweeping set of authorities, the City's new economic development structure enables a shift in the URA's responsibilities over time to include a coordinating role in workforce development (primarily through brokering project-level partnerships and tracking metrics and impacts), while removing public works responsibilities, as depicted in Figure 8 below.

FIG.8: Comparison of the URA's current responsibilities with a future state under a more streamlined organizational structure.

	URA Current State	URA Future State
Business Attraction/ Retention	◐	◐
Business Support	●	●
Entrepreneurship	●	●
Workforce Development	○	◐
Commercial/ Mixed Use Redevelopment	●	●
Land Acquisition/ Disposition	●	●
Affordable Housing	●	●
Infrastructure/ Public Works	◐	○

URA is: ● Primarily responsible (leading role) ◐ Partially responsible (coordinating or supporting role) ○ Not responsible (no role)

FIG.9: Current URA Organizational Chart



The URA's current structure, with twelve departments and teams reporting directly to the Executive Office, leads to inefficiency and fragmentation (see Fig. 9). As one URA staff member noted in the survey, "information remains siloed among and within the departments. Communication between departments seems to exist only at Director levels."

The high number of URA departments also creates challenges for external stakeholders seeking to understand the agency's organizational and functional logic. The presence of two separate housing-related departments (the Housing Department and the Housing Opportunity Fund Department) and the use of inconsistent terminology to describe URA divisions (for instance, both Centers and Departments) are two of the most prominent examples of these organizational design challenges.

Moving forward, the URA's new organizational structure should accomplish four goals:

Reduce the number of direct reports to the Executive Director

The URA's organizational design is extremely flat, with twelve groups reporting directly to the Executive Director. This reporting structure creates an undue burden on the Executive Director's time and capacity and results in a siloed and inefficient information flow.

Relative to its peers, the URA is characterized by its high number of discrete departments. PIDC, by contrast, is organized in three core divisions: Finance & Real Estate; Strategy Communications & Partnerships; and Business Operations, which aggregates accounting, financial reporting, IT, Legal, HR and credit/portfolio management. Invest Atlanta is similarly streamlined, with only three direct reports to the President: the Chief Operating Officer, the General Counsel, and the Senior Vice President for Economic Development (see Appendix G for detailed organizational charts of PIDC and Invest Atlanta).

As the URA explores new models to streamline decision-making, reducing the number of direct reports to the Executive Director should be a priority.

Improve functional clarity for staff and external partners

The URA should also seek to group departments by issue area and/or function. Currently, groups working on similar issues are distributed across departments. For instance, staff who focus on housing are spread across the Housing and Housing Opportunity Fund departments, while staff working on business attraction and retention are distributed within both the Economic Development Department and the Center for Innovation and Entrepreneurship. In addition to reducing internal efficiency, this lack of organizational clarity creates a challenge for external partners seeking to work with the URA, as it can be difficult to intuit where certain functions or responsibilities are housed within the agency. Developers and homeowners are often forced to apply for similar programs from two different departments within the URA, creating considerable inefficiencies.

One approach to resolving this challenge is to create higher-level divisions that **aggregate staff working in similar issue areas**. For example, the Housing and Housing Opportunity Fund Departments might be combined into a Housing Division. Similarly, the Center for Innovation & Entrepreneurship and Economic Development Departments might be combined into a Jobs Division.

This sort of organizational structure is common among peer cities. Minneapolis' Department of Community Planning & Economic Development (CPED) is organized into four high-level divisions that clearly segregate the agency's core activities between planning, housing, economic development, and inspections/permitting (see Fig. 10). Meanwhile, consumer-facing divisions in Cincinnati's Department of Community & Economic Development (DCED) are similarly clearly grouped between housing, economic development, and major/special projects (see Fig. 11).

Another approach to streamlining the URA's organizational design is to **group staff by role or function**. For instance, the Housing and Housing Opportunity Fund Departments are currently involved in both development financing and consumer financing (e.g. home repair, down payment, and closing cost assistance programs). In addition to underwriting and loan disbursement functions, Housing Department staff also have project management responsibilities for large-scale developments. This creates an undue burden for staff and means that developers often have to apply for financing from two separate departments at the URA (such as when applying for the Housing Department's Rental Housing Development Improvement Program (RHDIP)

FIG. 10: Minneapolis CPED Simplified Organizational Chart (for detailed chart, see Appendix G)

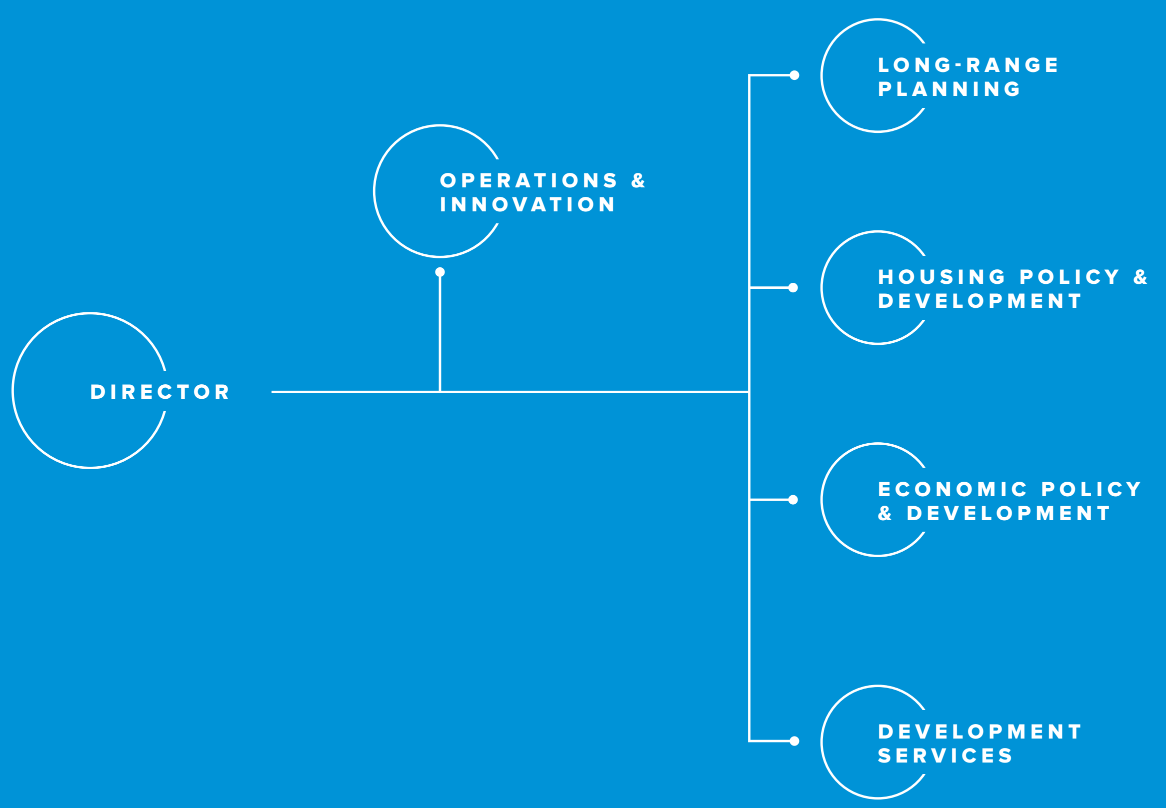
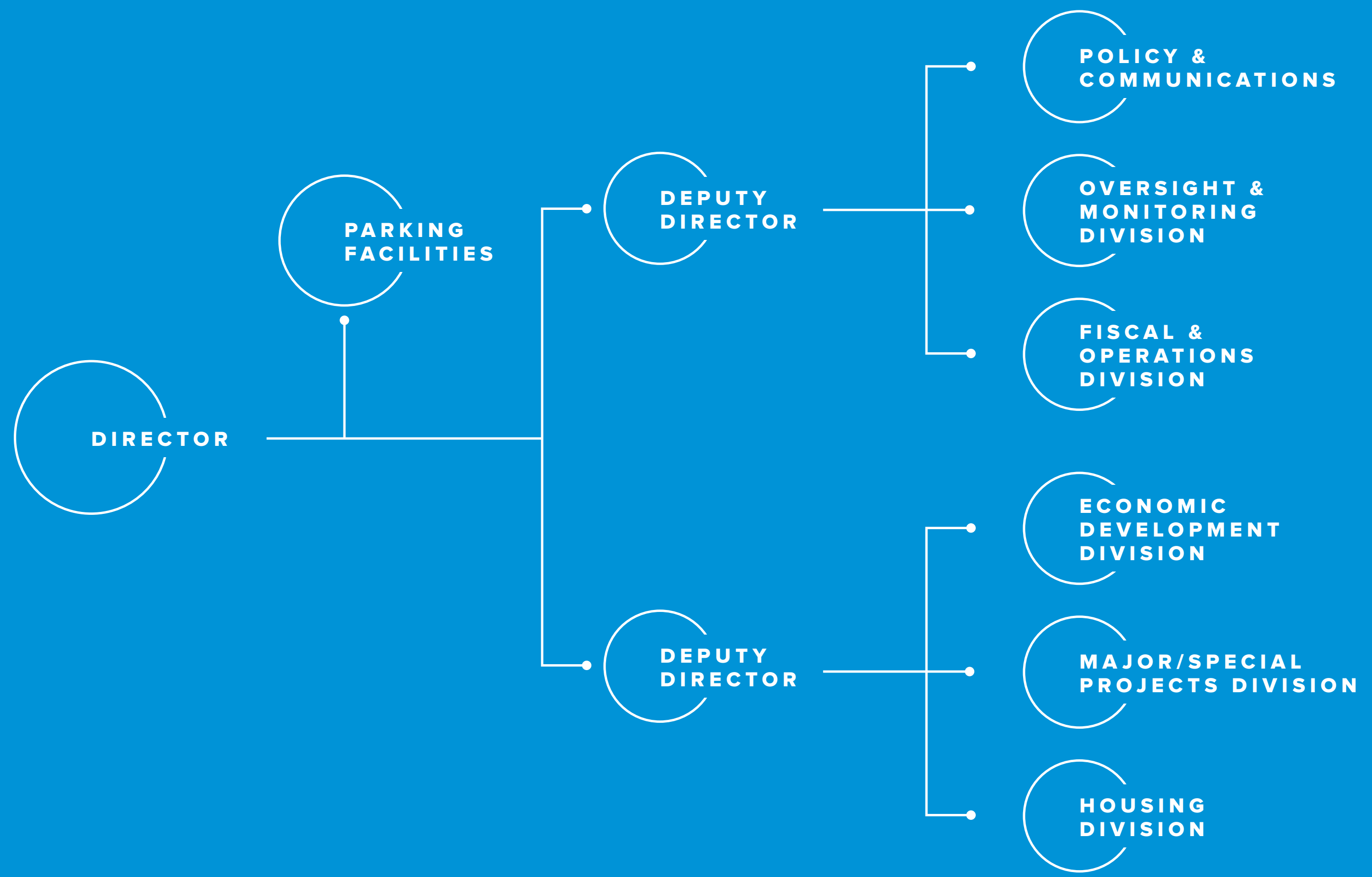


FIG. 11: Cincinnati DCED Simplified Organizational Chart (for detailed chart, see Appendix G)



The URA should seek to rationalize responsibilities that might better be performed elsewhere.

and the Housing Opportunity Fund's Rental Gap Program (RGP)). A potential solution to this challenge is to group all consumer-oriented programs within one department and all developer-oriented programs in another. Similarly, project management functions might be separated from financing functions, on a model similar to how responsibilities are currently divided between the Economic Development Department and the Center for innovation and Entrepreneurship. Housing policy development should also be formalized within the housing department in order to better align with operations and subject-matter expertise.

In line with the reorganization of the URA's economic development and housing functions, the URA should also explore grouping the agency's operational departments into a single division, including Legal, Performance & Compliance, Human Resources, Accounting & Finance, and Information Systems. Aligning operational functions will create greater coordination on key issues including advancing the URA's forthcoming business plan, implementing agency-wide enterprise systems, and standardizing the agency's use of key metrics and targets.

For more detail on recommended organizational design, please see Appendix F.

Elevate marketing, communications, external affairs, and strategic policy development

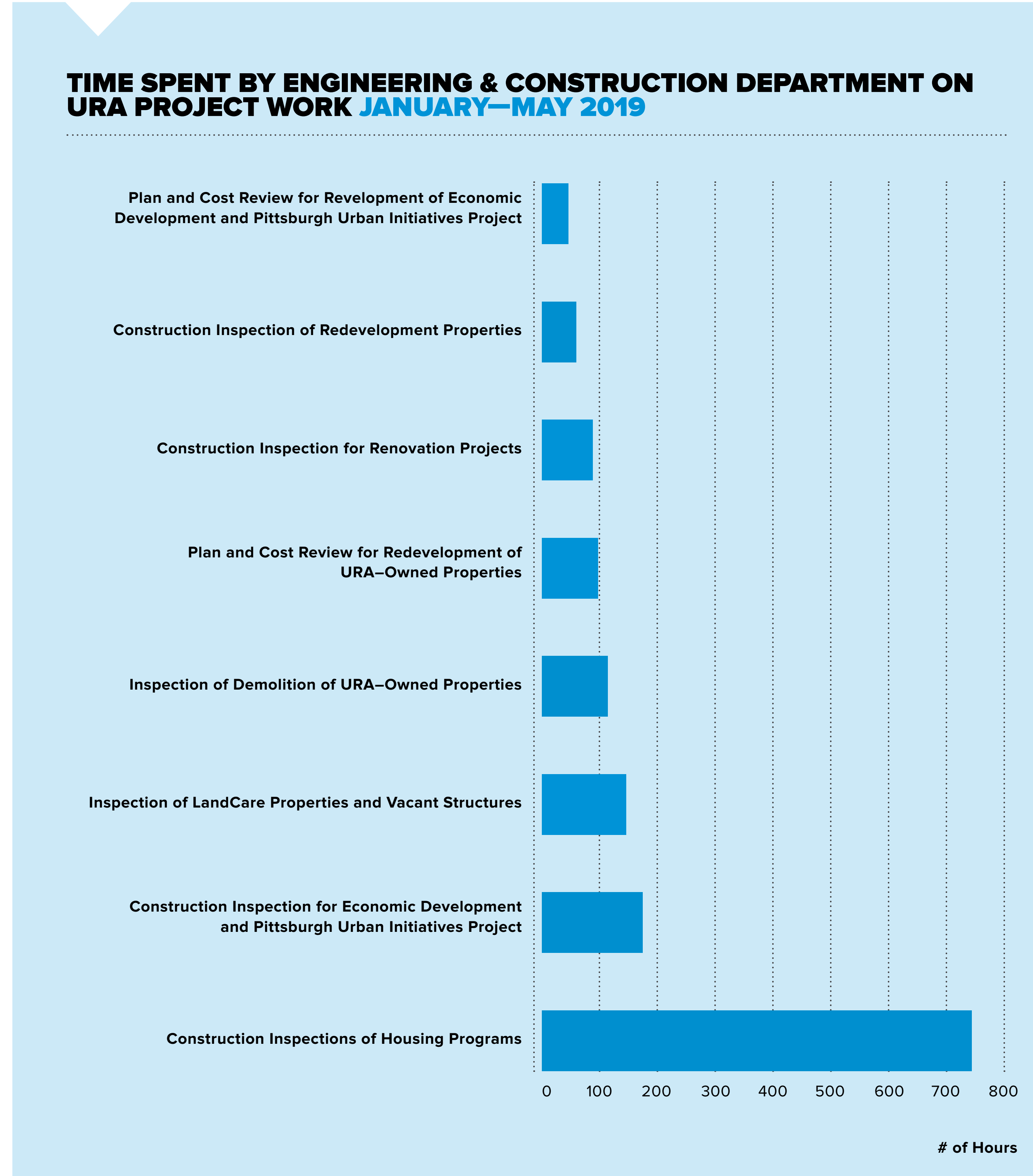
The URA should create a new, executive-level office of Strategic Policy & Communications to **lead policy development, build new partnerships, implement the business plan, and promote the work of the URA**. Led by the Deputy Executive Director, this new team will provide a strategic planning function for the agency that is currently lacking (for more detail on the composition and function of the Office of Strategic Policy & Communications, see Recommendation 5.3). As discussed above, many of the URA's peers have a core strategic planning team to spearhead key initiatives, including PIDC's Strategy, Communications & Partnerships Department and BDC's Strategy, Research and Analytics Department. This team will ensure alignment and consistency across the URA in terms of data collection, reporting, community engagement, and communications, complementing the agency's transactional expertise with a focus on high-level strategy.

Reduce internal and external duplication

Finally, the URA should seek to **rationalize responsibilities that might better be performed elsewhere.** The URA's Engineering & Construction functions, in particular, should be redistributed among relevant URA departments and peer City agencies to progressively reduce the URA's operational role in public works.

The Engineering & Construction (E&C) Department has played an enabling and often catalytic role in the success of both URA and City projects, from design through inspections (see Fig. 12). From January to June 2019, the Engineering team invested $25 million in supporting 32 projects across 11 neighborhoods. The Construction team, meanwhile, worked on 839 properties, conducted 1,665 inspections, and

FIG.12: Summary of Time Spent by the URA's Engineering & Construction Department on Agency Initiatives.



worked in 26 neighborhoods over the same time period. In addition to URA projects, this department is often asked to support a range of projects on behalf of the City. However, given the mandates and missions of other agencies, the URA should not be expected to perform public works services that take resources away from core agency activities or appear duplicative of other City functions.

As the City continues to increase capacity within DOMI over the coming years, there should be less required of the URA in implementing large public works projects. This presents an opportunity for the URA to begin transitioning those resources and staff time to core economic development and housing functions. Without a standalone E&C department, the URA would be less likely to perform work for the City that does not directly support the agency's own projects, especially those for which the URA is not fully compensated for staff time.

Existing E&C staff whose work supports the URA's programs (e.g., housing or façade improvement programs, inspections) should be redistributed to the relevant Departments within the organization. The URA's Construction functions had previously been part of the Housing Department, and, as shown in Figure 10, supporting housing programs continues to represent more than half of E&C staff commitments. Transferring inspection functions into Performance & Compliance, given the Department's active role monitoring URA projects, could preserve flexibility for staff to support programs across the URA based on project needs. In addition to retaining inspection functions, the URA should retain the capacity to conduct plan review to ensure payment draws and change orders are accurate throughout the various stages of a project. In recognition of these additional responsibilities, the Department could be reframed as the Department of Performance, Compliance & Inspections.

Transition of E&C functions will undoubtedly be challenging and must be handled deliberately and progressively. Prior to beginning any transfer, clear milestones should be set and agreed upon by both the URA and the City. Providing services on behalf of the City should be ultimately governed by an intergovernmental agreement, the negotiation of which would set the terms of the arrangement, provide funding, and maintain the URA's ability to provide engineering and construction capacities as needed for infrastructure projects in support of the City's overall economic development priorities.

MAYOR'S OFFICE & THE URA TO LEAD

RECOMMENDATION **2.3**

The URA and the City should develop Intergovernmental Agreements (IGAs) outlining core services and funding obligations.

To streamline coordination and clearly establish roles and responsibilities, the City and the URA should engage in Intergovernmental Agreements (IGAs). The Pittsburgh Water & Sewer Authority (PWSA) already holds similar agreements with City agencies and can provide an instructive template for URA-City arrangements.

IGAs should outline the specific duties that the URA will perform on behalf of the City as well as the specific funding streams the City will commit to providing in exchange. Agreements should be designed on a departmental basis and should formalize the URA as the provider of specific economic development services for the City of Pittsburgh (such as business support or redevelopment). At a minimum, IGAs should provide a framework for the URA's role in affordable housing, economic development, and small business services. IGAs should reinforce and operationalize the concept that mission-driven economic development requires public support and, as such, the City's economic development priorities should be supported by a requisite financial commitment to the URA.

At minimum, City-URA IGAs should contain the following elements:

- A three-year projection of City general fund requests, to be refined on annual basis during budget negotiations;[18]
- A detailed list of services to be provided by the URA on behalf of the City of Pittsburgh;
- An elaboration of the connection between the URA's proposed services and the City's strategic goals;
- Key metrics and targets to evaluate the URA's progress towards its stated objectives and the impact of City investment in the URA; and
- A breakdown of how City dollars will be used to fund program initiatives, support services, operating costs, and personnel (including number of direct FTEs).

In addition, IGAs should establish requirements for tracking the URA's progress towards accomplishing stated objectives from the prior year, leveraging relevant metrics and targets (the departmental fact sheets produced for the Mayor's Office in November 2018 and the investment report on the URA's LandCare Pilot Program, also released in 2018, provide useful precedents).

Overall, ongoing **City funds for URA operations should be formally allocated in exchange for economic development services**. The URA performs the City's

"[We need] predictability, prioritization, real metrics and defined vision for the URA."

— URA STAKEHOLDER

community and economic development functions such as affordable housing, business support, redevelopment services, business attraction and retention, yet only 31% of the URA's administrative budget is funded by the City, a figure which has declined by about half since 1995. This decline in City support has strained URA resources and led the URA to raise fees for its services, even as the URA's portfolio has expanded. This suggests that there may be need for additional resources for the URA in the medium term, even as the URA continues to increase earned income revenue in the long-term.

Led by the CEDO, the City should engage openly with the URA and create an interagency committee to resolve outstanding issues and craft mutually beneficial and clear Intergovernmental Agreements between the two parties going forward. The first IGA should be piloted to resolve disputes on outstanding legacy assets held by the URA on behalf of the City. The agreement should formalize the roles and responsibilities of the parties, including potential compensation for the URA's acquisition and operation of City assets. In addition, if more specific agreements are needed, they should be negotiated at the outset of any acquisition pursued on behalf of the City.

Another opportunity to use IGAs is to formalize the multi-year transition of certain engineering & construction functions from the URA to the City. This IGA would also govern the gradual transition of certain staff to DOMI and DPW, the terms of their transition and rehiring by a City Department, and the role of the City as the primary manager and builder of public works. IGAs can be difficult to negotiate and will require good faith efforts from both the City of Pittsburgh and the URA. An additional IGA could also formalize the role of the URA's Housing Departments in overseeing affordable housing development services for the City.

A URA Housing Opportunity Fund community meeting in Beechview

COURTESY OF THE URA

LEADERSHIP & GOVERNANCE: Implementation Considerations & Timeline

		Action	Lead	Support	Timing
2.1 The City should appoint a Chief Economic Development Officer within the Mayor's Office to coordinate economic development.	A)	Appoint Chief Economic Development Officer (CEDO).	Mayor's Office		Complete
	B)	Establish a new economic development reporting structure and implementation roadmap.	Mayor's Office	URA, DCP, PLI, HACP, DOMI, DPW, PWSA, PPA, SEA, SACP	Short-Term
2.2 The URA should reorganize its departments to streamline decision-making, reduce duplication, and improve functional clarity.	A)	Appoint a new Executive Director for the URA.	URA		Complete
	B)	Reallocate resources for Office of Strategic Policy & Communications functions.	URA		Complete
	C)	Reorganize the URA to streamline reporting and consolidate functions.	URA		In Process
	D)	Integrate Engineering & Construction functions into other URA departments and peer agencies.	URA	DPW, DOMI	Medium-Term
2.3 The URA and the City should develop Intergovernmental Agreements (IGAs) outlining core services and funding obligations.	A)	Pilot first Intergovernmental Agreement between the URA and the City of Pittsburgh.	Mayor's Office and URA	City Council	Medium-Term

= Mayor's Office Implements   = URA Implements   **Short-Term** = Within 9 months | **Medium-Term** = 9-18 months | **Long-Term** = 18-24 months

RESOURCES

Economic development entities require financial resources to fund internal operations and programs. Although most public entities are funded by intergovernmental transfers, earned income represents a particularly important source of revenue, as it is less susceptible to local, state, or federal budget cycles. This includes rent or parking fees from owned-properties, sales from real estate, administrative fees and charges for services, returns from investments (including loans, returns from equity participation, interest on passive investments, etc.), and dedicated tax increment from the agency's projects. Finally, financial reporting is critical to stakeholder perceptions of financial capacity and necessary to build the case for additional public or philanthropic investment.

To evaluate the URA's financial capacity relative to its peers, HR&A examined the following questions.

- Does the organization have a diverse set of stable revenue sources to support both programs and operations?
- How are these resources deployed, managed, and communicated?
- Are the organization's resources resilient in the face of changing policy programs or political administrations?

FINDINGS

FINDING 3.1

The URA currently has few sustainable and flexible funding sources.

The URA is primarily reliant on federal, state, and local government funds to fund programs and operations. As such, it is highly vulnerable to fluctuations in governmental budgets and allocations (see Fig. 13).

In FY 2017, intergovernmental funds accounted for 70% of total revenues. Although the URA's government-wide net position has stayed approximately constant since 2011 (at about $225 million), its governmental fund balance has experienced significant fluctuations over the same time period, with **annual program expenses outpacing revenues** in four of the last six years (see Fig. 14). In the long-term, the depletion of the fund balance threatens the viability of URA programs and its overall financial resilience.

FIG. 13: Year to year, the URA is highly dependent on government sources. Governmental revenues have trended downwards, with a brief spike in 2014. Earned income represents the balance of revenues not generated from governmental sources.

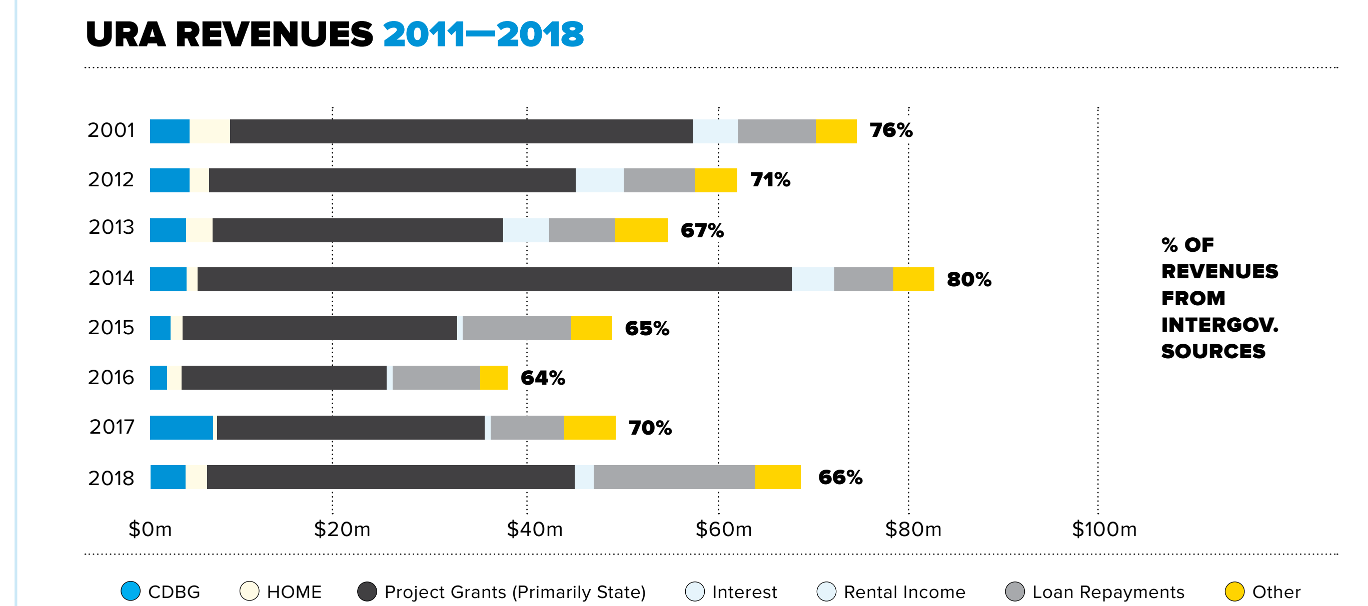


FIG. 14: URA Governmental Funds Balance: As it has sought to compensate for consistent budget shortfalls, the URA has slowly eroded its governmental fund balance reserves (comprised of general funds and other public funds), although the fund balance experienced a significant uptick in 2018.

GOVERNMENTAL FUNDS BALANCE EOY, FY 2011—2018

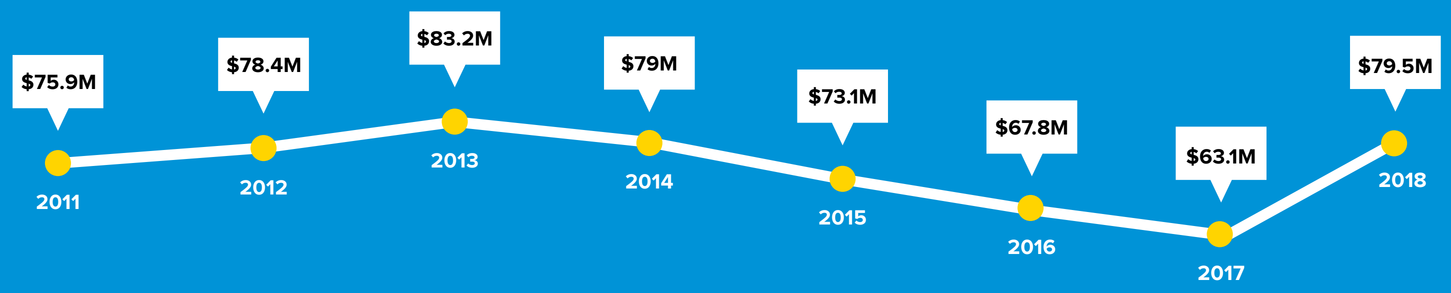


FIG. 16: City contributions to the URA's operating budget: The share of the URA's operating budget derived from the City's general fund or CDBG allocation has declined significantly since the mid-1990s.

SHARE OF THE URA'S OPERATING BUDGET FUNDED BY CITY OR CITY-CDBG 1994—2018

FIG. 15: The URA's 2019 operating budget by funding source (rounded): About half of the URA's operating budget is derived from property income, fees levied by programs, and interest.

Funding Source	Amount	Share
Prior Year Balance	$913,000	7%
City - General Fund	$330,000	3%
City – CDBG (Admin. & Program Income)	$2,150,000	17%
Fees	$5,310,000	41%
Interest	$513,000	4%
Property Income	$1,720,000	13%
Other	$2,056,000	16%
TOTAL	**$12,991,000**	**100%**

Operating funds for staff and administration is at risk with each passing budget cycle (see Fig. 16). In December 2018, a debate between the City of Pittsburgh and the City Council jeopardized over $1 million of operating funding for the URA, representing nearly 10% of the agency's operating budget. Unrestricted earned income (fees and property income) represents approximately half of the URA's operating budget, while contributed income and balance from the City and State make up another third (see Fig. 15). As contributed income is typically restricted for specific purposes and can be volatile, this limits the URA's financial independence.

The absence of long-term funding sources also has implications for the growth of the organization. Though the URA's responsibilities are wide-ranging and expected to grow in the near-term, particularly in labor-intensive program areas like business support and neighborhood development, the **organization's overall operating budget and staffing has remained nearly flat** over the past decade, relative to inflation (see Fig. 17). Funds for the URA's operating budget are also strained, as the City's budgetary commitments towards the URA's operating expenses have steadily decreased over the last twenty years, from 55% in 1994 to 31% in 2018.

In recent years, the URA has explored the creation of new entities to leverage additional funds for redevelopment activities. Pittsburgh Urban Initiatives (PUI), a Community Development Entity (CDE) affiliated with the URA, leveraged $188

"It's hard to allocate to our priorities when funding is being reduced at the Federal, State and even local levels."

— URA STAFF MEMBER

million in New Markets Tax Credits between its creation in 2011 and November 2016. The URA has also recently submitted an application to designate the Pittsburgh Economic & Industrial Development Corporation (PEIDC) as a Community Development Financial Institution (CDFI) to raise further funds from private and institutional sources.

A survey of peer cities reveals two potential strategies for securing long-term, sustainable funding streams: increasing **earned income** and creating **specialized subsidiaries** to tap into new sources of funding.

Relative to its peers, **the URA's dependence on intergovernmental revenue is not uncommon** (see Fig. 18). Other agencies do generate more earned income, however, with the Boston Planning & Development Agency generating substantial lease revenues from its real estate assets and the Philadelphia Industrial Development Corporation (PIDC) generating over two thirds of its revenues from City service contracts and financial services.

Other economic development agencies, like the URA, have also created subsidiaries to access various sources of funding.

For example, the Philadelphia Industrial Development Corporation (PIDC) and the St. Louis Economic Development Partnership have created **quasi-public subsidiaries**, such as CDFIs, to raise public and private dollars for specific purposes. Founded in 1997, PIDC Community Capital offers senior term debt, subordinate term debt, and lines of credit to Philadelphia small businesses and leverages New Markets Tax Credits to finance development projects. By regulation, PIDC Community Capital must direct more than 60% of its CDFI lending activity to a combination of Investment Areas (high-poverty census tracts) and African-American owned businesses in Philadelphia. The CDFI is entirely managed by PIDC staff but is governed by a freestanding board including representatives of the local financial community.

Baltimore DHCD and Invest Atlanta have also created **specialized nonprofit entities** to raise philanthropic funds for the agency and for specific projects. The Neighborhood Impact Investment Fund (NIIF), a nonprofit partnership founded in 2018 with a $51.7 million loan from the City of Baltimore, can operate with greater financial flexibility than conventional public organizations. Not only can the fund attract a wider array of partners (philanthropies, financial institutions and mission investors) than a public or quasi-public entity, it can also offer a greater range of products (pre-development and acquisition loans, construction financing, bridge and mezzanine loans, and equity investments). Care should be taken to ensure that the governance of city-affiliated nonprofits is clear and transparent. Partners for Prosperity, Invest Atlanta's nonprofit subsidiary, recently attracted criticism for inappropriate and nontransparent funding of travel expenses for city executives.

Other peer agencies faced with decreasing revenue streams have also engaged in long-term financial planning. In the face of a major decrease in TIF proceeds,

FIG. 17: The URA's Operating Budget, 1994-2018: When adjusted for inflation, the URA's operating budget has remained approximately the same over the past ten years, despite growing responsibilities.

OPERATING BUDGET 1994—2018, NOMINAL $

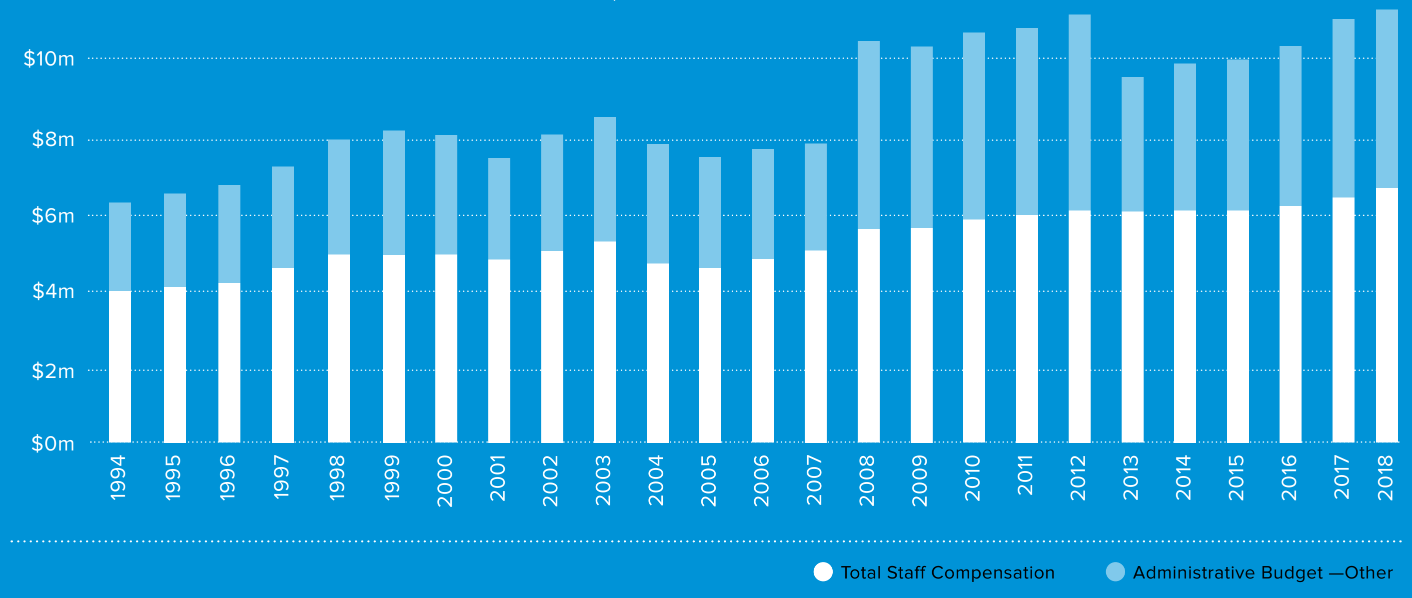
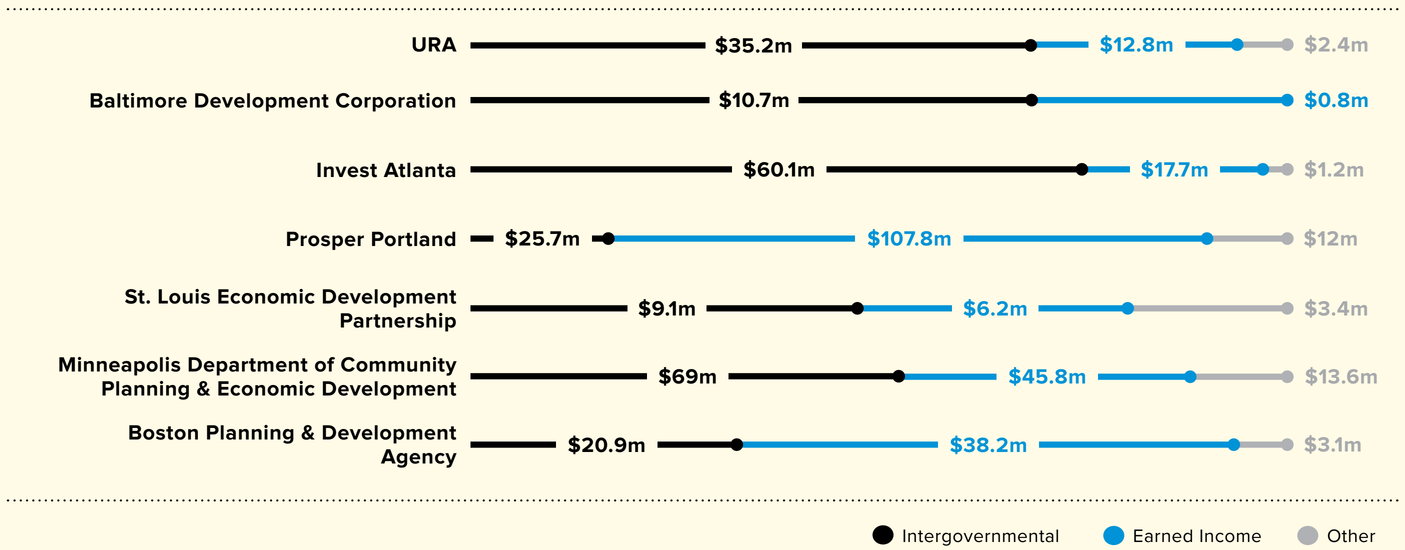


FIG. 18: Sources of Revenue Among Peer Agencies: URA's reliance on intergovernmental funding is not uncommon, but other agencies generate more earned income.

URA REVENUE COMPARISON TO PEER AGENCIES
FY 2017, 100% Stacked



Prosper Portland prepared a **financial sustainability plan** to chart the economic future of the agency. Key components of Prosper Portland's proposed business model include:

- Optimizing remaining TIF and earned income, particularly real estate holdings;
- Increasing partnerships with other public agencies to capitalize on real estate development expertise;
- Maximizing fee revenue;
- Strategically pursuing new TIF districts; and
- Securing more public funding.

A financial sustainability plan can serve as a key advocacy tool for persuading political stakeholders of the importance of increased public funding. Indeed, focusing exclusively on maximizing earned income may undercut the URA's capacity to deliver public benefits, which typically generate lower returns. As such, the URA should clearly communicate its financial position and funding needs to public partners in order to ensure that URA-supported projects can continue to provide necessary social and community benefits.

City of Asylum, on Pittsburgh's North Side

COURTESY OF CITY OF ASYLUM

FINDING 3.2

The URA has not optimally leveraged its real estate assets for financial sustainability.

The URA does not typically leverage its redevelopment functions to further its own financial sustainability.

As evidenced by its name, the URA's redevelopment functions are crucial to its mission. In addition to providing technical and financial assistance to developers, the URA also holds and transacts URA-owned property for redevelopment. For example, in 2014, the URA acquired a vacant elementary school in the Morningside neighborhood and managed a disposition process that resulted in the creation of Morningside Crossing, a 46-unit affordable senior housing development and community center. The project leveraged URA, state, and federal funding to enable the transformation of an underutilized piece of land into a community asset.

As part of its transaction process, the URA has historically prioritized **land sales** with development partners. Such agreements are more straightforward, easier to value, and are often preferred by developers. Other agreement types, like ground leases or joint venture structures, have seldom been used by the URA, though they have the potential to capture long-term value to support agency operations, particularly in the context of a rising real estate market. In recent years, the URA has **upgraded its real estate functions**, including implementing a new e-property system, launching a new LandCare program, deploying a long-term ground lease at the Produce Terminal, and experimenting with a joint venture at the 350 Oliver Ave. redevelopment project.

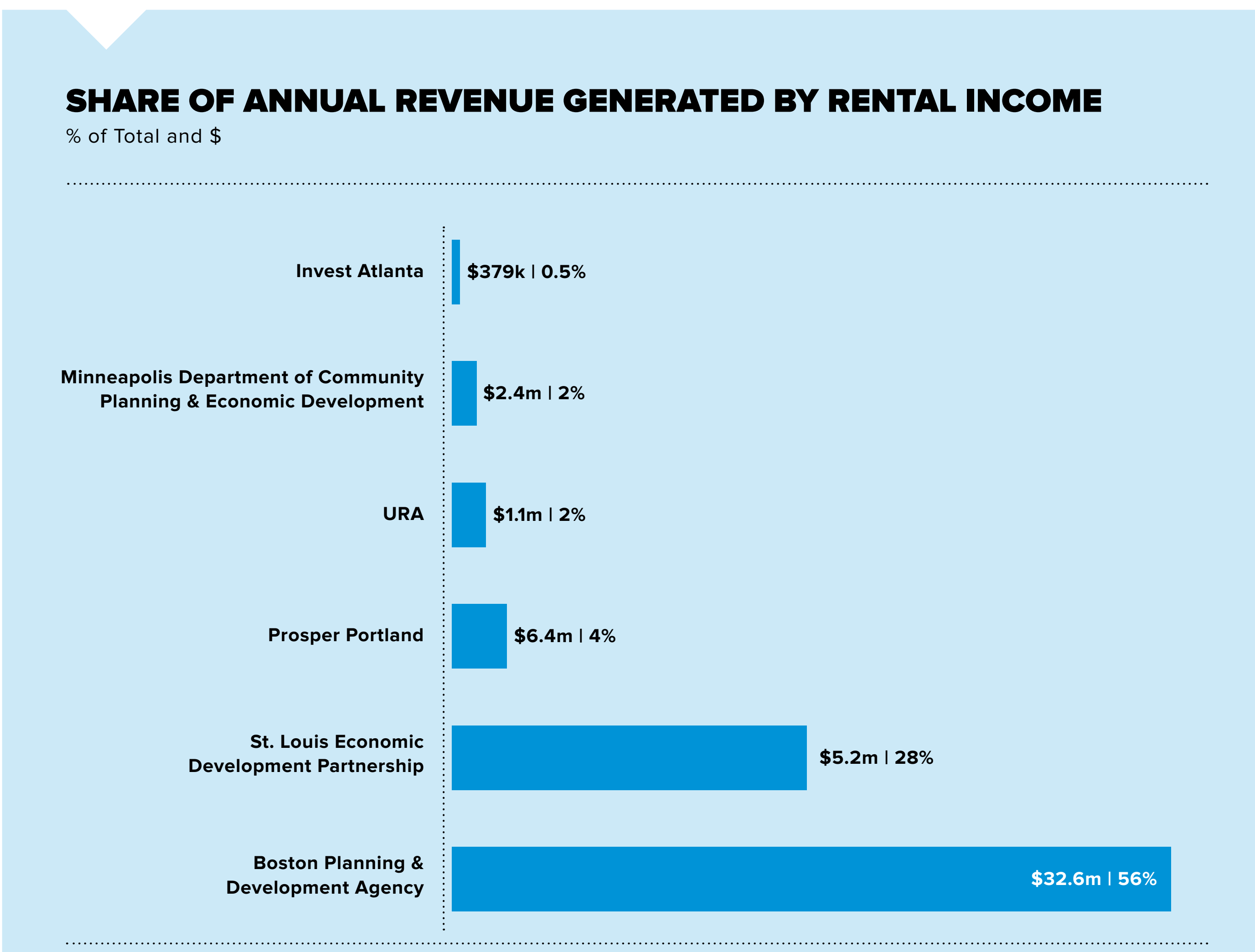
Although the Real Estate Department has created an internal strategy, it is unclear how this plan relates to agency-wide goals and initiatives. This lack of clear strategic direction can hinder the success of the URA's use of its real estate assets. Real estate assets are often acquired or disposed of opportunistically, depending on available funding or the ambitions of development partners. In addition, the agency is **burdened with the long-term management of several unproductive assets** on behalf of the City of Pittsburgh, including derelict parks and schools.

Rent or parking fees paid for the use of agency-owned assets can be difficult to build and grow, but are critical for generating unrestricted funds for programs and operations. The Boston Planning & Development Agency (BPDA) presents the most striking example of a peer agency that has successfully leveraged its real estate assets to fund agency operations and programs. The BPDA is entirely self-sustaining thanks to revenues from long-term real estate holdings.

Peer agencies undergoing transitions in their business model are also eyeing real estate revenues. For example, Prosper Portland has made maximizing real estate assets a cornerstone of its new funding strategy. Historically, the entity primarily relied on TIF Districts as a funding source. With several of these districts set to expire, the **agency is now moving towards maximizing its real estate assets**. In its recent financial sustainability plan, Prosper Portland set a goal of increasing its annual real estate revenues from $1.7 million per year in 2016 to $16 million per year by 2031.

Nonetheless, it is important to note that transition has proved more challenging than expected. In November 2017, the Portland Auditor released an audit highlighting deficiencies in the agency's property management practices, including a lack of strategic and financial goals for agency properties (particularly as related to social equity considerations), insufficient risk assessments, and poor monitoring of third-party operated properties.[20] Following the audit, the agency hired three new staff with expertise in strategic real estate portfolio management in order to facilitate a shift from a property management (property-level) approach to an asset management (portfolio-based) approach. These challenges demonstrate the difficulty of shifting to a new revenue model and the importance of aligning high-level goals with appropriate staffing and implementation support. The URA's recent creation of an Asset Manager role positions the agency to successfully execute these reforms in the coming years.

FIG. 19: Comparison of Revenue Generated by Rental Income Across Peer Agencies: Boston and St. Louis offer examples of agencies that generate substantial portions of their revenue from rental income; Prosper Portland is also shifting in this direction.[19]



Of the peer cities reviewed, the BPDA fared best at leveraging real estate revenues towards programs and operations (see Fig. 19). Indeed, 61% of the BPDA's $62 million in FY 2017 revenues were generated from real estate, including 52% from rentals, leasing, and parking and the remainder from sale of real estate assets and equity participation. The BPDA owns several large commercial properties, managed by its 37-member Real Estate Department. These assets include the Charlestown Navy Yard, the Raymond L. Flynn Marine Park in South Boston, Long Wharf along the Downtown Waterfront, and various commercial sites throughout Boston.

One of the most innovative ways the BPDA generates passive real estate income is through the inclusion of a provision within land disposition agreements that ensure that the BPDA receives between 2-4% of resale proceeds following the initial sale of the properties. In FY 2017, this arrangement generated $2.2 million, a sum which is likely to fluctuate depending on market conditions and real estate activity. The URA has also begun experimenting with this approach, most notably at the 604 Liberty Ave. project in downtown Pittsburgh. To manage its sizable real estate portfolio, the BPDA has a 37-member real estate team, comprised of five divisions: Property/Asset Management, Engineering and Facilities Management, Commercial and Industrial Leasing, Capital Construction, and Operations.

The St. Louis Economic Development Partnership (STLP) also generates significant rental income, representing 28% of annual revenues. Part of this revenue is derived from a network of incubator spaces operated by STLP focused on various technology sectors.

In an era of declining public funding, strategically leveraging real estate assets is critical to the long-term financial sustainability of quasi-public entities. Such efforts may take decades to fully realize but offer the potential for economic development organizations to both support and share in the long-term success of the projects they enable.

"The [URA's] primary challenge is their resource constraints. I think their staff is competent, their project management is strong, and they are trying to do all the right things. They just need more resources in order to do them."

— URA STAKEHOLDER

COURTESY OF THE URA

FINDING 3.3

URA budget tracking procedures lack clarity, creating confusion among stakeholders vis-à-vis the URA's financial position.

The URA's budget tracking procedures lack clarity, making explaining the agency's financial position a challenge both to external and internal stakeholders.

By combining operating and capital budgets, the URA's annual report makes the organization appear more resource-rich than it really is. By describing its operating budget as an administrative budget, the URA has also created confusion among stakeholders about the size of its needs and the importance of City general fund support for operations. Misunderstandings over URA resources – both their size and their flexibility – have contributed to political tension and budget standoffs between City Hall, the URA, and community stakeholders.

Staff identified longstanding challenges with financial reporting. The URA has implemented several different enterprise systems in the past decade (including Serenic and Salesforce), and department Directors often struggle to access financial reports in a timely manner. The hiring of a **new Chief Financial Officer in 2018** represents an important step towards remedying this issue.

The URA has also begun working to improve budget tracking through participation in Robert Morris University's Bayer Center for Nonprofit Management's "Ready to Compete" program. In its assessment, the Bayer Center identified new opportunities to address gaps in the organization's financial tracking and reporting, such as creating an industry-standard chart of accounts, improving the recording of URA transactions, improving financial tracking training for staff, and producing annual financial reports.

In recent years, the City of Pittsburgh has also improved its data reporting and accessibility. As part of a partnership with the Western Pennsylvania Regional Data Center (WPRDC) and other local institutions, the City designed "Burgh's Eye View," which compiles municipal and regional geolocated data including information on land use, 311 requests, and parcel-level data. The City also recently launched "Fiscal Focus Pittsburgh," which allows visitors to explore the City's operating budget and payroll expenses. As a standalone public authority, however, the URA's finances are not captured on the platform.

Peer cities including Boston and Minneapolis have implemented measures to improve the quality, accessibility, and transparency of financial reporting through annual financial reports and online interactive platforms, leveraging resources from technology companies such as Open Gov and Tableau.

Boston's BPDA offers an example of an agency that has implemented dramatic **improvements in its budget reporting**. In response to allegations of mismanagement and poor record-keeping, the BPDA instituted automated and transparent financial reporting following its restructuring in 2015. The BPDA's operating and capital budget, published annually on the agency's website, is best-in-class in terms of clarity, transparency, and detail, including: overview of improvements to financial and budget practices; detailed descriptions of revenues and expenses, including recent and anticipated fluctuations; and department-level budgets.[21]

The City of Minneapolis' **Financial Transparency Platform** also offers a strong precedent for clear, public-facing budget reporting. The digital interface, developed in partnership with Open Gov, provides an interactive, easy-to-use dashboard of City revenues and expenses, including breakdowns by fund type, expense type, and department. On the platform, the City's Department of Community Planning and Economic Development (CPED) budget outlines annual revenues and expenses for the agency's six divisions as well as debt service and transfers.[22]

Overall, peer cities show the potential of annual reporting and online tools to increase financial transparency and clarity. Transparency helps build public trust, promotes fiscal responsibility, and improves responsiveness.

Bakery Square

DENNIS MARSICO

URA TO LEAD

RECOMMENDATION

3.1

The URA should create a financial sustainability plan to pursue new revenue sources and maximize existing assets.

To codify, plan, and monitor progress towards long-term financial stability, the URA should develop a financial sustainability plan. In particular, the URA should outline its plan to increase earned income and contain expenses. The URA should also commit to tracking and providing updates to key stakeholders on its progress towards reaching the revenue targets outlined in its financial sustainability plan.

Key elements of the financial sustainability plan include:

a. **Review existing revenue-generating assets.** The URA should continue its progress towards professionalizing its asset management. In FY17, the URA generated $1.1 million from rental income within its general governmental funds, and an additional $5.8 million within its self-sustaining enterprise funds. Although the URA has made progress in recent years by experimenting with various property management software platforms, the URA can make additional strides towards maximizing the value of its assets. In the short-term, the URA should conduct a yearly review of the cash flows of its rental and parking properties. This review should analyze the relative performance of long-term revenue producing URA assets, benchmark rental rates to the local market, quantify operating expenses, and note any extenuating circumstances (e.g. some rents may be below market because they are serving a mission-aligned nonprofit). This review should focus on long-term assets that the URA maintains to generate rental income. The review will ultimately allow the URA to better understand its rental income and improve the performance of its portfolio over time.

b. **Prioritize long-term financial returns in real estate transactions.** The URA should leverage its real estate transactions to build long-term financial sustainability, as well as to capture some of the long-term value it creates through its financial support of development projects and its land recycling functions. The URA should seek to supplement its land disposition transactions with alternative structures that can provide additional financial upside, while managing risk. Given current staff capacities and expertise as well as high potential for risk, direct development or acting as an asset manager is unlikely to be prudent in the near or medium term. Key transaction structures to be considered by URA should include:

    - **Ground Leases with Upside Participation:** Ground leases are used to lease land for the relatively long term (typically 50-99 years) to a tenant (usually a developer) that constructs a building on the property. Although some ground leases involve an upfront payment, ground leases are often substantially less lucrative in the short-term than an outright sale. Ground leases do provide a potential long-term, stable form of income, with predetermined rent escalations. In addition, rent "resets" or clauses that mandate landholder participation in either ongoing net or gross revenues and/or capital events can create upside for the landowner if the property increases in value.

- **Joint Venture:** In a joint venture, an economic development entity participates in real estate investments in exchange for a portion of equity in the project. Taking equity in the project allows the entity to participate in returns (or waterfall distributions) as the project accrues revenue and value. Long-term stakes in successful real estate ventures would generate stable, ongoing returns. The URA has begun to experiment with such transaction structures, most recently at 350 Oliver Street.

- **Disposition with Capital Event Participation Provision:** In the case of disposition, an economic development entity could include a "rider" that it will receive a portion of resale proceeds following the initial sale of the properties. The Boston Planning & Development Agency (BPDA) engages in such disposition agreements on a regular basis, typically requiring 2% or 4% of the resale proceeds. In such agreements, the provision is inserted directly into the disposition agreement and property deed. Such a provision allows the economic development entity to benefit from the ongoing appreciation of property in the neighborhoods it revitalizes.

Alternative deal structures should be carefully weighed against near-term financial constraints and long-term risk, as well against other URA priorities like affordable housing or commercial space. The financial sustainability plan should determine a plan to pilot these alternative land disposition approaches in a few deals. Additions to the Real Estate Department's training curriculum on valuing these more complex deals may be warranted as well.

c. **Inventory restricted and unrestricted funds.** A significant portion of the URA's operating revenues and net assets are restricted by local, state, federal, and other regulations, constraining the agency's ability to flexibly deploy funds to offset project and program costs. In order to maximize financial sustainability, the URA should conduct a detailed review to understand what restrictions are associated with each asset and revenue stream. If restrictions are board- or staff-designated, there may be opportunities to relax certain guidelines so that funds can be deployed more responsively and efficiently.

d. **Conduct fee review.** Almost a third of the URA's annual operating budget is derived from fee income associated with loan origination, development applications, and other agency products and services. The URA should conduct a review of its fee structure relative to peer agencies to explore whether there may be opportunities for modestly increasing fees to support agency operations. At the same time, fees should not pose a barrier of entry for the small businesses and nonprofit organizations that form a substantial share of the URA's client base.

e. **Standardize and track return on business investments.** Providing loans on favorable terms and flexible financial support helps address market gaps and promote local business and development. From the issuing entity's perspective, these activities are typically not evaluated as market-rate investments or even sources of financial return. Because below-market rates are charged, the assumption is often that these activities will be budget neutral over the long term, though this may or may not be true depending on the project context. Our review of peer cities indicated that few economic development agencies administered such business support or gap financing programs within the context of revenue generation. Increasingly, some economic development agencies, as well as social impact investors, have begun to think about administering loans and gap financing programs with an eye to generating returns that can help support long-term fiscal sustainability for the organization. During financial planning, attention should also be paid as to whether the returns generated by these investments are restricted or unrestricted. This analysis should also account for the URA's classification of subordinate and/or non-amortizing mortgages as "nonperforming" and ensure that the long-term returns from these financial products are accounted for.

As part of the financial sustainability plan, the URA should seek to establish clearer targets about expected returns for its investment portfolio. The example of Prosper Portland provides a framework for the URA to establish two categories of debt and equity investments: (1) Program Related Investments (PRIs): low-return investments that are primarily made for social benefits, whose nominal returns (1-3% annually) can be recycled for further loans or investments, and (2) Mission Related Investments (MRIs): higher-return investments that generate both social benefits and annual returns (4-7%), the surplus of which can be funneled towards growing the overall funds available (understanding that even within stable markets, URA projects will be expected to contributed public benefits that may lower rates of return).

In addition to the URA's existing programmatic activity, the agency should leverage its Market Value Analysis (MVA) data to identify neighborhoods where higher-return investments can be expected (e.g. neighborhoods with strong commercial real estate markets, which tend to correlate with strong housing markets) as opposed to neighborhoods that currently have lower return potential and thus require more market testing before they become self-sustaining.

f. **Evaluate efficacy, impact and operating cost of current and future projects and programs.** As part of the financial sustainability plan, the URA should evaluate the extent to which current programs may be posing a drain to agency resources. The following criteria should be used to evaluate existing programs:

- Alignment with strategic objectives as outlined in the URA's business plan;

- Current staffing needs and payroll implications;
- Relevant metrics to demonstrate program success to date;
- Interaction with other city or state programs; and
- Certainty of current and future funding streams.

Before taking on any new project, program and/or property, the URA should also conduct an analysis of the cost and impact on the organization to implement (in terms of dollars and staff allocation).

The Humane Animal Rescue Shelter & Wildlife Center in Homewood

DENNIS MARSICO

URA TO LEAD

RECOMMENDATION
3.2

The URA should modernize its financial tracking to provide transparent and on-going reporting of its financial position.

Commission an in-depth audit of the URA's financial position

There is a broad-based misunderstanding of the strength and flexibility of the URA's financial position, despite periodic reports including annual audited financial statements. To correct these misperceptions and provide a clear view of agency finances, the URA should commission a detailed financial audit that analyzes, inventories, and classifies the URA's sources and uses of funds in a manner that is digestible to both internal and external stakeholders. The audit will also be an important resource as the URA prepares its aforementioned financial sustainability plan (see Recommendation 3.1). At minimum, the audit should accomplish the following:

a. **Provide a clear picture of the URA's financial position:** The audit should detail the agency's financial position in layman's terms, clarifying the difference between the sources and uses of the operating budget (for the administration of the organization itself), and the sources and uses of funds used for the URA's programs (e.g. loans, grants, and investments). Within the sources of the program budget, restricted and unrestricted funds should be demarcated to emphasize the limited flexibility of the funds the URA administers and conveys.
b. **Detail overall investment performance and risk:** The audit should provide an update on the relative performance of the URA's investment "portfolio," including default rates and risks on its loans portfolio, as well as the financial performance of its revenue generating assets, primarily its real estate portfolio.
c. **Recommend improvements to financial tracking and reporting:** Finally, the audit should highlight areas in which the URA's financial tracking and reporting procedures are outdated, atypical, or deficient and make recommendations for improvements going forward.

Commit to regular financial reporting

In addition to annual financial reports, the URA should work towards providing more frequent updates, such as a quarterly financial report. Creating these more frequent and accessible reports will improve transparency with the public and political stakeholders. A clearer understanding of the URA's financial needs – paired with robust, metrics-driven reporting on the importance and impact of the agency's work – can also strengthen the case for increased City or philanthropic support for URA activities, thereby strengthening long-term financial resiliency.

Modernize financial tracking processes

The URA should also modernize its financial processes. Led by its CFO, the URA has begun the process of financial modernization through participation in Robert Morris University's Bayer Center for Nonprofit Management's "Ready to Compete" program. In its preliminary assessment, the Bayer Center identified several opportunities to address gaps in the organization's financial tracking and reporting. Per the Ready to Compete process with RMU, improvements should be made to modernize the chart of accounts, bring financial tracking up to par with the latest accounting standards, improve financial reporting, and provide new training to implement these key recommendations.

East Liberty Bike Garage in East Liberty

URA TO LEAD

RECOMMENDATION

3.3

The URA should increase revenue streams from existing assets as well as public, private, and philanthropic partners.

A review of funding sources utilized by other economic development entities across the country underscores the potential for additional sources of programmatic and operating revenue. The pursuit of new funding sources builds upon recent efforts, such as the creation of Pittsburgh Urban Initiatives (PUI) in 2011 or the ongoing efforts to create a URA-affiliated Community Development Financial Institution (CDFI).

As shown in Figure 20 below, there are several high-priority sources of funding that the URA should pursue:

- Increase earned income through improved management of existing URA-owned assets and by prioritizing long-term returns on business and real estate investments;
- Create new subsidiaries to leverage additional public, private and philanthropic funds;
- Pursue opportunities for new government funding sources for programs and operations; and
- Formalize relationships with the City through Intergovernmental Agreements to establish clear funding streams for the URA's provision of economic development services and prevent disputes between the URA and the City regarding the acquisition and holding of legacy assets.

Increase sources of earned income

The URA should focus on increasing earned income to support long-term financial sustainability. Earned income includes revenues generated as a result of agency activities. This includes rent or parking fees paid to the agency for owned-properties, sales from real estate, administrative fees and charges for services, or returns from investments (including loans, returns from equity participation, interest on passive investments, etc.).

Earned income is typically the most flexible source of revenue for an economic development agency, as it is typically not subject to externally determined restrictions on spending. Today, earned income represents an important source of income for the URA. About 29% of overall governmental fund revenue (or $14.5 million of $50 million in FY 2017) was derived from earned income, including loan repayments, fees, and modest real estate income.[24] While this overall proportion is in line with peers, the URA should seek to increase the share and amount of earned income to improve flexibility and resiliency to the volatility of external sources.

FIG. 20: URA Funding Source Matrix: This diagram shows potential revenue sources for the URA, sorted by implementation feasibility and potential funding impact.[23] Sources that could generate more than $1 million annually for the URA are ranked as high impact. Implementation feasibility is evaluated based on the relative control of the URA over the funding source and any precedents within the Pittsburgh context. For a more detailed discussion of these funding sources, see Appendix D.

POTENTIAL SOURCES OF NEW FUNDING FOR URA PROJECTS AND OPERATIONS

FUNDING IMPACT: HIGH ↑ / LOW ↓

IMPLEMENTATION: ← CHALLENGING / ACCESSIBLE →

OPPORTUNISTIC

- Apply for Federal Grants
- Apply for State Grants
- Work with City / State to Create Dedicated Taxes
- Access Philanthropic Grants or Loans

HIGH PRIORITY

- Gain Predictable City Funds with IGAs
- Optimize URA Revenue Producing Assets
- Leverage New Development on URA-Owned Land
- Increase Returns on Non-Mission URA Loans
- Access CDFI Funds

LOW PRIORITY

- Pursue Impact Investment
- Increase Fees for Existing Services

SUPPLEMENTAL

- Market Projects for Opportunity Zone Capital
- Set Fees for New Services
- Pursue Project-Based Tax-Increment Financing

Such a focus on revenue generation should not be to the detriment of community-based development. To support the URA's mission, as well as the City's overall economic development priorities, the URA should balance revenue-generating transactions with those in neighborhoods that require significant investment to achieve policy priorities, such as housing affordability.

To illustrate the potential impact of such changes in approach prioritization, Figure 21 shows the URA's projected revenue under both low- and high-growth scenarios. In each scenario, intergovernmental revenue is expected to grow slowly. The low-growth scenario assumes earned income growth rates based on the URA's past performance with modest enhancements in line with peers. The high-growth scenario represents a focus on growing rental income, equity, fees and charges, and investments, with assumed growth rates in line with peers that have developed financial sustainability plans.

FIG. 21: Revenue Growth By Scenario (Order of Magnitude Forecast, in $000s)

		Low Growth Scenario			High Growth Scenario		
	2017 Actual	Annual Growth	2025 Projected	2035 Projected	Annual Growth	2025 Projected	2035 Projected
Intergovernmental	$35,200	0.2%	$35,800	$36,500	0.2%	$35,800	$36,500
Earned Income							
Rental Income	$1,100	-2.0%	$1,000	$800	3.0%	$1,500	$2,000
Sales & Equity Participation	$2,100	2.0%	$2,500	$3,000	4.5%	$3,000	$4,600
Fees & Charges for Services	$3,100	1.0%	$3,400	$3,700	3.0%	$3,900	$5,300
Investments (Incl. Loan Repayments & Interest)	$8,500	0.2%	$8,700	$8,800	2.0%	$10,000	$12,200
Miscellaneous	$300	0.0%	$300	$300	1.0%	$300	$400
Total	**$50,300**		**$51,700**	**$53,100**		**$54,500**	**$61,000**

Leverage existing and new subsidiaries or affiliated entities

In line with trends among peer cities, the URA should explore increasing the usage of subsidiaries or affiliates, following the example of Pittsburgh Urban Initiatives, to leverage additional assets from public, private and philanthropic sources. Such new entities should be approached in a fiscally responsible manner, leveraging existing URA staff initially and growing proportionally as new funding is secured. **Indeed, as shown in the table above, even high-growth revenue projections for certain categories do not keep pace with inflation, suggesting a need to ensure that new expenditures are accompanied by reallocations of funding from elsewhere.** Two forms of subsidiary offer particular benefits in advancing the URA's strategic agenda:

a. **CDFI:** The URA's recent application to designate PEIDC as a certified CDFI will allow the URA to apply to a number of programs that can help bolster its affordable housing, community development, and business support goals. These include technical and financial assistance through the CDFI Program, low-cost financing through the CDFI Bond Guarantee Program, and grants and loans through the Capital Magnet Program. PIDC's CDFI, PIDC Community Capital, serves as both a CDFI and a community-development entity and helps deliver additional resources to targeted local businesses and projects in Philadelphia. The CDFI's required "Target Market" includes disinvested census tracts throughout the city, and its "Target Population" is African American-owned businesses.

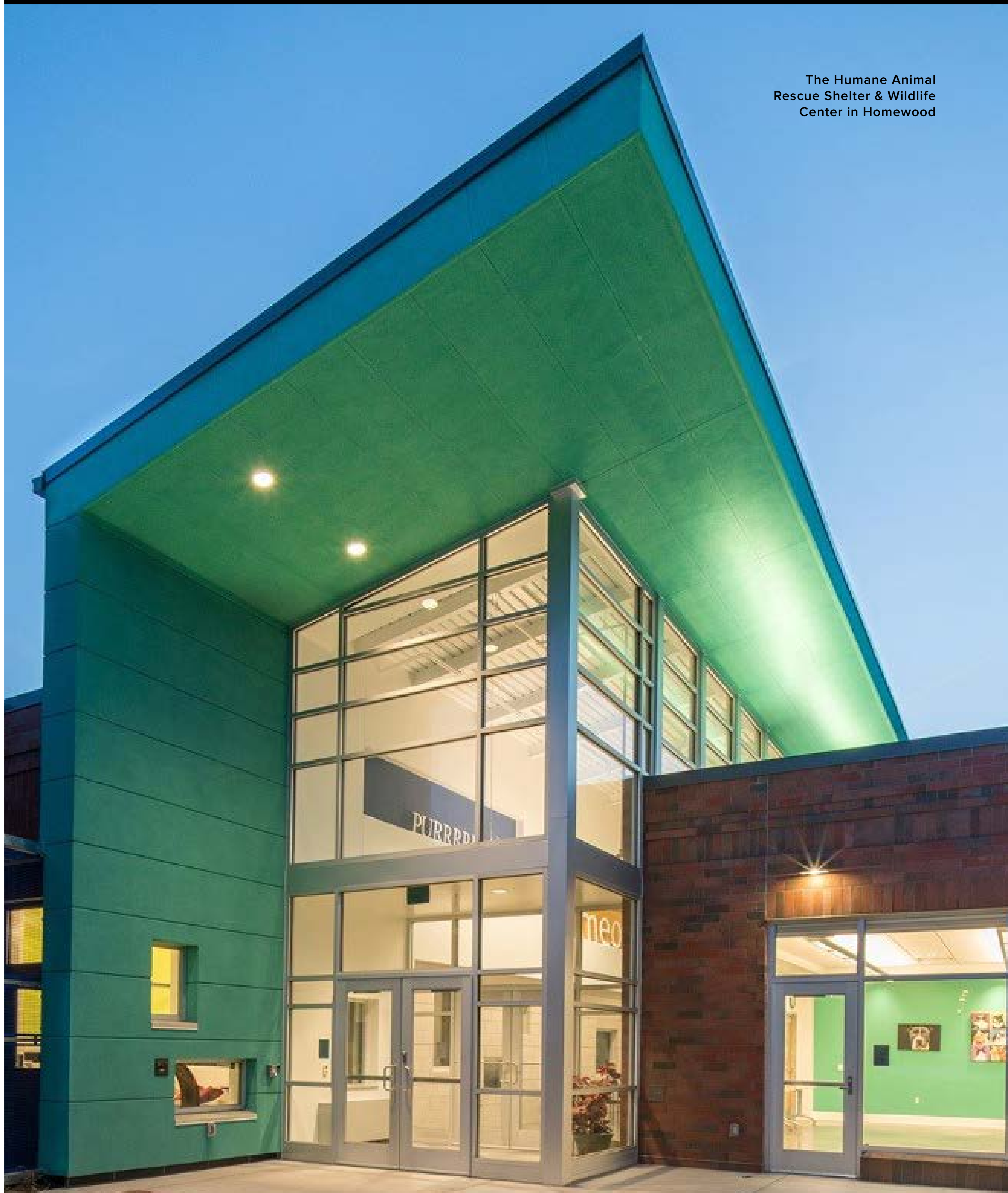
b. **501(c)(3) Not-for-Profit:** The URA should explore the usage of an existing affiliate or the creation of a new affiliated nonprofit to act as a conduit for nonprofit and philanthropic capital in service of shared economic development objectives. This nonprofit could help act as a reserve for matching philanthropic capital for business and real estate projects, as well as provide a mechanism for grants, funding competitions or other challenge-based programs. In our review of peer agencies, affiliated nonprofits for economic development agencies have had particular success when focused on a specific, large-scale project, like Invest Atlanta's Atlanta Beltline Initiative (ABI). The URA could begin piloting a similar strategy by using the Pittsburgh Housing Development Corp., an existing 501(c)(3) affiliate managed by the Housing Department, as an avenue to garner more philanthropic support for affordable housing development in neighborhoods.

Maximize state and federal funding streams

In order to support projects and operations, the URA should continue to actively pursue funds from federal programs such as New Markets Tax Credits (NMTC), Choice Neighborhoods, and Community Development Block Grants (CDBG) as well as state programs like the Redevelopment Assistance Capital Program (RACP).[25]

Advocate for city general funds through intergovernmental agreements

The URA provides a range of economic development services at the City's request, some of which come with substantial financial burdens. The URA should advocate for a predictable annual allocation of City general funds in order to support its operating needs. The URA should use the IGAs described in greater detail in Recommendation 2.3 to outline the URA's core services on behalf of the City and demonstrate the value of URA activities using clear metrics and targets. By developing a financial sustainability plan and clarifying its financial position, the URA should be able to make a convincing case for the importance of City general funds as a supplementary source of income, especially in the short term. After all, unlike most City departments, much of the URA's work directly contributes to growth in tax revenues, thus producing a significant return on investment on the City's upfront support of the URA.



The Humane Animal Rescue Shelter & Wildlife Center in Homewood

DENNIS MARSICO

RESOURCES: Implementation Considerations & Timeline

	Action	Lead	Support	Timing
3.1 The URA should create a financial sustainability plan to pursue new revenue sources and maximize existing assets.	**A)** Evaluate the URA's sources and uses of funds.	URA		Short-Term
	B) Create a financial sustainability plan aligned with the URA's 3-year business plan.	URA		In Process
3.2 The URA should modernize its financial tracking to provide transparent and on-going reporting of its financial position.	**A)** Create clear and digestible financial reports.	URA		In Process
	B) Update financial tracking and reporting to best-in-class accounting standards.	URA		Short-Term
3.3 The URA should increase revenue streams from existing assets as well as public, private, and philanthropic partners.	**A)** Increase sources of earned income, with a particular focus on real estate assets.	URA		Short-Term
	B) Leverage existing and new subsidiaries or affiliates.	URA		Medium-Term
	C) Use Intergovernmental Agreements to support City general fund allocation.	URA	Mayor's Office	Long-Term

= Mayor's Office Implements = URA Implements **Short-Term** = Within 9 months | **Medium-Term** = 9-18 months | **Long-Term** = 18-24 months

TALENT

People form the core of any organization. Economic development is a highly specialized field that requires technical skills, and, in many cases, professional accreditation. Economic development entities should seek to hire a diverse group of employees that reflect the communities served by the city and that have the technical skills and professional skills required for success in this specialized field. Regular staff training is also important for developing a sense of alignment with organizational mission and goals and mitigating against the erosion of institutional knowledge.

To benchmark the URA's talent against peer entities, HR&A examined the following questions:

- Are staff appropriately skilled to perform the tasks at hand?
- Are there appropriate professional development and mentorship opportunities?
- How does the organization's staff reflect the diversity of the communities which it serves?

FINDINGS

FINDING 4.1

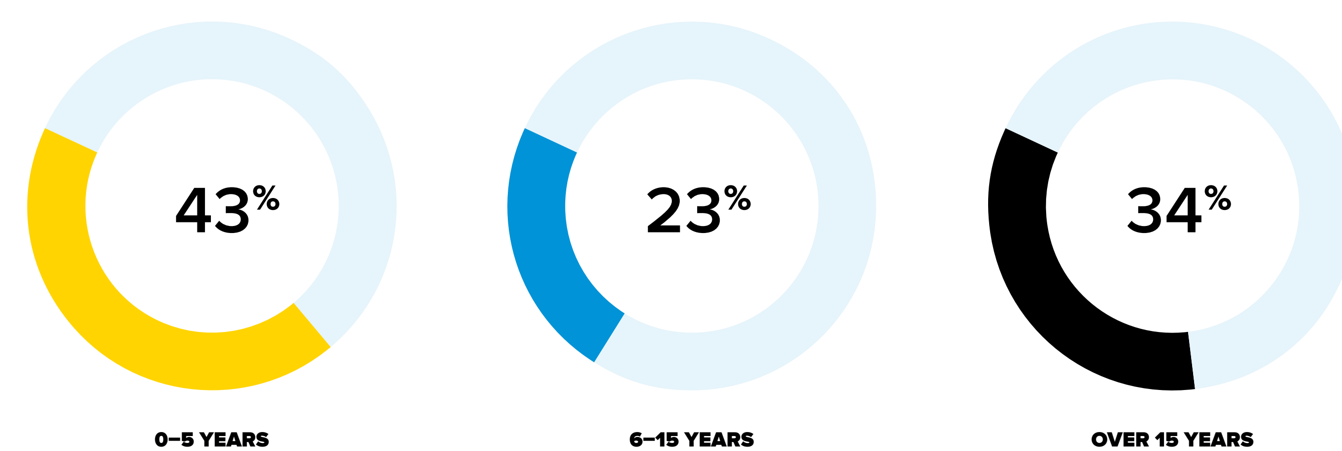
The URA has a motivated and talented staff but lacks succession planning or processes to retain institutional knowledge.

The URA's staff is described as talented and motivated with particular skills in project implementation and a demonstrated commitment to advancing equitable development across the city.

Comments from both staff and external stakeholders emphasized the professionalism and dedication of URA employees. As one stakeholder noted, "there are some very bright minds in this organization who are committed to the city and want to see it prosper." Another stated, "the URA mixes technical skills with heart."

Nevertheless, staff reported dissatisfaction with the URA's lack of strategic clarity, which, despite their best efforts, can make it difficult to prioritize and sequence projects. As one staff member noted, "if everything is a priority, nothing is a priority." The URA has also experienced substantial employee turnover in recent years, with 43% of staff having been at the URA for five years or less (see Fig. 22). While critical for injecting new ideas, generational change may threaten institutional knowledge without proper safeguards in place.

FIG. 22: Distribution of URA staff by length of tenure: 43% of URA staff have been at the agency for five years or less, suggesting rapid generational change.



"It takes two years to build institutional knowledge here. Everything is oral, and learning requires asking the right questions of the right people at the right time."

— URA STAFF MEMBER

As evidenced by the persistent lack of clarity over the URA's budget, described in Section 3, many of the URA's processes and procedures are dependent on people rather than systems. As long-tenured staff leave, this creates a risk that institutional memory may be eroded. The transition of the URA's Executive Director also underscores the need for change management strategies to ensure that the URA is able to leverage past knowledge in service of future goals.

Following the hiring of a Human Resources Director in 2016, the URA has **implemented substantive reforms** to improve employee satisfaction, including introducing six weeks parental leave, telecommuting, management trainings, standardized performance evaluations, professional development support, and a staff engagement survey.

The URA also actively supports staff involvement in professional associations. URA staff are currently members of a wide range of professional organizations, including the American Planning Association, the Urban Land Institute, the Green Building Alliance, and the National Association of Local Housing Finance Agencies. The URA also pays for engineering staff to receive certification by the National Institute of Certification of Technicians and LEED Base Training.

A survey of peer cities suggests three potential strategies to improve talent attraction and retention: **1) innovative academic and philanthropic partnerships; 2) professional development support aligned with agency-wide strategic goals; and 3) succession planning.**

Sustained **partnerships with academic institutions and foundation-funded fellowship programs** can be an effective strategy for sourcing top-tier talent. In the aftermath of Hurricane Katrina, a series of grants from the Rockefeller Foundation allowed the New Orleans Redevelopment Authority (NORA) to hire new staff members from top-tier universities around the country and rebuild its capacity following a period of relative inertia. The Baltimore Development Corporation's Opportunity Zone Coordinator is also currently funded by an external grant from the Baltimore-based Abell Foundation, giving the agency additional capacity to matchmake OZ investment funds with priority projects.

Recent human resources (HR) reforms at the Boston Planning & Development Agency (BPDA) and the Philadelphia Industrial Development Corporation (PIDC) also demonstrate the importance of **aligning professional development support with strategic goals.** Following the agency's restructuring, which was partially prompted by allegations of poor management, the BPDA increased its focus on creating a healthy organizational culture for staff. Since 2015, the BPDA has introduced standardized performance evaluations, a professional development lecture series, an improved new-hire orientation program, and an internal innovation award to recognize the accomplishments of BPDA employees. The agency also provides $1,500 annually per employee for professional development support and up to $3,000 per year to reimburse staff pursuing undergraduate or graduate degrees. These changes have been critical for transforming the BPDA's organizational culture and breaking down silos between divisions following its strategic restructuring.

PIDC, meanwhile, identified several HR-related objectives as part of its 2017-2020 strategic plan. One of the four pillars of the plan is to "sustain a thriving, dynamic and successful PIDC organization" through the attraction, development, and retention of talent "through a culture of performance." Specific objectives outlined in the plan include:

- Establish a comprehensive onboarding program;
- Complete a comprehensive review of compensation and benefits;
- Implement a new performance assessment and management process;
- Provide a leadership training program and support for managers;
- Execute an annual program of employee engagement opportunities; and
- Complete new office lease in 2018.

In addition to moving these objectives forward, PIDC is currently working with management to develop specialized training programs for staff in each of the agency's three business units (Finance & Real Estate; Strategy, Communications & Partnerships; and Business Operations). PIDC is also in the process of shifting its performance evaluation tools onto HR Performance Pro, an online platform that links individual evaluations to the agency's strategic pillars, organizational objectives and management competencies.

Finally, the BPDA offers an instructive precedent of an agency actively engaged in succession planning for key positions. The BPDA encourages senior leaders at the agency to give one to two years of advance notice of their intent to retire. For instance, the agency's Controller recently notified BPDA Human Resources that he plans to retire in two years. As a result, the BPDA has placed a job posting for a Deputy Controller position in order to begin succession planning well in advance of the transition.

"There are some very bright minds in this organization who are committed to the city and want to see it prosper."

— URA STAFF MEMBER

URA representatives at the Healthy Neighborhoods Summit

COURTESY OF THE URA

FINDING 4.2

Compensation is broadly in line with industry norms, but there is an opportunity to further incentivize performance.

As a public authority, the URA has more flexibility and capacity to attract and retain talented staff than conventional city or state agencies.

According to a salary analysis conducted by PRM Consulting Group in 2019, the URA's wages are competitive with industry peers in the nonprofit sector: URA base salaries are 93% of the market mean and 96% of the market median. That said, the URA does not currently offer performance-based compensation, either through bonuses or increases to base salary, resulting in both low- and high-performing staff in the same positions receiving the same compensation, creating the risk of a disincentive for good work.

Across the nonprofit sector overall, approximately two thirds of firms have some form of variable pay. Mission-based nonprofits tend to be bonus-averse. Economic development entities are increasingly adopting **performance-based compensation** to attract and retain talented staff. According to the International Economic Development Council's 2019 Salary Survey Report, the share of economic development professionals eligible to receive cash compensation other than base salary increased from 36% to 44% between 2016 and 2019. Nearly half, or 48%, of economic development professionals reported that personal performance was the single biggest factor in their compensation, followed by local cost of living and overall organizational performance.

In 2018, Boston's BPDA adopted a **merit-based pay framework**. Prior to this reform, the BPDA had worked with an external consultant to update the salary range for each position at the agency based on specified duties and responsibilities. Now, the BPDA provides an additional increase on each employee's base salary based on annual performance evaluations. PIDC is also currently exploring a shift to merit-based pay, in addition to offering annual bonuses of up to 5%.

NOLABA recently adopted an innovative approach to **funding performance-based bonuses**. Although NOLABA is an independent 501(c)(3), most of its operating revenues are drawn from the City of New Orleans' general fund and thus cannot be used for bonuses. In order to fund year-end bonuses, NOLABA draws on the approximately $1 million in unrestricted funds that it raises from private investors each year.

Moving forward, the URA may also benefit from adopting merit-based compensation as a strategy to incentivize staff performance. In addition to merit-based compensation, establishing pay grades based on experience and educational attainment may be a useful tool to standardize offers of employment.

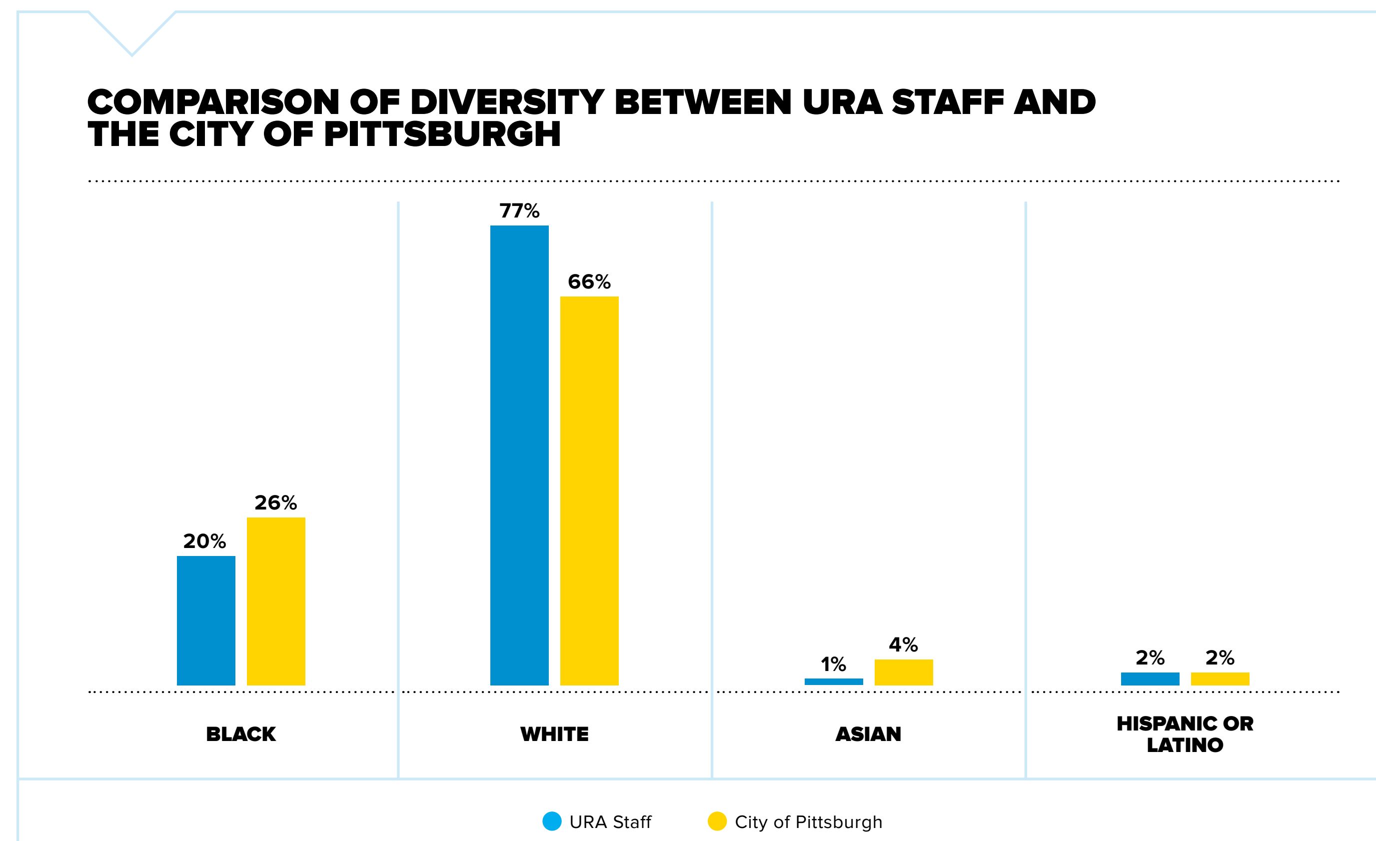
FINDING 4.3

The URA is committed to improving its workplace diversity and addressing pay equity.

Since its founding in 2015, the URA's Equity Working Group has advanced a range of initiatives, including hiring an MWBE Program Officer and HR Equity and Inclusion Fellow; diversifying the agency's staff by widening its recruitment pools; and implementing staff trainings focused on diversity and inclusion.

Surveys indicate positive staff reception, with representative quotes stating that "we've made strides" and that recent efforts allow "women and people of color to have a voice at the table." The racial, ethnic, and gender diversity of URA directors in particular has increased over the past five years.

FIG. 23: Comparison of the racial and ethnic demographics of the URA and the City of Pittsburgh: The URA needs to continue to attract a diverse staff that reflect the demographics of Pittsburgh.



Given the URA's complicated history of urban renewal, the URA should publicly acknowledge its past mistakes.

At the request of the Equity Working Group, the URA commissioned a **Racial Equity Assessment in 2018**. The report included ten recommendations, from promoting pay equity to deepening community engagement to conducting racial equity trainings. All recommendations are now either in progress or completed. This progress has not been clearly communicated to external stakeholders. Given the URA's complicated history of urban renewal, the URA should publicly acknowledge its past mistakes and communicate the extent to which it is engaged in promoting a diverse and equitable workplace.

Like the URA, Prosper Portland demonstrates how organizations can work proactively to **embed racial equity in internal policies and procedures as well as external engagements**. In 2016, Prosper Portland created an Equity Council to provide oversight on the implementation of internal equity initiatives outlined in its 2015-2020 strategic plan. The Council has fourteen members, is chaired by the Executive Director of Prosper Portland, and is guided by a charter document that is publicly available on the agency's website.

Minneapolis CPED is also on track to reach **staff diversity goals** set by the City Council (50% women, 30% minority) and has higher levels of diversity than the overall municipal workforce. PIDC, meanwhile, reports its diversity numbers to the City of Philadelphia on a quarterly basis, has representatives on the City's Diversity Advisory Council, and is in the process of launching an internal survey for PIDC staff to assess diversity and inclusion metrics across the organization's three business units.

Overall, a survey of peer cities suggests opportunities for the URA to more strategically and regularly communicate its progress advancing diversity and inclusion with key stakeholders and the general public.

URA staff visit the Ascend rock climbing gym in Pittsburgh

COURTESY OF THE URA

RECOMMENDATIONS

URA TO LEAD

RECOMMENDATION 4.1

The URA should put systems in place to boost morale, raise productivity, and ensure transfer of institutional knowledge.

The new Executive Director will face the challenge of a rapidly transitioning URA, as nearly 43% of staff have joined in the last five years.

The URA should immediately begin succession planning for key leadership positions, particularly at the Director level, in order to mitigate a loss of institutional knowledge. The URA should develop succession plans for key positions as part of the annual review process, prioritizing upcoming retirements at least one year in advance.

To improve morale and boost employee productivity and sense of belonging, the URA should expand professional development opportunities. Potential options include:

- **An expanded URA lecture series**, where staff and/or external speakers lead discussions over breakfast once a month around issues pertinent to the URA's work;
- **Training and mentorship workshops**, where newer employees can learn from experienced employees about key historic projects, project management tools, critical legal and policy frameworks, the URA's finances and budget, and more;
- **Continue to provide financial support to staff for ongoing education**, including for evening graduate/professional degrees or certifications (on the same model as tuition support currently provided to City of Pittsburgh employees, but with longer-term, post-graduation agreements);
- Work with university partners to gain similar **educational discounts for URA employees** as are currently received by public employees;
- **Internal awards** for performance and project management can also boost motivation among staff while ensuring alignment with the URA's broader goals, as outlined in its business plan.

To measure the impact of these changes and the overall organizational strategy, an **employee survey should be conducted on an annual basis** to measure staff morale and satisfaction, particularly following the upcoming implementation of the agency's organizational reforms and business plan. The 2019 survey conducted as part of this study can serve as a baseline for employee satisfaction prior to the organizational reforms.

URA staff in 2019

COURTESY OF THE URA

URA TO LEAD

RECOMMENDATION

4.2

While retaining a focus on base pay equity, the URA should add awards or bonuses to incentivize performance.

Total compensation should continue to be periodically reviewed to ensure fairness and equity in the distribution of any performance-based components.

The URA should create a formal salary structure, with bands and ranges to give staff clear expectations of how they will advance through the organization.

Economic development organizations are increasingly adding merit-based pay components. As a quasi-public entity, the URA has considerably more flexibility in its compensation methods than conventional city, state or federal agencies. While retaining its current focus on equity in base salaries, the URA should explore opportunities for performance-based elements such as awards or bonuses in order to attract and retain key talent.

Decisions on compensation and promotions should be driven by annual performance reviews, which evaluate individual contributions towards departmental and agency-wide objectives. URA staff should also be rewarded if the organization exceeds its metrics and targets as outlined in the agency's business plan. In particular, the URA should **pilot the use of staff incentives** such as discretionary spot bonuses, which are paid throughout the year based on extraordinary performance or staff taking on extra responsibilities temporarily. Spot bonuses are typically flat amounts (e.g. $500 or $1,000) based on nominations from supervisors and review by leadership.

URA staff and partners at the annual Healthy Neighborhoods Celebration & Award Ceremony at Carnegie Music Hall

URA TO LEAD

RECOMMENDATION **4.3**

The URA should continue its efforts to create an inclusive workplace and communicate this progress to key stakeholders.

The URA has rapidly advanced a range of initiatives to create a more diverse and inclusive workplace, including hiring an MWBE Program Officer and HR Equity and Inclusion Fellow, diversifying the hiring pool, and commissioning a Racial Equity Assessment.

The URA should continue to build upon this progress while improving the communications of its efforts. In particular, the URA should present a yearly update to the Board of Directors focused on efforts towards diversity and inclusion and include in its yearly business planning reporting an update on its progress in implementing the conclusions of the Racial Equity Assessment. This report should include concrete data on staff diversity, MWBE procurement, as well as a narrative on the progress towards additional recommendations from the Assessment.

The URA has also recently completed a salary analysis to determine whether its compensation packages are market-competitive or exhibit any pay disparities by gender, ethnicity, or race. While the report concludes that the URA has a strong track record overall, it does suggest that that pay disparities may exist for the following employee groups: by gender for positions classified as executives; and by gender for employees with over 20 years of position tenure.

The report also notes that these pay disparities may be attributable to other factors, such as starting base salary, employee performance, education or prior experience, which were not captured in the analysis. With these findings in hand and considerations in mind, the URA should commit to developing a course of action for further investigating and, if necessary, remedying these disparities.

TALENT: Implementation Considerations & Timelne

		Action	Lead	Support	Timing
4.1 The URA should put systems in place to boost morale, raise productivity, and ensure transfer of institutional knowledge.	A)	Implement succession planning for key leadership positions.	URA		Short-Term
	B)	Implement professional development programming including training and mentorship workshops, educational support, and internal awards.	URA	Mayor's Office	Short-Term
	C)	Conduct post-implementation employee survey to measure impact of organizational strategic reforms.	URA		Long-Term
4.2 While retaining a focus on base pay equity, the URA should add awards or bonuses to incentivize performance.	A)	Create formal salary structure with bands and ranges for staff positions.	URA		Short-Term
	B)	Pilot use of staff incentives such as spot bonuses to reward high performance.	URA		In Process
4.3 The URA should continue its efforts to create an inclusive workplace and communicate this progress to key stakeholders.	A)	Continue implementing Racial Equity Assessment and salary analysis recommendations, while tracking diversity and inclusion efforts.	URA		Short-Term

= Mayor's Office Implements = URA Implements **Short-Term** = Within 9 months | **Medium-Term** = 9-18 months | **Long-Term** = 18-24 months

EXTERNAL ENGAGEMENT

External engagement includes partnerships with organizations with overlapping goals as well as outreach to community stakeholders. Partnerships are essential to the success of economic development entities, enabling them to focus on their core strengths while multiplying the impact of their programs. Strong communications also disseminate knowledge of core products and services and broaden political support for operations. Ultimately, engagement with stakeholders is foundational to the work of community and economic development. Relationships with community members and two-way communication on specific issues and projects helps ensure that redevelopment activities advance local goals.

To benchmark the URA's external partnerships against its peers, HR&A explored the following questions:

- **How has the organization utilized partnerships to work with external entities, including community-based organizations, foundations, and the private sector?**
- **How well is the organization's work communicated to outside stakeholders?**
- **What is the format and scope of the organization's community engagement efforts?**

FINDINGS

FINDING 5.1

The URA has few formal partnerships with private and nonprofit entities.

The URA has limited formal partnerships with external parties, particularly with local and regional organizations working on relevant issues such as workforce development, business attraction, entrepreneurship, open space management, and supportive services.

Overall, stakeholder interviews conducted for this report indicated that the URA has limited communication and partnerships with nonprofits and governmental entities that may have overlapping goals. The creation of a new Chief Strategy Officer position in 2018 represented an important step in strengthening relationships with external partners, and can be built upon to improve coordination and strategic planning. Since June 2019, this position has been vacant.

Recent MOUs, including those with the Green Building Alliance to verify LEED checklists, provide precedents of how future partnerships could be structured. Similarly, incipient cross-sectoral partnerships such as InnovatePGH and the Red Team created to compete for Amazon's second headquarters offer examples of productive collaboration in service of realizing the URA's mission and the City's economic development objectives.

Other cities offer useful precedents of **creative cross-sectoral partnerships,** such as corporate partnerships and intergovernmental programs to improve business retention efforts or entrepreneurship that leverage private-sector resources and expertise towards shared goals. NOLABA, for instance, has engaged in several innovative **corporate partnerships** in recent years focused on growing specific industry clusters. A good example is the New Orleans Health Innovators Challenge, a competition designed to accelerate digital health business activity in New Orleans. NOLABA collaborated on the Challenge with notable private sector partners including Ochsner, Blue Cross Blue Shield of Louisiana, and Capital One providing capital and technical assistance.

In recent years, PIDC has also engaged in several innovative **partnerships focused on supporting early-stage entrepreneurs**. Working with the City's Department of Commerce, Comcast NBC Universal, Technical.ly, and Philly Startup Leaders, PIDC launched StartUpPHL in 2012 with the goal of growing the city's entrepreneurial ecosystem through increased programming and access to capital. More recently, PIDC has also served as investment partner to several prominent early stage investors including First Round Capital, University City Science Center, Ben Franklin Technology Partners, and the DreamIt Fund. In addition to growing the city's entrepreneurial ecosystem, PIDC has also generated some returns from these investments that have been used to fund general operations.

Finally, Boston's BPDA works closely with the City to link development and workforce training. The entity levies a linkage fee on developments over 100,000 SF to generate income for workforce development initiatives through the City of Boston's Office of Workforce Development (which is staffed by the BPDA). The linkage fee was created in 1987 through the Neighborhood Jobs Trust to fund jobs training and related services throughout Boston.

Overall, strong partnerships are a necessary component of economic development agency success. The URA's relative lack of formal partnerships is an opportunity for further improvement and success.

A URA Housing Opportunity Fund meeting in the East End

COURTESY OF THE URA

FINDING 5.2 The URA lacks a standardized approach to community engagement.

The URA's role in community engagement is uneven and varies considerably by both neighborhood and department.

Dedicated staff often spend nights and weekends at local events, town halls, and listening sessions, but such community engagement is not coordinated between departments.

The Mayor's Office has repeatedly stated that **community engagement and neighborhood-based development are key priorities** for the City. At present, communities across the city have their own bespoke procedures for engaging with the URA. Some neighborhoods, such as Larimer, have Memoranda of Understanding governing the community's role in URA property disposition. Others have one-off Community Benefits Agreements with the URA or URA-affiliated developers. This discrepancy is due to a number of factors, including: variation in sophistication and capacity of community-based organizations; disparity in philanthropic support across neighborhoods; some neighborhoods having many URA-owned properties while others have very few; and some neighborhoods having community plans while others do not. There is little coordination between departments on community engagement, and responsibilities for community engagement are distributed across project managers and vary greatly by department.

The recent creation of URA's **Engage Committee** (comprised of representatives Real Estate, Economic Development, Center for Innovation and Entrepreneurship, Housing, Housing Opportunity Fund, and MWBE teams) represents an important first step in standardizing the ways in which the URA conducts community outreach. As one staff member noted, "our community engagement is robust, but is often conducted department-by-department. We need a comprehensive community outreach effort and our hope is that Engage can become that." To date, the Engage Committee has conducted an URA-wide survey to evaluate how departments are currently conducting community outreach and what resources are being committed to such activities (both in terms of funding and staff time). Expanding and consolidating this effort may require the dedication of additional operating funds from the City of Pittsburgh.

In addition to the lack of standard approaches to community engagement, URA's relationships with City Council are uneven. As evidenced by the December 2018 budget discussions, which threatened URA's annual budget for operations, the URA has opportunities to improve its relationships with key political stakeholders,

> **"Our community engagement is robust, but is often conducted department-by-department. We need a comprehensive community outreach effort and our hope is that Engage can become that."**
> — URA STAFF MEMBER

including City Council and City Hall. Interviews with members of City Council indicated varying knowledge of URA projects and programs, with some members expressing close working relationships and partnership with URA, while others viewed the URA as opaque and insufficiently active in their neighborhoods. The recent hiring of a new intergovernmental officer in 2018 to centralize intergovernmental outreach was noted as a positive step towards improving relationships. As of May 2019, the URA has also committed to delivering quarterly status reports to the City Council.

Overall, the URA engages its stakeholders regularly, although efforts could be made to coordinate engagement in communities and strengthen bonds between the URA and the elected stakeholders. Nonetheless, it is crucial to note the outpouring of support on behalf of the URA by local housing and community development advocates during the 2018-19 budget negotiations, which showcased the relationships the URA has built in recent years with the advocacy community.

NEXT 3 Days event at the Carrick Historic Dairy District Pavilion

COURTESY OF THE URA

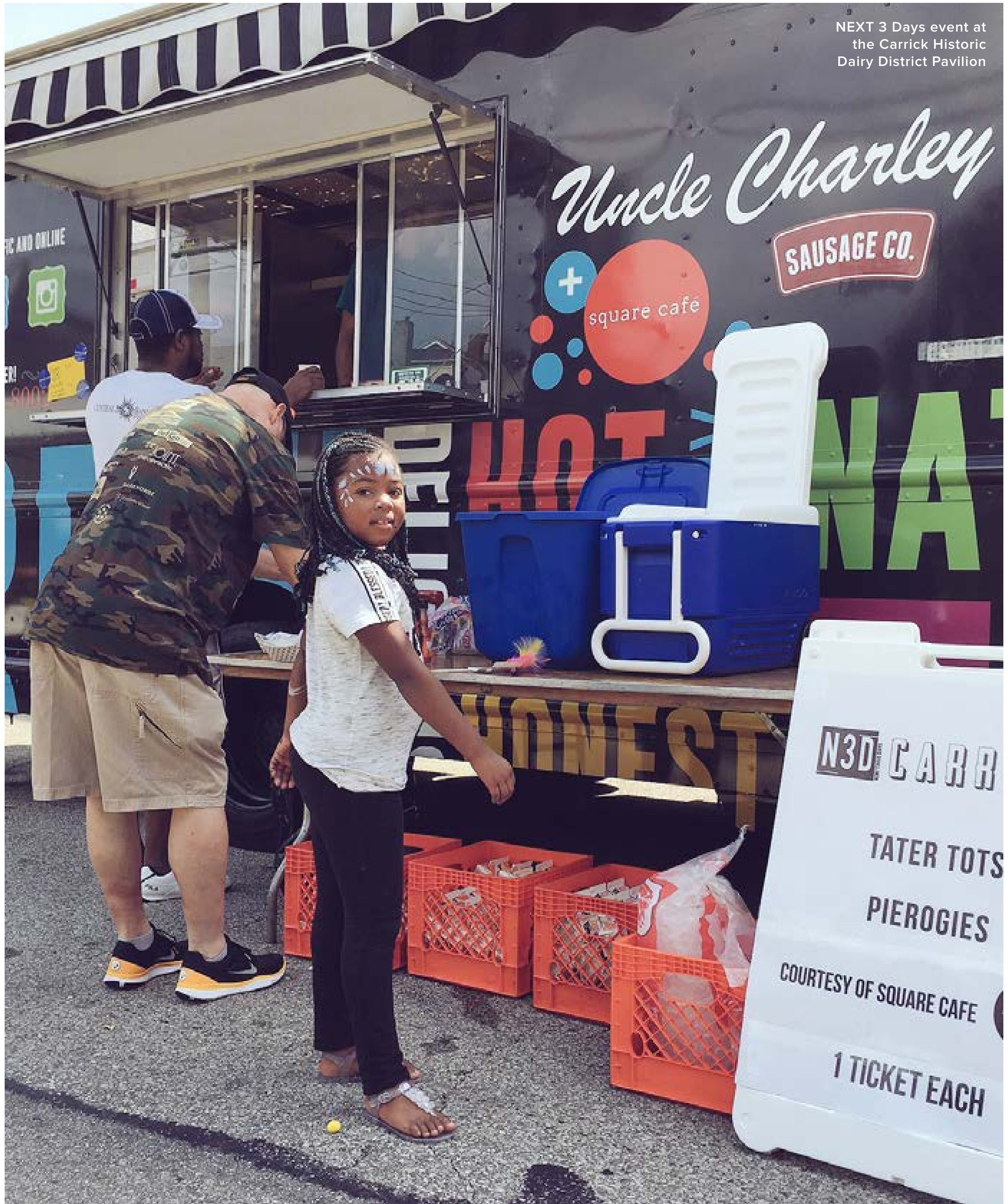
For many agencies reviewed, community engagement was considered tangential to the economic development entity's core priorities. Indeed, among its peers, the URA is notable for its deep if uneven commitment to community engagement. Several peer entities are however strengthening their emphasis on community outreach as part of an increased focus on promoting equity and combating disparities.

Prosper Portland and the BPDA offer examples of organizations that have reformed their approach to community engagement to reflect an **emphasis on equitable development and standardize community engagement procedures across the agency**.

Following its organizational restructuring in 2015, Prosper Portland began to hire staff for Community Engagement Support, a new staff role within the Department of Equity, Governance and Communications, focuses on managing and streamlining the agency's engagement efforts, providing support for project managers, updating the agency's Community Engagement Guidelines, and ensuring that departments are aligned in their community outreach processes. Mayra Arreola, the Director of EGC, described the role as "a UX [user experience] person for community engagement."

The BPDA, meanwhile, has more than tripled the number of community planning efforts it is engaged in following its recent rebranding. Although the BPDA is the City of Boston's planning agency – and thus more comparable, in some respects, to Pittsburgh's Department of City Planning (DCP) – the agency's work offers useful lessons for the URA as it explores new models for community engagement. Like the URA, the BPDA has significantly innovated on its community engagement procedures in recent years, shifting away from town hall style meetings towards workshop-style engagement sessions, office hours at libraries, and visits to community events. To support this increase in participatory planning, the agency has created five new community engagement positions on its planning team. Participatory planning has become a cornerstone of Boston's planning, including the award-winning comprehensive plan Imagine Boston 2030, which involved one of the most extensive community engagement efforts in the city's history and resulted in the City's first citywide plan in 50 years.

Overall, forward-looking economic development entities are increasingly looking to focus on community engagement as they advance an equity agenda.



COURTESY OF THE URA

FINDING 5.3

The URA's marketing and communications team has not effectively communicated agency accomplishments to key stakeholders.

External stakeholders and the public at large have a limited understanding of the URA's successes, the nature of its relationship to the City of Pittsburgh, or its critical role in driving affordable housing and small business growth in the city.

This knowledge gap appears due to an ad-hoc communications strategy and perceived brand inconsistency. Currently, the URA's two-member communications team is not part of the Executive Team and as a result is often **not briefed on key strategic decisions.**

Small business owners who have engaged with the URA generally expressed positive feedback, but **most learned about URA programs through word-of-mouth** or ad hoc interactions with individual staff. The City is also perceived as not doing enough to promote URA success stories, contributing to a sense among URA staff that they are not adequately appreciated or valued by the City.

A survey of economic development entities in peer cities reveals a range of strategies for disseminating key information and building relationships with potential external partners: **1) linking strategic communications and policy efforts; 2) ambassadorship programs; and 3) capitalizing on milestones.**

Prosper Portland offers a case study of an agency whose **communications and policy work are strongly intertwined** around the brand of equitable development. Prior to the agency's organizational restructuring in 2015, the public affairs team had a limited focus on social equity and no role in the agency's community engagement efforts. As part of the agency's reorganization, its social equity policy and communications departments were merged, so that strategic development, community engagement, and external communications are aligned under common leadership: a new Department of Equity, Governance and Communications.

Since its rebranding in 2014, Invest Atlanta has undertaken **strategic digital communications efforts** to raise awareness of its work. Immediately following its name change, the organization brought on a new communications team to promote the city's economic development assets both nationally and internationally, reflecting the agency's increased focus on economic competitiveness and job creation. Invest Atlanta's recent website redesign, meanwhile, focuses on clearly laying out the agency's products and services as well as key accomplishments. Launched in 2018, the website features an easy-to-use dashboard of the agency's main business lines

"I don't think the average Pittsburgher knows what the URA is or what it does. I think a broad-scale marketing campaign is important to help education Pittsburghers about the URA, its work, and its mission.

— URA STAKEHOLDER

and a new Impact & Insights page allowing users to search projects by type, industry, location and year. Invest Atlanta has also created a YouTube page, InvestAtlanta TV, with videos profiling small business success stories, agency leadership, and key accomplishments.

Invest Atlanta also offers an example of an entity whose scoring and eligibility criteria for incentive and loan programs are clearly laid out online. The most prominent feature of Invest Atlanta's website home page is an interactive dashboard that allows potential borrowers and partners to quickly find out about potential programs. With a few clicks, users can find out about key programs, including requirements, eligibility, uses of funds, neighborhood compatibility, and other guidelines.

In New Orleans, NOLABA also offers a useful precedent of an agency focused on **marketing and communications for business attraction**. As the City of New Orleans' lead agency for business attraction, one of NOLABA's key goals is to increase awareness of New Orleans' economic development potential. Key marketing initiatives include the Economic Development Ambassadorship Program (EDAP), which trains New Orleans-based professionals to become ambassadors for the city, and #WhyNOLA, a marketing campaign to promote New Orleans business success stories through articles, videos, and social media.

Finally, PIDC represents an example of an entity that successfully leveraged **a major anniversary** to raise awareness about its work and build stronger relationships with key partners. To mark its sixtieth anniversary in 2018, PIDC launched a campaign called "60 Years. 60 Stories." profiling projects past and present in every part of Philadelphia. The campaign included videos, blog posts, and an anniversary celebration with 600 guests at the Reading Terminal Market, an iconic food hall in downtown Philadelphia that PIDC helped to revitalize. According to PIDC President John Grady, the anniversary provided an opportunity to engage former, current and future clients and mark "the history and legacy of the organization, reinforcing the critical partnership [between the City and business community] and reminding current and future generations about its effectiveness."

RECOMMENDATIONS

URA TO LEAD

RECOMMENDATION 5.1

The URA should strengthen and formalize partnerships with external entities in service of economic development objectives.

Given the scale of Pittsburgh's ambitions and the limited resources and authority of the URA, close partnership with city and nonprofit entities is essential for advancing citywide economic development priorities.

Overall, the URA is well-respected among the organizations that make up Pittsburgh's economic development landscape, though there is a lack of formal partnerships across these various entities as well as some missed opportunities for critical partnerships. The URA should strengthen partnerships in the following arenas:

- **Citywide Priorities:** Cement relationship between the City of Pittsburgh and its departments and City Council. The URA should work closely with the CEDO to ensure alignment of priorities across the City, and to coordinate economic development activities with relevant City departments.
- **Business Attraction and Retention:** In addition to its existing monthly meetings to review business attraction leads and targets, the URA should strengthen its working relationship with regional partners including the Allegheny Conference and Allegheny County Economic Development. Regular training on URA programs, for instance, would ensure regional partners are well equipped to relay business incentives and other offerings to new businesses. The Conference and the City should be the primary public-facing entities for business attraction efforts, while the URA should continue to support TIF and other economic development and real estate planning for companies. The URA should also explore the creation of business advisory committees, potentially organized by target industry sector, who can advise on talent development, infrastructure, incentives, and other factors affecting business growth.
- **Future Industries:** Strengthen working relationship between InnovatePGH and URA CIE staff to better define delineation of roles between the URA and InnovatePGH in the innovation economy. In particular, the URA may be best served to focus on business support and real estate development, whereas the InnovatePGH coalition may be better used as a convener of key university and corporate partners, including events like the annual Inclusive Innovation Summit (which is currently co-sponsored by the URA).

- **Workforce Development:** Create a new partnership with Pittsburgh's regional workforce investment board, Partner4Work (P4W), and other entities such as the Community College of Allegheny County and the Energy Innovation Center. The URA should work with the City and County to reinstate URA representation on the P4W Board as well as organize monthly meetings between project-level staff on ongoing real estate and business projects to assess potential collaboration. In the long-term, the URA should consider the inclusion of specific workforce development objectives on URA projects in addition to existing job creation requirements.

- **Open Space Management:** In addition to developing IGAs with the City to provide funding support for URA open space management, the URA should develop a partnership with the Pittsburgh Parks Conservancy to explore transfer of management responsibilities for both existing and new open spaces created as part of larger URA projects. Open spaces currently under the URA's purview include: South Shore Riverfront Park, Summerset at Frick Park, Hays Woods, and the former Homewood School adjacent to Stargell Field.

Community engagement session to prepare for the "NEXT 3 Days" event in Carrick

COURTESY OF THE URA

In addition to practice areas, the URA should build stronger relationships with several key stakeholders that have not yet been sufficiently engaged by the URA in a coordinated fashion, including:

- **Foundations:** The URA has productively engaged with Pittsburgh's robust philanthropic community for the support of priority initiatives. While this has resulted in the funding of significant one-off initiatives – including the East Liberty Transit Revitalization Investment District and the Larimer Choice Neighborhoods Initiative – there is an opportunity for more strategic collaboration in service of Pittsburgh's economic development priorities. The URA and the foundation community, potentially with the aid of a URA-affiliated nonprofit, could combine public and private resources on critical projects where missions align, such as support for small businesses. Baltimore's Neighborhood Impact Investment Fund (NIIF) provides a useful model in this regard. A public-private partnership capitalized by City parking revenues, the NIIF provides gap financing to social impact projects in low-income neighborhoods through collaborations with CDFIs, intermediaries, and other nonprofit providers.

- **City Council:** The URA should continue strengthening its relationship with City Councilmembers, many of whom have expressed wariness or lack of knowledge about URA projects and programs. The URA's annual report already tabulates projects and loans by Council district, but many Councilmembers are unaware of the URA's impact in their districts (or lack context as to why the URA may not be operating in their district, as in the case of wealthy neighborhoods). The URA intergovernmental team should brief each Councilmember's office on ongoing projects in their Council district every quarter, and provide details on number of projects, loans, and units of housing built per district. While the URA has provided educational overviews and training sessions to the Mayor's Office ("URA 101"), City Council has not participated in such sessions, furthering the knowledge gap regarding the URA's resources, tools and programs. The launch of quarterly progress reports for Councilmembers in May 2019 represents an important first step towards closing this information gap.

The URA should leverage its Board of Directors, as well as the transition with the new Executive Director, to strengthen and reinforce these partnerships. The Board of Directors can use existing relationships with key stakeholders to increase understanding of critical URA functions and generate overall support for the organization. The Executive Director can play a critical role in developing long-term, strategic partnerships with philanthropic entities.

URA staff attend the 2017 National Brownfields Training Conference in Pittsburgh

COURTESY OF THE URA

URA TO LEAD

RECOMMENDATION
5.2

The URA should unify its approach to community engagement between departments and across neighborhoods.

As the URA increases its focus on equitable development and smaller-scale real estate and business projects, community engagement increases in importance.

While the URA has recognized that community engagement is an integral part of its work, it has few centralized and coordinated resources to standardize and track community engagement. The URA should create a new staff role to coordinate and standardize all URA community engagement efforts. This individual's responsibilities should include:

- Supporting and overseeing the implementation of the ongoing Engage process, including the development of community engagement guidelines, the creation of a community engagement calendar to centralize efforts, and avoiding duplicative engagement with the same stakeholders;
- Supporting the community engagement efforts, including coordinating logistics and materials at URA engagement events around the city;
- Working with the communications team to develop tools (text, images, and other digital content) that URA community partners can insert into their own communications and promote through their networks; and
- Building on the community engagement tracking efforts which the URA launched in 2019, including number of events, type of event, department with which the event is affiliated, and number of attendees.

Key Priorities for Community Engagement as Identified by URA Staff

- Technical assistance to Community-Based Organizations (CBOs)
- Early contact with community representatives early in project planning
- Ongoing, regularly scheduled meetings to provide residents with updates on URA projects
- Open dialogue in meetings
- Training URA staff to engage the community effectively
- Effectively using narratives and story-telling to community URA values, objectives, and activities

SOURCE: URA COMMUNITY ENGAGEMENT SURVEY, NOVEMBER 2018

A URA NEXTneighborhood event in Homewood

COURTESY OF THE URA

URA TO LEAD

RECOMMENDATION **5.3**

The URA should create a new executive office merging strategic policy, communications, and community engagement.

Communications have been underutilized by the URA to-date. Although the communications team is currently housed within the URA's Executive Department, coordination between the Executive Office and the communications team is somewhat ad-hoc.

The URA should elevate and consolidate its communications functions through the creation of a new Executive Office for external engagement. The role of the new office would be to oversee strategic policy, communications, intergovernmental affairs, and coordinate community engagement. The office would also produce annual reports, original research, and press releases.

This new Office of Strategic Policy & Communications would be overseen by a Deputy Executive Director, reporting directly to the Executive Director. This represents an evolution of the current Chief Strategy Officer position, overseeing a staff of 5 employees in charge of communications, intergovernmental affairs, strategic policy and community engagement. Policy and communications should be tied together as their roles complement each other. URA data, research, and policy should shape communications, and communications can help shape policy emphasis and direction through keeping a close eye on key Pittsburgh trends. We estimate that 2 new staff will need to be hired or reassigned from elsewhere in the organization: a Policy & Data Analyst and a dedicated Community Engagement Coordinator (see Fig. 24).

Create a new strategic policy team

The strategic policy team would constitute a new team focusing on producing research and analysis to support neighborhood by neighborhood projects and strengthening the URA's commitment to community development. The policy team would also help URA staff track relevant metrics and produce status updates on progress towards business planning objectives. The URA would benefit greatly from having dedicated staff that can gather and analyze data from within the URA as well as source data from City partners (such as the Department of City Planning or Department of Innovation & Performance) and regional entities (including Allegheny County Economic Development, the Pittsburgh Regional Alliance, the Pennsylvania Economy League of Greater Pittsburgh, and the Allegheny Conference). The URA might also collaborate with the PGH Lab, the City's annual civic tech program, to develop and pilot new data tools.

Once the database has been built out, the Office of Strategic Policy & Communications could then leverage this information for more intentional policy changes and new initiatives, such as the targeting of certain populations and neighborhoods for specific programs or quantifying the impact of URA programs on specific neighborhoods. The team could also leverage new digital tools to maintain a centralized repository of community contacts to improve outreach and engagement. The strategic policy team could also serve as a key point of contact within the URA for businesses seeking to move to Pittsburgh and eager to understand the economic development landscape. Overall, the team would add significant analytical capacity to URA decision making, well beyond the market valuation analyses that currently guide the Real Estate Department's work.

The Office of Strategic Policy & Communications would also be charged with the production of the URA's 3-year business plan and the development of annual status updates reporting on progress towards stated objectives in the business plan.

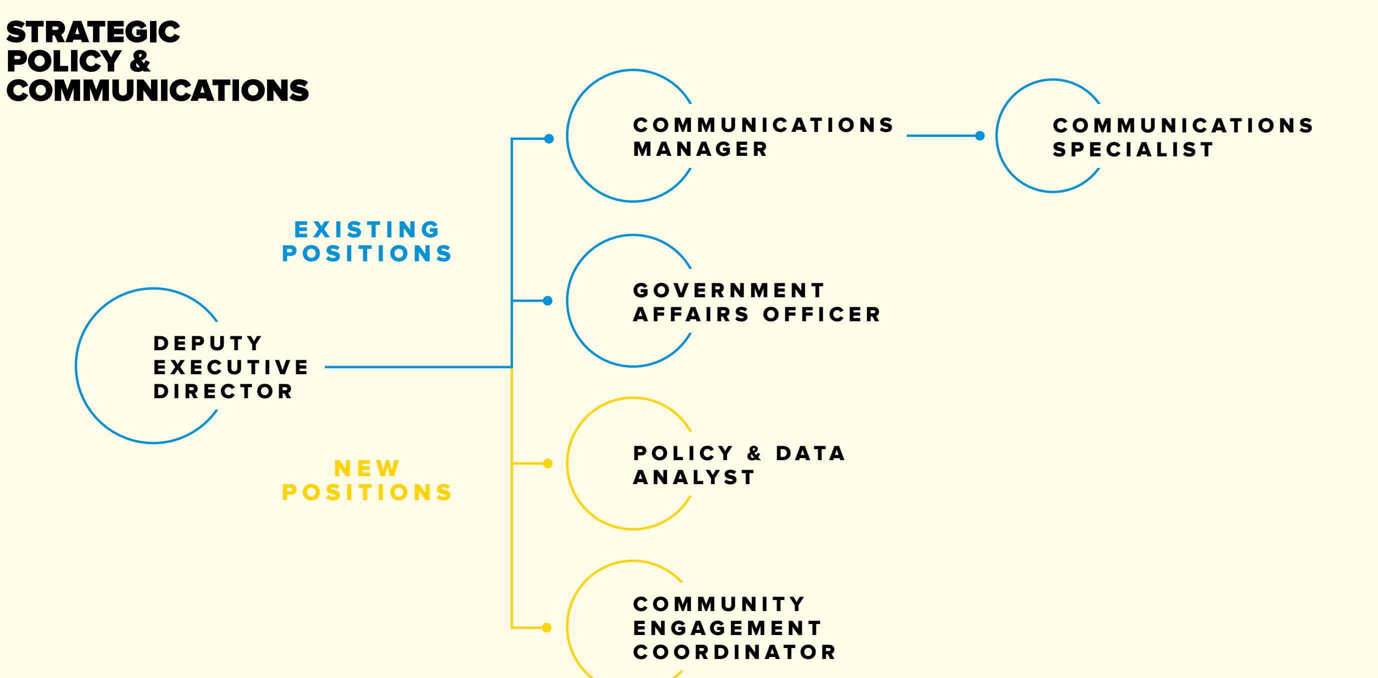
Develop an Opportunity Zone (OZ) strategy for Pittsburgh

To support projects that advance the City's economic development priorities, the Office of Strategic Policy & Communications should further proactively prepare for investment through Opportunity Zones (OZs) in coordination with the Center for Innovation and Entrepreneurship. Investments in qualified Opportunity Zones (distressed neighborhoods) offer substantial long-term tax benefits to investors. Although regulations are still being finalized, some institutional investors have already begun to raise multi-billion-dollar funds in anticipation of implementation.

Although the OZ program cannot provide operating revenues for the URA, it can provide a significant source of equity financing for projects that contribute towards citywide priorities. The URA took an important first step in courting OZ investment through the publication of a prospectus in January 2019.[26] To capitalize on the momentum associated with the program, as well as the circumscribed time horizons under which investments must be placed, the Office of Strategic Policy & Communications should assign resources to perform functions including: marketing Pittsburgh OZ opportunities nationally; providing matchmaking services between OZ funds and potential projects, as well as community-based partners; and tracking the community impacts and public benefits associated with OZ projects receiving City or URA support.

The URA should work with the Allegheny Conference to proactively court Opportunity Zone fund managers to ensure that Pittsburgh is a strong competitor for investment through this new financing tool. A coordinated and strategic approach is critical to ensuring that investments reach the highest-priority projects and neighborhoods where they can have the greatest impact, rather than simply providing additional returns to investors on projects that would have been feasible even without OZ tax benefits.

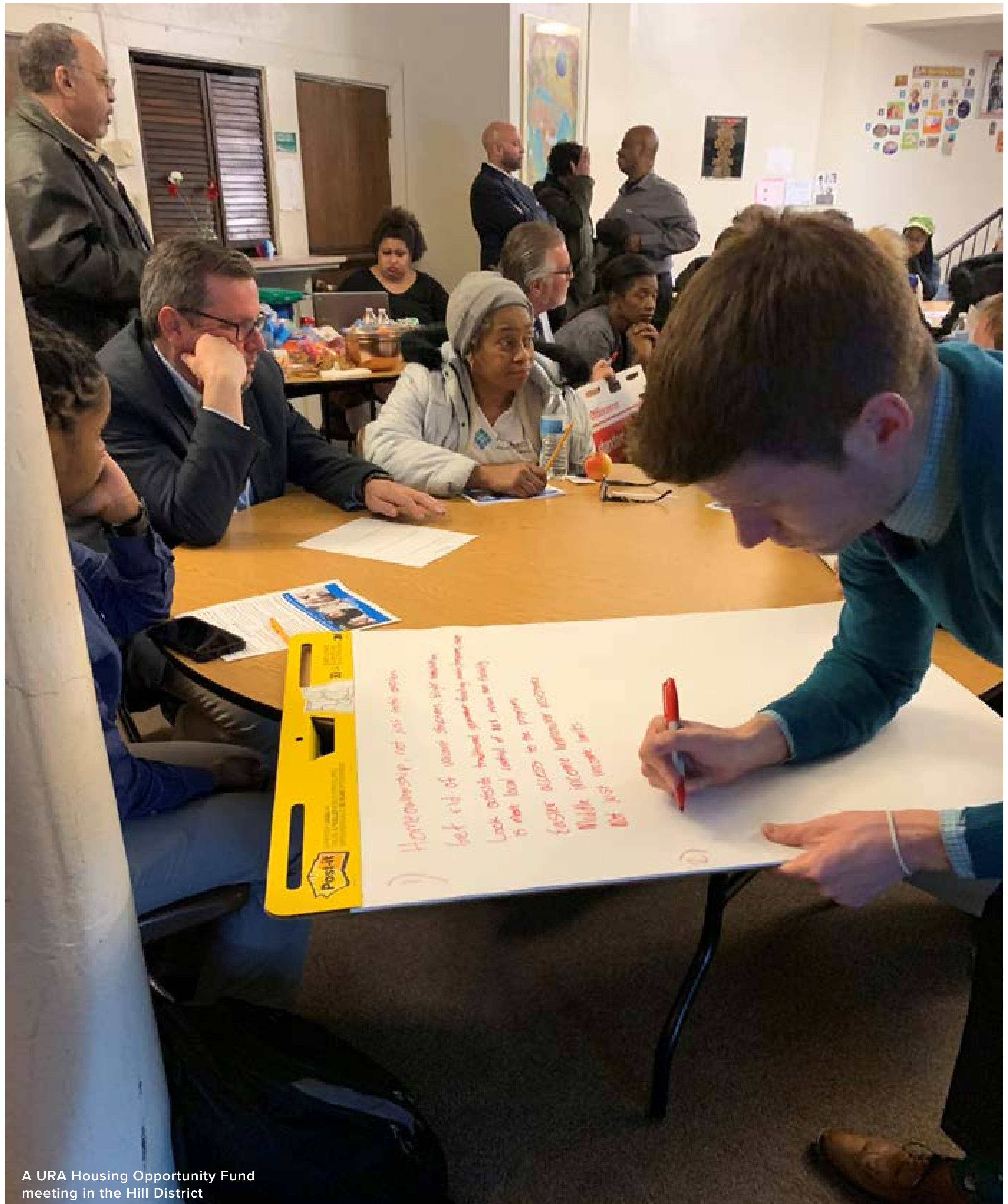
FIG. 24: **The proposed organizational chart for the new Office of Strategic Policy & Communications.**



Better integrate communications ahead of the URA's 75th anniversary

Within this new department, the communications team would focus on elevating and unifying URA communications ahead of the 75th anniversary of the organization. The team will ensure that communications such as the URA newsletter and annual report reflect progress reports of the business-planning process and the URA's role within citywide economic development priorities clear. The communications department should directly focus on retooling the newsletter to focus on URA events and programs, as well as designing and implementing the URA 75th anniversary communications strategy.

The 75th anniversary of the URA in 2021 presents a significant opportunity for the URA. The URA should leverage the anniversary as a deadline to undergo organizational repositioning and implement the aforementioned recommendations. In addition, the anniversary can be used as an opportunity to launch any new branding or name change (see Recommendation 1.3) as well as to showcase the ways the URA has impacted the City of Pittsburgh and its planned changes to continue to support Pittsburgh. The communications effort could include a video series about key URA projects, social media posts to raise awareness of its programs, and events to commemorate and celebrate with partners.



A URA Housing Opportunity Fund meeting in the Hill District

COURTESY OF THE URA

EXTERNAL ENGAGEMENT: Implementation Considerations & Timeline

		Action	Lead	Support	Timing
5.1 The URA should strengthen and formalize partnerships with external entities in service of economic development objectives.	**A)**	Strengthen existing partnerships in business attraction and talent development for key industries.	URA	Allegheny Conference, Partner4Work, Others	In Process
	B)	Establish stronger working relationships with key stakeholders, including Foundations and City Council through "URA 101" sessions.	URA	Foundations, City Council	In Process
5.2 The URA should unify its approach to community engagement between departments and across neighborhoods.	**A)**	Advance the work of the Engage Committee and develop a standardized community engagement approach.	URA		Short-Term
5.3 The URA should create a new executive office merging strategic policy, communications, and community engagement.	**A)**	Interim Deputy Executive Director to lead creation of the Office of Strategic Policy & Communications.	URA		Complete
	B)	Develop an OZ strategy for Pittsburgh.	URA		Short-Term
	C)	Better integrate communications ahead of the URA's 75th anniversary.	URA		In Process

= Mayor's Office Implements   = URA Implements   **Short-Term** = Within 9 months | **Medium-Term** = 9-18 months | **Long-Term** = 18-24 months

IMPLEMENTATION & NEXT STEPS

The URA is on the verge of tremendous change: the organization has recently appointed a new executive director, moved to new offices in Downtown, and is currently preparing to celebrate its 75th anniversary. In this moment of transition, the Findings and Recommendations provide an overview of the organization's strengths and actions it can take to realign its mission, strengthen coordination with City Hall and citywide priorities, increase financial sustainability, retain and grow its talent, and improve its partnerships and external engagement.

This section outlines the sequential next steps the URA and the Mayor's Office should take to implement the recommendations presented in this report. In order to achieve transformational change, the URA and the City will have to work closely together to establish, signal, measure, and implement citywide economic development priorities. These next steps are separated into short-term action items (within the next 9 months), medium-term action items (between 9 and 18 months) and long-term action items (between 18 to 24 months). Throughout this timeframe, clear and consistent communication will be required among all parties to ensure that organizational and strategic changes are being implemented with a common purpose.

Short-Term Next Steps (<9 Months)

Within the next nine months, the URA and the City can lay the foundations for a new era of economic development in Pittsburgh.

The Mayor's Office should implement the following steps immediately:

- Appoint a Chief Economic Development Officer (CEDO) and establish a new reporting structure for economic development entities in Pittsburgh
- Communicate citywide economic development objectives to key stakeholders
- Develop consensus on economic development, establish quantitative targets, assign roles and responsibilities, and communicate priorities to key non-City stakeholders

The URA should begin the following actions immediately:

- Reallocate near-term resources for the functions of the future Office of Strategic Policy & Communications
- Begin creation of a three-year business plan, informed by citywide economic development priorities
- Develop a financial sustainability plan, including evaluating restrictions on funds and potential sources of earned income
- Create an easy-to-read annual and/or quarterly financial report
- Reorganize the URA to streamline decision-making, reduce duplication, and improve functional clarity
- Continue implementation of the Racial Equity Assessment recommendations
- Begin succession planning for key positions
- Create a formal salary structure with bands and ranges for staff positions and implement additional professional development programming
- Strengthen relationships with City Council with proactive meetings and URA 101 workshops
- Strengthen and formalize partnerships for citywide priorities, business attraction and retention, technology and workforce development
- Communicate business plan targets to key stakeholder groups, including community development corporations, community-based organizations, business improvement districts, universities, InnovatePGH and the Allegheny Conference

African Healing Garden, Larimer

COURTESY OF THE URA

Medium-Term Next Steps (9-18 Months)

Following the hiring of the new URA Executive Director and CEDO, the URA can proceed with programmatic and organizational steps to improve its alignment with City Hall, increase financial sustainability, and pilot metrics and Intergovernmental Agreements. Actions include:

- Begin integrating Engineering & Construction functions into peer agencies and URA Performance & Compliance (to be renamed Performance, Compliance & Inspections)
- Adopt a coordinated approach to community engagement
- Pilot the first URA-City of Pittsburgh Intergovernmental Agreement
- Codify a new mission statement for the URA
- Publish an annual status report that uses metrics to demonstrate progress towards targets identified in the business plan and financial sustainability plan
- Explore the creation of a URA-affiliated nonprofit
- Create a marketing and branding strategy for the URA's 75th anniversary
- Establish formal partnerships with private and nonprofit entities to advance shared agenda

Long-term Next Steps (18-24 Months)

In the longer term, upon completion of the business plan, financial sustainability plan, pilot IGA and organizational redesign, the URA should:

- Explore changes to the agency's name, logo, and brand
- Standardize Intergovernmental Agreements
- Conduct a post-implementation employee survey to measure impact of organizational strategic reforms
- Roll out communications strategy for the organization's 75th anniversary
- Launch planning process for 2023 business plan upon completion of 2020 business plan

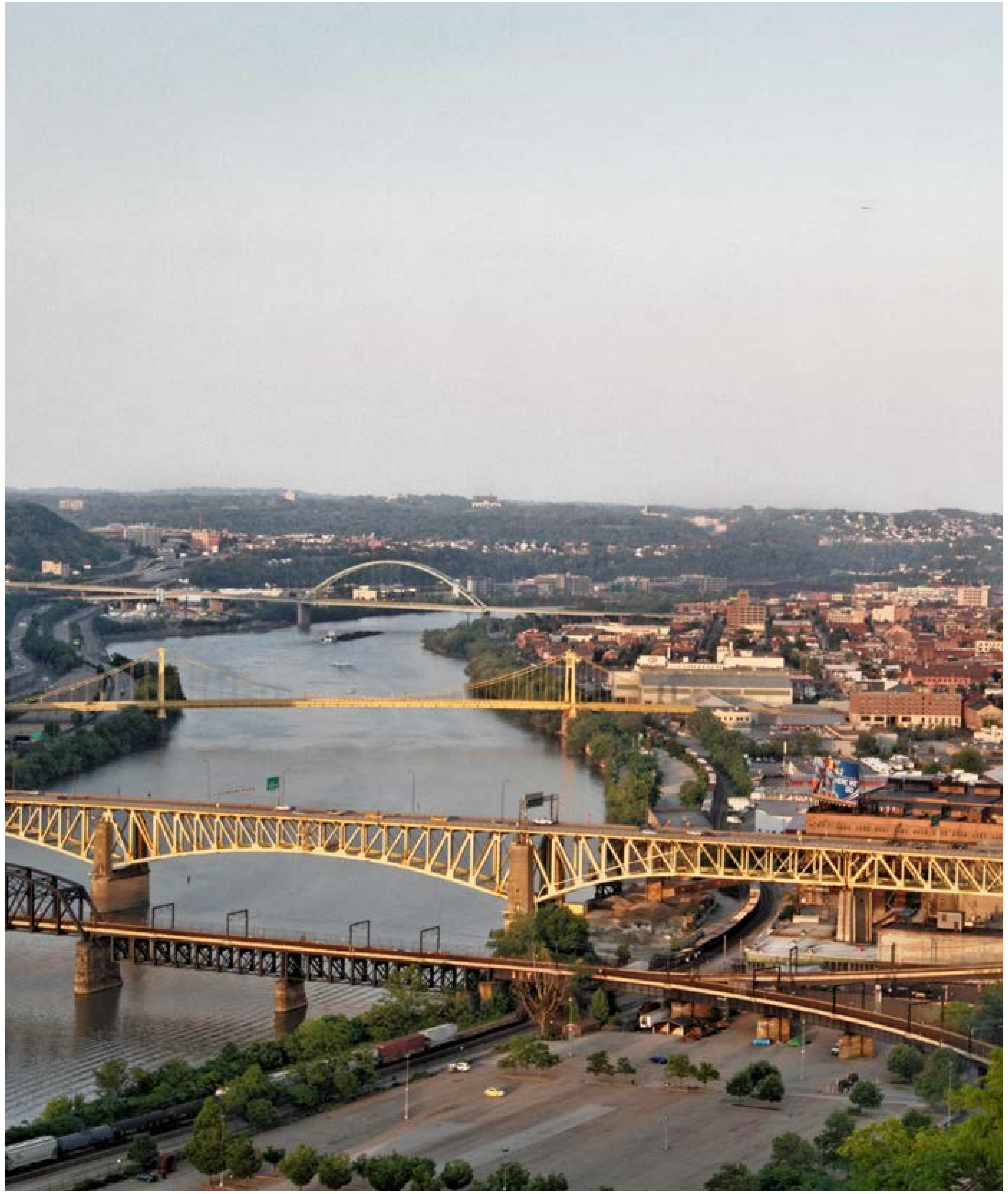
The accompanying timeline demonstrates the interdependent nature of many of these recommendations. The City must prioritize the communication of citywide economic development priorities to inform the URA's business plan objectives. Certain action items have commenced under the purview of the URA's Interim Deputy Executive Director, including the launching of financial sustainability planning, organizational realignment, and HR improvements. Other items – most notably the development of IGAs between the City and the URA – will require strong leadership from both the CEDO and the URA's new Executive Director.

= Mayor's Office Implements = URA Implements **Short-Term** = Within 9 months | **Medium-Term** = 9-18 months | **Long-Term** = 18-24 months

RECOMMENDATION		Action	Lead	Support	Timing	Dependency
1. MISSION & VISON	**1.1** The City should consistently communicate a set of citywide economic development priorities and targets.	**A)** Develop consensus on economic development goals and establish quantitative targets and timelines.	Mayor's Office	URA	In Process	Follows Task 2.1.A
		B) Assign roles and responsibilities among City and City-affiliated entities.	Mayor's Office	URA	In Process	Follows Task 1.1.A, in tandem with Task 2.1.B
		C) Coordinate on communication of economic development goals to public and key stakeholders.	Mayor's Office	URA	In Process	Follows Task 1.1.B
	1.2 The URA should create a business plan guided by citywide economic development priorities, with clear metrics and targets.	**A)** Create three-year business plan outlining tangible objectives, metrics, and timelines for accomplishment of strategic priorities.	URA		In Process	Follows Task 1.1.A
		B) Develop streamlined and automated procedures to collect and report on key metrics.	URA		Medium-Term	Follows Task 1.2.A
		C) Conduct annual status updates that leverage metrics to report on progress towards stated goals.	URA		Medium-Term	Follows Task 1.2.B
	1.3 The URA should revise its core mission statement, brand, and potentially its name in order to better reflect the City's strategic goals.	**A)** Revise the URA mission statement to increase emphasis on equitable development.	URA		Medium-Term	Follows Task 5.3.A
		B) Explore and implement changes to the URA name, logo, and brand.	URA		Long-Term	Follows Task 1.3.A
2. LEADERSHIP & GOVERNANCE	**2.1** The City should appoint a Chief Economic Development Officer within the Mayor's Office to coordinate economic development.	**A)** Appoint Chief Economic Development Officer (CEDO).	Mayor's Office		Complete	
		B) Establish a new economic development reporting structure and implementation roadmap.	Mayor's Office	URA, DCP, PLI, HACP, DOMI, DPW, PWSA, PPA, SEA, SACP	Short-Term	In tandem with Task 1.1.B
	2.2 The URA should reorganize its departments to streamline decision-making, reduce duplication, and improve functional clarity.	**A)** Appoint a new Executive Director for the URA.	URA		Complete	
		B) Reallocate resources for Office of Strategic Policy & Communications functions.	URA		Complete	
		C) Reorganize the URA to streamline reporting and consolidate functions.	URA		In Process	
		D) Integrate Engineering & Construction functions into other URA departments and peer agencies.	URA	DPW, DOMI	Medium-Term	Follows Tasks 1.2.A, 2.2.A, 2.3.A and 3.1.B
	2.3 The URA and the City should develop Intergovernmental Agreements (IGAs) outlining core services and funding obligations	**A)** Pilot first Intergovernmental Agreement between the URA and the City of Pittsburgh.	Mayor's Office and URA	City Council	Medium-Term	Follows Tasks 1.1.A, 2.1.A, 2.2.A, 2.2.C and 3.2.A

RECOMMENDATION		Action	Lead	Support	Timing	Dependency
3. RESOURCES	**3.1** The URA should create a financial sustainability plan to pursue new revenue sources and maximize existing assets.	**A)** Evaluate the URA's sources and uses of funds.	URA		Short-Term	
		B) Create a financial sustainability plan aligned with the URA's 3-year business plan.	URA		In Process	Follows Task 1.1.A, in tandem with Tasks 1.2.A and 4.2.A
	3.2 The URA should modernize its financial tracking to provide transparent and on-going reporting of its financial position.	**A)** Create clear and digestible financial reports.	URA		In Process	
		B) Update financial tracking and reporting to best-in-class accounting standards.	URA		Short-Term	
	3.3 The URA should increase revenue streams from existing assets as well as public, private, and philanthropic partners.	**A)** Increase sources of earned income, with a particular focus on real estate assets.	URA		Short-Term	Follows Task 3.1.B
		B) Leverage existing and new subsidiaries or affiliates.	URA		Medium-Term	Follows Task 3.1.B
		C) Use Intergovernmental Agreements to support City general fund allocation.	URA	Mayor's Office	Long-Term	In tandem with Task 2.3.A
4. TALENT	**4.1** The URA should put systems in place to boost morale, raise productivity, and ensure transfer of institutional knowledge.	**A)** Implement succession planning for key leadership positions.	URA		Short-Term	
		B) Implement professional development programming including training and mentorship workshops, educational support, and internal awards.	URA	Mayor's Office	Short-Term	
		C) Conduct post-implementation employee survey to measure impact of organizational strategic reforms.	URA		Long-Term	Follows Tasks 2.2.C and 2.2.D
	4.2 While retaining a focus on base pay equity, the URA should add awards or bonuses to incentivize performance.	**A)** Create formal salary structure with bands and ranges for staff positions.	URA		Short-Term	In tandem with Task 3.1.B
		B) Pilot use of staff incentives such as spot bonuses to reward high performance.	URA		In Process	Follows Task 4.2.A
	4.3 The URA should continue its efforts to create an inclusive workplace and communicate this progress to key stakeholders.	**A)** Continue implementing Racial Equity Assessment and salary analysis recommendations, while tracking diversity and inclusion efforts.	URA		Short-Term	
5. EXTERNAL ENGAGEMENT	**5.1** The URA should strengthen and formalize partnerships with external entities in service of economic development objectives.	**A)** Strengthen existing partnerships in business attraction and talent development for key industries.	URA	Allegheny Conference, Partner4Work, Others	In Process	Follows Task 5.3.A
		B) Establish stronger working relationships with key stakeholders, including Foundations and City Council through "URA 101" sessions.	URA	Foundations, City Council	In Process	Follows Task 5.3.A
	5.2 The URA should unify its approach to community engagement between departments and across neighborhoods.	**A)** Advance the work of the Engage Committee and develop a standardized community engagement approach.	URA		Short-Term	Follows Task 5.3.A
	5.3 The URA should create a new executive office merging strategic policy, communications, and community engagement.	**A)** Interim Deputy Executive Director to lead creation of the Office of Strategic Policy & Communications.	URA		Complete	Follows Task 2.2.B
		B) Develop an OZ strategy for Pittsburgh.	URA		Short-Term	Follows Task 5.3.A
		C) Better integrate communications ahead of the 75th anniversary of the URA.	URA		In Process	Follows Task 5.3.A

APPENDICES



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APPENDIX A:
Stakeholder Interviewees

Stakeholder Interviewees

URA Board of Directors

Hon. Edward C. Gainey, Pennsylvania State Representative, 24th District

Jodi Hirsch, Sequal Consulting

Hon. R. Daniel Lavelle, City Councilmember, District 6

Lindsay Powell, Assistant Chief of Staff, City of Pittsburgh

Sam Williamson, Western PA District Direct, SEIU 32BJ

Dr. Cheryl Hall-Russell, President and Chief Cultural Consultant, Black Women, Wise Women, LLC*

URA Staff

Dana Bohince, Communications & Marketing Specialist
Columbus Brooks, GCDF, Director, Human Resources and Administration Department

Tom Cummings, Director, Housing Department

Rebecca Davidson-Wagner, President, Pittsburgh Urban Initiatives

Nathan Clark, Director, Real Estate Department; Associate Counsel, Legal Department

Marty Kaminski, Director, Engineering and Construction Department

Tom Link, Director, Center for Innovation and Entrepreneurship

Emily Mitchell, Manager, Economic Development Department

Susheela Nemani-Stanger, Director, Economic Development Department

Hala Neumah, Chief Financial Officer, Finance Department

Tynishia Powell, Esq., Associate Counsel, Legal Department

Robert Rubinstein, Executive Director, URA

Gigi Saladna, Chief Communications Officer

Jessica Smith Perry, Director, Housing Opportunity Fund Department

Diamonte Walker, MBA, Interim Deputy Executive Director

Jennifer Wilhelm, Assistant Director, Center for Innovation and Entrepreneurship

Kate Wrenshall, Esq., Senior Counsel, Legal Department

City of Pittsburgh

The Honorable W Peduto, Mayor

Dan Gilman, Chief of Staff to the Mayor of Pittsburgh

Community Development Corporations & Community-Based Organizations

Dave Brewton, Director of Real Estate, Hazelwood Initiative

LaShawn Burton-Faulk, Executive Director, Manchester Citizens Corporation

Matt Galluzzo, Executive Director, Lawrenceville Corporation

Donna Jackson, Board President, Larimer Consensus Group

Mark Masterson, Executive Director, Northside Community Development Fund

Marimba Milliones, President and CEO, Hill Community Development Corporation

Skip Schwab, Deputy Director, East Liberty Development, Inc.

Aaron Sukenik, Executive Director, Hilltop Alliance

Jeremy Waldrup, President and CEO, Pittsburgh Downtown Partnership

Developers

Nate Cunningham, Partner, East End Development Partners

James Eash, Development Officer, Action Housing

John Ginocchi, Executive Vice President, Trek Development Group

Claire Hosteny, Partner, East End Development Partners

Gregg Perelman, Founding Partner and CEO, Walnut Capital

Michael Polite, President, Ralph A. Falbo, Inc.

Todd Reidbord, Principal and President, Walnut Capital

The Allegheny Conference

Stefani Pashman, CEO

Vera Krekanova, Chief Research Officer

Kyle Chintalapalli, Vice President, Business & Economic Development**

Equitable Development Collaborative/All-In Pittsburgh

Malik Bankston, Executive Director, The Kingsley Association

Presley Gillespie, President, Neighborhood Allies

Ivette Mongalo-Winston, MonWin Consulting

Gale Schwartz, Project Specialist, Housing Alliance of Pennsylvania

Foundation Community

Jane Downing, Economic and Community Development, The Pittsburgh Foundation

D. Tyler Gourley, Vice President, Hillman Family Foundations

Sam Reiman, Director, Richard King Mellon Foundation

David K. Roger, President, Hillman Family Foundations

Rob Stephany, Director of Community and Economic Development, Heinz Endowments

Allegheny County Economic Development

Lance Chimka, Director

J. Patrick Early, Deputy Director

Department of City Planning

Ray Gastil, Director

Department of Mobility and Infrastructure

Karina Ricks, Director

Department of Permits, Licenses & Inspections

Maura Kennedy, Director

Housing Authority of the City of Pittsburgh

Caster Binion, Executive Director, University Partners, InnovatePGH & Pittsburgh Regional Alliance

Rebecca Bagley, Vice Chancellor for Economic Partnerships, University of Pittsburgh

Sean Luther, Executive Director, InnovatePGH

Tim McNulty, Associate Vice President for Government Relations, Carnegie Mellon University

David Ruppersberger, Former President, Pittsburgh Regional Alliance

Businesses

Priya Amin, Flexable LLC

Jordan McMillan, Cut & Run Productions

James Pastorius, Savage Visual Effects

Fred Rongier, Gaby et Jules and Paris 66

Jackie Wright, Grandma Joan's

* Was Board member at time of interview
** Was URA staff member at time of interview

APPENDIX B:
URA Staff Survey

URA Staff Survey Questions

1. What are Pittsburgh's most important economic development priorities?

- **Response Type:** Select and rank up to five options.
- **Options:** Affordable housing; Job creation; Equitable & inclusive growth; Workforce development; Downtown revitalization; Entrepreneurship; Small business support; Business attraction; Business growth & retention; Neighborhood/Main streets revitalization; Building the tax base; Public infrastructure, including public space and transportation improvements; Attracting private investment; Public-private partnerships; Brownfield reclamation; Vacant land recycling; Other (fill in the blank)

2. How clearly has URA's role in addressing these priorities been articulated internally within the URA?

- **Response Type:** Rate the top five options selected in Question 1 on a scale:
  1. Not at all clear
  2. Slightly clear
  3. Somewhat clear
  4. Very clear
- **Options:** Affordable housing; Job creation; Equitable & inclusive growth; Workforce development; Downtown revitalization; Entrepreneurship; Small business support; Business attraction; Business growth & retention; Neighborhood/Main streets revitalization; Building the tax base; Public infrastructure, including public space and transportation improvements; Attracting private investment; Public-private partnerships; Brownfield reclamation; Vacant land recycling; Other (fill in the blank)

3. How clearly has URA's role in addressing these priorities been articulated externally to the public and key stakeholders?

- **Response Type:** Rate the top five options selected in Question 1 on a scale:
  1. Not at all clear
  2. Slightly clear
  3. Somewhat clear
  4. Very clear
- **Options:** Affordable housing; Job creation; Equitable & inclusive growth; Workforce development; Downtown revitalization; Entrepreneurship; Small business support; Business attraction; Business growth & retention; Neighborhood/Main streets revitalization; Building the tax base; Public infrastructure, including public space and transportation improvements; Attracting private investment; Public-private partnerships; Brownfield reclamation; Vacant land recycling; Other (fill in the blank)

4. Have the URA's resources been appropriately allocated to address each of these priorities?

- **Response Type:** Rate the top five options selected in Question 1 on a scale:
  1. Not at all appropriately
  2. Slightly appropriately
  3. Somewhat appropriately
  4. Very appropriately
- **Options:** Affordable housing; Job creation; Equitable & inclusive growth; Workforce development; Downtown revitalization; Entrepreneurship; Small business support; Business attraction; Business growth & retention; Neighborhood/Main streets revitalization; Building the tax base; Public infrastructure, including public space and transportation improvements; Attracting private investment; Public-private partnerships; Brownfield reclamation; Vacant land recycling; Other (fill in the blank)

5. How would you characterize the URA's effectiveness in each of the following areas?

- **Response Type:** Rank all options on a scale:
  1. Not effective
  2. Slightly effective
  3. Somewhat effective
  4. Very effective
- **Options:** Marketing & communications; Strategy; Metrics & benchmarking; Intergovernmental coordination; Financial resources; Community, developer & business engagement; Financial reporting; Staff diversity; Department management; Authority-wide leadership; External partnerships; Ethics & compliance; Other (fill in the blank).

6. What, if anything, do you think the URA should be doing less of?

- **Response Type:** Open-ended text-based answer.

7. Is there anything else you think would be helpful for us to know in understanding the URA's strengths and opportunities for improvement?

- **Response Type:** Open-ended text-based answer.

8. How long have you worked at the URA?

- **Response Type:** Pick one option.

1. 0-5 years
2. 6-15 years
3. More than 15 years

9. Which of the following options best describes your role at the URA?

- **Response Type:** Pick one option.
  1. Management/Executive
  2. Project Manager/Coordinator/Accountant
  3. Administrative Assistant

10. Which of the following options best describes your department within the URA?

- **Response Type:** Pick one option.
  1. Economic Development/Center for Innovation and Entrepreneurship
  2. Housing
  3. Real Estate, Engineering & Construction
  4. Legal, Performance & Compliance, Accounting & Finance, Information Systems
  5. Executive

URA Staff Survey Results

RESPONDENT DISTRIBUTION

Department(s)	Number of Responses
Economic Development & Center for Innovation & Entrepreneurship	14
Housing	14
Real Estate, Engineering & Construction	17
Legal, Performance & Compliance, Accounting & Finance, Information Systems	16
Executive	9
TOTAL	**70**

1. What are Pittsburgh's most important economic development priorities? Please select up to five options from the list below. (Results segmented by length of tenure at the URA.)

	All		0–5 Years		6 –15 Years		+15 Years	
	Share	#	Share	#	Share	#	Share	#
Affordable Housing	83%	71	92%	33	75%	15	80%	20
Attracting Private Investment	17%	15	6%	2	25%	5	24%	6
Brownfield Reclamation	8%	7	8%	3	5%	1	12%	3
Building the Tax Base	41%	35	31%	11	35%	7	60%	15
Business Attraction	14%	12	8%	3	10%	2	16%	4
Business Growth & Retention	38%	33	33%	12	45%	9	40%	10
Downtown Revitalization	14%	12	6%	2	15%	3	20%	5
Entrepreneurship	16%	14	11%	4	25%	5	16%	4
Equitable & Inclusive Growth	55%	47	78%	28	50%	10	32%	8
Job Creation	42%	36	36%	13	30%	6	56%	14
Neighborhood/Main Streets Revitalization	30%	26	36%	13	35%	7	24%	6
Public Infrastructure	36%	31	50%	18	50%	10	12%	3
Public–Private Partnerships	12%	10	11%	4	10%	2	16%	4
Small Business Support	22%	19	22%	8	20%	4	20%	5
Vacant Land Recycling	21%	18	22%	8	25%	5	16%	4
Workforce Development	29%	25	42%	15	25%	5	16%	4
Other	5%	4	3%	1	10%	2	4%	1

2. How clearly has the URA's role in addressing these priorities been articulated internally within the URA? (Results segmented by length of tenure at the URA.)

	Not Clearly		Slightly Clearly		Somewhat Clearly		Very Clearly		Total		0–5 Years	6–15 Years	+15 Years
	Share	#	Share	#	Share	#	Share	#	#	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.
Affordable Housing	4%	3	9%	6	29%	20	59%	41	70	3.41	3.45	3.53	3.25
Attracting Private Investment	7%	1	13%	2	33%	5	47%	7	15	3.2	2.5	2.8	3.67
Brownfield Reclamation	0%	0	29%	2	14%	1	57%	4	7	3.29	3.33	2	3.67
Building the Tax Base	3%	1	17%	6	40%	14	40%	14	35	3.17	2.82	3.57	3.2
Business Attraction	9%	1	9%	1	45%	5	36%	4	11	3.09	3.33	2	3.25
Business Growth & Retention	3%	1	13%	4	50%	16	34%	11	32	3.16	3.17	3.11	3.1
Downtown Revitalization	25%	3	17%	2	50%	6	8%	1	12	2.42	1.5	2.33	2.6
Entrepreneurship	0%	0	0%	0	57%	8	43%	6	14	3.43	3.5	3.4	3.5
Equitable & Inclusive Growth	6%	3	26%	12	28%	13	40%	19	47	3.02	2.89	3.2	3.25
Job Creation	8%	3	36%	13	31%	11	25%	9	36	2.72	2.08	3.33	3
Neighborhood/Main Streets Revitalization	0%	0	27%	7	35%	9	38%	10	26	3.12	3.15	3.14	3
Public Infrastructure (Including Public Space and Transportation Improvements)	23%	7	26%	8	23%	7	29%	9	31	2.58	2.56	2.4	3.33
Public–Private Partnerships	10%	1	30%	3	50%	5	10%	1	10	2.6	2.5	2.5	2.75
Small Business Support	0%	0	11%	2	50%	9	39%	7	18	3.28	3.13	3.5	3.2
Vacant Land Recycling	12%	2	12%	2	29%	5	47%	8	17	3.12	3.13	2.8	3.5
Workforce Development	32%	8	24%	6	32%	8	12%	3	25	2.24	2.13	1.8	3
Other (Please Specify)	75%	3	0%	0	0%	0	25%	1	4	1.75	1	2.5	1
Total Responses										**85**	**36**	**20**	**25**

3. How clearly has the URA's role in addressing these priorities been articulated externally to the public and key stakeholders? (Results segmented by length of tenure at the URA.)

	Not Clearly		Slightly Clearly		Somewhat Clearly		Very Clearly		Total		0–5 Years	6–15 Years	+15 Years
	Share	#	Share	#	Share	#	Share	#	#	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.
Affordable Housing	12%	8	21%	14	34%	23	34%	23	68	2.90	2.88	2.87	2.95
Attracting Private Investment	13%	2	27%	4	33%	5	27%	4	15	2.73	2.00	1.80	3.50
Brownfield Reclamation	0%	-	57%	4	29%	2	14%	1	7	2.57	2.33	2.00	3.00
Building the Tax Base	14%	5	29%	10	46%	16	11%	4	35	2.54	2.09	2.43	2.80
Business Attraction	27%	3	9%	1	45%	5	18%	2	11	2.55	2.67	2.00	2.25
Business Growth & Retention	6%	2	26%	8	45%	14	23%	7	31	2.84	2.83	2.67	3.00
Downtown Revitalization	18%	2	18%	2	36%	4	27%	3	11	2.73	1.50	2.67	3.20
Entrepreneurship	8%	1	31%	4	31%	4	31%	4	13	2.85	3.25	2.60	2.75
Equitable & Inclusive Growth	22%	10	37%	17	26%	12	15%	7	46	2.35	2.18	2.60	2.63
Job Creation	18%	6	35%	12	32%	11	15%	5	34	2.44	1.92	2.67	2.79
Neighborhood/Main Streets Revitalization	8%	2	38%	10	35%	9	19%	5	26	2.65	2.54	2.71	2.83
Public Infrastructure (Including Public Space and Transportation Improvements)	29%	9	26%	8	35%	11	10%	3	31	2.26	2.17	2.20	3.00
Public–Private Partnerships	20%	2	40%	4	20%	2	20%	2	10	2.40	2.00	2.50	2.75
Small Business Support	0%	-	33%	6	44%	8	22%	4	18	2.89	2.75	3.00	2.80
Vacant Land Recycling	24%	4	12%	2	47%	8	18%	3	17	2.59	2.88	2.00	2.75
Workforce Development	33%	8	42%	10	21%	5	4%	1	24	1.96	2.00	1.60	2.25
Other (Please Specify)	75%	3	25%	1	0%	-	0%	-	4	1.25	1.00	1.50	1.00
Total Responses										**83**	**36**	**20**	**25**

4. Have the URA's resources been appropriately allocated to address each of these priorities? (Results segmented by length of tenure at the URA.)

	Insufficient Allocation		Slightly Insufficient Allocation		Appropriation Allocation		Slightly Over Allocation		Over Allocation		Total		0–5 Years	6–15 Years	+15 Years
	Share	#	Share	#	Share	#	Share	#	Share	#	#	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.
Affordable Housing	7%	5	21%	14	65%	44	4%	3	4%	3	68	2.75	2.76	2.67	2.80
Attracting Private Investment	15%	2	31%	4	38%	5	15%	2	0%	-	13	2.54	2.50	2.20	2.83
Brownfield Reclamation	0%	-	29%	2	71%	5	0%	-	0%	-	7	2.71	2.67	3.00	2.67
Building the Tax Base	9%	3	33%	11	52%	17	6%	2	0%	-	33	2.55	2.45	2.57	2.60
Business Attraction	11%	1	33%	3	44%	4	11%	1	0%	-	9	2.56	2.67	2.50	2.50
Business Growth & Retention	13%	4	29%	9	52%	16	3%	1	3%	1	31	2.55	3.08	1.89	2.50
Downtown Revitalization	20%	2	50%	5	20%	2	0%	-	10%	1	10	2.30	1.50	2.00	2.80
Entrepreneurship	8%	1	38%	5	38%	5	8%	1	8%	1	13	2.69	3.25	2.20	2.75
Equitable & Inclusive Growth	17%	8	37%	17	41%	19	2%	1	2%	1	46	2.35	2.32	2.30	2.50
Job Creation	9%	3	45%	15	42%	14	3%	1	0%	-	33	2.39	2.38	2.50	2.36
Neighborhood/Main Streets Revitalization	15%	4	31%	8	54%	14	0%	-	0%	-	26	2.38	2.54	2.14	2.33
Public Infrastructure (Including Public Space and Transportation Improvements)	16%	5	32%	10	45%	14	3%	1	3%	1	31	2.45	2.44	2.30	3.00
Public–Private Partnerships	20%	2	50%	5	20%	2	10%	1	0%	-	10	2.20	2.25	1.00	2.75
Small Business Support	12%	2	29%	5	41%	7	12%	2	6%	1	17	2.71	2.88	2.00	3.00
Vacant Land Recycling	12%	2	24%	4	53%	9	12%	2	0%	-	17	2.65	2.75	2.40	2.75
Workforce Development	21%	5	33%	8	46%	11	0%	-	0%	-	24	2.25	2.33	1.60	2.75
Other (Please Specify)	75%	3	0%	-	25%	1	0%	-	0%	-	4	1.50	1.00	2.00	1.00
Total Responses												**81**	**36**	**20**	**25**

5. How would you characterize the URA's effectiveness in each of the following areas?

	Not effective		Slightly effec-tive		Somewhat effective		Very effective		Total	0–5 Years	6–15 Years	+15 Years
	Share	#	Share	#	Share	#	Share	#	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.	Wtd. Avg.
Authority-wide Leadership	6%	5	17%	14	48%	39	28%	23	2.99	2.94	2.90	3.12
Community, Developer & Business Engagement	0%	-	20%	16	60%	49	20%	16	3.00	2.94	2.90	3.16
Department Management	9%	7	30%	24	40%	32	22%	18	2.75	2.69	2.80	2.80
Ethics & Compliance	7%	6	20%	16	46%	37	27%	22	2.93	2.97	2.80	2.96
External Partnerships	5%	4	15%	12	65%	53	15%	12	2.90	2.83	3.05	2.88
Financial Reporting	16%	13	21%	17	47%	38	16%	13	2.63	2.50	2.65	2.80
Financial Resources	14%	11	32%	26	44%	36	10%	8	2.51	2.39	2.65	2.56
Intergovernmental Coordination	9%	7	42%	34	36%	29	14%	11	2.54	2.58	2.30	2.68
Marketing & Communications	16%	13	33%	27	42%	34	9%	7	2.43	2.31	2.40	2.64
Metrics & Benchmarking	25%	20	43%	35	26%	21	6%	5	2.14	2.11	1.90	2.36
Staff Diversity	5%	4	35%	28	40%	32	21%	17	2.77	2.78	2.65	2.84
Strategy	17%	14	28%	23	46%	37	9%	7	2.46	2.31	2.45	2.68
Total Responses									**81**	**36**	**20**	**25**

APPENDIX C:
URA Stakeholder Survey

URA Stakeholder Survey Questions

1. What are Pittsburgh's most important economic development priorities?

- **Response Type:** Select and rank up to five options.
- **Options:** Affordable housing; Job creation; Equitable & inclusive growth; Workforce development; Downtown revitalization; Entrepreneurship; Small business support; Business attraction; Business growth & retention; Neighborhood/Main streets revitalization; Building the tax base; Public infrastructure, including public space and transportation improvements; Attracting private investment; Public-private partnerships; Brownfield reclamation; Vacant land recycling; Other (fill in the blank)

2. How clearly has URA's role in addressing these priorities been articulated externally to the public and key stakeholders?

- **Response Type:** Rate the top five options selected in Question 1 on a scale:
  1. Not at all clear
  2. Slightly clear
  3. Somewhat clear
  4. Very clear
- **Options:** Affordable housing; Job creation; Equitable & inclusive growth; Workforce development; Downtown revitalization; Entrepreneurship; Small business support; Business attraction; Business growth & retention; Neighborhood/Main streets revitalization; Building the tax base; Public infrastructure, including public space and transportation improvements; Attracting private investment; Public-private partnerships; Brownfield reclamation; Vacant land recycling; Other (fill in the blank)

3. Which of the following URA programs are you familiar with?

- **Response Type:** Select as many as applicable from list.
- **Options:** Business loans; Business grants; Technical assistance; MWBE programs; Façade improvement programs; Construction financing programs; Acquisition/rehabilitation financing programs; Tax diversion tools; Community development grant funds; Home improvement loan programs; New markets tax credits; Mortgage insurance programs; Down payment assistance programs; Housing stabilization program.

4. How effective are these programs?

- **Response Type:** Rate each of the options selected in Question 3 on a scale:
  1. Not at all effective
  2. Slightly effective
  3. Somewhat effective
  4. Very effective

5. Thinking more broadly about the URA, how would you characterize its overall effectiveness in each of the following areas?

- **Response Type:** Rank all options on a scale:
  1. Not effective
  2. Slightly effective
  3. Somewhat effective
  4. Very effective
- **Options:** Marketing & communications; Metrics & benchmarking; Intergovernmental coordination; Project management; Community, developer & business engagement; Diversity & equity; External partnerships; Financial capacity; Other (fill in the blank).

6. What changes could the URA implement to address the City's economic development priorities more effectively?

- **Response Type:** Open-ended text-based answer.

7. Is there anything else you think would be helpful for us to know in understanding the URA's strengths and opportunities for improvement?

- **Response Type:** Open-ended text-based answer.

8. Which of the following options best describes your role in Pittsburgh's economic development landscape?

- **Response Type:** Pick one option.
  1. Community development corporation/Community-based organization
  2. Real estate developer
  3. Pittsburgh city government/agency
  4. Foundation/philanthropy
  5. Allegheny County/Regional entity
  6. Small business owner/startup
  7. Educational institution
  8. Other (Please describe)

URA Stakeholder Survey Results

RESPONDENT DISTRIBUTION

Department(s)	Number of Responses
Allegheny County/Regional Entity	15
CDCs and CBOs	33
Educational Institution	4
Foundation/Philanthropy	7
Pittsburgh City Government/Agency	9
Real Estate Developer	15
Small Business Owner/Startup	7
Other (please specify)	16
TOTAL	**106**

Note: Variations in total numbers of responses by question is due to certain survey respondents answering some questions and not others.

1. What are Pittsburgh's most important economic development priorities? Please select up to five options from the list below.

	Share of Responses	Number of Responses
Affordable Housing	68%	91
Attracting Private Investment	15%	20
Brownfield Reclamation	4%	6
Building the Tax Base	24%	32
Business Attraction	17%	23
Business Growth & Retention	34%	46
Downtown Revitalization	11%	15
Entrepreneurship	13%	17
Equitable & Inclusive Growth	53%	71
Job Creation	25%	33
Neighborhood/Main Streets Revitalization	37%	49
Public Infrastructure (including Public Space and Transportation Improvements)	54%	73
Public-Private Partnerships	13%	17
Small Business Support	22%	30
Vacant Land Recycling	28%	37
Workforce Development	31%	42
Other (please specify)	8%	11
Total Responses		**134**

2. How clearly has the URA's role in addressing these priorities been articulated externally to the public and key stakeholders?

	Not Clearly		SlightlyClearly		Somewhat Clearly		Very Clearly		Wtd. Avg
	Share of Responses	Number of Responses	Share of Responses	Number of Responses	Share of Responses	Number of Responses	Share of Responses	Number of Responses	Wtd. Avg.
Affordable Housing	9%	8	15%	13	37%	33	39%	35	3.1
Attracting Private Investment	33%	6	33%	6	22%	4	11%	2	2.1
Brownfield Reclamation	17%	1	50%	3	0%	-	33%	2	2.5
Building the Tax Base	37%	11	23%	7	30%	9	10%	3	2.1
Business Attraction	9%	2	39%	9	35%	8	17%	4	2.6
Business Growth & Retention	17%	8	24%	11	39%	18	20%	9	2.6
Downtown Revitalization	13%	2	20%	3	53%	8	13%	2	2.7
Entrepreneurship	0%	-	24%	4	35%	6	41%	7	3.2
Equitable & Inclusive Growth	23%	16	39%	27	30%	21	9%	6	2.2
Job Creation	23%	7	32%	10	35%	11	10%	3	2.3
Neighborhood/Main Streets Revitalization	15%	7	17%	8	40%	19	28%	13	2.8
Public Infrastructure (including Public Space and Transportation Improvements)	-	-	-	-	-	-	-	-	-
Public-Private Partnerships	18%	3	41%	7	29%	5	12%	2	2.4
Small Business Support	7%	2	10%	3	38%	11	45%	13	3.2
Vacant Land Recycling	31%	11	31%	11	25%	9	14%	5	2.2
Workforce Development	44%	18	32%	13	15%	6	10%	4	1.9
Other (Please Specify)	9%	8	15%	13	37%	33	39%	35	3.1
Total Responses									**130**

3. Which of the following URA programs are you familiar with?

	Share of Responses	Number of Responses
Acquisition/Rehabilitation Financing Programs	62%	79
Business Grants	44%	56
Business Loans	56%	71
Community Development Grant Funds	76%	96
Construction Financing Programs	51%	65
Down Payment Assistance Programs	38%	48
Facade Improvement Programs	73%	93
Home Improvement Loan Programs	49%	62
Housing Stabilization Program	32%	40
Mortgage Insurance Programs	8%	10
MWBE Programs	46%	59
New Markets Tax Credits	55%	70
Tax Diversion Tools	31%	39
Technical Assistance	26%	33
Other (please specify)	3%	4
Total Responses		**127**

4. How effective are these programs?

	Not effective		Slightly effective		Somewhat effective		Very effective		Total	
	Share	#	Share	#	Share	#	Share	#	Wtd. Avg.	Wtd. Avg.
Acquisition/Rehabilitation Financing Programs	1%	1	13%	9	52%	37	34%	24	71	3.2
Business Grants	2%	1	24%	12	35%	17	39%	19	49	3.1
Business Loans	0%	0	13%	8	43%	27	44%	28	63	3.3
Community Development Grant Funds	1%	1	7%	6	47%	40	45%	38	85	3.4
Construction Financing Programs	0%	0	9%	5	48%	28	43%	25	58	3.3
Down Payment Assistance Programs	0%	0	26%	10	46%	18	28%	11	39	3.0
Facade Improvement Programs	1%	1	12%	10	36%	29	51%	41	81	3.4
Home Improvement Loan Programs	4%	2	25%	13	49%	26	23%	12	53	2.9
Housing Stabilization Program	3%	1	21%	7	48%	16	27%	9	33	3.0
Mortgage Insurance Programs	0%	0	14%	1	71%	5	14%	1	7	3.0
MWBE Programs	0%	0	27%	14	41%	21	31%	16	51	3.0
New Markets Tax Credits	0%	0	10%	6	39%	24	51%	31	61	3.4
Tax Diversion Tools	5%	2	19%	7	35%	13	41%	15	37	3.1
Technical Assistance	0%	0	7%	2	52%	14	41%	11	27	3.3
Other (please specify)	0%	0	0%	0	25%	1	75%	3	4	3.8
Total Responses										**116**

5. Thinking more broadly about the URA, how would you characterize its overall effectiveness in each of the following areas? Please only comment on the areas of URA activity with which you are familiar.

	Not effective		Slightly effective		Somewhat effective		Very effective		Unable to rate		Total
	Share	#	Share	#	Share	#	Share	#	Share	#	Wtd. Avg.
Community, Developer & Business Engagement	7%	8	8%	10	35%	42	44%	53	6%	7	3.3
Diversity & Equity	8%	9	13%	15	44%	53	18%	22	18%	21	3.3
External Partnerships	4%	5	13%	15	31%	37	33%	40	19%	23	3.5
Financial Capacity	1%	1	10%	12	26%	31	26%	31	38%	45	3.9
Intergovernmental Coordination	6%	7	11%	13	29%	35	24%	29	30%	36	3.6
Marketing & Communications	8%	10	24%	29	36%	43	16%	19	16%	19	3.1
Metrics & Benchmarking	10%	12	13%	16	24%	29	8%	9	45%	54	3.6
Project Management	4%	5	9%	11	27%	32	36%	43	24%	29	3.7
Community, Developer & Business Engagement	7%	8	8%	10	35%	42	44%	53	6%	7	3.3
Total Responses											**120**

URA Stakeholder Survey Distribution List

Representatives of the following Pittsburgh-based organizations were invited to participate in the stakeholder survey in February 2019.

1. 350 Pittsburgh
2. Action Housing
3. AECOM
4. Affirmative Investments
5. African American Chamber of Commerce of Western Pennsylvania
6. Alleghany County
7. Alleghany Housing Rehabilitation Corporation
8. Allegheny Conference
9. Allegheny County
10. Alpha Lab
11. Astrobotic
12. Atlas Development
13. BD&E
14. Beacon Communities LLC
15. Beauty Shoppe
16. Beechview Revitalization Advisory Group
17. Berkshire Hathaway HomeServices
18. Bloomfield Neighborhood
19. Bloomfield-Garfield Corporation
20. Botero Development
21. BrandMill
22. Bridgeway Capital
23. Bridging the Gap Development
24. Brookline Teen Outreach
25. Buchanan Ingersoll & Rooney PC
26. Buhl Foundation
27. Callay Capital
28. Capital One
29. Carnegie Library
30. Carnegie Mellon University
31. Catalyst Communities
32. Catalyst Connection
33. Catering Kings
34. CDR Maguire
35. CEO Works
36. Change Agency
37. Chatham University
38. Chatman Properties
39. Circles
40. City of Pittsburgh
41. Civil & Environmental Consultants
42. CJConsulting
43. Clark Hill PLC
44. CMS Housing Inc.
45. Cobbler World
46. Cohen Law Group
47. Community Empowerment Association
48. Conservation Consultants Inc.
49. Corcoran Jennison
50. Coro Pittsburgh
51. Couch Brewery
52. Crow Hill Development
53. Dante Partners
54. Diamond & Associates
55. Did Associates
56. Dollar Bank
57. Downtown CDC
58. Dunham ReGroup
59. Duquesne University
60. Earthlink
61. East Liberty Chamber of Commerce
62. East Liberty Development, Inc.
63. Eckert Seamans Cherin & Mellott
64. Economic Development South
65. Enterprise Bank & Trust
66. FHLBank
67. First Commonwealth Bank
68. First National Bank
69. Fitness Lab
70. Flexable
71. Gatesburgh Road Development
72. Gateway Engineers
73. Grounded Strategies
74. H.J. Heinz Company
75. Habitat for Humanity
76. Hart's Art Gallery
77. Hazelwood Initiative
78. Hebrew Free Loan Association of Pittsburgh
79. HELP Initiative Pittsburgh
80. Heritage Housing, Inc.
81. HiberSense
82. Hill Community Development Corp.
83. Hillman Family Foundation
84. Hilltop Alliance
85. Homewood Concerned Citizens Council
86. Housing Alliance of Pennsylvania
87. Housing Authority of the City of Pittsburgh
88. Huntington Bank
89. Icon Development
90. Idea Foundry
91. Innovation Works
92. Intertek
93. JP Morgan Chase
94. K&L Gates LLP
95. KBK Enterprises
96. Keller Williams Realty
97. Kelly's Kingdom
98. Kingsley Association
99. LaQuatra Bonci Associates
100. Lawrenceville Corporation
101. Lawrenceville United Inc.
102. LGA Partners
103. LK Architecture
104. Localize Capital Management
105. Mackin Engineering Company
106. MagLab
107. Manchester Citizens Corporation
108. McAuley Ministries
109. McCaffery Interests
110. McCormack Baron Salazar
111. McCune Foundation
112. McKnight Foundation
113. MGB & Associates
114. Midpoint Group of Companies, Inc.
115. Mighty Home
116. Millcraft Investments
117. Mistick Construction
118. Monaloh Basin Engineers
119. Mosites Construction and Development Company
120. Mount Washington Community Development Corporation
121. MVAH Partners
122. National Lutheran School Accreditation
123. Neighborhood Allies
124. Neighborworks Western Pennsylvania
125. New Burgh Real Estate
126. Next Act Fund
127. NexTier Bank
128. Northwest Bank
129. NRP Group
130. NWB Corporation
131. Oakland BID
132. Oakland Planning and Development Corporation
133. OLMEC Development Company
134. Omicelo
135. Operation Better Block
136. Oxford Development
137. P&W Foreign Cars
138. Palo Alto Partners
139. Paramount Construction Services
140. Pennsylvania Downtown Center
141. Pennsylvania Housing Finance Agency
142. Perry Hilltop Citizen's Council
143. Pirhl Developers
144. Pittsburgh Community Reinvestment Group
145. Pittsburgh Diversity and Leadership Conference
146. Pittsburgh Downtown Partnership
147. Pittsburgh Hispanic Development Corporation
148. Pittsburgh Housing Finance Agency
149. Pittsburgh Innovation District
150. Pittsburgh Northside Leadership Conference
151. Pittsburgh Parking Authority
152. Pittsburgh Parks
153. Pittsburgh Regional Alliance
154. Pittsburgh Shade Tree Commission
155. Pittsburgh Tech Council
156. Pittsburgh UNITED
157. Pittsburgh Water and Sewer Authority
158. PNC Bank
159. Polish Hill Civic Association
160. Ponton & Associates
161. POOR LAW
162. Port Authority
163. Presbyterian SeniorCare
164. Progress Fund
165. PWCampbell
166. R Kyndall Development Group
167. Ralph Falbo Inc.
168. Real Estate Strategies, Inc.
169. Rebuilding Together
170. Regional Housing Legal Services Pittsburgh Office
171. Regional Industrial Development Corporation
172. Riverside Center for Innovation
173. Riverview Towers
174. SAI Consulting Engineers
175. Santangelo & Lindsay, Inc.
176. Savage Visual Effects
177. Sci-Tek Consultants, Inc.
178. Shady Side Academy
179. Sherick Project Management
180. Social Artistry Consulting
181. Sota Construction Services
182. South Side Chamber of Commerce
183. State of Pennsylvania
184. SteelBridge Labs
185. Studious One Digital Film Arts
186. Telesis Corporation
187. The Community at Holy Family Manor
188. The Community Builders
189. The Forbes Funds
190. The Northside Community Development Fund
191. The Proud Company
192. The Wheel Mill
193. Thread International
194. Trammel Crow Company
195. Trans Associates
196. Trek Development
197. Trusst Lingerie
198. TWG Development
199. Uncover Squirrel Hill
200. United Way
201. University of Pittsburgh
202. University of Pittsburgh Innovation Institute
203. Uptown Partners
204. UrbanKind Institute
205. US Bank
206. Valbridge Property Advisors
207. Vernard Alexander
208. Walnut Capital
209. WesBanco Bank, Inc.
210. Woda Cooper Companies

APPENDIX D:

Funding Sources Evaluation

Funding Sources Evaluation

HR&A conducted a high-level evaluation of fourteen potential sources of new funding for URA projects and operations. Funding sources were evaluated based on their funding impact (e.g. scale of potential revenue) and implementation feasibility. Implementation feasibility refers to the level of difficulty in securing such funds (either due to limits on statutory authority or needed staff time to generate funds) and impact refers to both potential scale of funding as well as restrictions associated with those funds. Unrestricted funds are most impactful, given their flexibility for use in programs or operations and across departments.

Funding sources were evaluated as follows:

- **High Priority:** High potential funding impact and accessible feasibility potential
- **Low Priority:** Low potential funding impact and challenging feasibility potential
- **Opportunistic:** High potential funding impact and challenging feasibility potential
- **Supplemental:** Low potential funding impact and accessible feasibility potential

HR&A's Evaluation

Overal Evaluation & Source		Action	Lead	Support
LOW PRIORITY	Impact Investment	Investments that generate positive social impact in addition to financial return. Impact investment funds are typically made by impact investment fund managers, foundations, or individuals.	Unclear	Lack of precedent in economic development agencies, suggesting a difficult path for future implementation. Affordable housing specifically may offer opportunities for impact investment.
LOW PRIORITY	Fees for Existing Services	The URA could increase the fees it charges for many of its loan, economic development, and grant services.	<$1 million	Higher fees could discourage applications for URA programs and should be sparingly increased. Nevertheless, the URA should conduct a fee review to assess how its fees compare to peers in the marketplace.
OPPORTUNISTIC	Federal Community Development Grants	Federal grants for programs were a core source of revenue for many of URA's early years. Recycled funds for old federal programs remain an important source of funding for projects, and ongoing CDBG allocations from the City help sustain URA operations.	>$5 million	The outlook for new urban redevelopment funds remains uncertain, but recent experience with new federal programs, such as Choice Neighborhoods grants, indicate the need to remain aware of federal programs, apply strategically, and advocate for allocation from the city where appropriate.
OPPORTUNISTIC	State Community Development Grants	State grants like RCAP are the major source of program revenues for the URA, and fluctuations in State grants account for major swings in URA governmental funds.	>$5 million	Recent major grants from from programs like RACP have been beneficial to the URA mission and demonstrate the need to maintain close coordination with State government and continued efforts to secure funding from grant programs as they are created and / or renewed. Intergovernmental affairs staff will be critical to this coordination, as well as continued advocacy for funds from the City (as state funds are channeled via and allocated by the City).
OPPORTUNISTIC	Dedicated Taxes	New dedicated taxes can serve to support the URA's operations or fund URA projects. For example, the Housing Opportunity Fund is supported by the real estate excise tax.	>$5 million	There is limited political will to increase taxes in the City, but the recent tax increases for the HOF indicate the potential for such an approach to further specific Pittsburgh priorities.
OPPORTUNISTIC	Philanthropic Grants or Loans	Philanthropies often have overlapping goals with economic development agencies and may have substantial unrestricted capital.	Unclear, will depend on level of cooperation	Pittsburgh has one of the largest and best funded philanthropic communities in the Country, but the philanthropies rarely work with URA on projects. Potential assistance could include capital to purchase a soft site, grant funds for economic development or affordable housing projects, or matching loan funds for small businesses.

Overal Evaluation & Source		Action	Lead	Support
SUPPLEMENTAL	Opportunity Zone Capital	Investments in qualified Opportunity Zones (distressed neighborhoods) present substantial long-term tax benefits to investors. Although regulations are being finalized, some large institutional investors have already begun to raise multi-billion-dollar funds in anticipation of implementation.	>$1 million	Pittsburgh is home to several OZs within its municipal boundaries.
SUPPLEMENTAL	Fees for New Services	If URA develops new lines of business over time, the organization should develop equitable fee structures to help offset costs.	<$1 million	The URA already charges fees for many of its loans and economic development programs and should continue to charge reasonable fees for future new programs.
SUPPLEMENTAL	Tax-Increment Financing	Project-based or district-level tax-increment financing (TIF) can be an important source of funding for projects with complex infrastructure or feasibility needs.	$1-$5 million, depending on project	The Commonwealth of Pennsylvania limits TIF to a total of 10% of the municipal tax base and taxing bodies have typically been reticent to accept blanket increment capture given already strained resources. The City has also historically had negative experiences with district-level TIFs, reducing political support for such tools. Finally, development within a TIF district is ineligible for additional tax abatements.
HIGH PRIORITY	Intergovernmental Agreements	Intergovernmental Agreements can formalize the responsibilities and funding for economic development services.	>$1 million	The URA is the de-facto provider of economic development services for the City, even though few existing formal arrangements exist.
HIGH PRIORITY	Existing URA-Owned Assets	Owned assets like parking and commercial real estate are an important source of existing program and Is operating revenue for economic development agencies.	>$1 million	The URA controls its own real estate portfolio.
HIGH PRIORITY	New Development on URA-Owned Land	Traditionally, this activity is not seen as a source of long-term revenue generation. Alternative transaction structures like ground leases, joint ventures, and even riders for participation in future capital events, can allow for the URA to capture some of the long-term value it generates through its redevelopment activities.	>$1 million	The URA controls its own real estate assets and can purchase or sell properties with board approval.
HIGH PRIORITY	Return on Business Investments	Loans on favorable terms and flexible financial support help promote local business and development. Agencies such as Prosper Portland are seeking to establish more clear targets for expected returns on investments, including categorizing business investments as "program-related" (generating minimal returns designed to cover costs) and "mission-related" (generating higher returns.	>$1 million	The URA often sets the terms of the financial support programs it administers.
HIGH PRIORITY	Access CDFI Funds	Certification as a qualified Community Development Financial Institution (CDFI) opens access to a wide array of federal funds as well as private sector sources to provide low-cost capital for community development projects.	>$5 million	The URA recently applied to turn PEIDC into a registered CDFI.

APPENDIX E:

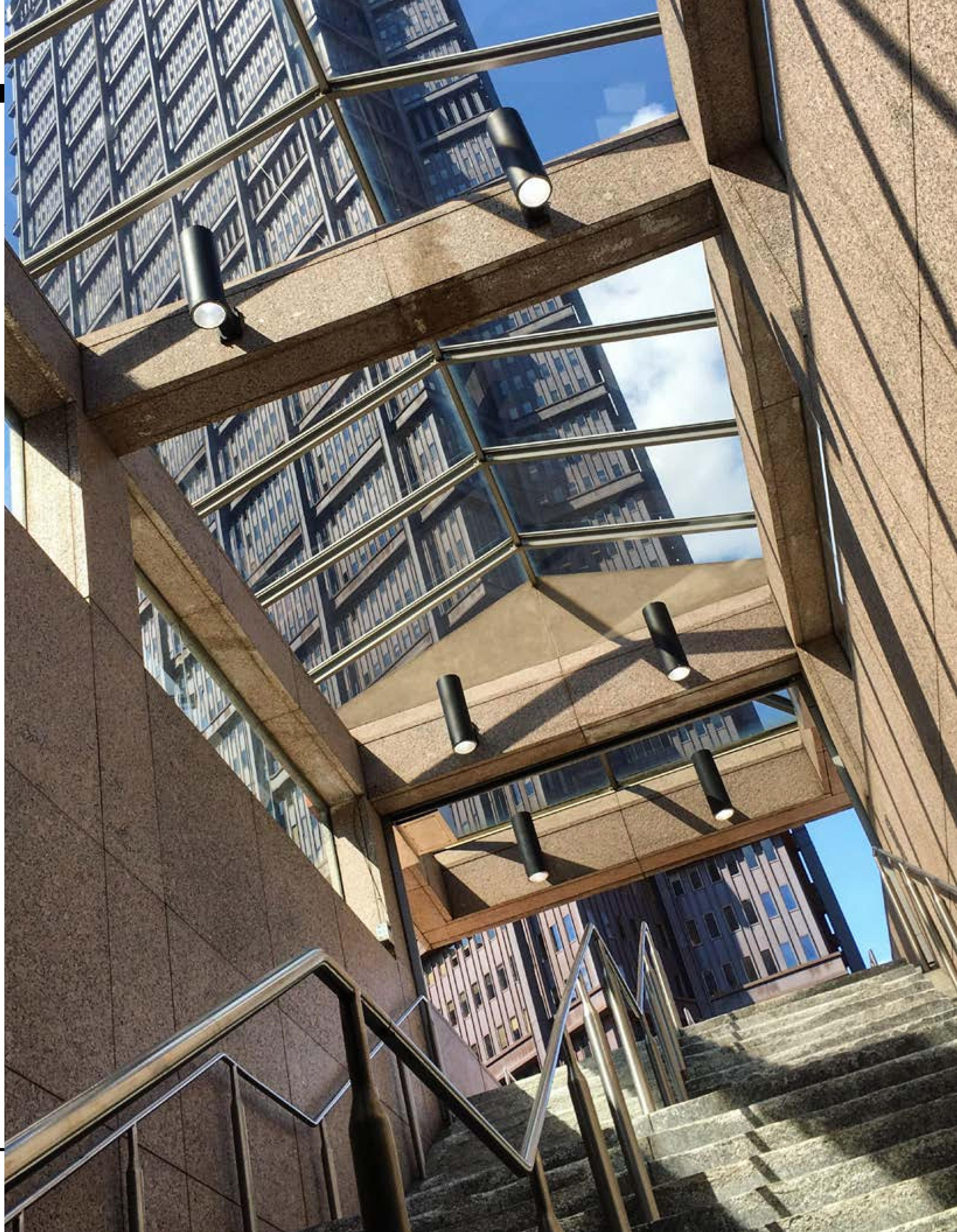
Sample Business Plan Use of Metrics & Targets

Sample Business Plan Use Of Metrics And Targets

Prosper Portland's 2015-2020 strategic plan is guided by a defined set of indicators to monitor progress and motivate performance. For each of the agency's eighteen desired outcomes, the plan outlines a relevant metric, the existing baseline, and a detailed explanation of why the metric was chosen.

Sample Outcomes

Desired Outcome	Metric	Baseline	Metric Explanation
Equitable Job Access	Close the unemployment rate gap between white workers and workers of color by 2020	Unemployment rate for white people: 8.9% Unemployment rate for people of color: 12.8%	Job access is a key element toward reduced income disparities between people of color and white Portlanders. The unemployment rate in Multnomah County for people of color has consistently been higher than the rate for the white population. Quality employment is the most direct path toward self-sufficiency and wealth creation. Reducing the unemployment rate gap signals equitable access to jobs for underrepresented populations.
New Middle-Wage Jobs in East Portland	Create new middle-wage jobs in East Portland at a rate comparable to or greater than Multnomah County as a whole. Middle-wage jobs are defined as an annual wage at or above $42,000 requiring education level of associates degree or less.	7% growth rate in East Portland; 9% growth rate in Multnomah County.	East Portland has historically exhibited slower job growth than Multnomah County. Reaching parity in job growth is critical to creating healthy neighborhoods in East Portland and providing career track employment opportunities to one of the fastest growing populations in the City, including children and people of color.



APPENDIX F:

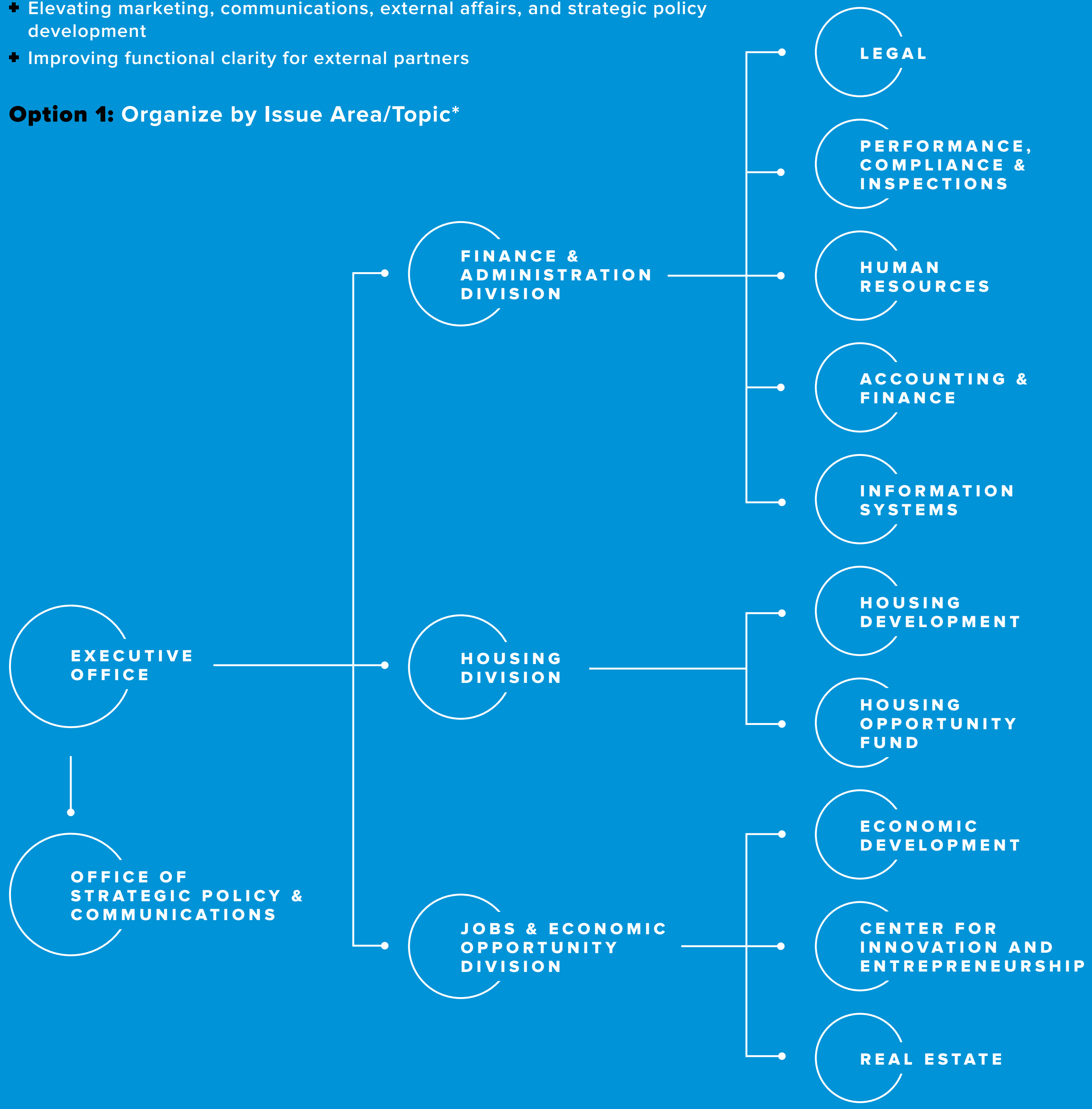
Recommended Organizational Designs for the URA

Recommended Organizational Designs for the URA

The following organizational design options represent recommended approaches to:

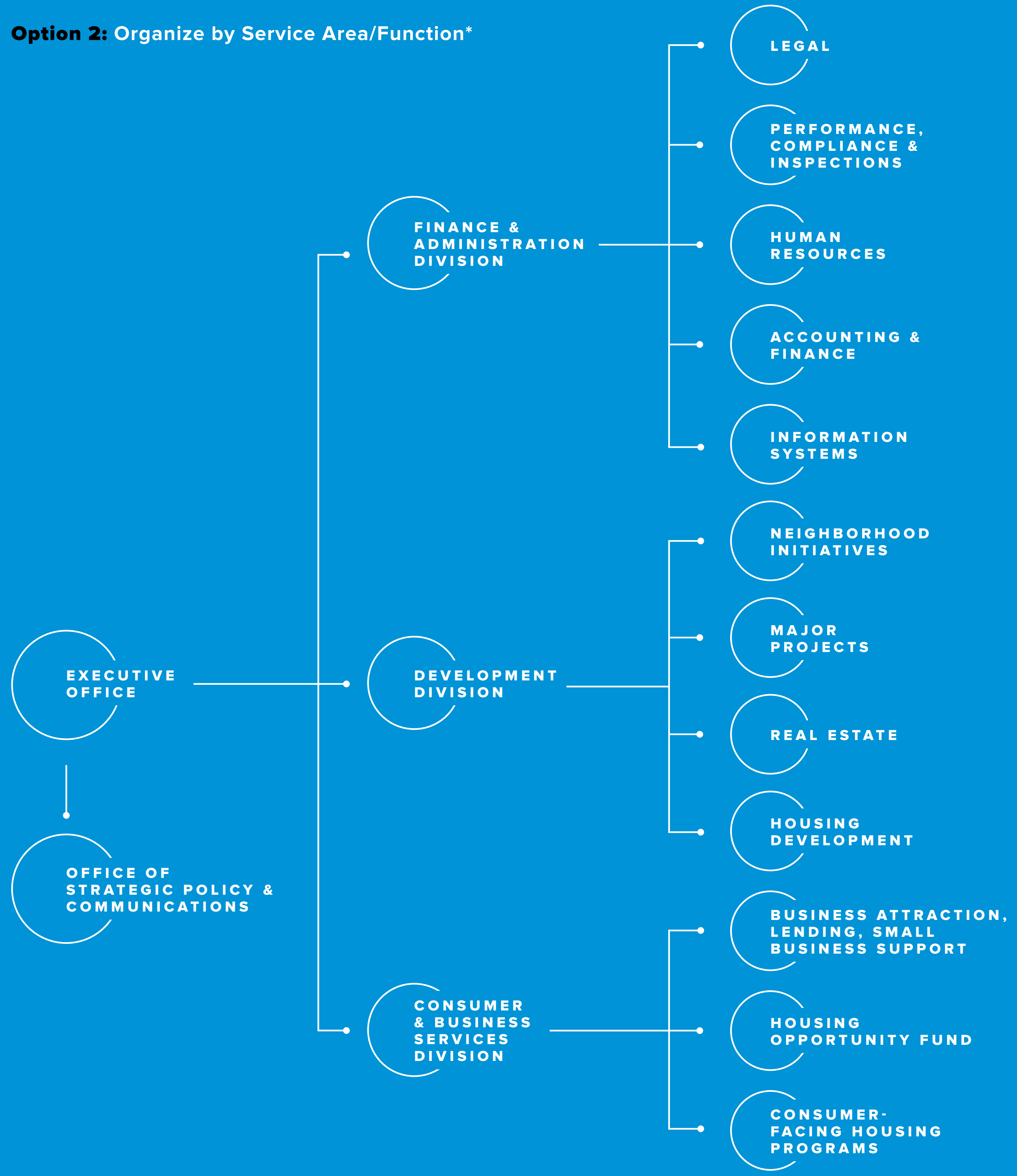
- Streamlining the URA's reporting structure
- Grouping staff together by role and service area to reduce duplication
- Elevating marketing, communications, external affairs, and strategic policy development
- Improving functional clarity for external partners

Option 1: Organize by Issue Area/Topic*



*Not pictured: URA affiliates (including PUI, PHDC and PEIDC) and Engineering & Construction functions, the latter to be distributed to other URA departments and/or City agencies.

Option 2: Organize by Service Area/Function*



*Not pictured: URA affiliates (including PUI, PHDC and PEIDC) and Engineering & Construction functions, the latter to be distributed to other URA departments and/or City agencies.

APPENDIX G:
Case Studies

Case Study Methodology

HR&A undertook a review of the URA in the context of the economic development landscape of peer cities across the United States. Drawing on our deep knowledge and relationships with economic development practitioners, HR&A selected a cross-section of peer cities of similar size (metropolitan area and/or city proper), economic profile, and/or geography. Data and findings are as of July 2019 when case study research concluded.

Selection Methodology

HR&A first conducted a preliminary review of over 20 U.S. cities that are considered peers, competitors and aspirational cities by the Allegheny Conference as well as other fast-growing cities across the U.S. The team then selected 9 cities for further evaluation, based on **(1) city and metropolitan area size and growth, (2) economic development entity alignment with URA priorities, (3) overall effectiveness and reputation.** The cities selected include a set of mid-sized (200K-500K people) cities within mid-sized metropolitan areas (1.5M-2M people) that are transitioning from a post-industrial context, as well as a group of best-in-class agencies in cities that can help capture a diversity of economic development landscapes and governance structures.

Peer City Review

HR&A conducted both quantitative and qualitative assessments based on publicly available documents (such as annual reports or budgets) as well as over a dozen interviews with executive leadership across the agencies selected. Key areas for the organizational review included:

- **Mission and goals**
- **Current and previous governance structure and legal authorities**
- **If recently restructured: rationale for the new plan and outcomes**
- **Organizational structure and staffing levels**
- **Funding sources and budget**
- **Types of economic development programs, real estate projects, and initiatives led by the entity**
- **Partnerships/synergies with other entities in the city or region**

Comparison of Responsibilities of Peer Entities in Leading Economic and Community Development Functions

Relative to its peers, the URA centralizes a wide range of economic and community development functions, including affordable housing, commercial/mixed-use redevelopment, entrepreneurship, and business support. In other cities, these functions are often distributed across multiple agencies. Colocation of affordable housing and business support functions is particularly unusual. Of 9 peer entities analyzed, only 2 led both affordable housing and business development on behalf of their respective cities.

	Pittsburgh URA	**Atlanta** Invest Atlanta	**Baltimore** BDC	**Boston** BPDA	**Cincinnati** DCED	**Minneapolis** CPED	**New Orleans** NOLABA	**Philadelphia** PIDC	**Portland** Prosper Portland	**St. Louis** STLP
Business Attraction/ Retention	◐	●	●	◐	●	◐	●	●	◐	●
Business Support	●	●	●	◐	●	●	◐	●	●	●
Entrepreneurship	●	●	●	○	○	◐	●	●	●	●
Workforce Development	○	○	○	●	○	●	◐	○	●	●
Commercial/ Mixed Use Redevelopment	●	●	●	●	●	●	◐	●	●	●
Land Acquisition/ Disposition	●	◐	○	●	●	●	○	◐	●	◐
Affordable Housing	●	◐	○	◐	●	●	○	○	○	○
Infrastructure/ Public Works	◐	○	○	○	○	○	○	○	○	○

Economic Development Agency is: ● Primarily Responsible ◐ Partially Responsible ○ Not Responsible

High-Level Summary of Peer Cities

City	City Population 2017	City Population Growth 2010–2017	MSA Population 2017	No. of Fortune 500 HQs 2018	Lead Economic Development Agency	Entity Type
Atlanta GA	465,230	11%	5,700,990	15	Invest Atlanta	Public Authority
Baltimore MD	619,796	0%	2,792,050	0	Baltimore Development Corporation	501(c)(3)
Boston MA	669,158	8%	4,342,905	10	Boston Planning & Development Agency	Public Authority
Cincinnati OH	298,957	1%	1,654,238	9	Department of Community & Economic Development	City Agency
Minneapolis MN	411,452	8%	3,397,781	18	Department of Community & Economic Development	City Agency
New Orleans LA	388, 182	13%	1,260,660	1	New Orleans Business Alliance	501(c)(3)
					New Orleans Redevelopment Authority	Public Authority
Philadelphia PA	1,569,657	3%	4,092,856	11	Philadelphia Industrial Development Corporation	501(c)(4)
Pittsburgh PA	305,012	0%	2,348,132	7	Urban Redevelopment Authority	Public Authority
Portland OR	630,331	8%	1,913,065	1	Prosper Portland	Public Authority
St. Louis MO	314,867	-1%	2,112,927	10	St. Louis Economic Development Partnership	501(c)(6)

ATLANTA

Economic development in Atlanta is spearheaded by Invest Atlanta, a state-chartered development authority that is jointly governed by City Hall, City Council, and Fulton County.

Focused on a wide range of activities, from housing finance to small business assistance to business attraction and retention, Invest Atlanta also leads strategic economic development planning on behalf of the City. In the aftermath of the recession, the agency underwent a significant restructuring, changing its name from the Atlanta Development Authority to Invest Atlanta to reflect an increased focus on job creation and economic competitiveness.

As Pittsburgh reforms its approach to economic development in the coming years, key lessons from Atlanta include:

1. The use of **Intergovernmental Agreements (IGAs)** to establish quid-pro-quo relationships between quasi-public economic development agencies and the Mayor's Office;
2. The importance of **metrics** for communicating agency accomplishments and advocating for fund allocation from public sector partners;
3. The potential of **innovative partnerships** with public, private and nonprofit entities to advance a shared agenda; and
4. Opportunities for **regional coordination** in economic development planning and policy.

Economic Overview

The business and transportation hub of the southeastern United States, Atlanta has experienced a significant economic resurgence following a severe and prolonged post-recession downturn. Between 2010 and 2018, the city's population grew by almost 17 percent to 498,000, just 10,000 residents shy of its 1970 all-time peak population.

Atlanta's economy is powered by logistics, transportation, media, information technology, and film and television production, as well as a cluster of nationally renowned colleges and universities. The Atlanta metropolitan area also hosts the third-largest concentration of Fortune 500 companies in the country, with several located within city limits, including Coca Cola, UPS, and Delta Air Lines. Nevertheless, the City suffers considerable racial and economic inequities, with the Brookings Institute recently ranking Atlanta the most unequal big city in America.[27] It should be noted, however, that the city's population makes up less than ten percent of the metropolitan area, which itself ranks nineteenth in the nation in income inequality.[28]

Atlanta's economic development goals are set by the Mayor, with most implementation activities carried out by Invest Atlanta, a development authority chartered by the State of Georgia, and select functions performed by the City's Department of City Planning, among others. Economic development in Atlanta is guided by a series of strategic plans including the City's Housing Plan (2014), Workforce Strategy (2014), Economic Development Strategy (2014), and Comprehensive Development Plan (2016). In its 2014 economic development strategy, Invest Atlanta outlined three core pillars to drive growth in the city's economy including: solidifying fundamentals; fostering innovation and entrepreneurship; and attracting, retaining and growing investment. The agency continues to tie its work to citywide priorities in its annual budget requests to the City of Atlanta, as described in more detail below.

INVEST ATLANTA OVERVIEW

NAME
Invest Atlanta

DATE FOUNDED
1997

LEGAL STRUCTURE
Public Authority

BOARD STRUCTURE
9-member board jointly appointed by City Hall, City Council and Fulton County and chaired by the Mayor of Atlanta.

MISSION STATEMENT
To advance Atlanta's global competitiveness by growing a strong economy, building vibrant communities, and increasing economic prosperity for all Atlantans.

NUMBER OF EMPLOYEES
55 (2018)

OPERATING REVENUES
$114.3M (FY18)

Key Economic Development Actors

Mayor

Atlanta is a “strong Mayor” city. The Mayor sets the citywide economic development agenda by serving as the board chair and appointing the President of the City’s primary economic development entity, Invest Atlanta. The Mayor also appoints the Commissioner of the Department of City Planning, who oversees the City’s land use policies and housing programs. The President of Invest Atlanta also serves as a member of the Mayor’s senior cabinet.

City Council

The Atlanta City Council is comprised of 16 members – the Council President, three at-large councilors elected to represent the entire city, and 15 district councilors who represent specific areas of the city. The Committee on Community Development/Human Services provides oversight on the City’s economic development policies. Currently, the Chair of the Committee on Community Development/Human Services serves on the board of Invest Atlanta.

Invest Atlanta (formerly the Atlanta Development Authority)

Empowered by the Local Government Authorities Registration Act and the Georgia Redevelopment Powers Law, Invest Atlanta is the City of Atlanta’s primary economic development agency. Invest Atlanta’s major activities include business attraction and retention, small business financing, affordable housing financing, and entrepreneurship support. The agency also administers the City’s ten Tax Allocation Districts (TADs), Atlanta’s analogue to Tax Increment Financing (TIF) districts. In 2012, in response to a prolonged post-recession economic downturn, Mayor Kasim Reed rebranded the organization from the Atlanta Development Authority to Invest Atlanta to show an increased focus on job creation, business attraction, and international competitiveness. Invest Atlanta’s nine-member Board of Directors is chaired by the Mayor of Atlanta and appointed via a complex process: three members are appointed by the Mayor, three by the City Council, and the remaining two members are the Commissioner of Fulton County and the Chair of the Community Development/Human Services Committee of the Atlanta City Council. In 2018, Invest Atlanta created or retained 10,381 jobs, provided $52.5 million in financing for affordable multifamily housing, offered $3 million of down payment assistance, issued $1.2 million in small business loans, invested $1.6 billion in new capital projects, and had a total estimated economic impact of $3.8 billion.

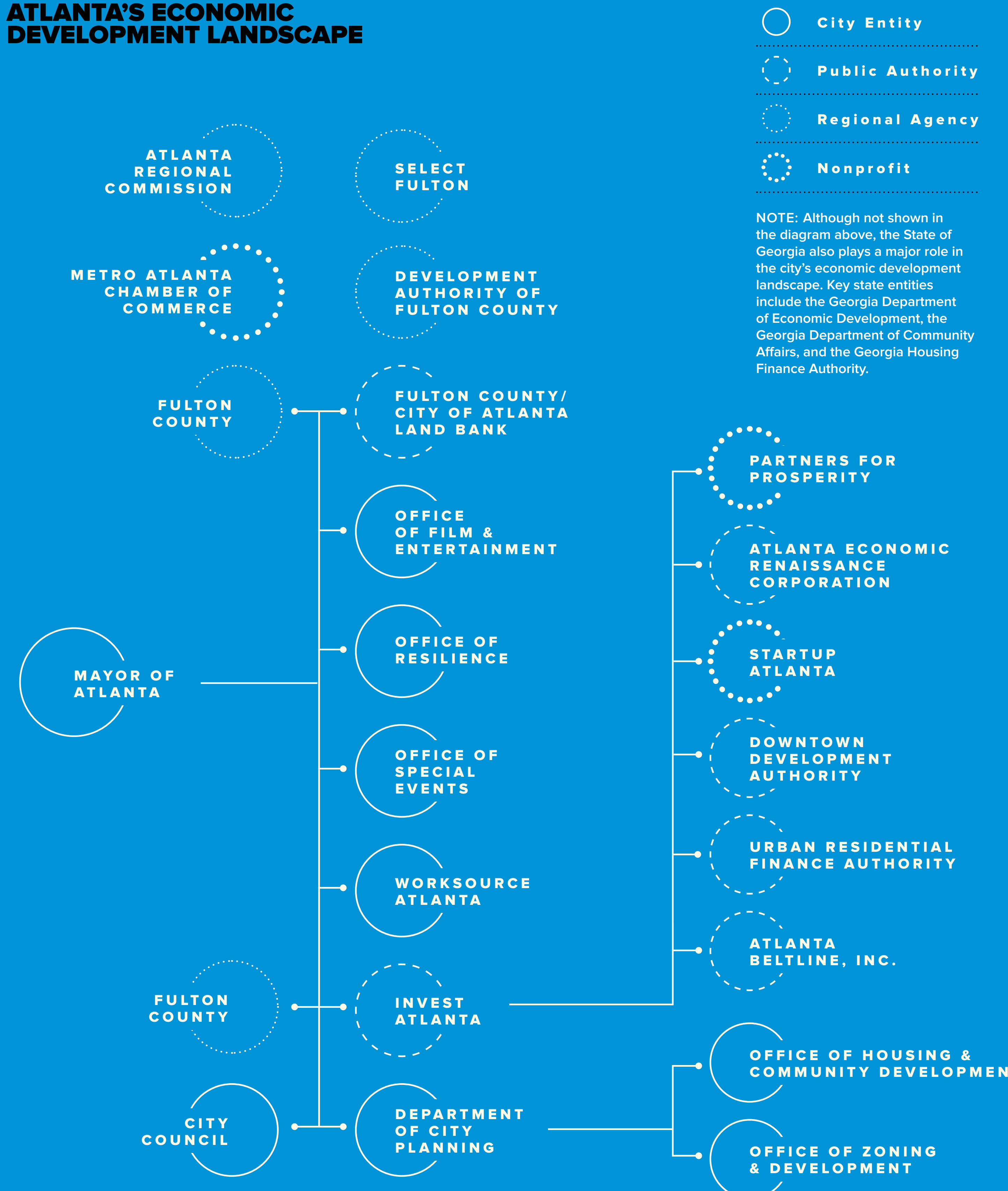
Department of City Planning

In addition to overseeing planning, zoning, historic preservation, and other land use-related functions, DCP houses the Office of Housing & Community Development, which distributes funding for affordable housing development and preservation.

Fulton County/City of Atlanta Land Bank

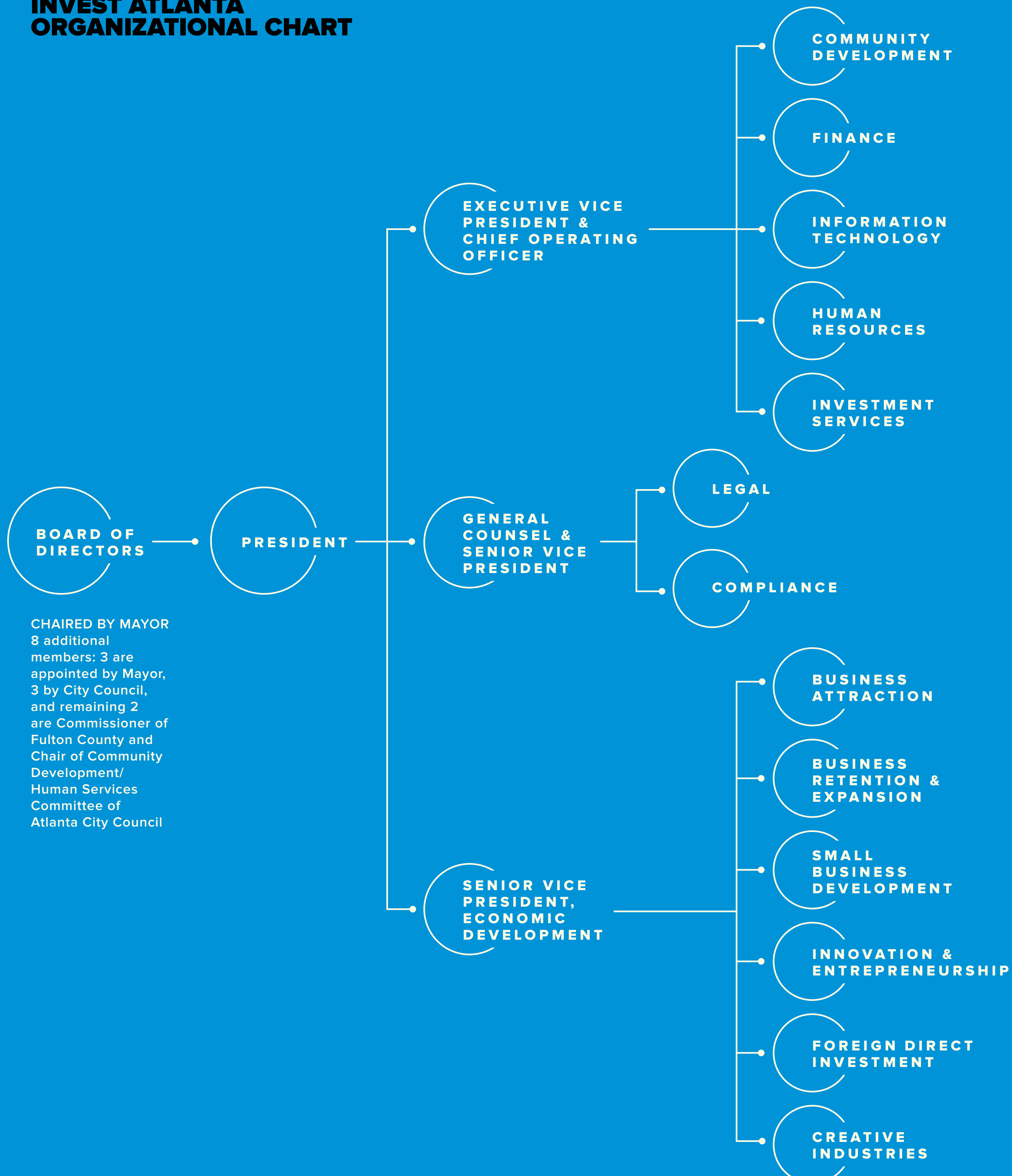
Founded in 1991, the City-County Land Bank focuses on returning vacant, abandoned or distressed property to productive use. The Land Bank is governed by a six-member board, with three members each appointed by the City and County, and a chairperson appointed by the County. In 2012, the Land Bank also created the Land Bank Depository Agreement Program allowing Invest Atlanta and local nonprofits to temporarily bank properties for up to three years while working on development plans.

ATLANTA’S ECONOMIC DEVELOPMENT LANDSCAPE



NOTE: Although not shown in the diagram above, the State of Georgia also plays a major role in the city’s economic development landscape. Key state entities include the Georgia Department of Economic Development, the Georgia Department of Community Affairs, and the Georgia Housing Finance Authority.

INVEST ATLANTA ORGANIZATIONAL CHART



WorkSource Atlanta

Atlanta's workforce development agency is governed by a 22-member board that is appointed by the Mayor and includes the President/CEO of Invest Atlanta.

Metro Atlanta Chamber of Commerce

Founded in 1860, the Metro Atlanta Chamber of Commerce is a membership-based nonprofit organization focused on three core areas: business attraction, policy advocacy, and marketing and communications for metropolitan Atlanta's business community.

Transport and Utilities

Water and sewer services in Atlanta are provided by the City-controlled Department of Watershed Management, with electricity provided by Georgia Power, a private company. Public transit is operated by the Metropolitan Atlanta Rapid Transit Authority (MARTA), a multi-county authority jointly governed by the City of Atlanta, the counties of Fulton, Clayton, and Dekalb, and the State of Georgia. Hartsfield-Jackson Atlanta International Airport is owned and operated by the City-controlled Atlanta Department of Aviation, and is the world's busiest by passenger throughput.

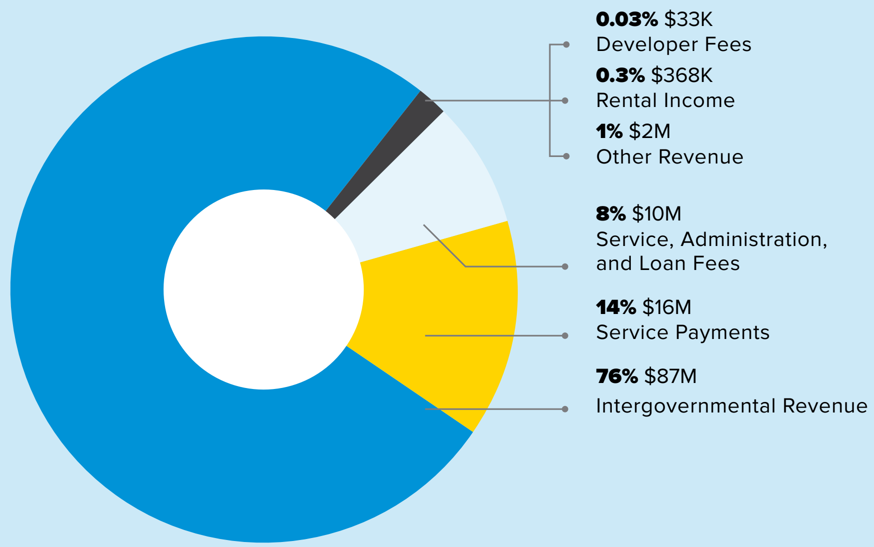
The working relationship between the City of Atlanta and Invest Atlanta is stipulated in a series of contracts known as Intergovernmental Agreements (IGAs).

Invest Atlanta Governance

A state-chartered public development corporation, Invest Atlanta's governance is notable in three respects:

- **Multi-jurisdictional board representation:** By tradition, Invest Atlanta's 9-member board is chaired by the Mayor of Atlanta, ensuring strong coordination with City Hall and other city agencies on economic development priorities. The Mayor also appoints three additional board members. In addition to the Mayor's Office, the City Council plays a significant role in Invest Atlanta's governance, with the Chair of the Council's Community Development/ Human Services Committee serving on the board. The City Council also has three additional appointees on the board, including a representative of the Atlanta Board of Education – a critical element given the school district's role in approving the agency's tax increment financing projects. Finally, the Commissioner of Fulton County also serves on Invest Atlanta's board, a key partner given that approximately 90% of the City of Atlanta is located within the county.
- **Intergovernmental Agreements:** The working relationship between the City of Atlanta and Invest Atlanta is stipulated in a series of contracts known as **Intergovernmental Agreements (IGAs)**. Specific IGAs outline Invest Atlanta's role performing economic development services, redevelopment services, and administration and management of specific grants and programs. High-level IGAs are established every 4 to 5 years, with specific budgetary allocations negotiated on an annual basis. Each year, Invest Atlanta submits a detailed request to the City of Atlanta stating services to be provided, staff to be supported, and metrics and targets to measure the impacts of City investments.
- **Metrics:** Invest Atlanta's work is guided by a range of metrics and targets that communicate the agency's accomplishments and support budget requests to the City of Atlanta. These metrics include: number of trade missions and conferences organized; number of small business consultations; number of loans awarded; number of business attraction and retention leads engaged; number of jobs created and retained; and amount of capital investment in projects. In addition to being highlighted in the agency's annual report, these metrics play a critical role in annual budget negotiations with the City of Atlanta, as the agency seeks to demonstrate the impact of the City's investment in the agency's work.

INVEST ATLANTA FY18 OPERATING REVENUES



Invest Atlanta Budget

Invest Atlanta's operating budget for FY18 included $114.3M in operating revenues. 76% of Invest Atlanta's operating revenues are drawn from intergovernmental funds, 14% from service payments and 8% from service, administration and loan fees.

Invest Atlanta is also responsible for the financial management of the City of Atlanta's Tax Allocation Districts (TADs). Since 1992, the City of Atlanta has created 10 TADs to support economic development goals. Between 1992 and 2018, TAD bonds and incremental tax revenues have leveraged over $8.5 billion in private development throughout the city and spurred the creation of approximately 46,000 jobs. The City's largest TAD, around the BeltLine redevelopment project, generated over $34M in tax increment in 2017 alone.[29] Per state law, TAD proceeds can be used to fund a significant portion of Invest Atlanta's operational costs for administering the TADs.

Invest Atlanta Divisions & Functions

Invest Atlanta is organized in three high-level divisions as outlined in the organizational chart on page 164. As of 2018, Invest Atlanta had 55 staff members.[30]

UNDER

THE CHIEF OPERATING OFFICER

Reporting to the Chief Operating Officer are the Department of Community Development (which leads the agency's affordable housing work), the Department of Finance, IT, HR and Investment Services.

UNDER

GENERAL COUNSEL

Reporting to the General Counsel are the Legal and Compliance Departments, focused on transactional and contractual support and compliance with local, state and federal laws.

UNDER

SENIOR VICE PRESIDENT FOR ECONOMIC DEVELOPMENT

Reporting to the Senior Vice-President for Economic Development are the agency's Business Attraction, Business Attraction and Retention, and Small Business Development Departments, as well as teams focused on Innovation & Entrepreneurship, Foreign Direct Investment and Creative Industries.

LESSONS FOR PITTSBURGH

- **Intergovernmental Agreements:** The use of Intergovernmental Agreements (IGAs) to provide a framework for municipal budget commitments to Invest Atlanta offers a useful precedent for the URA and the City of Pittsburgh as they seek to standardize the annual budgeting process. IGAs are typically 4-5 year contracts that outline the core services to be provided by the economic development agency and the financial support to be provided by the City. Using the IGAs as a framework, Invest Atlanta then submits a detailed annual budget request to the City. These requests are tied to clear metrics, targets, work products, and staffing/operational requirements, and typically provide a summary of progress to date on targets outlined in the prior year's budget request.

- **Strong External Communications:** In 2018, Invest Atlanta redesigned and relaunched its website to provide an easy-to-use dashboard of key services and a new Impact & Insights page allowing users to search projects by type, industry, location and year.[31] By March of 2018, just one month after the launch of the redesign, the website had 63 percent more visitors than March of the prior year. Invest Atlanta also has a robust YouTube page, InvestAtlanta TV, with videos profiling small business success stories, agency leadership, and major accomplishments. As the URA increases its focus on marketing and communications in the coming years, including preparing for its 75th anniversary, Invest Atlanta's multipronged communications approach offers an instructive precedent.

- **Innovative Partnerships:** Invest Atlanta has engaged in a number of innovative partnerships in recent years, many of them with regional partners. Such projects include collaborating with MARTA on a transit-oriented development in Edgewood-Candler Park and launching an IoT AgTech Challenge in partnership with the City of Atlanta, the Metro Atlanta Chamber, the Atlanta Beltline, and Georgia Power, to strengthen the city's competitive advantage in food technology. As the URA explores ways to strengthen and formalize partnerships with external parties, including regional players, the range of entities with which Invest Atlanta has partnered can serve as inspiration.

- **Handle Nonprofit Subsidiaries with Caution:** In 2015, Invest Atlanta founded Partners for Prosperity, a 501(c)(3) entity, in order to receive charitable donations on behalf of the Authority. In 2018, however, the nonprofit became embroiled in controversy when it was found that some of its funds were used to defray the costs of a $90,000 trip taken by Mayor Kasim Reed and his staff. A legal review by the City of Atlanta found that the CEO of Invest Atlanta had too much control over the entity and that the board had provided insufficient oversight on its financial transactions. In exploring new models for raising revenue to sustain its operations in the coming years, the URA must ensure that it institutes measures to promote transparent governance.

BALTIMORE

Economic development in Baltimore is led by the Baltimore Development Corporation (BDC), a City-controlled nonprofit that consolidates business attraction, entrepreneurship, and small business functions on behalf of Baltimore City.

Receiving approximately 70% of its budget from Baltimore City, BDC also manages Baltimore's Foreign Trade Zone, which generates supplemental revenue for the agency. The Department of Housing and Community Development (DHCD), meanwhile, leads affordable housing and neighborhood revitalization initiatives on behalf of the City. BDC, DHCD and other community and economic development actors coordinate their work through the Neighborhood Subcabinet, which was created in 2019 to align neighborhood planning and investment efforts across agencies.

As Pittsburgh explores ways to improve its delivery of economic development services, key lessons from Baltimore include:

1. The importance of creating a **reporting structure** to align economic and community development actors on both geographic and issue area-specific investments;
2. Opportunities for economic and community development leadership to serve on **public and nonprofit boards** in order to strengthen alignment; and
3. The potential for **strategic policy documents** to build cross-sectoral consensus and outline key sources of funding.

Economic Overview

A former powerhouse in shipping, steel processing, and auto manufacturing, Baltimore has suffered considerable population decline in recent decades, dropping from a peak population of 949,700 in 1950 to an estimated 602,500 in 2018.[32] Today, Baltimore's economic base is primarily driven by healthcare and higher education. Baltimore is also playing host to an emerging tech economy. In 2018, Baltimore ranked 11th out of North American cities in CBRE's Tech Talent Scorecard, with technology jobs representing 5.3% of all jobs.[33] In a recent study of older industrial cities, the Brookings Institute ranked Baltimore's economic performance as comparatively strong, alongside "comeback cities" including Pittsburgh, Philadelphia, Brooklyn and Queens. Brookings noted that Baltimore's economic potential was rooted in its scientific research capacity, significant share of technology jobs, and youthful population.[34]

Underlying these positive trends, however, are deep racial, ethnic and socioeconomic disparities. The unemployment rate among Black households is over three times that for White households, while over a third of Black households in the city have a net worth of zero.[35] The city's poverty rate of 22.4%, meanwhile, is almost twice the national average.[36] Chronic social unrest and political corruption are further symptoms of these profound inequities.

Baltimore's economic development goals are set by the Mayor, with implementation divided between the Baltimore Development Corporation (BDC), a nonprofit entity contracted by the City, and the Department of Housing and Community Development (DHCD), a city agency. Economic development in Baltimore is guided by a series of strategic plans including BDC's Comprehensive Economic Development Plan (2014), DHCD's annual action plans (developed per federal rules), and DHCD's comprehensive Community Development Framework (2019). In tandem with the release of the Community Development Framework, the City launched the Neighborhood Impact Investment Fund (NIIF), a nonprofit partnership seeded with City capital that will leverage additional private and philanthropic funds to support community development initiatives.

BDC OVERVIEW

NAME
Baltimore Development Corporation

DATE FOUNDED
1991

LEGAL STRUCTURE
501(c)(3)

BOARD STRUCTURE
16-member board appointed by the Mayor of Baltimore.

MISSION STATEMENT
The Baltimore Development Corporation (BDC) is a nonprofit organization, which serves as the economic development agency for the City of Baltimore. Our mission is to retain and expand existing businesses, support cultural resources, and attract new opportunities that spur economic growth and help create jobs. BDC serves as a one-stop shop for anyone interested in opening, expanding or relocating a business in Baltimore City.

NUMBER OF EMPLOYEES
45 (2019)

OPERATING REVENUES
$11.5M (FY17)

Economic Development Actors

Mayor

Baltimore is a “strong Mayor” city in which the Mayor substantively drives the economic development agenda. The Mayor has the power to appoint the board of BDC, the City’s primary economic development entity, and appoint agency commissioners. City Hall also recently created numerous new reporting mechanisms to accelerate coordination between economic development actors, including the creation of a neighborhood subcabinet to align neighborhood revitalization efforts across agencies and a Chief of Strategic Alliances position within the Mayor’s Office to oversee economic development, transportation, workforce development, MWBE policy, and information technology. Historically, however, the President of BDC has reported directly to the Mayor.

City Council

The Baltimore City Council is comprised of 15 members – the Council President, elected at-large, and 14 district councilors who represent specific areas of the city. Three committees provide legislative oversight on community and economic development matters: the Land Use & Transportation Committee, the Housing & Urban Affairs Committee, and the Taxation, Finance & Economic Development Committee.

Baltimore Development Corporation (BDC)

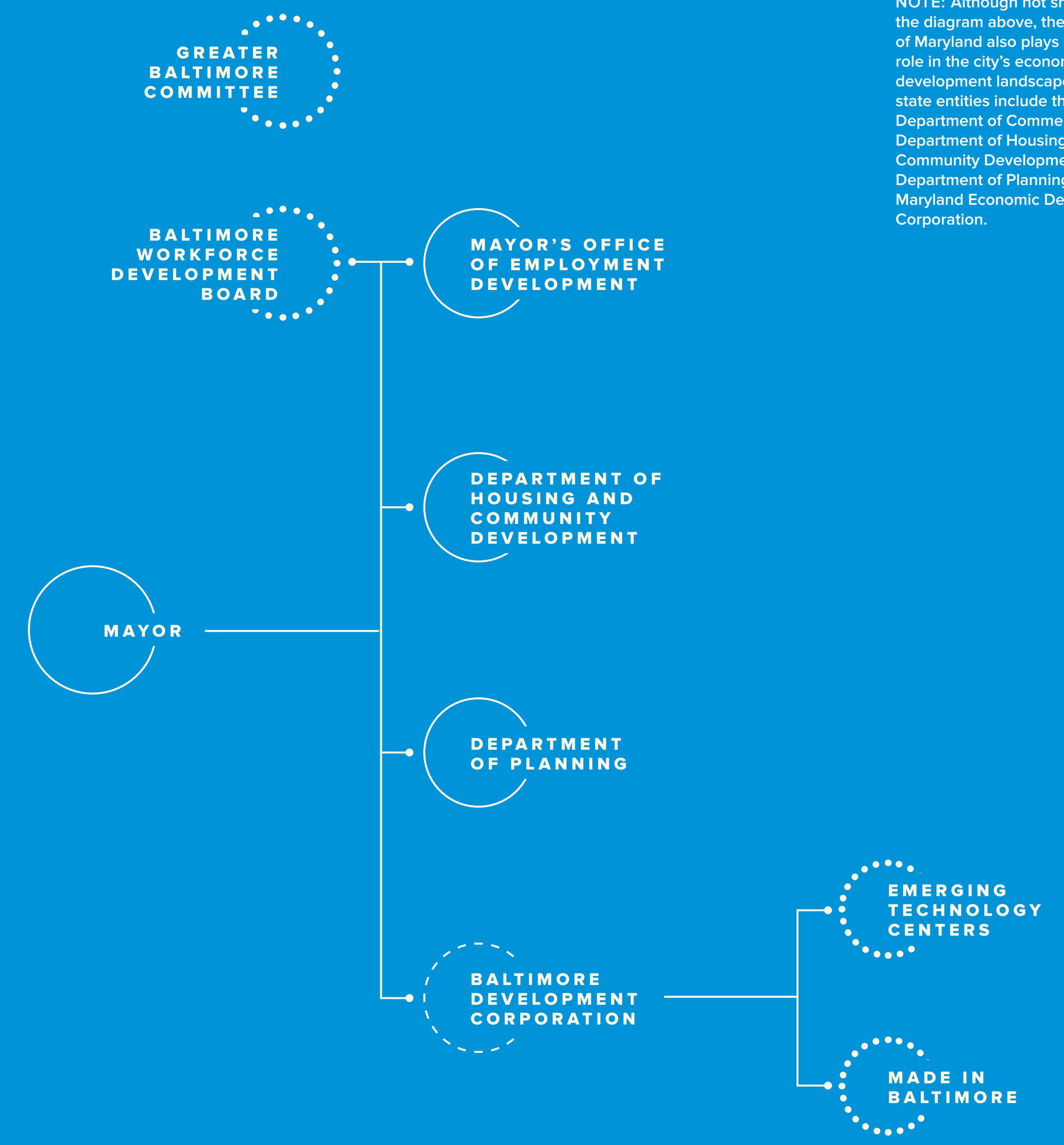
Founded in 1991 as a consolidation of three prior agencies (Charles Center-Inner Harbor Management Corporation, Market Center Development Corporation and Baltimore Economic Development Corporation), BDC is Baltimore City’s economic development agency. The agency’s key activities focus on business attraction, public-private real estate development, main streets revitalization, entrepreneurship, and small business financing. On behalf of Baltimore City, BDC also administers the Foreign Trade Zone at the Port of Baltimore and five Enterprise Zones. BDC has been intimately involved in flagship economic development projects including the Inner Harbor marketplace and the Camden Yards stadium, which are seen as best practices internationally. Due to its status as a nonprofit 501(c)(3), BDC operates as the City’s economic development agency through a contract with the Department of Housing and Community Development. In 2017, BDC assisted 131 businesses, created 1,896 jobs, retained 2,184 jobs, and finalized eight land disposition agreements.

Department of Planning

The Baltimore City Department of Planning guides the city’s physical development through land use plans, policies, and regulatory tools. In addition to the Office of the Director, the Department has five divisions: the Office of Sustainability, Comprehensive Planning, Land Use and Urban Design, Research and Strategic Planning and Historical and Architectural Preservation. In 2015, the Department of Planning also launched an Equity in Planning Committee that aims to leverage the Department’s work towards remedying racial inequity in the city.

BALTIMORE’S ECONOMIC DEVELOPMENT LANDSCAPE

City Entity
Public Authority
Nonprofit



NOTE: Although not shown in the diagram above, the State of Maryland also plays a major role in the city’s economic development landscape. Key state entities include the Department of Commerce, the Department of Housing and Community Development, the Department of Planning, and the Maryland Economic Development Corporation.

Department of Housing and Community Development (DHCD)

Founded in 1968, DHCD works to strengthen and revitalize Baltimore's neighborhoods through administration of federal, state and local funds for affordable housing and community development. The agency's 400 employees are distributed in five divisions: Administration, Communications, Policy & Partnerships, Operations, and Information Technology. In February 2019, DHCD released A New Era of Neighborhood Investment, a 60-page comprehensive Community Development Framework that provides a strategic vision for the agency's work in the coming years. The framework is built around three core pillars: 1) expand resources and capacity for community development; 2) promote access and equity; and 3) invest in all neighborhoods. The framework also outlines several major new funding streams, including a new $52 million Neighborhood Impact Investment Fund, a Community Catalyst Grant program, and an Affordable Housing Trust Fund projected to receive up to $20 million per year.

Mayor's Office of Employment Development

The Mayor's Office of Employment Development (MOED) is the administrative arm of the Baltimore Workforce Development Board (BWDB). MOED is responsible for the management and disbursement of federal, state and city funds for workforce development. MOED is governed by a 32-member Board of Directors and is charged with implementing a four-year Local Workforce Plan in compliance with the federal Workforce Innovation and Opportunity Act (WIOA).

Greater Baltimore Committee

Founded in 1955, the Greater Baltimore Committee is the Baltimore region's leading organization of business and civic leaders, representing Baltimore City and its five neighboring counties (Anne Arundel, Baltimore, Carroll, Harford and Howard). GBC engages in legislative advocacy at the state and local level and has authored a number of strategic documents to promote economic growth and job creation in the region.

Transport & Utilities

Water and sewer services in Baltimore are provided by the City-controlled Department of Public Works, with electricity provided by Baltimore Gas & Electric, a private company. Light rail, commuter rail, subway and bus services are operated by the Maryland Department of Transportation. Baltimore-Washington International Airport is owned and operated by the Maryland Aviation Administration, an airport authority under the jurisdiction of the Maryland Department of Transportation.

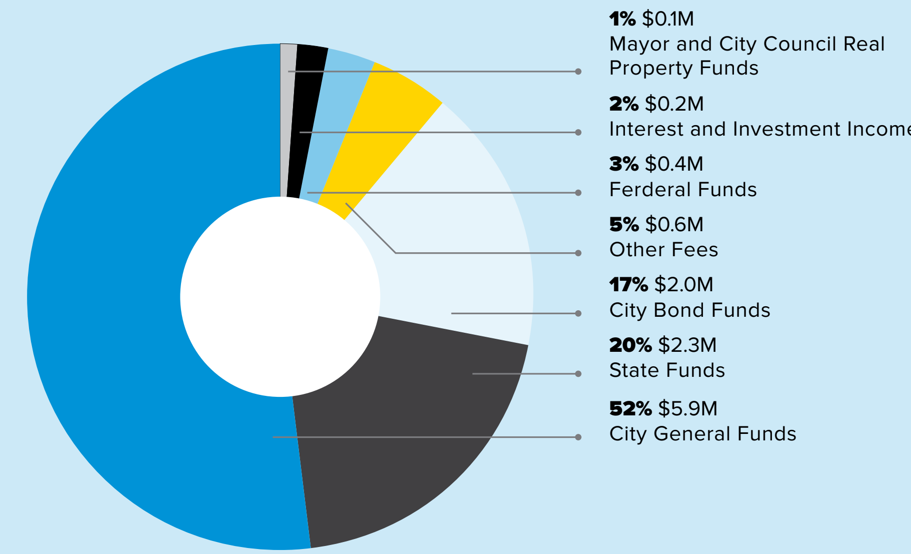
BDC Governance

BDC is governed by a 16-member board that is appointed by the Mayor of Baltimore and meets on a monthly basis. Board membership is diverse, including 9 private-sector representatives, 2 nonprofit representatives, and 5 city representatives (including the Commissioner of DHCD, the Director of the Department of Finance, the Director of the Mayor's Office of Small, Minority & Women Business Development, and the Chief and Deputy Chief of Strategic Alliance). Although the Board nominally appoints the BDC President, in practice, the Mayor drives the selection process, due to the Mayor's extensive oversight over the Board.

By tradition, the BDC President also serves on a wide range of boards and committees, including Business Improvement Districts (the Downtown Partnership of Baltimore and the Waterfront Partnership), trade associations (Visit Baltimore) and Baltimore City agency committees (such as DHCD's RFP panel).

BDC also forms a part of the City of Baltimore's Neighborhood SubCabinet, a newly created reporting structure designed to advanced coordinated investment in communities across the city. The cabinet brings together executive-level staff from departments overseeing housing, planning, transportation, parks, public works, public safety, economic development, education, workforce development and public health. The SubCabinet is divided into seven working groups, four of which are geographically defined and three of which are organized around specific issue areas (urban greening, middle neighborhoods, and commercial corridors). These working groups focus on project-level operations and report to the executive-level SubCabinet on a quarterly basis. The entire SubCabinet is led by the City's Chief Operating Officer, ensuring tight integration with City Hall.

BALTIMORE DEVELOPMENT CORPORATION FY17 OPERATING REVENUES



BDC Budget

BDC's operating budget for FY17 amounted to $11.5M in operating revenues. 69% of BDC's operating revenues are derived from the City of Baltimore, including $5.9M in City general funds, $2M in City bond funds, and $100K in real property funds (BDC collects 10% of sales proceeds from the disposition of City-owned properties). BDC also administers the Baltimore Foreign Trade Zone #74 on behalf of the City and collects approximately $100K per year in fees from site tenants.

Agency Divisions & Functions

As of 2019, BDC has approximately 45 employees. The organization is divided into five major departments: Administration; Finance; Strategy, Research & Analytics; Business & Neighborhood Development; and Marketing, Communications & External Relations. Two separate nonprofits are also operated out the Executive Vice President's Office: Made in Baltimore, which focuses on local manufacturing, and the Emerging Technology Centers (ETC), which focus on entrepreneurship and the startup economy.

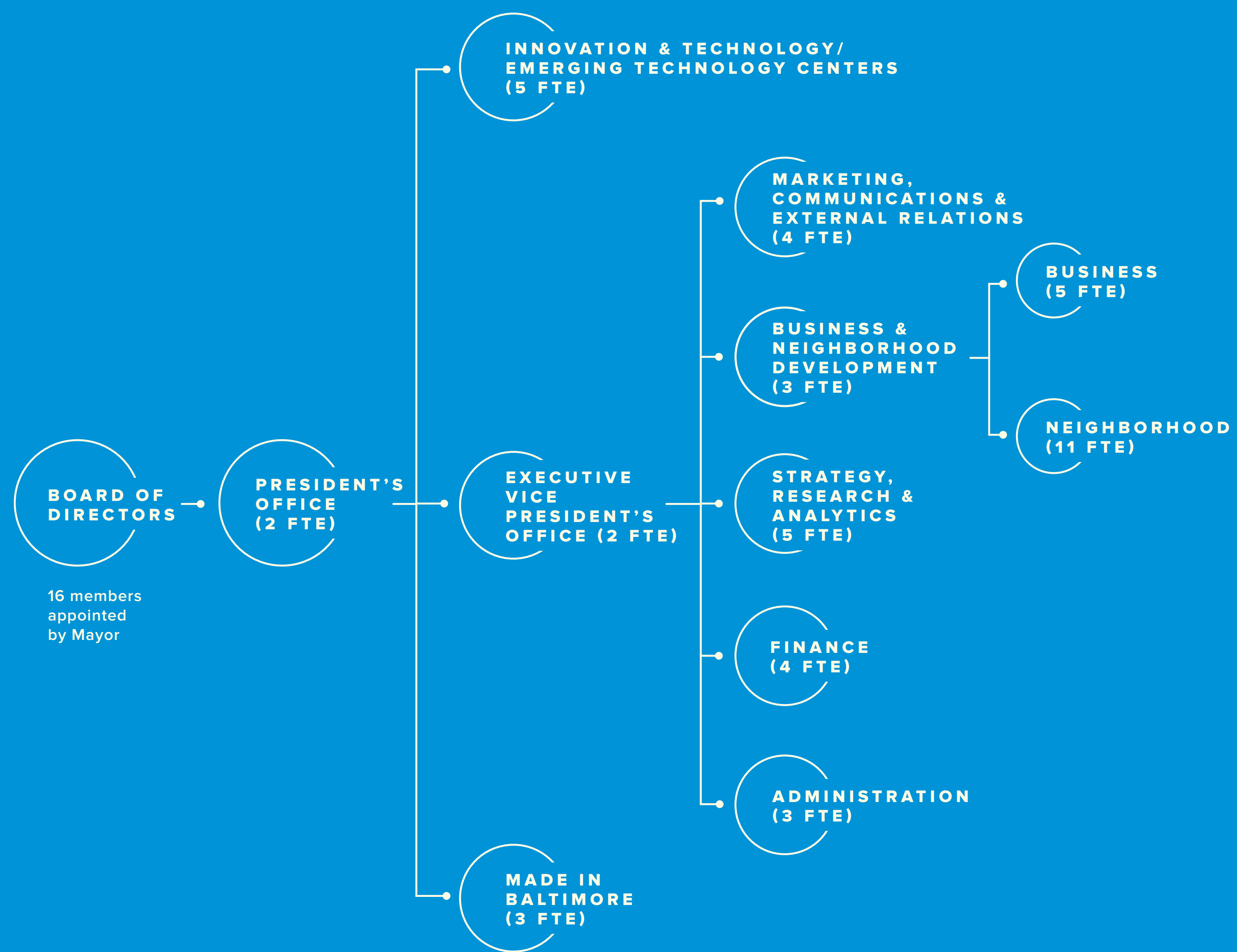
A more detailed overview of BDC's departments is included below:

ADMINISTRATION

Led by BDC's Chief Operating Officer, the 3-person Administration Department provides administrative support to BDC activities.

FINANCE

The Finance Department's 4-person staff manages BDC's budget, accounting, reporting and compliance and includes the agency's Chief Financial Officer and Controller.



STRATEGY, RESEARCH & ANALYTICS

Recently established with the goal of embedding data into BDC's policies and procedures, this 5-person team leads policy research and market analytics for the agency. BDC also manages the City's Foreign Trade Zone out of the Strategy, Research & Analytics Department.

BUSINESS & NEIGHBORHOOD DEVELOPMENT

The 19-person Business & Neighborhood Development Department leads the core of BDC's business services, including business attraction and retention, small business financing, land acquisition and disposition, and public-private real estate transaction support. The Neighborhood division is geographically organized into a Central & West Team and an East Team, while the Business division is supported by a Business Equity Manager.

MARKETING, COMMUNICATIONS & EXTERNAL RELATIONS

With a 4-person staff, the Department of Marketing, Communications & External Relations leads external engagement and special projects on behalf of the agency and is supported by a GIS analyst.

MADE IN BALTIMORE

Supported by a 3-person staff and operated out of the Office of the Executive Vice President, Made in Baltimore is a nonprofit subsidiary of BDC focused on growing the market for locally made products. The team operates a local brand certification program, a storefront on North Avenue that provides promotional and sales opportunities, print and media campaigns, special events and business development services.

INNOVATION & TECHNOLOGY/EMERGING TECHNOLOGY CENTERS

Founded in the late 1990s as a nonprofit venture of BDC, the Emerging Technology Centers (ETC) provide Baltimore entrepreneurs with access to affordable workspace, seed capital, networking opportunities, and incubator and accelerator programs. Supported by a 5-person team and operated out of the Executive Vice President's Office, ETC currently operates four programs: Incubate Baltimore (an incubator), Beehive Baltimore (a coworking space), Accelerate Baltimore (a 13-week accelerator program), and Pioneer Baltimore (a 9-week business boot camp).

LESSONS FOR PITTSBURGH

- **Reporting Structure:** As Pittsburgh explores reforms to its economic development reporting structure, Baltimore's Neighborhood Subcabinet provides a useful template for integrating decision making across agency lines. In particular, the Subcabinet's combination of issue-area specific (housing, green space, etc.) and neighborhood-specific task forces offers a template for strategic planning along multiple dimensions.
- **Strong External Partnerships:** By tradition, the BDC President serves on a wide range of nonprofit boards as well as various committees and panels of peer City agencies. As the URA explores ways to strengthen its relationships with public, private and nonprofit partners, having agency leadership serve on the boards of partner entities is an effective model.
- **Strategic Documents:** Baltimore's recently released Community Development Framework offers a useful template as the URA launches a business planning process in the coming months. The document is built around three strategic pillars (expanding resources and capacity; promoting access and equity; and investing in all neighborhoods) and outlines a range of new funding sources to support affordable housing, small business development, and neighborhood revitalization. Importantly, the document is more of a strategic framework than a detailed implementation roadmap. The Department of Housing and Community Development has committed to releasing a more action-oriented document by the end of 2019, following a year of engagement with community representatives to collaboratively set quantitative goals and metrics.

BOSTON

Formerly known as the Boston Redevelopment Authority (BRA), the Boston Planning & Development Agency (BPDA) is the dominant player in Boston's economic development landscape, consolidating zoning, planning, workforce development and economic development functions for the City.

The BPDA's recent organizational reforms have given the agency a renewed sense of mission, breaking from a sometimes-controversial history to refocus on community-based planning and equitable development. Since the late 1980s, the BPDA has been a financially self-sustaining entity, requiring no appropriations from the City budget.

As Pittsburgh reorganizes its economic development apparatus, key lessons from Boston include:

1. The benefits of undertaking a significant **branding and organizational restructuring** to place increased emphasis on equity and inclusion;
2. The importance of a **unified reporting structure** across the city to advance progress towards citywide economic development objectives;
3. The potential to generate long-term revenue sources from **real estate assets and transactions**;
4. The importance of clear and transparent financial reporting; and
5. Opportunities to create stronger programmatic and financial synergies between real estate development and workforce development.

Economic Overview

The City of Boston has experienced significant economic growth in recent years, with employment increasing almost 22% between 2010 and 2018 to reach the largest citywide job count since employment data became available in 1969.[37] The city population comprises only 15% percent of the Boston metropolitan area, which is the nation's tenth largest and home to more than 4.3 million people. Despite its small size, the City of Boston has asserted itself as a powerful economic engine for the New England region and a leading American city. Key growth sectors include medicine, technology, and higher education, driven by a robust network of tech incubators, research institutes, and financial institutions. Nevertheless, as with many of its northeastern peers, the City exhibits significant divides by race and income. According to a 2018 report by the Boston Foundation, Boston is the seventh most unequal city in the United States. Median household income for White households in Boston is currently twice that of Black households.[38]

Boston's economic development goals are set by the Mayor, with most implementation activities conducted by the Boston Planning & Development Agency (BPDA), an authority chartered by the State of Massachusetts, and select functions performed by the City's Department of Neighborhood Development and the Mayor's Office of Economic Development.

Economic development in Boston is guided by a series of strategic plans including the City's Housing Plan (2014, updated 2018), Small Business Plan (2016), Economic Inclusion and Equity Agenda (2016), Resilience Strategy (2017), and Imagine Boston 2030, the City's first comprehensive plan in fifty years (2017). As a result of Housing Boston 2030, the City permitted or completed over 27,000 housing units between 2014 and 2018, significantly outperforming the plan's initial goal of 53,000 housing units by 2030 (a long-term goal that has since been revised to 69,000).[39]

BPDA OVERVIEW

NAME
Boston Planning & Development Agency

DATE FOUNDED
1957

LEGAL STRUCTURE
Public Authority

BOARD STRUCTURE
5-member board with 4 members appointed by the Mayor of Boston and one member appointed by the Governor of Massachusetts.

MISSION STATEMENT
The Boston Planning & Development Agency plans and guides inclusive growth in our city—creating opportunities for everyone to live, work and connect. Through our future-focused, city-wide lens, we engage communities, implement new solutions, partner for greater impact and track progress.

NUMBER OF EMPLOYEES
250 (2017)

OPERATING REVENUES
$62M (FY18)

Economic Development Actors

Mayor

The Mayor sets the citywide economic development agenda. Historically, the head of the BPDA simultaneously served as the Chief Economic Development Officer in the Mayor's Cabinet. Following the restructuring of the BPDA in 2015 (a signature part of Mayor Walsh's campaign platform), the Director of BPDA now reports to the Chief of Economic Development along with the Office of Economic Development, the Boston Employment Commission, and the Office of Tourism, Sports and Entertainment, among others.[40] Functionally, however, the Director of the BPDA continues to report directly to the Mayor. This economic development reporting structure is divided between physical planning and development (the BPDA) and citywide job creation and business attraction efforts (the Mayor's Office of Economic Development).

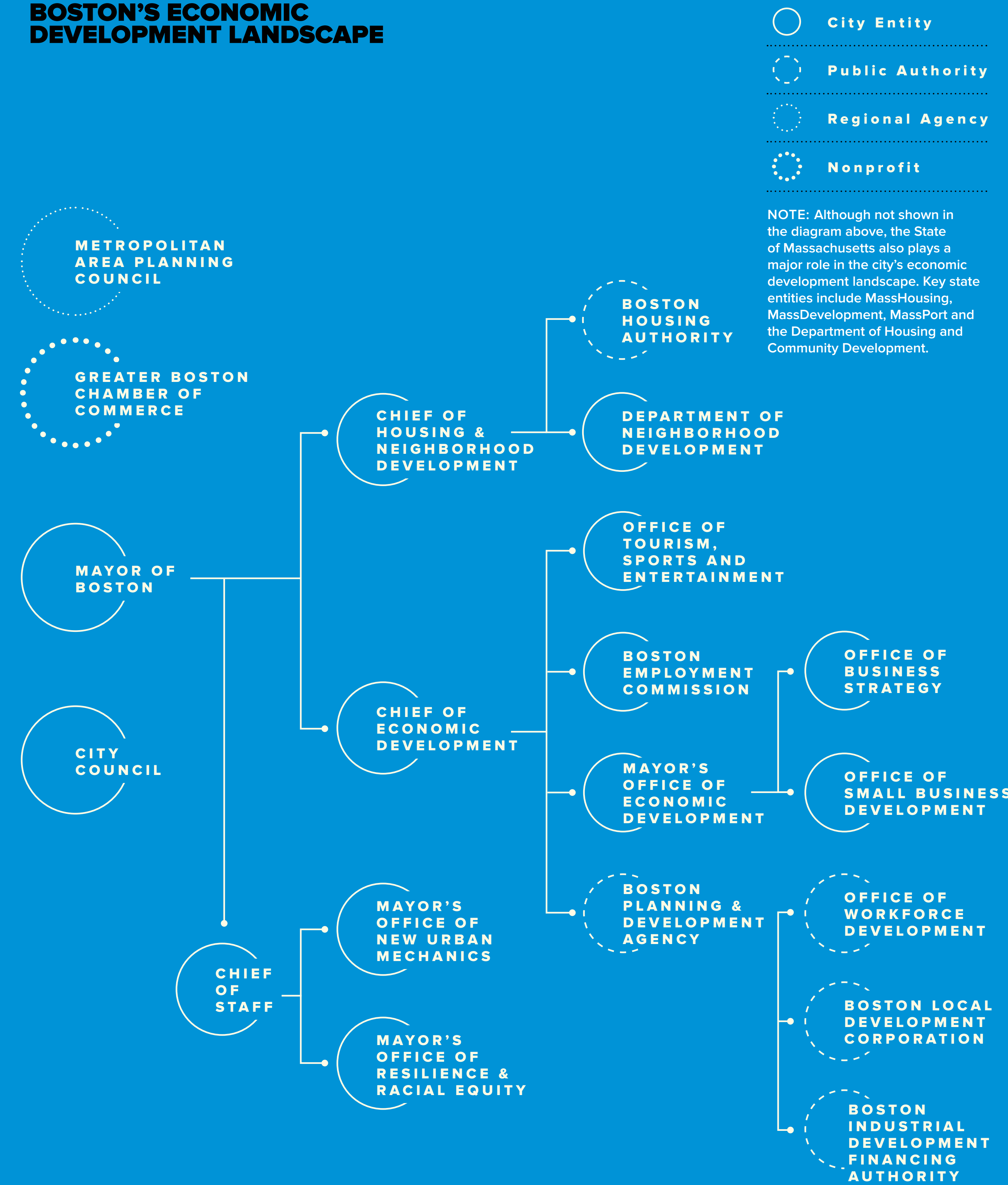
City Council

The City Council approves major development and building projects. The Council is comprised of 13 members – four at-large councilors elected to represent the entire city, and nine district city councilors who represent specific areas of the city. Three Council Committees provide legislative oversight on the City's economic development policies, including the Committee on Housing and Community Development, the Committee on Planning, Development and Transportation, and the Committee on Jobs, Wages and Workforce Development.

Boston Planning & Development Agency (BPDA) (formerly the Boston Redevelopment Authority)

The Boston Planning & Development Agency is a State-chartered authority charged with guiding planning, zoning, and economic development in the City of Boston. The BPDA is led by a five-member board, of which four members are appointed by the Mayor and one by the Governor. The BPDA is empowered to buy and sell property, acquire land through eminent domain, and provide tax incentives to stimulate residential and commercial development. Formerly known as the Boston Redevelopment Authority (BRA), the organization merged with the City Planning Board in 1960 and with the Economic Development and Industrial Corporation (EDIC), which manages the City's industrial parks, in 1993. BPDA also houses the City's primary workforce entity, the Office of Workforce Development. Through two subsidiaries, the Boston Local Development Corporation (BLDC) and the Boston Industrial Development Financing Authority (BIDFA), the BPDA also has the power to issue tax-exempt and taxable bonds on behalf of small businesses, nonprofits, and manufacturers. From 2014 to 2016, the BPDA underwent a major organizational restructuring following allegations of corruption, mismanagement and lack of transparency. The agency changed its name from the Boston Redevelopment Authority (BRA) to the Boston Planning & Development Agency (BPDA) and placed a renewed emphasis on neighborhood-based planning and equitable development. In FY 2018, BPDA approved over $5.2 billion worth of development in Boston, representing over 10.3 million square feet. These projects will result in over 7,600 construction jobs and 11,700 direct jobs.

BOSTON'S ECONOMIC DEVELOPMENT LANDSCAPE



NOTE: Although not shown in the diagram above, the State of Massachusetts also plays a major role in the city's economic development landscape. Key state entities include MassHousing, MassDevelopment, MassPort and the Department of Housing and Community Development.

Department of Neighborhood Development (DND)

The City of Boston's lead housing and community development agency, DND disburses federal, state and local funds for affordable housing, supports the City's Main Streets program, offers financial and technical assistance for small businesses and startups, conducts policy development and research, directs the City's Housing Innovation Lab, and manages the City's portfolio of tax-foreclosed land and surplus assets. The BPDA and DND also collaborate closely on the City's Inclusionary Housing program. The BPDA manages the program, which imposes affordable housing requirements on private developments, and DND receives and distributes funding generated by the program. DND is also bound by rigid state laws on the sale and lease of city-owned property; as such, in certain cases, DND transfers land to the BPDA for subsequent disposition and development.

Mayor's Office of Small Business Development

Housed within City Hall, the Office of Small Business Development offers technical assistance for signage and storefront improvements and runs the city's Economic Development Center, which offers free workshops for small businesses and entrepreneurs. In 2015, the Office of Small Business Development was relocated from the BPDA to the Mayor's Office to allow the BPDA to refocus on its core mission of planning and development.

Mayor's Office of Business Strategy

Housed within City Hall, the Office of Business Strategy focuses on business attraction, retention and expansion. The Office is comprised of two teams: the Industry Team, which is organized by industry sector, and the Global Affairs team, which focuses on supporting business development in the international market.

Boston Employment Commission

Founded in 1986, the Boston Employment Commission is an independent board that meets on a monthly basis to monitor the compliance of developers and contractors on large private and all public development projects, regardless of BPDA involvement. Per the Boston Residents Jobs Policy (BRJP), private development projects over 50,000 SF and any public development project must meet standards on percentage of work hours going to Boston residents, people of color, and women. The Commission's five members are appointed by the Mayor and include representatives of organized labor, higher education, and the City of Boston.

Transport & Utilities

Water and sewer services in Boston are provided by the City-controlled Water and Sewer Commission, with electricity provided by Eversource, a private company. Public transit is operated by the Massachusetts Bay Transit Authority (MBTA), a state entity. Logan International Airport is owned and operated by MassPort, a state authority.

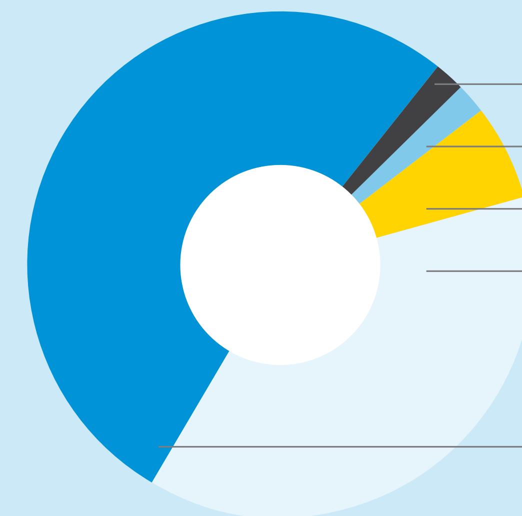
BPDA Governance

The BPDA is led by a five-member board, of which four members are appointed by the Mayor and one by the Governor. Functionally, however, the Mayor of Boston directs the BPDA's major activities, appointing the BPDA's Director and senior staff. Although the BPDA Director technically reports to the City's Chief of Economic Development, in practice, the agency reports directly to the Mayor.

The BPDA's work is guided by the City of Boston's housing plan, Housing Boston 2030, and its comprehensive plan, Imagine Boston 2030. Metrics from the plan related to affordable housing and economic development include: maintaining a job growth rate that outpaces the national average and peer cities; increasing wages in low-wage occupations; decreasing the portion of low- and middle-income households that are severely cost burdened; and reducing racial disparities in median household income and homeownership. Metrics are shared publicly and updated on an annual basis on the City's Analyze Boston platform.[41]

The BPDA has also played a lead role in strengthening the City's commitment to inclusive workforce development. As of 2018, the BPDA created a new policy requiring all proposals for development on public land to include a diversity and inclusion plan, including commitments to MWBEs in project construction, design, development, financing, operations and ownership.

BPDA FY18 OPERATING REVENUES



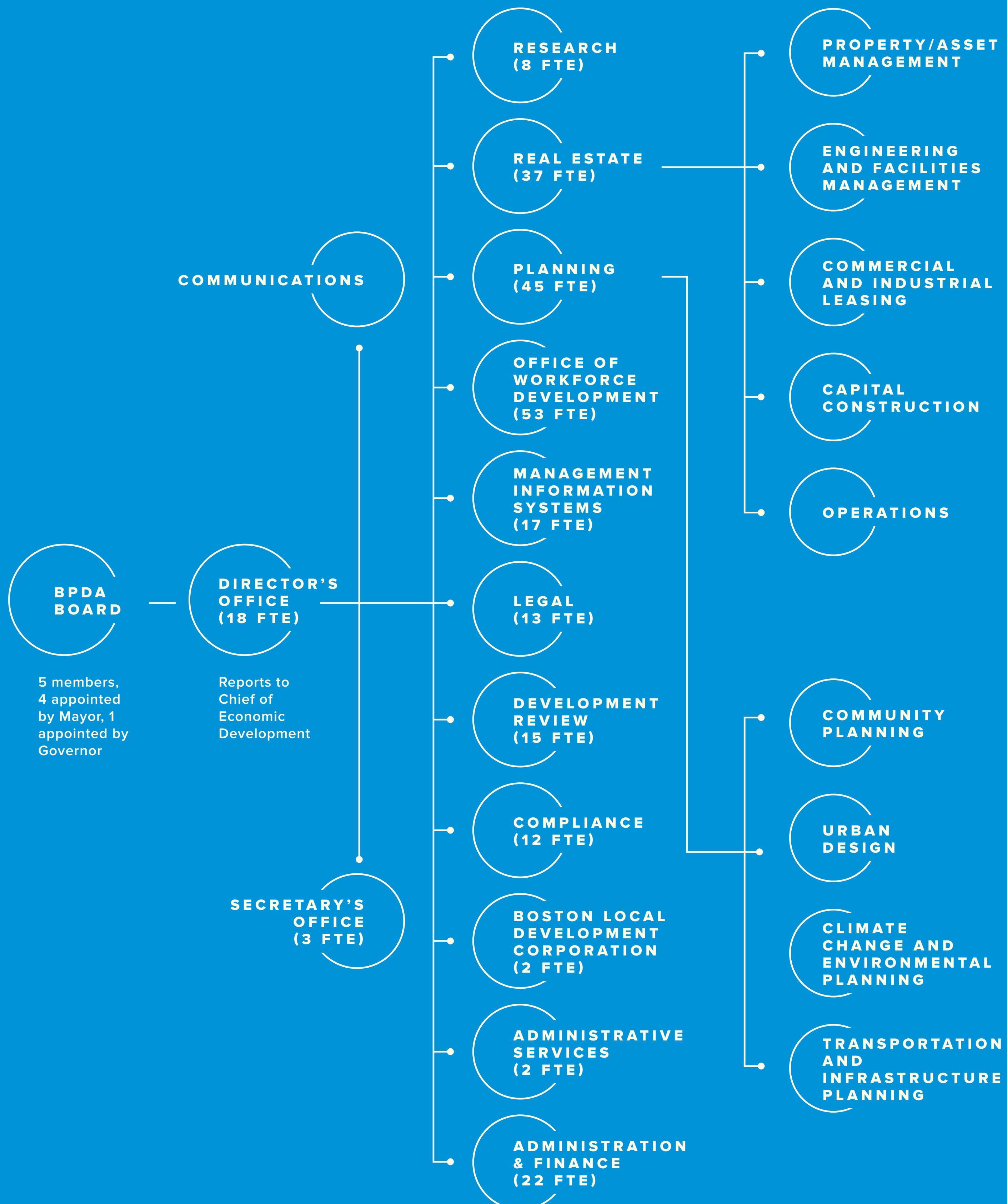
BPDA Budget

The BPDA's operating budget in FY18 amounted to $62M. A self-sustaining entity, the BPDA receives no operating support from the City of Boston's general fund (although it does receive a small portion of capital funding from the City). The majority of state and federal grants are passed through to the Office of Workforce Development, the agency's workforce arm. Workforce programming is also partly supported by the City of Boston's linkage program, which collects impact fees from commercial real estate development projects for affordable housing and job training.

The BPDA is notable for the extent of its operating revenues that are derived from real estate assets. In FY2018, 59% of the agency's operating revenues were derived from real estate-related income. This includes lease income from parking garages, office buildings in downtown Boston, and two extensive industrial parks (the Charlestown Navy Yard and the Raymond L. Flynn Marine Park in South Boston). In total, the BPDA owns over 11 million square feet of land throughout the city. The BPDA has also developed several innovative techniques for capturing value from ongoing sales of formerly BPDA-owned properties. When selling land to a private party, the BPDA inserts a rider into disposition agreements and property deeds stipulating that the agency will receive 2-4% of resale proceeds from every future sale of the property following the initial transaction with the BPDA.

The BPDA is notable for the extent of its operating revenues that are derived from real estate assets.

BPDA ORGANIZATIONAL CHART



BPDA Divisions and Functions

The BPDA is organized into eleven departments, supported by approximately 250 employees, as shown in the organizational chart left. Staff numbers listed are as of 2017. More detail on each department is provided below:

ADMINISTRATION & FINANCE
Comprised of Human Resources, Budget and Finance, Financial Services and Fiscal Compliance, the Administration & Finance Department manages the BPDA's human and financial resources. In addition to providing support for the agency's operations writ large, the 22-person Department manages funds for employee development, education reimbursements and internship programs.

DEVELOPMENT REVIEW
Pursuant to Article 80 of the Boston Zoning Code, the 15-person Development Review Department evaluates development proposals in the City of Boston to determine their potential environmental, social, and infrastructural impacts.

OFFICE OF WORKFORCE DEVELOPMENT (OWD)
The City of Boston's largest workforce development funder, the Office of Workforce Development is also the BPDA's largest department, with 53 full-time staff. Reporting directly to the Mayor's Office, OWD works with youth and adults to increase workforce participation in marginalized communities. OWD also administers the City of Boston's Neighborhood Jobs Trust, which is funded by development linkage fees.

PLANNING
The BPDA's 45-person Planning Department leads zoning, planning, and urban design for the City of Boston. In recent years the Planning Department has grown in reflection of the BPDA's increased strategic focus on planning and community engagement.

REAL ESTATE
With a 37-person team, the Real Estate Department works to strategically maximize the use and value of the BPDA's real estate assets to support policy objectives and generate operational funding for the agency. Key assets under the purview of the Department include the 130-acre Charlestown Navy Yard and the 191-acre Raymond L. Flynn Marine Park.

RESEARCH
Staffed with an 8-person team of economists and policy analysts, the BPDA's Research Department analyzes demographic, economic and real estate market trends to support policy and development decisions in the City. Recent studies have included analyses of Boston's small business ecosystem, demographic trends, and the gender wage gap.

The BPDA also has a number of subsidiaries, including:

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION: Founded in 1971 and absorbed by the BDRA in 1993, EDIC is a 501(c)(3) corporation charged with owning, operating and developing the City's industrial and manufacturing parks.

BOSTON LOCAL DEVELOPMENT CORPORATION (BLDC) Founded in 1978 as an affiliate of EDIC, BLDC is a 501(c)(3) governed by an independent Board of Trustees and administered by BPDA's Financial Services Department. BLDC provides loans of up to $150,000 for businesses in, or relocating to, the City of Boston. A critical component of BLDC financing is participation with local lenders. BLDC coordinates with Boston's banking community to provide gap financing through subordinated debt.

BOSTON INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY (BIDFA)
Created in 1971, BIDFA is an industrial development financing authority that provides tax-exempt and taxable financing for nonprofits and manufacturers. BIDFA has issued nearly $550 million in bonds and created and retained over 20,000 jobs since 1972.

In FY 2018, BPDA approved over $5.2 billion worth of development in Boston, representing over 10.3 million square feet. These projects will result in over 7,600 construction jobs and 11,700 direct jobs.

LESSONS FOR PITTSBURGH

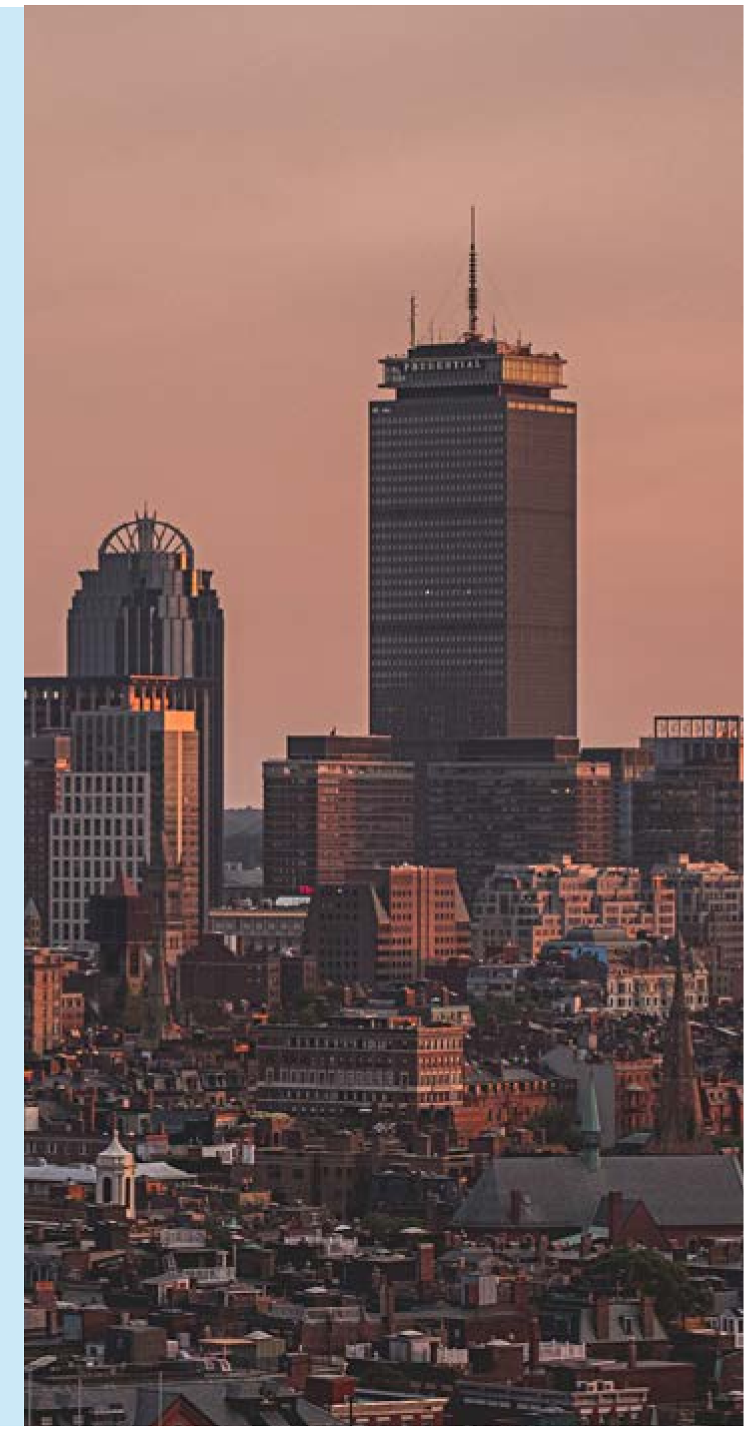
- **Emphasis on Diversity and Inclusion:** Through a name change, branding overhaul, organizational restructuring, and formal apology for its postwar urban renewal activities, the BPDA has transformed its image from bulldozer redevelopment authority to community-based planning agency. Following its organizational restructuring in 2015, BPDA's website, business materials, and vision documents now share a consistent emphasis on neighborhood-based planning and equitable development. The BPDA has also improved its outreach efforts, posting project documents online, expanding its social media presence, and increasing the number of public meetings held throughout the city. As the URA explores updates to its mission, brand, name, and community engagement procedure, the BPDA provides a useful case study of a successful reinvention.

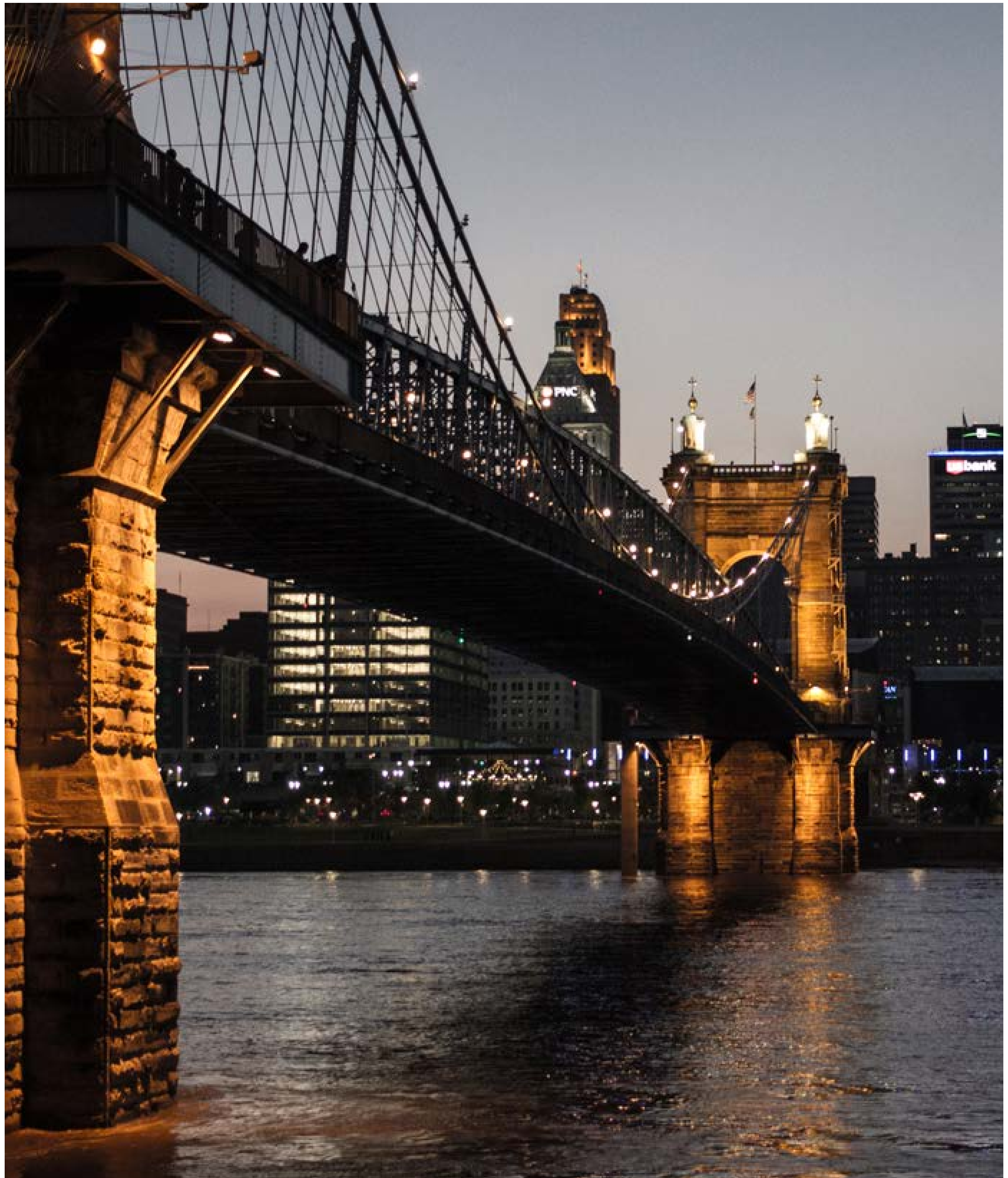
- **Robust Local Hiring Commitments:** Both the BPDA and the City of Boston have stringent requirements on large-scale development projects that require the hiring of local residents, women, and people of color. The BPDA also recently created a new policy requiring all proposals for development on public land to include a diversity and inclusion plan, including commitments to MWBEs in construction, design, development, financing, operations and ownership. To further this work, in January 2019, the BPDA announced it was going to undertake a disparity study in order to increase diversity in City procurement practices. As the URA advances its business plan in the coming years, the BPDA's robust inclusion requirements can provide a template for equitable development policies.

- **Self-sustaining Agency:** Since 1987, the BPDA has received no financial support from the City of Boston. The agency generates most of its operating revenues from rental income, with the BPDA's state and federal funding streams primarily used by the Office of Workforce Development. The BPDA also generates revenue from innovative techniques including 2-4% equity participation in resales on formerly BPDA-owned land and linkage fees on commercial development to fund workforce development programs. As the URA looks to increase the share of its revenues derived from earned income, the BPDA's successful leveraging of its real estate assets offers an instructive case study.

- **Clear and Regular Financial Reporting:** Following a 2014 audit that revealed mismanagement and poor record-keeping, the BPDA has instituted automated and transparent financial reporting.[42] The BPDA's operating and capital budget is published annually on the agency's website, and places a heavy emphasis on clarity, transparency, and detail. The budget report includes: an overview of improvements to financial and budget practices; detailed descriptions of revenues and expenses, including recent and anticipated fluctuations; and department-level budgets.[43] As the URA explores methods to improve its financial reporting to internal and external stakeholders, the BPDA's emphasis on publicly communicating financial data in layman's terms can serve as a precedent.

- **Investments in Organizational Health:** Since 2015, senior staff have introduced regular employee evaluations for the first time in decades, as well as a summer internship program, a professional development lecture series, an improved new-hire orientation program, succession planning for key positions (including the Comptroller), and an internal innovation award to recognize the accomplishments of BPDA employees. In 2018, the agency also shifted towards offering merit-based compensation to employees. The BPDA's substantive organizational reforms provide precedents for the URA as it explores strategies to retain talent and mitigate loss of institutional knowledge.





CINCINNATI

Economic development in Cincinnati is spearheaded by the City's Department of Community & Economic Development (DCED), a city agency charged with affordable housing, small business development, business attraction and retention, and management of City parking facilities.

In addition to DCED, the Port of Greater Cincinnati Development Authority (The Port) and the Cincinnati Center City Development Corporation (3CDC), a private nonprofit, are also major players in economic development. Jointly governed by the City of Cincinnati and Hamilton County, the Port issues bonds, disposes of land, and provides incentives to stimulate commercial and industrial revitalization in the Cincinnati region. 3CDC, meanwhile, leverages corporate funds to stimulate revitalization in the downtown and Over-the-Rhine neighborhoods.

As Pittsburgh reforms its economic development apparatus in the coming years, key lessons from Cincinnati include:

1. The importance of **frequent coordination** between a range of economic development entities, including DCED (a city agency), 3CDC (a privately funded nonprofit), and the Port (a City- and County-governed public authority) to advance a shared agenda;
2. The potential of **digital tools and platforms** to engage both potential business partners and constituents in an agency's core products and services; and
3. The importance of **regional and cross-sectoral collaboration** to attract Foreign Direct Investment.

Economic Overview

Located at the intersection of Ohio, Kentucky, and Indiana, Cincinnati is Ohio's third largest city. Historically a hub for trade, meatpacking, and manufacturing, today the city's key growth sectors include aerospace, advanced manufacturing, information and healthcare technology, and food and flavoring. Numerous Fortune 500 companies are also headquartered in Cincinnati, including the Kroger Company (the city's largest employer), Procter & Gamble, Macy's, and General Electric's Global Operations Center. The city's competitive advantages include its strategic location (with over half of the U.S. population located within 500 miles of the Cincinnati metropolitan area), low cost of living, and unique, three-state regional tax structure.

Since its peak population of 504,000 in 1950, Cincinnati has lost almost 40% of its residential base, although recent census numbers suggest this population loss may be stabilizing and even experiencing a modest uptick.[44] Indeed, Cincinnati has witnessed robust economic growth in recent years, with the city ranking as the fourth fastest growing large metropolitan economy in the Midwest in 2018, behind only Cleveland, Detroit, and Indianapolis.[45]

Behind these promising numbers lie significant racial and socioeconomic inequities, however. In a 2015 report, the Urban League of Greater Southwest Ohio argued that the "City's progress has only masked racial disparities, not solved them," noting how on a range of indicators, from median household income and business ownership to life expectancy and infant mortality, Black Cincinnatians performed far worse than their White neighbors.[46]

DCED OVERVIEW

NAME
Department of Community & Economic Development

LEGAL STRUCTURE
City Agency

MISSION STATEMENT
The Cincinnati Department of Community and Economic Development provides and leverages funding and other resources that support quality housing, neighborhood revitalization and human services.

NUMBER OF EMPLOYEES
41 (2019)

Economic Development Actors

Mayor/City Manager

Following charter reform in 1999, Cincinnati is governed by both a Mayor and City Manager. The Mayor hires the City Manager subject to Council approval, sets the Council's agenda, and holds limited veto power over Council actions. The City Manager, in turn, appoints department heads and manages day-to-day operations. As such, Cincinnati's economic development agenda is jointly driven by the Mayor and City Council and administered by the City Manager, the Mayor's sole appointee.

City Council

The Cincinnati City Council is comprised of 9 members, all of whom are elected at-large, rather than representing individual districts. Three committees provide legislative oversight on community and economic development matters: the Education, Innovation & Growth Committee; the Economic Growth & Zoning Committee; and the Neighborhoods Committee.

Department of Community and Economic Development

The Department of Community and Economic Development (DCED) leads affordable housing, business attraction and retention, small business development, and mixed-use redevelopment on behalf of the City. DCED also manages the City's on- and off-street parking through a separate enterprise entity. DCED is the recipient of the City's federal entitlement funds (including CDBG and HOME) and disburses the City's economic development incentive programs, including below-market loans, tax credits, tax-increment financing, and below-market sale of City-owned property. In 2017, DCED facilitated $517 million in total investment leading to 58 projects, 491 retained jobs, 908 newly created jobs, and 1,612 new housing units.

Department of City Planning

The Department of City Planning manages a range of land use functions for the City, including: development and administration of the zoning code, subdivision rules and regulations, and other land use regulatory procedures; development of special plans (such as community plans, comprehensive plans, or tax increment financing plans); planned development and overlay districts; environmental review; and special projects.

Department of Economic Inclusion

The Department of Economic Inclusion works to expand the growth of minority- and women-owned businesses in Cincinnati through enforcement of the City's Equal Employment Opportunity and Living Wage Programs, MBE/WBE/SBE certification programs, and prevailing wage laws.

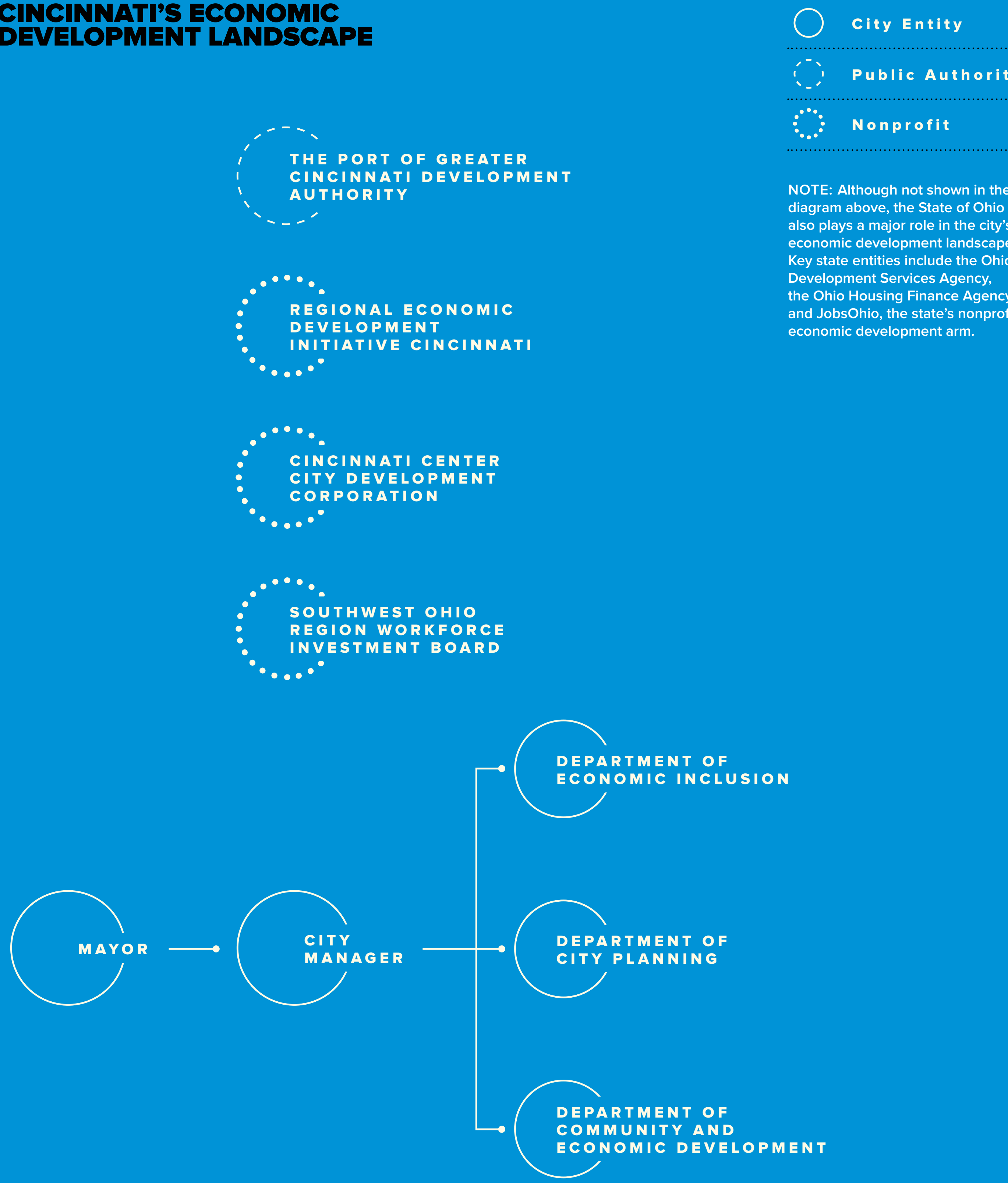
Cincinnati Center City Development Corporation (3CDC)

Founded in 2003 on the recommendation of the City of Cincinnati Economic Development Task Force, the Cincinnati Center City Development Corporation (3CDC) is a nonprofit development corporation focused on the revitalization of Cincinnati's Downtown and Over-the-Rhine neighborhoods. Governed by a board of local business leaders, 3CDC's operations are privately funded through a mix of corporate contributions, management fees, and below-market developer fees. Core activities include mixed-use and mixed-income real estate development, commercial leasing, land banking, programming, and streetscape/open space maintenance.

The Port

The Port is Hamilton County's economic development agency. Established in 2000 as the Port of Greater Cincinnati Development Authority, the Port focuses on three core strategies – industrial revitalization, neighborhood revitalization, and public finance – through a range of

CINCINNATI'S ECONOMIC DEVELOPMENT LANDSCAPE



NOTE: Although not shown in the diagram above, the State of Ohio also plays a major role in the city's economic development landscape. Key state entities include the Ohio Development Services Agency, the Ohio Housing Finance Agency, and JobsOhio, the state's nonprofit economic development arm.

products and services, including land disposition, loans, down payment assistance, tax incentives, and third-party project management. The Port is governed by a 10-member Board of Directors that is half-appointed by the City of Cincinnati and half by Hamilton County. The Port also oversees a number of related entities, including the Hamilton County Land Reutilization Company, the Greater Cincinnati Foreign Trade Zone, and the Homesteading & Urban Redevelopment Corporation.

Southwest Ohio Region Workforce Investment Board

The Southwest Ohio Region Workforce Investment Board (SWORWIB) is the lead workforce development entity for the City of Cincinnati and Hamilton County. The organization is governed by a board of business, education, labor and government leaders and disburses federal funds through the Workforce Innovation and Opportunity Act (WIOA).

Regional Economic Development Initiative (REDI) Cincinnati

REDI Cincinnati is the economic development organization leading business attraction, retention and expansion in the 16-county Cincinnati region. REDI is governed by a 21-member executive committee of government, business and civic leaders.

Transport & Utilities

Cincinnati/Northern Kentucky International Airport is owned and operated by the Kenton County Airport Board. Water and sewer services are provided by the City-controlled Greater Cincinnati Water Works and Metropolitan Sewer District of Greater Cincinnati, with electricity provided by Duke Energy Ohio, a private company. Streetcar and bus services are operated by the Southwest Ohio Regional Transit Authority (SORTA) and the Transit Authority of Northern Kentucky (TANK).

DCED Governance

DCED is led by its Director, who is hired by and reports directly to the City Manager of Cincinnati. The DCED Director engages in weekly meetings with the City Manager and other Department Directors (including Building Inspections, Planning and Transportation) and biweekly meetings with 3CDC and The Port, partner economic development entities focused on downtown and regional revitalization respectively. Regular meetings with non-City partners such as 3CDC and The Port are critical for advancing implementation of complex projects in which multiple economic development entities are involved, such as the 18-story, mixed use Kroger Apartment Tower currently under development in Downtown Cincinnati.

DCED's affordable housing and community development activities are guided by the City's 2015-2019 Consolidated Plan and associated Annual Action Plans. Per HUD regulations, these documents outline goals and objectives for the disbursement of federal funds, including the Community Development Block Grant Program (CDBG), the HOME Investment Partnership Program (HOME), the Emergency Solutions Grant Program (ESG) and the Housing Opportunities for Persons with HIV/AIDS Program (HOPWA). In early 2018, DCED released a Small Business Strategy to showcase renewed commitment to facilitating small business growth and to create a roadmap aimed at connecting small businesses and future entrepreneurs to the tools and resources necessary for them to grow.

Key metrics outlined in DCED's annual report include: number of jobs created and retained; average annual earnings of new jobs created; amount of new payroll taxes created; number of businesses served; number of RFPs released; number of participants at small business events; and number of affordable housing units approved.[47] DCED also identifies metrics (and associated data collection methodologies) in its annual budget request to the City, including: number of businesses assisted (measured by Salesforce); number of users of digital resource platforms (measured by website analytics); number of RFP proposals received by site; and net present value of lots sold below market rate over the past five years.[48]

DCED Budget

DCED's All Funds Operating Budget in FY17 amounted to $9.1M. DCED receives its operating revenues from three sources, in order of magnitude: City general funds; federal funds; and City Council allocation of capital funding to specific projects or to the Neighborhood Business District Improvement program (NBDIP), which provides City funds for community-nominated infrastructure and redevelopment projects. DCED's parking revenues are siloed in a separate Enterprise Fund and do not support the agency's community and economic development activities.[49]

DCED's budget has been significantly impacted by the State of Ohio's 2016 decision to halve its disbursement of the Local Government Fund, a state tax rebate issued to municipalities on an annual basis. As a result of this decision, the City of Cincinnati receives $20M to $30M less in revenues on annual basis and DCED has been forced to reduce its staff by 30% over the past four years without a concomitant reduction in obligations.

DCED Divisions & Functions

DCED is organized into six major divisions and supported by approximately 41 staff, as shown in the organizational chart on the following page. Staff numbers are listed as of 2019. DCED's divisions include:

ECONOMIC DEVELOPMENT
DCED's Economic Development focuses on business attraction, retention and expansion; commercial, mixed-use and industrial real estate development; and strategic initiatives.

MAJOR/SPECIAL PROJECTS
DCED's Major/Special Projects Division focuses on supporting complex and high-profile development transactions, with a focus on the Downtown and Over-the-Rhine neighborhoods.

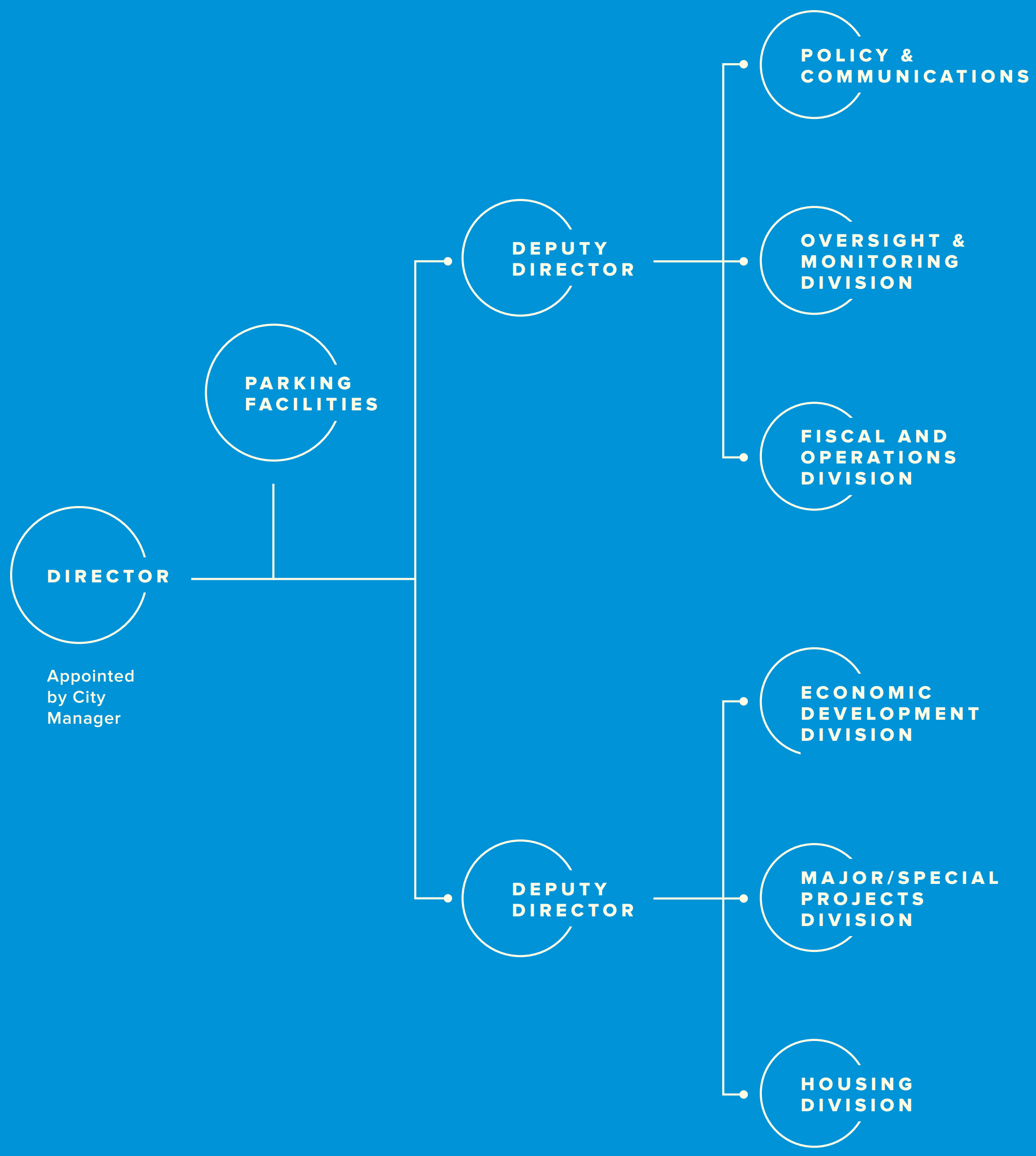
OVERSIGHT & MONITORING
DCED's Oversight & Monitoring Division manages SBE compliance, relocation management, loan portfolio and development agreement compliance, the development of consolidated and annual action plans, and the monitoring of incentives.

FISCAL & OPERATIONS
DCED's Fiscal & Operations Division oversees financial management, budget development and analysis, compliance, records management, process management, loan servicing, human resources, and department operations.

HOUSING
DCED's Housing Division provides subsidies and financial assistance to develop and preserve affordable rental and for-sale housing throughout Cincinnati.

PARKING FACILITIES
DCED is unique amongst economic development entities surveyed in its management of the City's parking division. This consolidation of functions enables efficient planning and coordination of parking needs for major development projects. The Parking Facilities Division is operated as an enterprise fund, separate from the rest of the department's finances. The Parking Facilities Division provides funding for on-street parking, off-street parking and parking business services including meter collections, maintenance and repairs; parking enforcement; and the operation of 15 City-owned parking garages and lots.

DCED ORGANIZATIONAL CHART

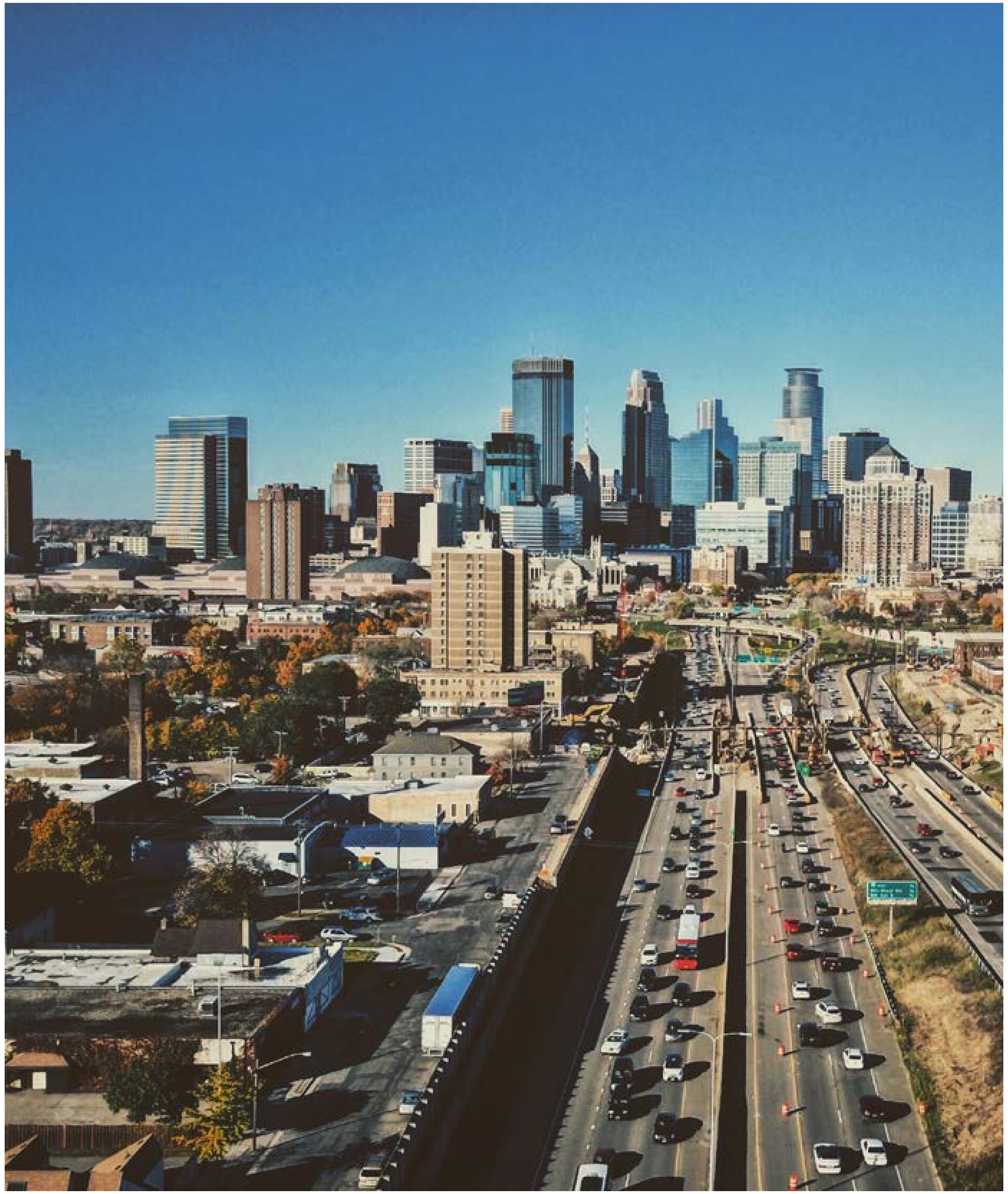


LESSONS FOR PITTSBURGH

- **Digital Innovation:** DECD has invested in a range of interactive digital tools and platforms to communicate its work to constituents and potential business partners, providing a useful precedent for the URA as it explores strategies to more effectively engage with external parties. These include: a detailed interactive map showcasing all the agency's active and completed projects throughout the city (categorized by project type, stage, cost, number of square feet, and number of jobs created);[50] an Economic Incentives Dashboard, developed in partnership with the City's Office of Performance & Data Analytics (OPDA), allowing stakeholders to view the total amount of economic incentives disbursed by the Department (categorized by year, council district, neighborhood, project category, and incentive type);[51] and a Small Business Resource Navigator, developed by DCED staff in partnership with Cintrifuse, a local nonprofit focused on entrepreneurship. Available on DCED's website, the Navigator provides a comprehensive list of resources, initiatives, and programming for small businesses in Cincinnati.[52]

- **Focus on Foreign Direct Investment:** DCED has taken a leadership role in promoting foreign direct investment in the Cincinnati region. In 2017, DCED organized a conference in partnership with regional stakeholders and released a report outlining key steps required to strengthen the city's competitive advantage.[53] DCED also developed a digital platform for potential foreign investors to learn more about opportunities in the Cincinnati region.[54] As a result of the agency's efforts, in 2017, FDI Magazine ranked the City of Cincinnati as a Top 10 "American City of the Future." As the URA looks to strengthen its partnerships with external entities in business attraction and retention, the work of DCED can provide a relevant model.

- **Regional and Public-Private Coordination:** For a city of modest size, Cincinnati is relatively unique in the range of entities engaged in economic development, including: DCED, the city department charged with affordable housing and economic development; 3CDC, a privately-funded and governed nonprofit focused on downtown revitalization; and The Port, a jointly City and County-governed redevelopment authority focused on regional economic development. All three entities bring varied capacities and resources to bear on complex redevelopment projects, particularly in the urban core. Collaboration is facilitated by regular biweekly meetings to ensure alignment on project implementation. Although the economic development landscape in Pittsburgh is considerably more centralized – with the majority of functions housed within the URA – Cincinnati's commitment to collaboration can offer inspiration to Pittsburgh stakeholders across the public and private sectors.



MINNEAPOLIS

At the local level, economic development in Minneapolis is driven by the Department of Community Planning & Economic Development (CPED), which leads land use planning, affordable housing, and economic development, and is jointly controlled by the Mayor and the City Council.

State and regional entities also play a major role in promoting equitable development in the city, including the Met Council, Greater MSP, and Minnesota's Department of Employment and Economic Development.

As Pittsburgh explores strategies to reform its economic development apparatus, key lessons from Minneapolis include:

1. The importance of bold, **coordinated action across planning and housing divisions** to promote the development and preservation of affordable housing citywide;
2. The potential for **racial equity** to be deployed as a **strategic framewor**k for economic development planning and policy;
3. The role of **annual business plans** in setting departmental and divisional objectives in accordance with citywide priorities; and
4. The use of digital platforms to **communicate the financial positio**n of economic development entities to stakeholders and the general public.

Economic Overview

The City of Minneapolis has experienced considerable growth in the past decade, with its population increasing by 11.2 percent between 2010 and 2018 to 425,400 residents.[55] Once the epicenter of the American flour milling industry, today Minneapolis' key sectors include finance, rail and trucking, health care, and manufacturing. Minneapolis remains the largest business center between Chicago and Seattle, home to five Fortune 500 companies as well as the nationally competitive University of Minnesota. Nevertheless, Minneapolis suffers from considerable racial and ethnic inequities, with the unemployment rate for Blacks and American Indians approximately three times that for non-Hispanic Whites.[56]

Minneapolis's economic development goals are jointly set by the Mayor and the City Council. However, the Met Council, a regional entity focused on transportation, open space, and housing, must also approve the City's comprehensive plan. Minneapolis' economic development apparatus is highly centralized, with the City's Department of Community Planning and Economic Development (CPED) consolidating all housing, planning, code enforcement, small business support, and economic development activities.

Economic development in Minneapolis is guided by a series of strategic plans including the City's Comprehensive Plan (completed in 2018), CPED's Departmental Business Plan (running up to 2017), the City's Vision, Values, Goals & Strategic Directions (2014-2018), and the Met Council's long-range plan for the Twin Cities region, Thrive MSP 2040 (completed 2014).

CPED OVERVIEW

NAME
Department of Community Planning & Economic Development

LEGAL STRUCTURE
City Agency

MISSION STATEMENT
Grow a vibrant, livable, safely built city for everyone.

NUMBER OF EMPLOYEES
237 (2019)

OPERATING REVENUES
$131M (FY17)

Economic Development Actors

Mayor

With its weak-mayor, strong-council form of government, the Mayor and City Council of Minneapolis jointly set the citywide economic development agenda. Minneapolis' current Mayor, Jacob Frey, has been in office since 2018, and has been the driving force behind Minneapolis 2040, a comprehensive planning effort which included path-breaking zoning reforms. Through the Department of Community Planning and Economic Development, the Mayor and Council set strategic goals for affordable housing, small business development, inclusive growth, and economic competitiveness.

City Council

The City Council is both the City's legislative and administrative arm and is comprised of 13 members, each representing separate wards. Three Council Committees provide oversight on the City's economic development policies, including the Committee of the Whole, the Economic Development & Regulatory Services Committee, and the Housing Policy & Development Committee.

Department of Community Planning and Economic Development (CPED)

An umbrella department that consolidates the City's planning, housing, code enforcement, community and economic development functions, CPED operates through four divisions: Long-Range Planning, Housing Policy & Development, Economic Policy & Development, and Development Services. CPED also manages the City's housing revenue bond programs and administers small business loans.

Minneapolis Workforce Development Board

The City's Workforce Development Board is governed by a 21-member, private sector-led board, appointed by the Mayor and approved by City Council. The Board's administrative arm, Minneapolis Employment & Training, is housed within CPED.

Department of Neighborhood and Community Relations

Established in 2010, the Department of Neighborhood and Community Relations (NCR) serves as a resource department supporting the City's community engagement efforts, particularly in minority and foreign-born communities. NCR holds the city's annual Community Connections Conference, provides language services, conducts training for City departments on effective community engagement, manages the city's One Minneapolis Fund (for civic engagement), trains neighborhood groups, and works to increase the diversity of neighborhood boards, appointed boards and commissions. In 2016, NCR also conducted a citywide resident survey to evaluate residents' opinions about quality of life and city services and amenities.

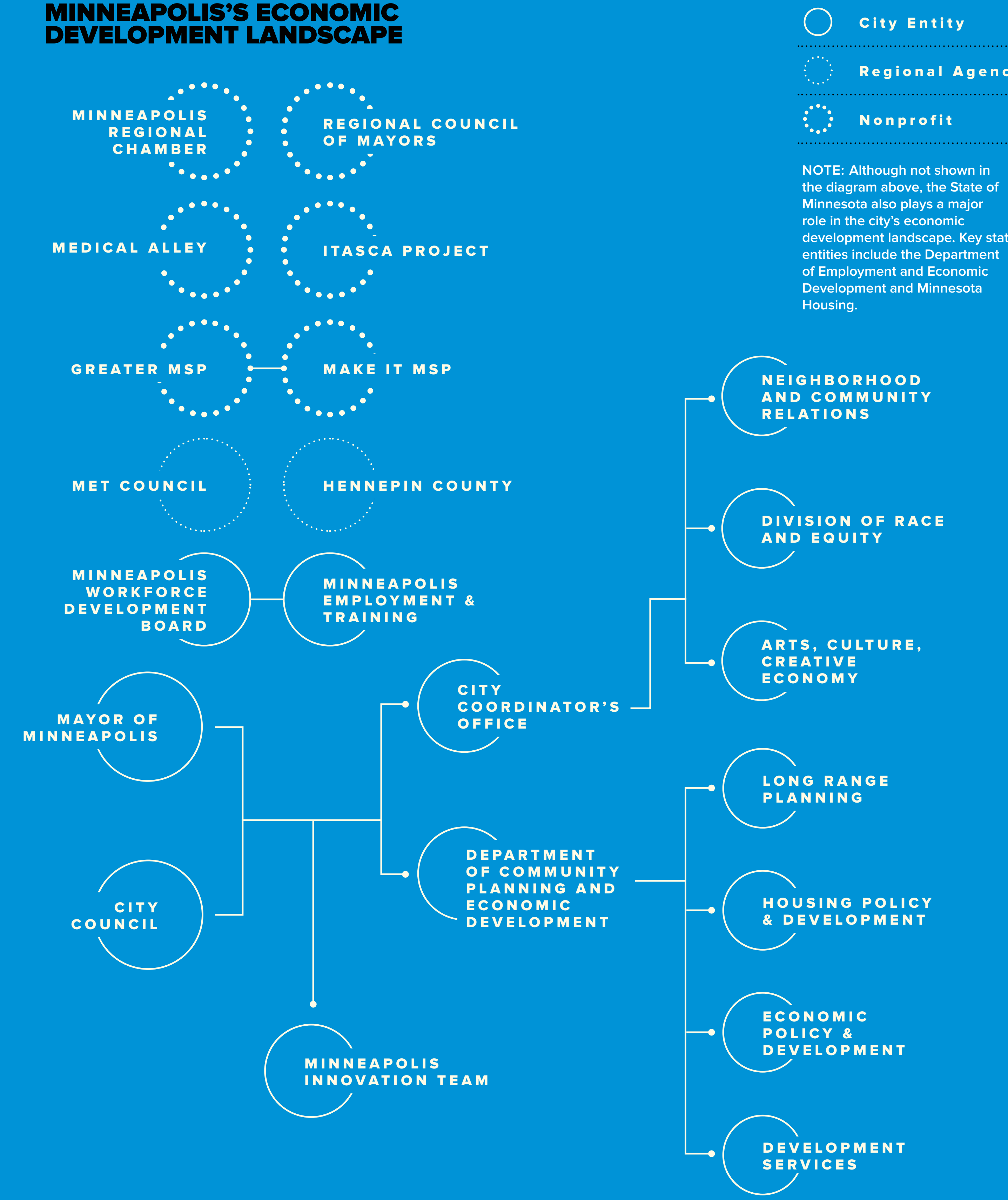
City Coordinator's Office, Division of Race and Equity

Established in 2017, the Division of Race and Equity works with city departments to reduce and eliminate racial inequity in city government. The Division is led by a Racial Equity Community Advisory Community, which meets monthly. A separate Racial Equity Steering Committee is in the process of creating a Racial Equity Action Plan.

Minneapolis Innovation Team

Funded by Bloomberg Philanthropies, City Hall's in-house consulting team is focused on improving racial equity outcomes in Minneapolis. The i-team has partnered with CPED on two major workstreams: equitable business development and affordable rental housing. The i-team also built the Minneapolis Business Portal, a digital platform providing entrepreneurs and business owners with information and resources to scale their business.

MINNEAPOLIS'S ECONOMIC DEVELOPMENT LANDSCAPE



NOTE: Although not shown in the diagram above, the State of Minnesota also plays a major role in the city's economic development landscape. Key state entities include the Department of Employment and Economic Development and Minnesota Housing.

The Metropolitan Council

The Met Council is a regional agency and Metropolitan Planning Organization (MPO) for the Twin Cities, focused on community development, transportation, environmental planning, and regulation of the Twin Cities' urban growth boundary. Founded in 1967, the Council is governed by 17 council members appointed by the Governor of Minnesota.

Greater MSP

Greater MSP is a regional economic development alliance led by a 50-member board with private sector, philanthropic, city, county and academic representation. Founded by the Itasca Project in 2013, Greater MSP is focused primarily on business attraction and regional marketing. Greater MSP recently launched Make It MSP, an initiative focused on growing an inclusive ecosystem of tech talent in the Minneapolis region.

The Itasca Project

Created in 2003, the Itasca Project is a regional business alliance primarily funded by the McKnight Foundation, and focused on enhancing the economic competitiveness of the Twin Cities. The Itasca Project is particularly focused on improving the educational system, generating high-quality jobs, and improving regional transportation.

Medical Alley Association

Founded in 1984, the Medical Alley Association is a nonprofit trade organization that advocates, organizes, and conducts research to advance the global leadership of the Minneapolis region's healthcare technology industry. Medical Alley is governed by a 22-member Board of Directors comprised of Minnesota's private sector healthcare leaders.

Regional Council of Mayors

Formed in 2004, the RCM is a nonpartisan platform of 57 Mayors focused on improving economic vitality and quality of life in the Twin Cities region. RCM is guided by two co-chairs who serve two-year staggered terms. An RCM Executive Committee (comprised of current and former RCM chairs and ULI Minnesota's Executive Director) sets agendas and recommends leadership positions. The RCM is supported by contributions from the Urban Land Institute of Minnesota, Target, BlueCross BlueShield Minnesota, and the Family Housing Fund.

Minneapolis Regional Chamber

The Minneapolis Regional Chamber is a membership-based nonprofit organization that focuses on policy advocacy, coalition-building, leadership training and networking for the Twin Cities business community. The Chamber also offers technical assistance to small businesses hoping to implement energy efficiency retrofits and offers matching grant funds for storefront façade improvements, through a contract with the City of Minneapolis.

Transport and Utilities

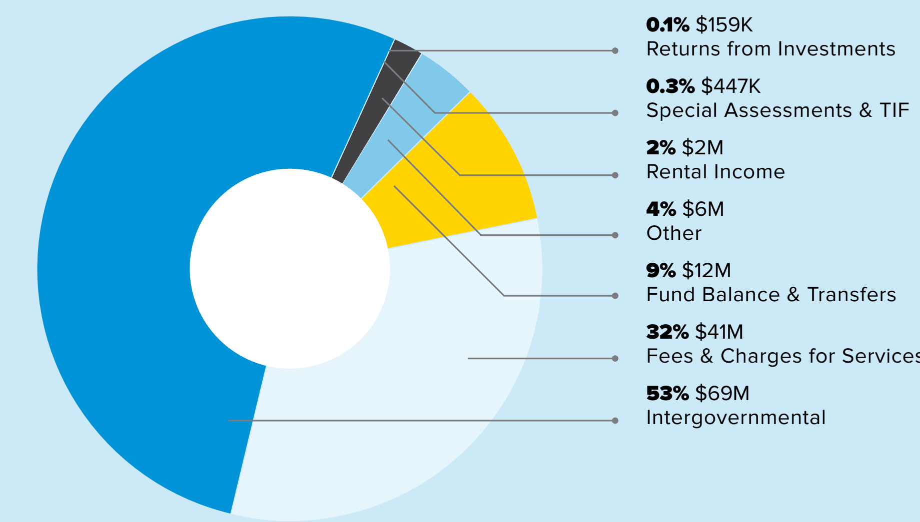
Utilities are operated by the City-controlled Department of Public Works, with electricity provided by private companies. Public transit is operated by Metro Transit, a subsidiary of the Metropolitan Council. Minneapolis-Saint Paul International Airport is owned and operated by the Metropolitan Airports Commission, a Minnesota state agency.

CPED Governance

CPED is led by a Director who is nominated by the Mayor and confirmed by the City Council for a two-year term. The Director of CPED jointly reports to the Mayor and the City Council, although currently there are no standing meetings to facilitate such interactions.

CPED's work is guided by a number of documents, including the City's comprehensive plan (released in 2018) and, until 2017, a set of annual business plans developed in accordance with the City's Vision, Values, Goals & Strategic Directions document. Examples of metrics outlined in these annual business plans at the divisional level included: the percentage of homebuyers of color relative to the prior year's programs (Housing Policy & Development Division); share of overall City loan and grant program investment in market-challenged areas (Economic Policy & Development Division); number of attendees at professional development trainings and events (Operations & Innovation Division).

CPED FY18 OPERATING REVENUES



CPED Budget

CPED's operating budget for FY17 amounted to $131M. More than half of CPED's operating revenues are derived from intergovernmental transfers, primarily from state and local government. A sizable portion of departmental revenues are also drawn from fees and charges for services, including building inspections, building permits, and business licenses. However, per Minnesota law, these permitting functions are charged "at cost," meaning that CPED is not able to dedicate earned income from such functions to support other activities. CPED's annual operating budget is integrated into the City of Minneapolis' Open Gov platform, allowing city residents and other stakeholders to easily analyze agency expenditures by division as well as debt service and transfer payments for the department as a whole.

Agency Divisions & Functions

CPED is organized into four divisions, supported by approximately 237 employees, as shown in the organizational chart below. Staff numbers listed are as of 2019. Departments executing community and economic development initiatives and projects are highlighted below:

LONG RANGE PLANNING

With 12 full-time staff, CPED's Long Range Planning division prepares and updates the City's comprehensive plan, strategic planning initiatives, small area plans, and thematic plans. Core work streams include planning, research, urban design, and public art.

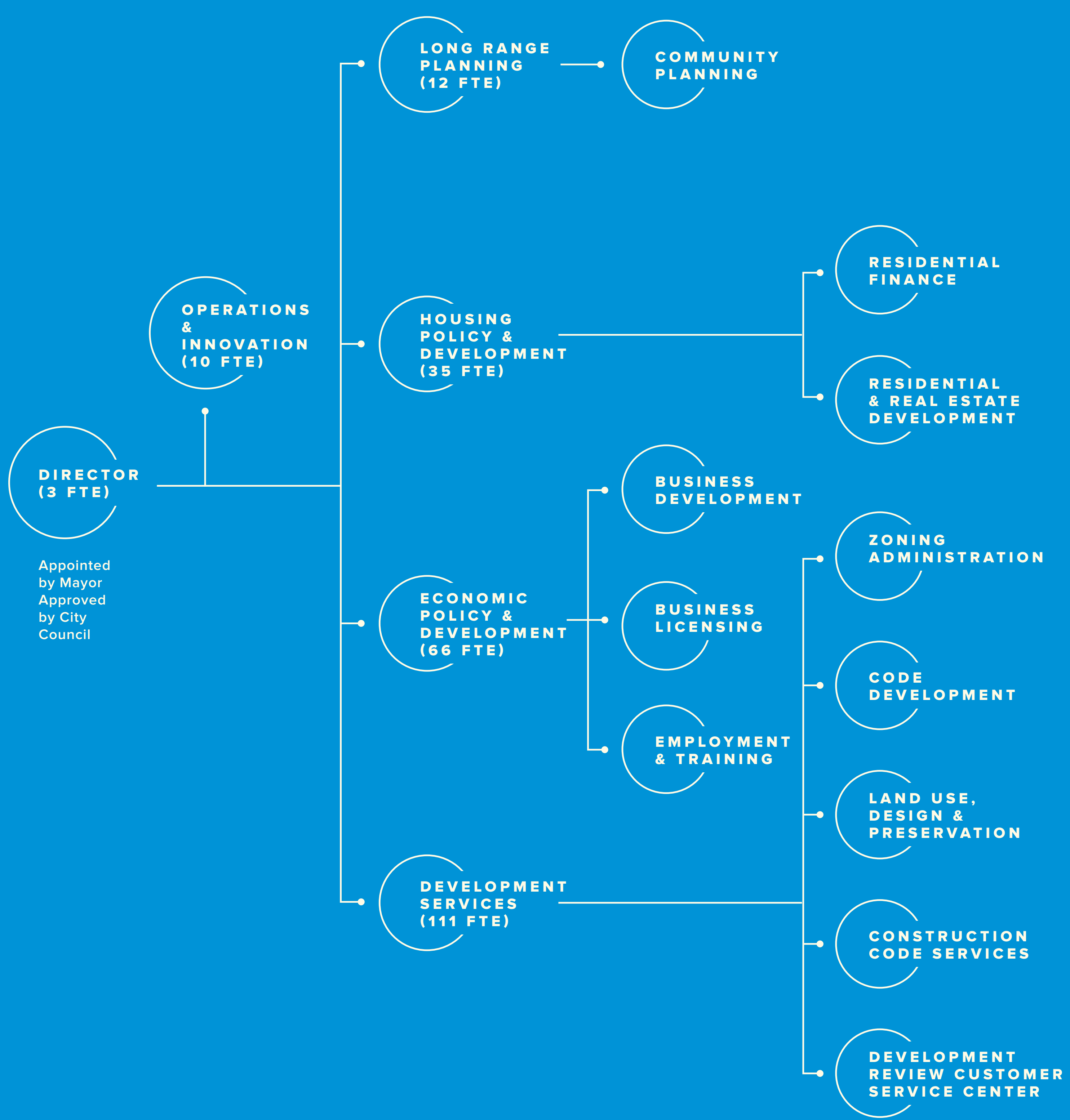
HOUSING POLICY & DEVELOPMENT

With 35 full-time staff, CPED's Housing Policy & Development division administers a range of programs focused on the development and preservation of affordable and mixed-income housing for rent or sale. The division is supported by the Minneapolis Advisory Committee on Housing, a 21-member group of city residents and housing professionals that advises the Mayor, City Council, and CPED on critical housing issues throughout the city.

ECONOMIC POLICY & DEVELOPMENT

With 66 full-time staff, CPED's Economic Policy & Development division is focused on business development, business licensing, and workforce development programming. Core services include CPED's B-TAP program, offering training and technical services for small

CPED ORGANIZATIONAL CHART



businesses, and job search and training support provided by the division's Employment and Training team (which is also the administrative arm of the Minneapolis Workforce Council).

DEVELOPMENT SERVICES

With 111 full-time staff, CPED's Development Services division provides building and zoning code inspectional services for the City. Core activities include construction plan review, code compliance, elevator permits and inspections, provision of certificates of occupancy, licensing and permitting. The division contains five separate teams: Zoning Administration; Code Development; Land Use, Design & Preservation; Construction Code Services; and the Development Review Customer Service Center.

OPERATIONS & INNOVATION

With 10 full-time staff, the Operations & Innovation unit supports all CPED divisions by providing professional development services, interdepartmental coordination, marketing and communications, and implementation of new technology solutions.

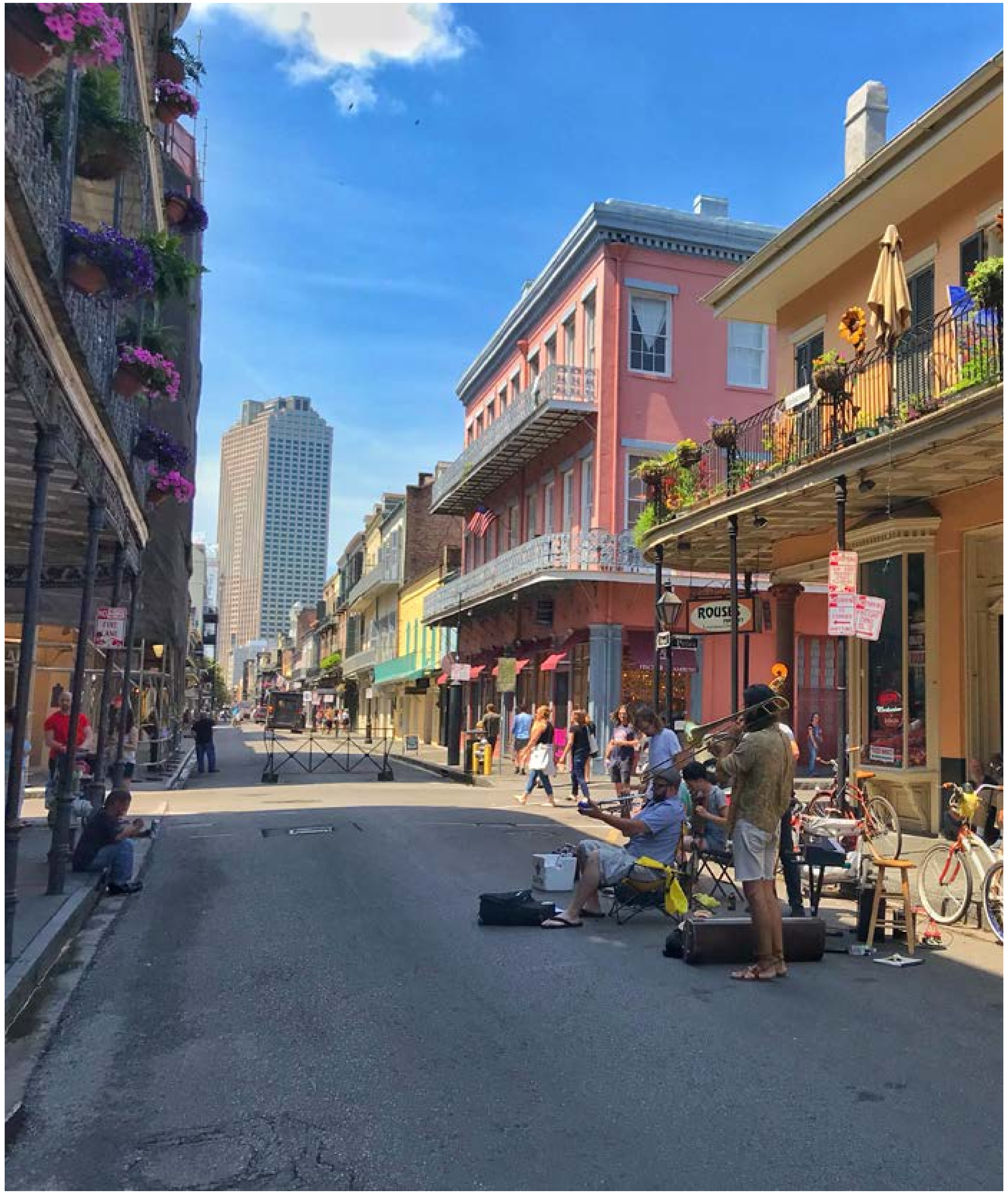
LESSONS FOR PITTSBURGH

- **Housing Innovation:** Minneapolis' recently released comprehensive plan, Minneapolis 2040, has outlined a range of bold initiatives to increase housing supply and expand housing affordability throughout the city, including: upzoning along certain transit corridors; legalizing triplexes throughout the city; and reducing parking requirements. Passage of the plan was secured by a thorough public engagement process and political alignment between the Mayor and City Council. The plan's development was also facilitated by the centralization of planning, housing, and economic development functions within the Department of Community Planning & Economic Development (CPED). Given that both URA staff and stakeholders identifying affordable housing as Pittsburgh's top economic development priority, the City and the URA should pay close attention to Minneapolis' accomplishments.

- **Annual Business Planning:** From 2014 to 2017, CPED released annual business plans laying out mission, values, business lines, goals, and key performance indicators at both the departmental and divisional level, and linking them directly to citywide strategic objectives. With a new administration in office, CPED is in the process of developing a new business plan to align with the City's Strategic & Racial Equity Action Plan (SREAP), which is currently under development. As the URA launches its business planning process in the coming months, the work of CPED provides an instructive template.

- **Financial Transparency:** Relative to its peers, CPED's financial position can easily be reviewed on the City of Minneapolis' Financial Transparency Platform. Developed in partnership with Open Gov, the digital interface enables users to analyze City revenues and expenses, categorized by fund type, expense type and department. CPED's profile includes annual revenues and expenses for the agency's six divisions in addition to debt service and transfers.[57] As the URA explores ways to better communicate its financial position to internal and external stakeholders, Minneapolis' online budget platform offers a useful precedent.

- **Racial Equity Strategy:** Launched in 2018, Minneapolis' Strategic and Racial Equity Action Plan (SREAP) is a four-year plan to weave racial equity into the city's internal operations and external policies. Operational goals include: diversifying the City's workforce and vendor base; expanding the use of racially disaggregated data in decision-making; and engaging more diverse communities in the policy-making process. External policy goals include: increasing the number of business owned by people of color; reducing evictions among communities of color; and reducing the disproportionate impact of violence in communities of color.[58] Moving forward, the SREAP will provide the foundation for CPED's annual business planning process. As the URA seeks to increase its focus and brand on equitable development, the over-arching that SREAP is providing to policy and operational work in Minneapolis is a relevant case study.



NEW ORLEANS

Economic development in New Orleans is jointly led by the New Orleans Redevelopment Authority (NORA), a state-chartered public authority, and the nonprofit New Orleans Business Alliance (NOLABA), a public-private partnership founded in the aftermath of Hurricane Katrina.

Working closely with the City's Office of Housing & Community Development, NORA focuses on affordable housing, main streets revitalization, and vacant land recycling. NOLABA, meanwhile, leads business attraction/retention and workforce development. The City of New Orleans has also created several specialized entities to support growth in the tourism, cultural, and film industries, which are major regional economic drivers.

As Pittsburgh reforms its economic development apparatus, key lessons from New Orleans include:

1. The importance of aligning business attraction and workforce development efforts with a focus on **target industry clusters**;
2. The potential of **marketing and communications** efforts in promoting economic development initiatives and building stronger partnerships with external stakeholders; and
3. The role of annual work plans in communicating core activities and funding needs to internal and external stakeholders.

Economic Overview

The City of New Orleans has experienced a significant economic and demographic resurgence since the devastation of Hurricane Katrina in 2005. Driven by low cost of business, close access to the Port of New Orleans, a thriving cultural scene, and a rapidly developing entrepreneurial ecosystem, the city's population grew by 12 percent from 2010 to 2017, reaching a total of 391,000.[59] Key sectors include energy, advanced manufacturing, international trade, healthcare and, perhaps most significantly, tourism, which contributed $8.7 billion to the local economy in 2017.[60] However, this growth has been unevenly distributed. At 26.1 percent, the city's poverty rate remains more than double the national average.

New Orleans' economic development goals are set by the Mayor and implemented by a wide array of entities, primarily the New Orleans Business Alliance (NOLABA) and the New Orleans Redevelopment Authority (NORA). Economic development in New Orleans is guided by a series of strategic plans including ProsperityNOLA, a five-year economic development strategy launched in 2013, the New Orleans Master Plan (most recently updated in 2018), and the City's Consolidated Plan (2017-21) which outlines the City's annual action plan for disbursement of Federal housing and community development funds.

Economic Development Actors

Mayor

The Mayor sets the citywide economic development agenda. New Orleans' current Mayor, LaToya Cantrell, has been in office since 2018. The Mayor of New Orleans chairs the board of the City's primary economic development entity, the New Orleans Business Alliance (NOLABA), and appoints the board of the New Orleans Redevelopment Authority (NORA). Within the Mayor's cabinet, the Director of Community and Economic Development and the Director of Housing Policy and Community Development oversee housing, community, and economic development initiatives.

NOLABA OVERVIEW

NAME
New Orleans Business Alliance Association

DATE FOUNDED
2010

LEGAL STRUCTURE
501(c)(3)

BOARD STRUCTURE
17-member board jointly appointed by the Mayor, the City Council, and the University Presidents' Advisory Council.

MISSION STATEMENT
As New Orleans moves past the celebration of her 300th birthday, we look to the next 300 years as New Orleans' best years. Central to reaching that goal is our work in creating an economy for all New Orleanians. Through inclusive and holistic economic development, all people of New Orleans are financially secure and prosperous through growth, opportunity and by eliminating economic disparity.

NUMBER OF EMPLOYEES
30 (2019)

OPERATING REVENUES
$8.6M (FY17)

NORA OVERVIEW

NAME
New Orleans Redevelopment Authority

DATE FOUNDED
1968

LEGAL STRUCTURE
Public Authority

BOARD STRUCTURE
11-member board appointed by the Mayor of New Orleans; the State of Louisiana also has the right to refer or recommended one board appointment.

MISSION STATEMENT
The New Orleans Redevelopment Authority is a catalyst for the revitalization of the city, partnering in affordable and equitable strategic developments that celebrate the city's neighborhoods and honor its traditions.

NUMBER OF EMPLOYEES
32 (2019)

OPERATING REVENUES
$6.9M (FY17)

City Council

The City Council approves major land use and development projects pursuant to the City's Master Plan. The Council is comprised of 7 members – two at-large councilors who represent the entire city, and five councilors who represent specific districts. Two Council Committees provide oversight on the City's economic development policies, including the Community Development Committee and the Economic Development and Special Projects Committee.

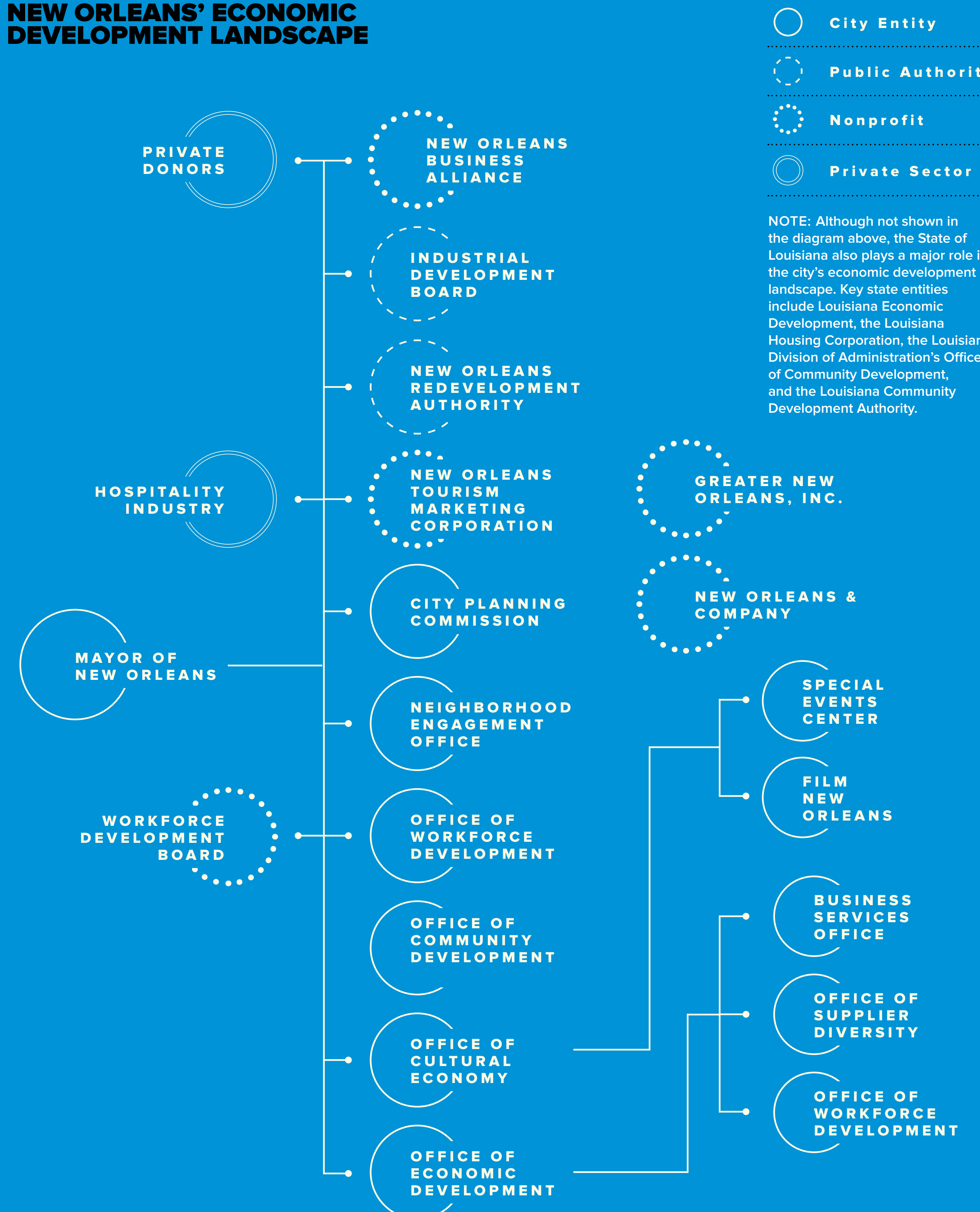
New Orleans Business Alliance (NOLABA)

Founded in 2010 as a public-private partnership between the City of New Orleans and private investors from the local community, NOLABA is a nonprofit entity that serves as the official economic development agency for the City of New Orleans. NOLABA is led by a 17-member Board of Directors that is jointly appointed by the Mayor, the City Council, and the University Presidents' Advisory Council. NOLABA's key activities include business attraction and retention, workforce development, small business growth, and strategic neighborhood development. Although NOLABA offers technical assistance and networking opportunities to small businesses and serves as a broker in major land dispositions, it does not directly administer small business financing or incentive programs, nor does it have site control. In 2013, NOLABA created a five-year economic development strategy called ProsperityNOLA that focused on driving growth in five key industries.

New Orleans Redevelopment Authority (NORA)

Created by the State of Louisiana in 1968 as the Community Improvement Agency (CIA), NORA is charged with the revitalization of underinvested areas in the City of New Orleans. NORA supports the development of market-rate and affordable housing through land auctions, construction lending and homebuyer subsidy; supports commercial

NEW ORLEANS' ECONOMIC DEVELOPMENT LANDSCAPE



NOTE: Although not shown in the diagram above, the State of Louisiana also plays a major role in the city's economic development landscape. Key state entities include Louisiana Economic Development, the Louisiana Housing Corporation, the Louisiana Division of Administration's Office of Community Development, and the Louisiana Community Development Authority.

revitalization through commercial corridor gap financing and facade improvement grants; and promotes alternative uses of vacant property such as open space, community gardening, and stormwater management. NORA is led by an 11-member Board of Commissioners appointed by the Mayor of New Orleans. Between 2008 and 2017, NORA sold 2,410 properties for housing development and directly invested over $35 million in affordable housing.

Office of Economic Development

The Mayor's Office of Economic Development is focused on attracting, growing, and retaining businesses in the City of New Orleans. The Office contains three distinct units: the Office of Supplier Diversity, which oversees certification, compliance and capacity building for disadvantaged businesses in the city; the Office of Business Services, which manages the city's business tax incentive programs, fresh food retailer initiative, and a small business development partnership program with Goldman Sachs; and the Office of Workforce Development, which provides career counseling and training, conducts research, and works with local businesses to upskill local residents.

Office of Community Development

Working closely with NORA, the Office of Community Development manages and distributes local, state, and federal funds to support the preservation and development of affordable housing for sale or rent.

Mayor's Office of Cultural Economy

The Office of Cultural Economy coordinates public, private, and nonprofit stakeholders to drive the growth of the city's cultural economy. The Office contains two divisions: the Special Events Center, which supports the execution of large-scale events in the city, and Film New Orleans, which offers locational advice, permitting assistance, and coordinates state tax incentives to production companies seeking to film in New Orleans.

City Planning Commission

The City Planning Commission directs land use planning and zoning in the City of New Orleans, pursuant to the goals and policies of the City's Plan for the 21st Century or the Master Plan.

New Orleans Workforce Development Board

Established pursuant to the Federal Workforce Innovation and Opportunity Act, the Workforce Development Board is a business-led organization that partners with education, organized labor, government and community leaders to provide oversight to public workforce development programs. NOWDB is led by a 25-member board appointed by the Mayor of New Orleans.

Industrial Development Board

Founded in 1972, IDB is a public corporation that issues taxable and tax-exempt bonds and grants tax abatements to catalyze economic development. Until 1997, IDB received operating support from the City, but since 1997 it has been a self-sustaining entity. IDB's 15-member Board of Directors is jointly appointed by the New Orleans City Council and the Mayor of New Orleans.

Neighborhood Engagement Office

The Engagement Office promotes public participation in government decision-making through a variety of programs, including the Civic Leadership Academy, Community Office Hours, Neighborhood Summit, and the Neighborhood Participation Program for Land Use Actions.

New Orleans Tourism Marketing Corporation

The City of New Orleans' official leisure travel promotion agency, NOTMC provides year-round marketing, advertising, public relations and special event programming to support the growth of the city's tourism industry. NOTMC is funded by the City's hotel tax and an Optional Assessment on hotels in the downtown area, and does not receive any funding from the City's general fund. Each member of NOTMC's 15-member Board of Directors is nominated by the hospitality industry, appointed by the Mayor and approved by the City Council.

New Orleans & Company

A nationally accredited destination marketing organization that promotes tourism in New Orleans through direct sales, marketing, public relations, and visitor services.

Greater New Orleans, Inc.

GNO is a nonprofit regional business alliance focused on business attraction, retention and expansion in the New Orleans region. The organization is led by a six-member executive board and a c. 100 member Board of Directors with private, nonprofit, and academic representatives. The organization also has a "NextGen Council" comprised of 55 young and emerging leaders in the region. The organization is focused on growing 6 industries in particular: advanced manufacturing, energy, international trade, digital media, biosciences, and environmental management. NOLABA has invested over $100,000 in GNO to date.

Transport and Utilities

Water, drainage and sewage services are provided by the Sewerage & Water Board of New Orleans, with gas and electricity provided by Entergy New Orleans, a private company. Public transportation is operated by the New Orleans Regional Transit Authority, whose board is jointly appointed by the Mayor New Orleans and the President of Jefferson Parish. Louis Armstrong New Orleans International Airport is owned by the City of New Orleans and operated by the New Orleans Aviation Board.

Agency Governance

As a public authority and a city-affiliated nonprofit, respectively, NORA and NOLABA represent the full spectrum of governance models for economic development entities.

NORA, a state-chartered entity, is governed by an 11-member Board of Directors. The Louisiana state legislature has the right to refer or recommend one appointment to the board; the Mayor of New Orleans has the right to appoint all other members. The board has three standing committees: Finance, Real Estate Development, and Marketing. Per its bylaws, NORA must create an annual work plan that includes targets for fund deployment, home sales, façade improvements, target commercial corridors, etc. A board retreat takes place once a year to prepare for the work plan.

Metrics outlined in NORA's annual report include: direct investment and total development cost for commercial revitalization; number of jobs created; square footage developed; number of properties sold via auction or affordable housing Request for Applications (RFAs); number of completed affordable housing units; land subsidies, direct investment, and total development cost for affordable housing production; land subsidies for lot beautification; and Lot Next Door sales.

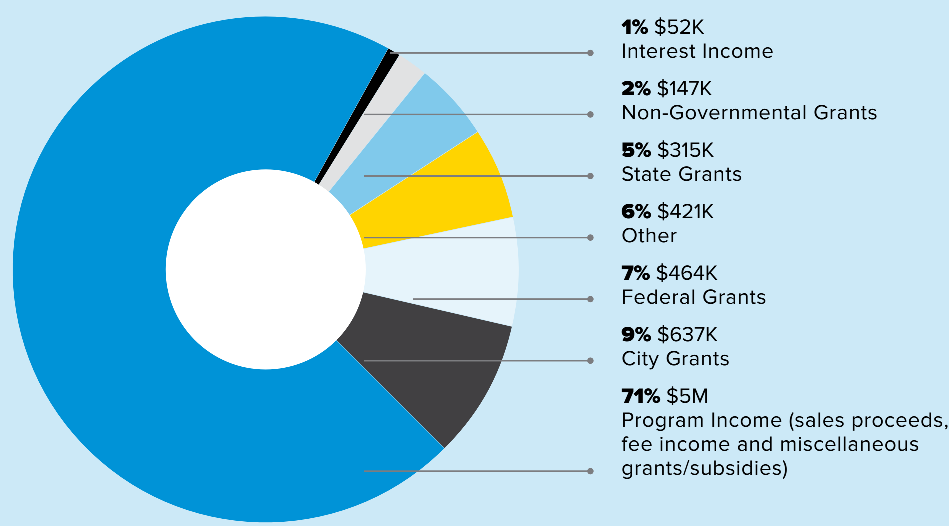
NOLABA, a 501(c)(3) organization, is governed by a 17-member board. The Mayor of New Orleans sits on the board and can appoint 4 other members; the City council has two appointees; and the remaining ten members are nominated by existing board members and approved by the University Presidents' Advisory Council. Board membership is diverse, including business leaders, community activists, nonprofit leaders and attorneys. All board meetings are public meetings, although they are not required to be so by law. Although there is no formal reporting relationship between NOLABA and the City of New Orleans, the City's Chief Administrative Officer currently serves as board chair. The President of NOLABA also joins a weekly meeting with city agency leadership convened by the Directors of the City's Office of Community Development and Office of Economic Development.

To date, NOLABA's work has been guided by ProsperityNOLA, a five-year plan launched in 2013 that identified five key industry clusters for targeted investment. Developed in collaboration with over 200 stakeholders, the plan identified the relevant strategies, actions, metrics, lead agencies, support partners, and timeframe needed to advance implementation. The City of New Orleans is currently developing a successor economic development strategy to guide NOLABA's work in the coming years. NOLABA has also recently created organizational performance dashboards to allow staff to monitor progress towards stated goals in real time.

NOLABA's work has been guided by ProsperityNOLA, a five-year plan launched in 2013 that identified five key industry clusters for targeted investment. Developed in collaboration with over 200 stakeholders, the plan identified the relevant strategies, actions, metrics, lead agencies, support partners, and timeframe needed to advance implementation.

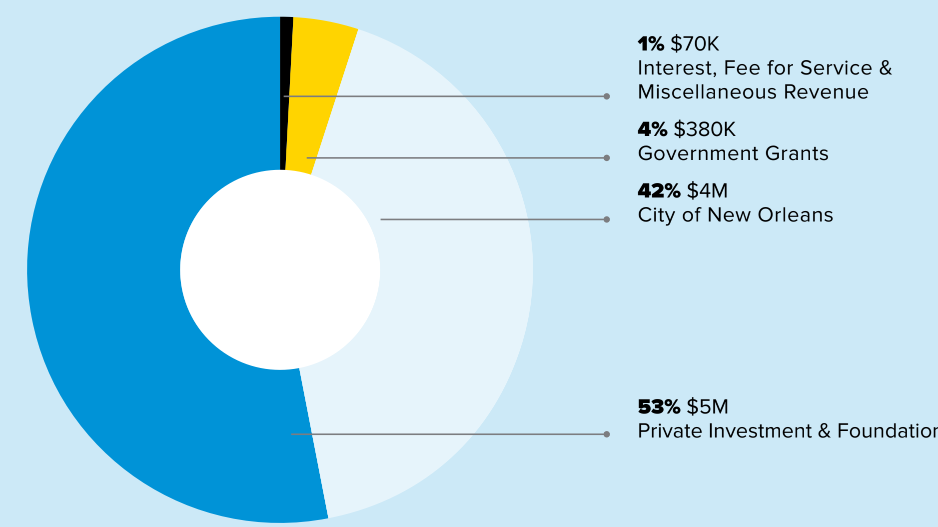
Agency Budget

NORA FY17 OPERATING REVENUES



NORA's operating budget in FY17 included $6.9M in operating revenues. The majority of these revenues (71%) were derived from program income, defined as sales proceeds, fee income (from loans and sales), and miscellaneous program-related grants and subsidies. An additional 22.5% of revenues are drawn from grants from the city, state, and federal governments, as well as $147,000 in non-governmental grants.

NOLABA OPERATING REVENUES FY18



NOLABA's operating budget in FY18 included $8.6M in operating revenues. The majority of these revenues (53%) are derived from private and philanthropic donations, including annual contributions of over $1M from the Hilton, Ford, Chase and Kellogg Foundations. The other major revenue stream from the agency is drawn from the City of New Orleans (42%), including restricted general fund dollars as well as the Business Attraction Fund managed on behalf of the City of New Orleans. City financial support is conditional upon NOLABA raising at least one million dollars annually from the private sector.

NORA Divisions & Functions

NORA is comprised of six departments, supported by approximately 32 staff, as shown in the organizational chart above. Staff numbers are listed as of 2019. NORA is also supported by a nonprofit affiliate, New Orleans Redevelopment Unlimited. Specific departments include:

FINANCE, COMPLIANCE & AUDITING

Supported by a 9-person team led by NORA's Chief Financial Officer, the Finance, Compliance & Auditing Department leads grant management, internal auditing, accounting, and compliance for the agency.

HUMAN RESOURCES & ADMINISTRATION

Staffed by NORA's Director of Human Resources, the Human Resources & Administration Department focuses on training and development, employee relations, benefits and payroll, safety, and compliance-related matters.

DISPOSITION & PROCUREMENT

Supported by a 6-person team, NORA's Disposition & Procurement Department manages disposition programs as well as procurement and contract administration matters for the agency. Core disposition programs include: annual auctions, the Lot Next Door program and Requests for Proposals for affordable housing development.

ASSET MANAGEMENT

NORA's 3-person Asset Management Department oversees inspection and upkeep of NORA-owned assets, including vacant lots and properties.

LEGAL

NORA's 2-person Legal Department oversees a range of tasks, including resolving property title issues; managing litigation and real estate matters; managing title and closing attorneys; drafting and reviewing contracts; and ensuring compliance with state and federal laws.

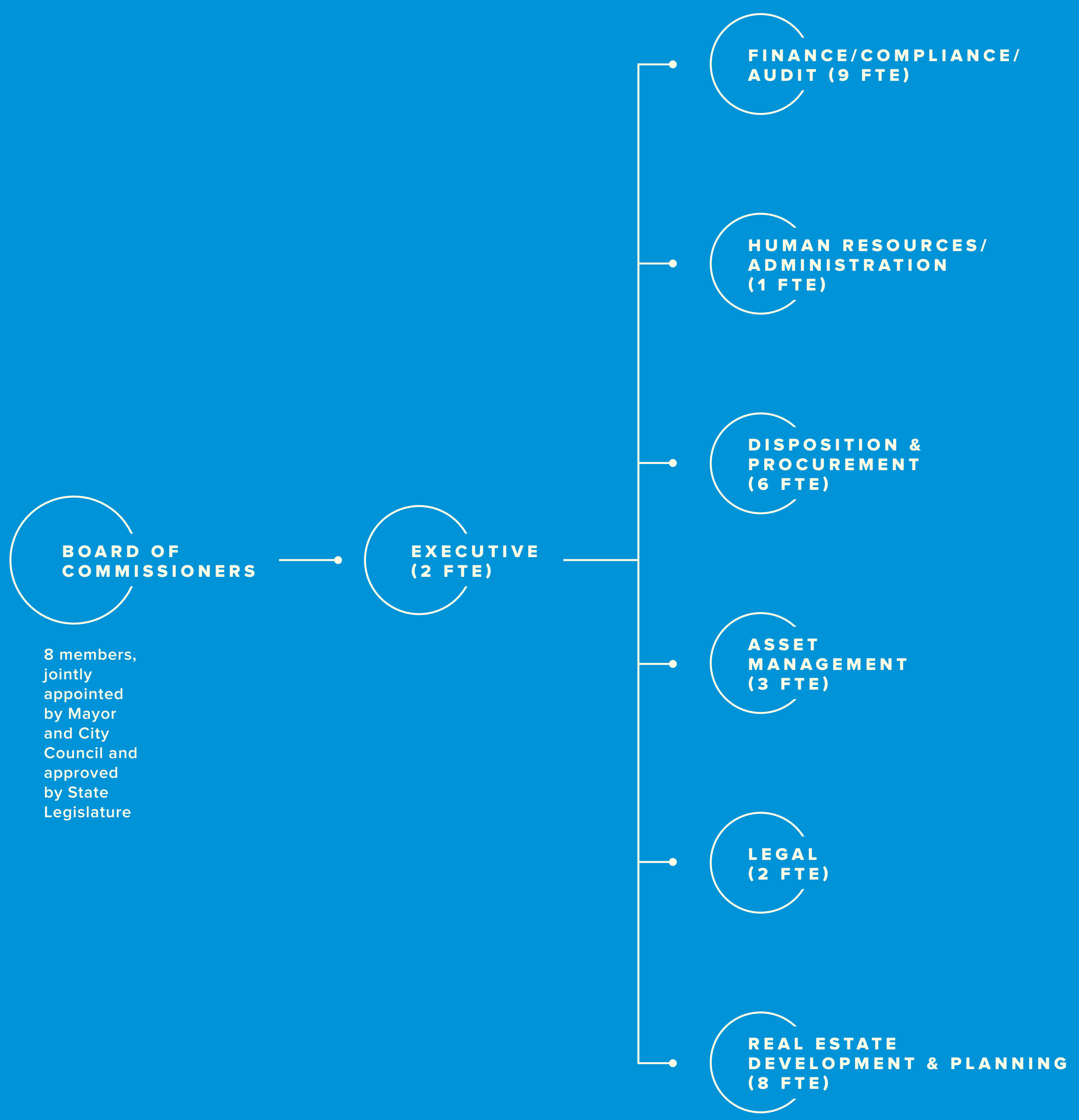
REAL ESTATE DEVELOPMENT & PLANNING

Supported by an 8-person team, the Real Estate Development & Planning Department leads NORA's affordable housing development, commercial revitalization and land stewardship programs. These include the provision of below-market land and low-cost construction financing for nonprofit and for-profit affordable housing developers; storefront and commercial right-of-way improvement grants; commercial corridor gap financing; and the transformation of vacant lots into stormwater management infrastructure, urban forests and community parks.

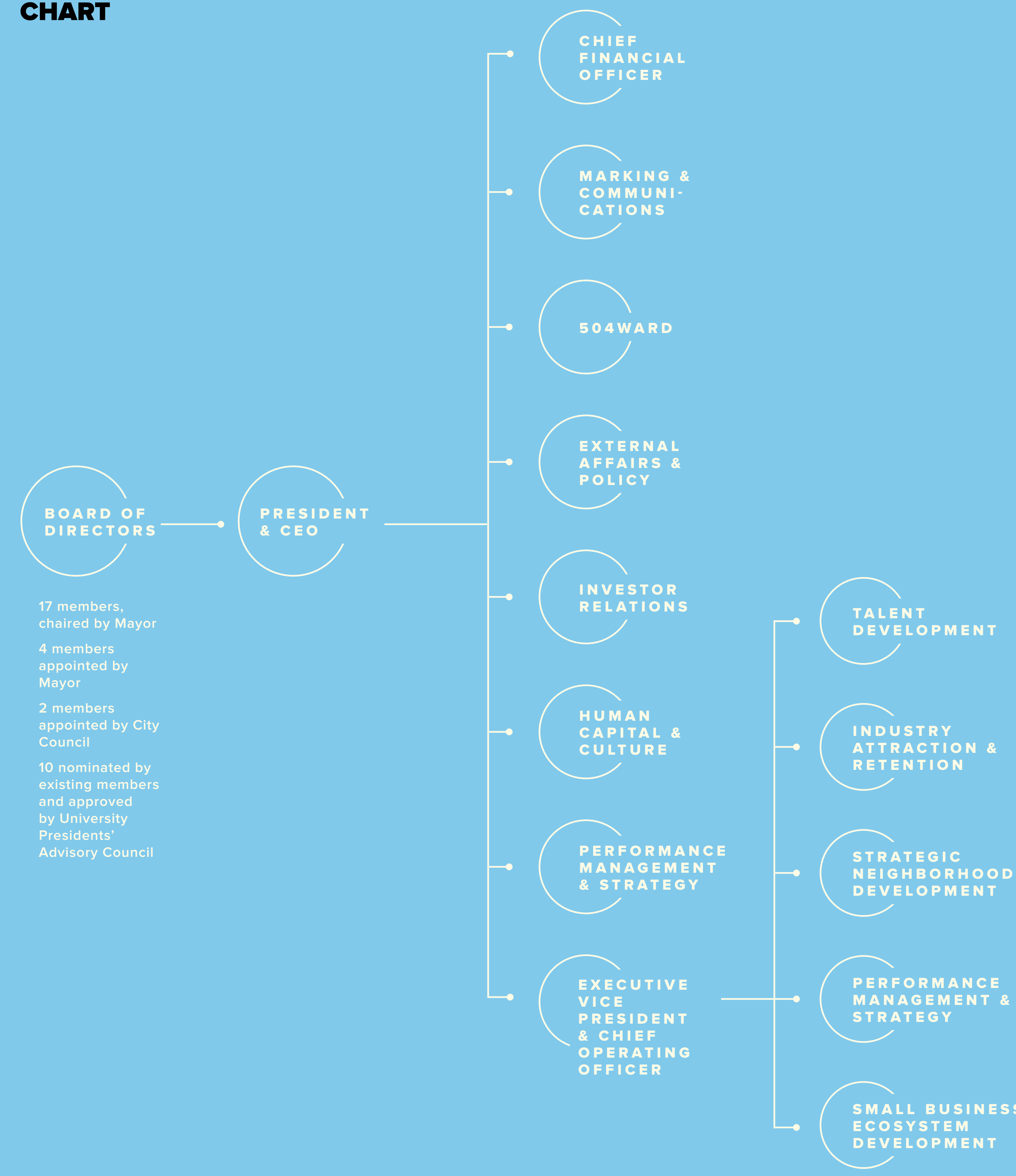
NEW ORLEANS REDEVELOPMENT UNLIMITED

Established in 2004 as NORA's nonprofit affiliate, New Orleans Redevelopment Unlimited (NORU) has the power to acquire and dispose of property by sale, lease or gift. In 2013, NORU came under scrutiny from the Legislative Auditor's Office for financial misstatements, including failure to record more than $300,000 worth of properties that it had acquired through donation. NORA followed up on each allegation with proposed corrective actions and pledged to create tighter deadlines to ensure timely submission of necessary financial reports.[61]

NORA ORGANIZATIONAL CHART



NOLABA ORGANIZATIONAL CHART



NOLABA DIVISIONS & FUNCTIONS
NOLABA's 30 staff members are organized into 11 divisions, as shown in the organizational chart above. Staff numbers are listed as of 2019. Specific divisions include:

BUSINESS ATTRACTION & RETENTION
Supported by four staff members, NOLABA's Business Attraction & Retention team focuses on growing employment in the key industry clusters identified in the ProsperityNOLA economic development strategy. Specific staff oversee Food, Music & Software Tech and Bio Business Development & Strategy.

SMALL BUSINESS GROWTH
NOLABA's two-person Small Business Growth team provides technical assistance for emerging and growing businesses through a number of digital platforms, including a Business Insight Tool, Crescent City Biz Connector, Opportunities Portal and InvestNOLA, which is specifically focused on MWBE business growth. The Small Business Growth division also provides technical assistance to neighborhood business organizations and commercial corridors undergoing revitalization efforts.

TALENT & WORKFORCE DEVELOPMENT
As of January 2018, NOLABA supports workforce development efforts in the City through the provision of job readiness programming at five Workforce Opportunity Centers. The Talent & Workforce Division is supported by five staff members.

STRATEGIC NEIGHBORHOOD DEVELOPMENT
Staffed by NOLABA's Director of Strategic Neighborhood Development, this division focuses on placemaking and coordinated neighborhood investments. Much of this work has been focused in the Claiborne Corridor, a cultural innovation district spanning 25 blocks adjacent to downtown.

FINANCE
Supported by a two-person team and led by NOLABA's Chief Financial Officer, the agency's Finance Division manages accounting, budgeting, and compliance for the agency.

GOVERNMENTAL/EXTERNAL AFFAIRS
The Vice President for External Affairs and Policy manages policy development and strategic partnerships with public, private and nonprofit organizations to advance economic development in New Orleans.

HUMAN CAPITAL & CULTURE
The Vice President of Human Capital & Culture provides HR services for NOLABA.

INVESTOR RELATIONS
NOLABA's two-person Investor Relations Division raises funds from private and philanthropic sources to support agency operations. Financial support from the City of New Orleans is conditional upon NOLABA raising at least $1M annually from private sources. In 2018, NOLABA raised over $4.5M from private investors and foundations.[62]

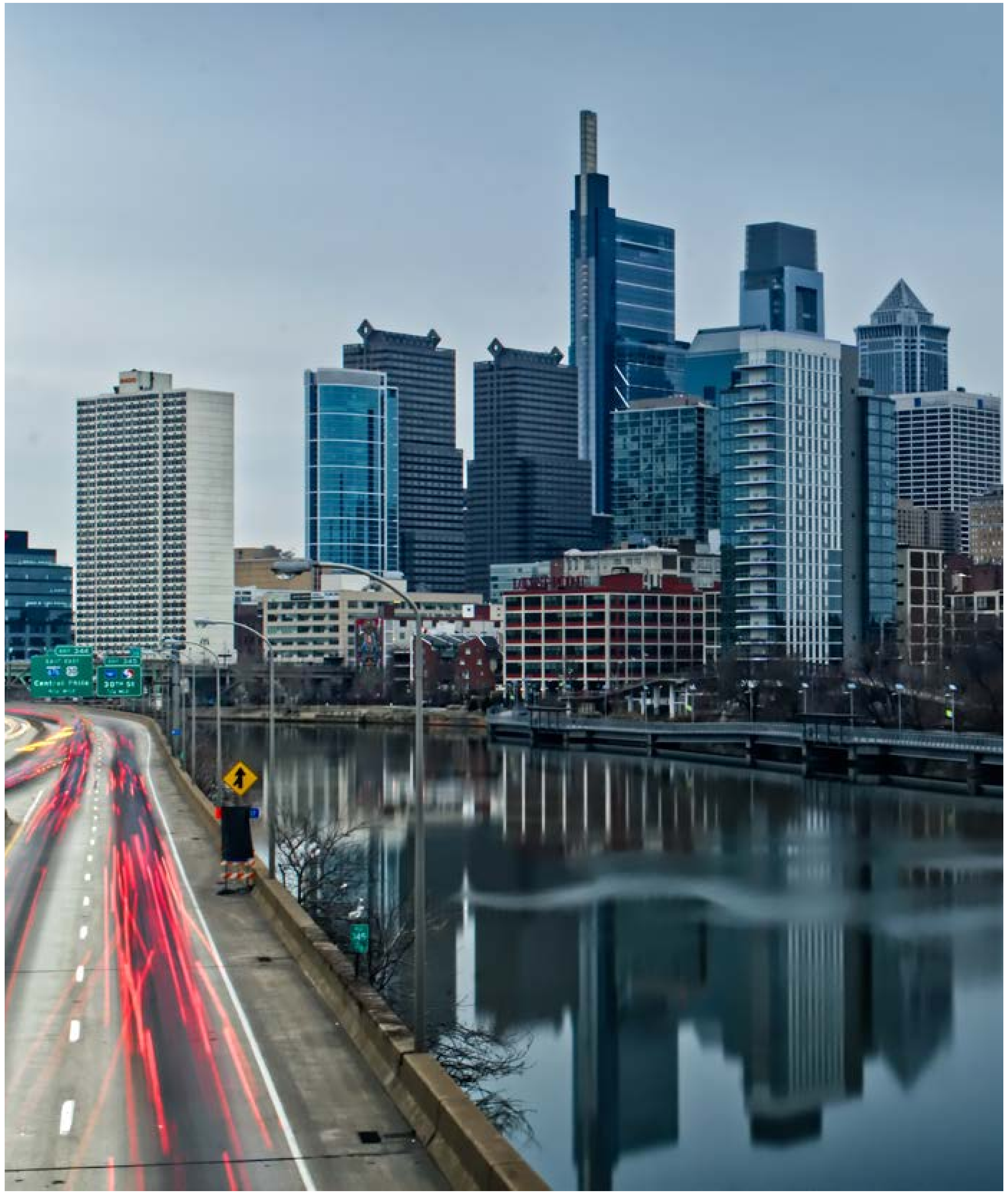
MARKETING & COMMUNICATIONS
NOLABA's two-person Marketing & Communications team leads the agency's significant communications efforts, including its Economic Development Ambassadorship Program and #WHYNOLA promotional campaign.

PERFORMANCE MANAGEMENT & STRATEGY
NOLABA's two-person Performance Management & Strategy division leads strategic initiatives and evaluates the impact of the organization's programs through a range of tools including dynamic, data-driven performance dashboards.

PROGRAMS
NOLABA's Programs Division houses 504ward, a post-Katrina initiative designed to attract and retain young professional talent in the Greater New Orleans region through programming, networking, and communications.

LESSONS FOR PITTSBURGH

- **Industry Clusters:** The work of NOLABA offers an excellent case of an agency whose work is tightly focused on promoting growth in key industry clusters. In its 2014 economic development strategy, NOLABA identified five clusters for support: transportation and trade logistics, bioinnovation and health services, creative digital media, sustainable industries and advanced manufacturing. As the URA seeks to increase its emphasis on growing economic clusters, NOLABA's research, advocacy, and strategic investment offers an instructive model.
- **Marketing & Communications:** As the URA explores ways to increase its focus on marketing and communications, the work of NOLABA serves as a useful precedent. One of NOLABA's key goals is to increase awareness of New Orleans' economic development potential. Major initiatives include #WhyNOLA, a marketing campaign to promote New Orleans business success stories through articles, videos, and social media, and the Economic Development Ambassadorship Program (EDAP), which trains New Orleans-based professionals to become ambassadors for the city.
- **Annual Work Plans:** Per state law, NORA's work is guided by work plans which outline targets, metrics, and funding needs on an annual basis. Developed in collaboration with the agency's board, the work plans provide a useful blueprint for communicating and evaluating agency progress towards stated goals. As the URA launches its business planning process, NORA's commitment to regular work plan development is a helpful model.



PHILADELPHIA

Economic development in Philadelphia is jointly led by the City's Department of Commerce and the Philadelphia Industrial Development Corporation (PIDC), a nonprofit joint-venture between the City of Philadelphia and the Greater Philadelphia Chamber of Commerce. Focused on commercial and industrial business growth as well as small business development, PIDC benefits from a self-sustaining revenue model with limited dependence on public funding.

Beyond PIDC, a wide range of City-controlled entities engage in economic development, with housing led by the Department of Planning and Development, the Philadelphia Housing Development Corporation, and the Philadelphia Redevelopment Authority; vacant land recycling coordinated by the Philadelphia Land Bank; and workforce development led by the newly created Office of Workforce Development. Indeed, in Philadelphia five City and City-affiliated entities perform the functions that in Pittsburgh are housed solely within the URA.

As Pittsburgh reorganizes its economic development apparatus, key lessons from Philadelphia include:

1. The role of cross-sectoral, **public-private governance** in advancing a shared economic development agenda;
2. The importance of generating substantial agency revenues from **earned income**, including fees and management contracts for administration of City programs; and
3. The capacity for economic development organizations to form strong financial and organizational partnerships with the **entrepreneurial community**, including serving as an investor in early-stage companies.

Economic Overview

In 2017, Philadelphia was home to approximately 1,569,700 residents and 715,900 jobs. Major industries include healthcare, telecommunications, higher education, tourism, and financial services. The city also boasts a number of key assets including its strategic location along the Northeast Corridor, relatively affordable cost of living and doing business, cultural and recreational amenities, and growing strength in the knowledge economy. Between 2005 and 2016, the City of Philadelphia added 40,000 jobs, and in 2016 alone, the City added 16,000 jobs, a 2.4 percent increase that outpaced the regional and national average.[63] However, the city's unemployment rate in 2017 remained above the national average at 6.2 percent. More worryingly, with a poverty rate of nearly 26 percent, Philadelphia stands as the poorest of America's ten largest cities. As of 2017, approximately 200,000 Philadelphians live in deep poverty.[64]

Philadelphia's economic development goals are primarily set by the Mayor, although PIDC, the city's commercial and industrial development entity, is jointly governed by both the City and the Chamber of Commerce. In addition to PIDC, a wide range of public and quasi-public entities play a role in implementing the city's economic development agenda, including the Department of Planning & Development (P&D), the Department of Commerce, the Philadelphia Redevelopment Authority (PRA), and the Philadelphia Land Bank, among others.

Economic development in Philadelphia is guided by a series of strategic plans including the City's Five Year Financial and Strategic Plan (2018), the City's Housing Action Plan (2018), the City's workforce development strategy (2019), and its Comprehensive Plan, of which Phase 1 has been completed to date. In 2017, PIDC also developed PIDC 2020, a three-year organizational strategy to guide economic development investments in the coming years.

PIDC OVERVIEW

NAME
Philadelphia Industrial Development Corporation (PIDC)

DATE FOUNDED
1958

LEGAL STRUCTURE
501(c)(4)

BOARD STRUCTURE
30 members, jointly appointed by City of Philadelphia and Greater Philadelphia Chamber of Commerce; led by 17-member Executive Committee that includes Mayor and select Cabinet-level staff.

MISSION STATEMENT
Our mission is to spur investment, support business growth, and foster developments that create jobs, revitalize neighborhoods, and drive growth to every corner of Philadelphia. To achieve our mission we attract, manage, and invest public and private resources in the clients, communities, and markets that energize Philadelphia's economy.

NUMBER OF EMPLOYEES
65 (2015)

OPERATING REVENUES
$12.5M (2017)

Economic Development Actors

Mayor

The Mayor sets the citywide economic development agenda through a Five Year Financial and Strategic Plan, the most recent of which includes a goal to "increase the City's profile in order to attract and retain more talent, businesses, and jobs."[65] The Mayor controls all board appointments to the City's affiliated economic development entities with the exception of PIDC, whose board is jointly appointed by the Greater Philadelphia Chamber of Commerce.

City Council

The City Council is the legislative arm of City government, comprised of 17 members. Ten are elected by district and seven are at-large. The City Council approves land use decisions such as the disposition of City-owned property, tax increment financing transactions, and rezoning proposals. Three Council Committees provide oversight on the City's economic development policies, including the Committee on Commerce and Economic Development, the Committee on Global Opportunities and Creative Innovative Economy, and the Committee on Housing, Neighborhood Development, and the Homeless.

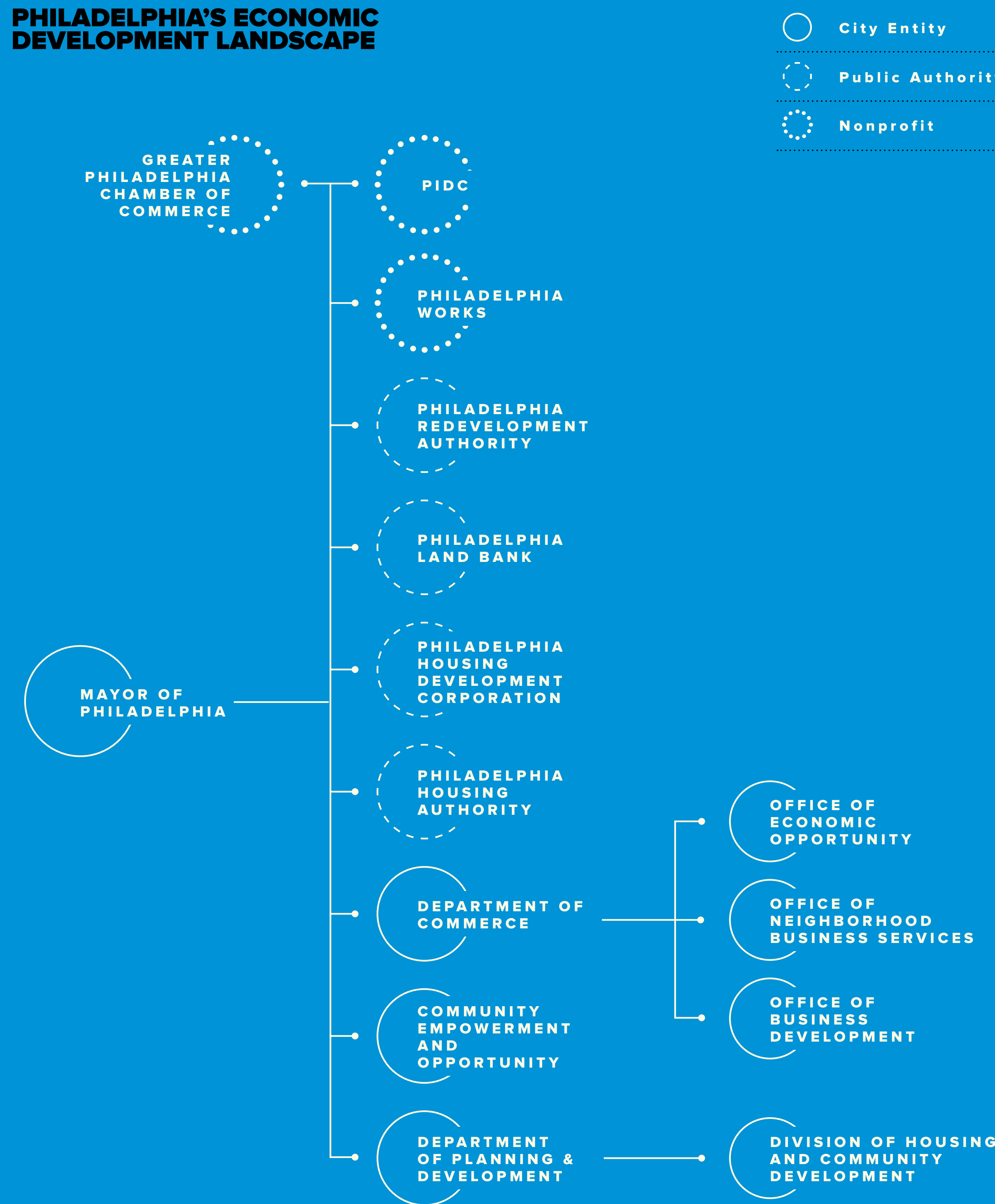
Philadelphia Industrial Development Corporation (PIDC)

Founded in 1958 as a nonprofit joint venture between the City of Philadelphia and the Greater Philadelphia Chamber of Commerce, PIDC is focused on stimulating commercial and industrial business growth across the city. Key activities include business financing, land disposition, and market development to attract new companies and industries to the city. In its early years, PIDC developed the nation's first urban research park, University City Science Center, as well as a number of industrial parks on the city's edges. More recently, PIDC has increased its focus on small business lending, MWBE support, and investment in underserved communities. PIDC also serves as master developer for the Philadelphia Navy Yard, currently home to 13,500 employees and 165 companies. Three subsidiary entities perform implementation functions, including the Philadelphia Authority for Industrial Development (PAID), PIDC Community Capital, and PIDC Regional Center. PIDC is governed by a 30-member Board of Directors, of which 15 are appointed by the Mayor and 15 by the President of the Greater Philadelphia Chamber of Commerce. Board composition is varied, including private, corporate, municipal, academic and union leadership. In 2017, PIDC closed $1.9 billion in financing, coordinated 74 acres of land sales citywide, financed $12 million in loans to small businesses (of which more than 50 percent were to MWBEs), and made investments in every City Council district, covering 90 percent of zip codes.

Department of Commerce

The Department of Commerce serves as the umbrella organization for all economic development activity in the city, coordinating the work of PIDC and PRA, which primarily focuses on housing. Under a prior administration, the Director of Commerce also served as Deputy Mayor for Economic Development, though this structure is no longer in place. Departmental functions include interagency coordination related to business attraction and

PHILADELPHIA'S ECONOMIC DEVELOPMENT LANDSCAPE



retention deals, policy analysis, small business services (e.g., licensing, permitting), promotion of international trade, and neighborhood economic development. The Department of Commerce also approves land sales and loan transactions. Within the Department of Commerce, the Office of Economic Opportunity (OEO) ensures that minority-, women-, and disabled-owned businesses receive an adequate share of public contracting opportunities.

Office of Workforce Development

Created in 2018, the Office of Workforce Development is charged with implementing the City's three-year workforce development strategy, Fueling Philadelphia's Talent Engine. The Office includes functions and staff from the Office of Community Empowerment and Opportunity, the Department of Commerce, the Managing Director's Office, and the entire Office of Adult Education.[66]

Philadelphia Redevelopment Authority (PRA)

Created in 1945 under the State of Pennsylvania's Urban Renewal Law, the PRA focuses primarily on land disposition and bond financing for affordable housing and mixed-use development, though its role in managing public land has significantly diminished since the 1980s. The PRA is governed by a five-member board appointed by the Mayor of Philadelphia and chaired by the Director of the Department of Planning and Development.

Philadelphia Land Bank

Created in 2013, the Philadelphia Land Bank serves as a clearinghouse for the acquisition and disposition of tax-delinquent vacant residential properties. It follows a Strategic Plan established in 2017 which identifies opportunities where municipally owned land can stimulate new housing, green space, and other community-oriented uses.

Philadelphia Housing Development Corporation

PHDC is a nonprofit subsidiary of the PRA focused on providing financing and technical assistance for home improvement and preservation and first-time homebuyers.

Department of Planning & Development

Constituted in 2018, the Department of Planning & Development centralizes a wide range of city functions focused on housing and land use, including the Division of Housing and Community Development, Development Services, the City Planning Commission, the Historical Commission, the Art Commission, and Zoning Board of Adjustment. The Division of Housing & Community Development is governed by an 11-member Housing Advisory Board.

Philadelphia Works, Inc.

Formed pursuant to the Federal Workforce Innovation and Opportunity Act, Philadelphia Works is the City's Workforce Development Board (WDB). The nonprofit organization is charged with developing regional strategic plans, conducting research on Philadelphia's labor market, and providing a link between the U.S. Department of Labor and local American Job Centers. Philadelphia Works is governed by a 30-member Board of Directors appointed by the Mayor of Philadelphia.

Greater Philadelphia Chamber of Commerce

Representing 11 counties across three states, the Greater Philadelphia Chamber of Commerce is dedicated to promoting regional economic growth through business-friendly public policies. The Chamber's core activities include policy advocacy, professional development programs, and marketing and communications. The Philadelphia Alliance for Capital and Technologies (PACT), an affiliate of the Chamber's, serves as a resource for entrepreneurs and startups in the Philadelphia region.

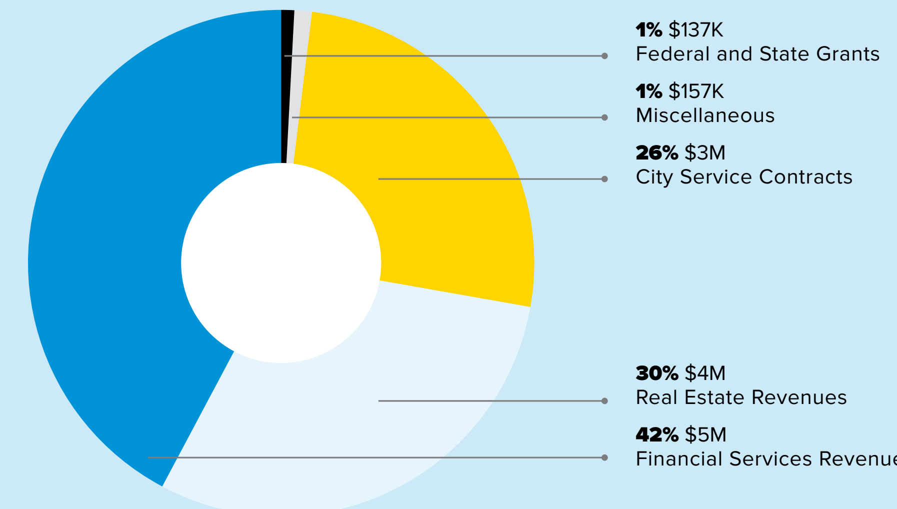
Transport and Utilities

The Port of Philadelphia is operated by the State-controlled Philadelphia Regional Port Authority, while the airport is operated by the City via its Department of Commerce. Public transportation is provided by the State-controlled Southeastern Pennsylvania Transportation Authority (SEPTA). The City operates water/sewer utilities through the Water Department, and private companies provide electricity.

Agency Governance

PIDC is jointly governed by the City of Philadelphia and the Greater Philadelphia Chamber of Commerce, with both entities appointing half the board. Although the Chamber appoints the Chairman of the Board, PIDC is strongly linked to the Mayor's Office through its 17-member Executive Committee, of whom 9 are appointed by the Chamber of Commerce and 8 are appointed by the City of Philadelphia.

PIDC FY17 OPERATING REVENUES



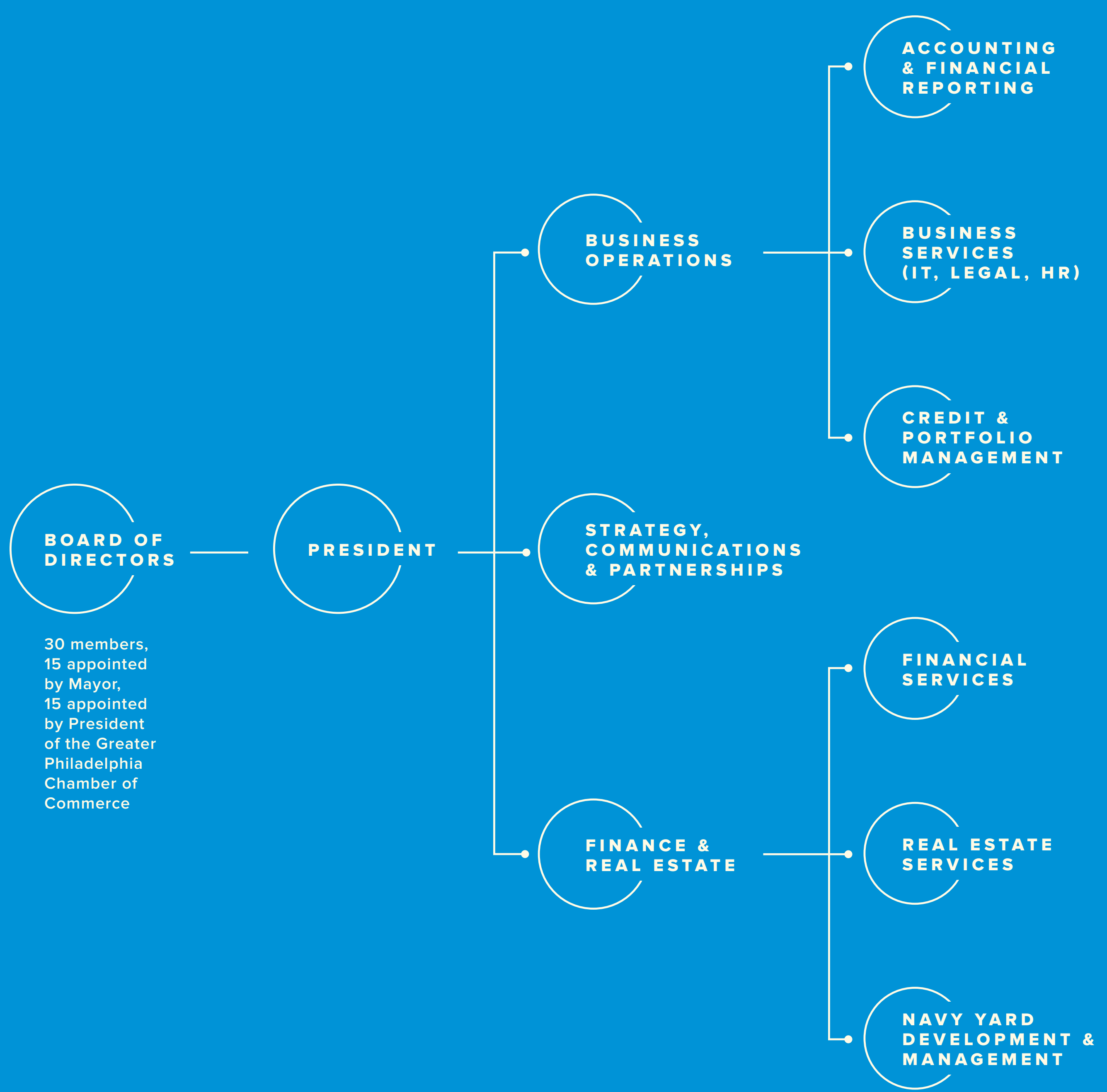
Currently, the Executive Committee includes the Mayor and five members of the Mayor's Executive Cabinet: the Director of Planning & Development, Director of Commerce, Director of Finance, Managing Director/COO of City, and the City Solicitor. PIDC's Executive Committee meets every two weeks to approve transactions and cannot vote via proxy, ensuring strong alignment with the City on both overall strategy and project-level logistics.

The agency's work is steered by its 3-year organizational strategic plan, developed in 2017. The plan is organized around 5 pillars: connect to stakeholders, partners, clients and the marketplace; execute delivery of products and services that drive growth throughout the city; innovate new resources, products and business processes that advance PIDC's mission; and sustain a thriving, dynamic and successful PIDC organization. Accompanying these five high-level strategic pillars are 18 goals with 91 specific objectives.

Agency Budget

PIDC's operating budget for FY17 amounted to $12.5M in operating revenues. 42% of PIDC's operating revenues are drawn from financial services revenues, 30% from real estate revenues, and 26% from contracts with the City of Philadelphia for management of specific programs (including the Industrial Development Revolving Loan Fund and specific grant programs for infrastructure and stormwater management). PIDC does not receive any allocation from the City of Philadelphia's general fund.

PIDC ORGANIZATIONAL CHART



Agency Divisions & Functions

PIDC is organized into three divisions and supported by approximately 65 staff as of 2019. Specific departments include:

FINANCE & REAL ESTATE

PIDC's Finance & Real Estate Division oversees financial services (including business lending, project finance, bonds, grants, and loan administration), real estate services (including industrial land management, city asset sales and public-private real estate development) and Navy Yard development and management (including marketing and events, leasing and development, property operations and planning).

STRATEGY, COMMUNICATIONS & PARTNERSHIPS

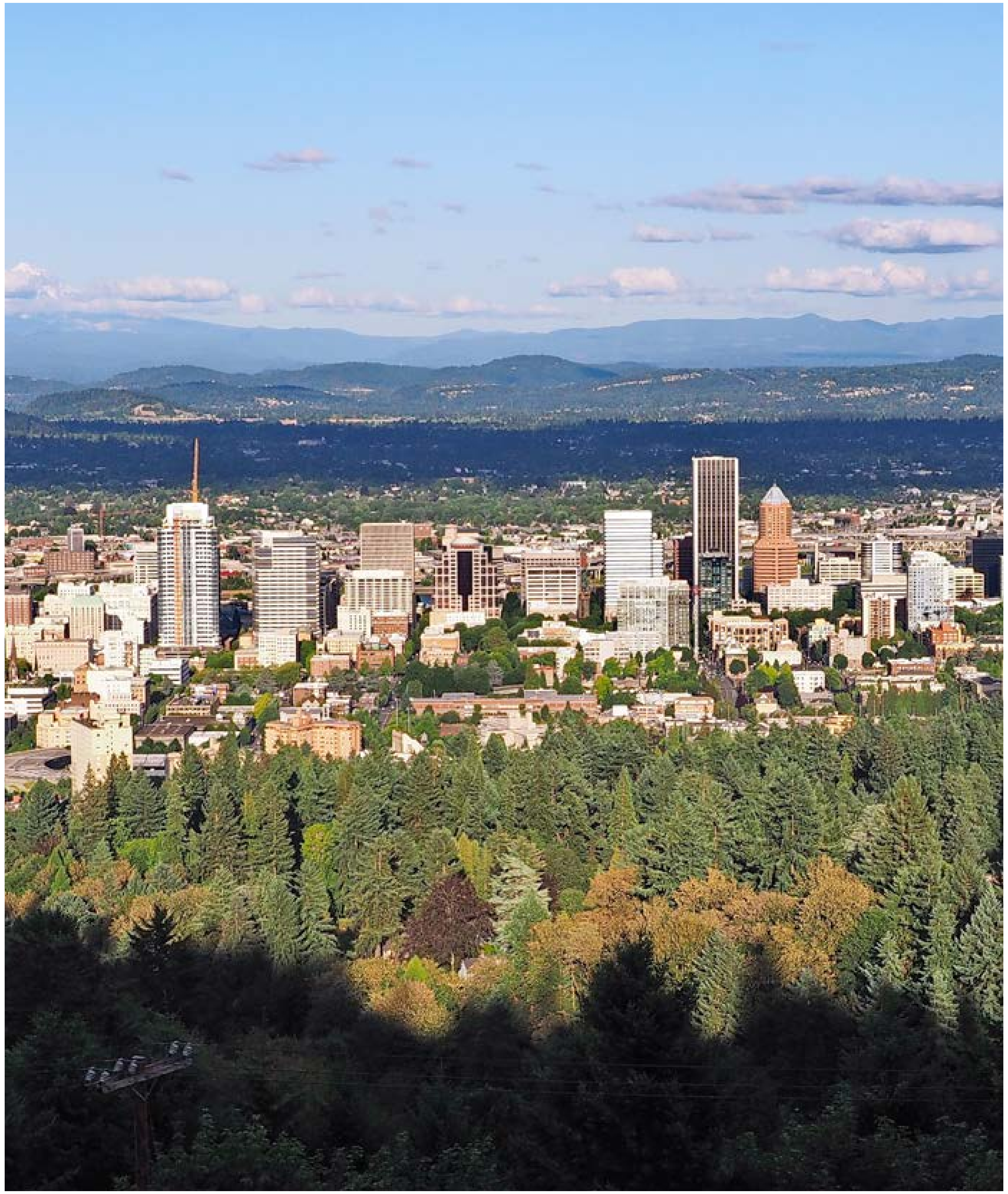
PIDC's Strategy, Communications & Partnerships Division oversees marketing, communications, stakeholder relations, partnerships, and strategic business initiatives.

BUSINESS OPERATIONS

PIDC's Business Operations Division consolidates accounting and financial reporting, business services (including legal, HR, IT and office administration), and credit and portfolio management.

LESSONS FOR PITTSBURGH

- **Cross-sectoral Governance:** PIDC's unique public/private governance arrangement enables it to serve as a highly effective steward for the city's business and entrepreneurial ecosystems, ensuring that city and private interests are effectively coordinated. As the URA explores new models for external partnerships and support for economic clusters, PIDC offers an instructive model of public-private collaboration.
- **Self-sustaining Revenue Model:** PIDC's annual budget is funded largely from service fees generated by PIDC's business activities rather than City appropriations or intergovernmental transfers. PIDC is also compensated for its administration of City programs through management contracts. As the URA moves forward with its business and financial sustainability planning process in the coming months, PIDC offers a useful precedent.
- **Partnerships with Entrepreneurial Community:** Working with the City's Department of Commerce, Comcast NBC Universal, Technical.ly, and Philly Startup Leaders, PIDC launched StartUpPHL, which aims to support Philadelphia based entrepreneurs through a range of programming and funding. More recently, PIDC has also been an investment partner to a number of other early stage investors including First Round Capital, University City Science Center, Ben Franklin Technology Partners, and the DreamIt Fund. As the URA seeks to strengthen its external partnerships in the coming years, PIDC's relationships with the entrepreneurial community can serve as a guide.



PORTLAND

Economic development in Portland is led by Prosper Portland, a public authority controlled by the Mayor of Portland. Formerly known as the Portland Development Commission (PDC), the agency was rebranded in 2017 as part of a larger effort to realign the agency's core values around social and racial equity.

The PDC also historically controlled much of the funding for affordable housing in Portland. Since 2009, however, housing functions have been centralized in the City's Housing Bureau. As a result, the PDC lost some of its tax-increment funding and experienced staffing reductions.

As Pittsburgh examines strategies to improve its economic development apparatus in the coming years, key lessons from Portland include:

1. The role of **strategic plans** in outlining targets, metrics and core values to motivate and evaluate agency work;
2. The importance of preempting anticipated fluctuations in funding through **financial sustainability planning**; and
3. The value of **aligning strategic policy, communications, and community engagement** functions within a single division to coordinate and standardize approaches across an agency.

Economic Overview

The largest city in Oregon and the second largest in the Pacific Northwest, Portland has experienced dramatic growth in recent years, with its population increasing by 12% between 2010 and 2018 to reach an all-time high of 653,000.[67] Once a hub for the North American timber industry, today Portland is known as the "Silicon Forest" for its potent technology economy. In addition to the technology sector, Portland is a major shipping and logistics hub. Portland also hosts a significant cluster of athletic and footwear companies, with both Nike and Adidas headquartered in the metropolitan area.

Despite these impressive statistics, Portland has been struggling with issues of equity and inclusion in recent decades. Since 1990, the city's Black population has declined by over 25%.[68] The estimated homeownership rate amongst Black Portlanders is also estimated to have dropped by more than 10% between 2000 and 2015. Today, the median income for Black households is less than half that for White households.[69]

Portland's economic development agenda is set by the City Council, which is comprised of the Mayor, four Commissioners, and the Auditor, all of whom are elected at large, serve four-year terms, and hold both executive and legislative powers. The Mayor serves as the chair of the City Council, proposes the annual budget, and assigns bureaus and policy domains amongst Commissioners. Portland's current Mayor, Ted Wheeler, oversees all the City departments related to community and economic development, including the Portland Housing Bureau, the Bureau of Planning & Sustainability, the Bureau of Development Services, and Prosper Portland, the City's economic development agency.

The work of Prosper Portland is guided by the agency's 2015-2020 strategic plan, which outlines five high-level goals, with associated objectives, metrics, and targets: create healthy, complete neighborhoods; promote access to high quality employment; foster wealth creation within communities of color and low-income neighborhoods; form 21st century civic networks, institutions and partnerships; and operate an equitable, innovative and financially sustainable agency. A status report released in January 2019 found that of 18 key objectives, 5 were ahead of schedule, 8 were on track, and 5 were difficult to measure due to a discontinued or unavailable data source.[70]

PROSPER PORTLAND OVERVIEW

NAME
Prosper Portland

DATE FOUNDED
1958

LEGAL STRUCTURE
Public Authority

BOARD STRUCTURE
5-member Board of Commissioners appointed by the Mayor and approved by City Council.

MISSION STATEMENT
Prosper Portland focuses on building an equitable economy, based on four cornerstones: growing family-wage jobs, advancing opportunities for prosperity, collaborating with partners for an equitable city, and creating vibrant neighborhoods and communities. To support that work, we seek to maintain an equitable, innovative, financially sustainable agency. Prosper Portland invests financial and human capital to serve the city and its residents.

NUMBER OF EMPLOYEES
78 (2019)

OPERATING REVENUES
$145M (2017)

Key Economic Development Actors

City Council

The Portland City Council combines both executive and legislative branches and collectively sets the city's economic development agenda. The Council is chaired by the Mayor, who proposes the annual budget and assigns operational responsibility of city departments amongst the four other commissioners. The Mayor also has the power to appoint the board of Prosper Portland, the city's economic development agency, subject to approval by City Council. The Mayor currently oversees all city agencies with a role in community and economic development, including Prosper Portland, the Portland Housing Bureau, the Bureau of Planning & Sustainability, and the Bureau of Development Services. Other Commissioners direct agencies including the Bureau of Transportation, the Bureau of Parks & Recreation, and the Portland Water Bureau.

Prosper Portland (formerly the Portland Development Commission)

The Portland Development Commission was formed in 1958, following passage of a city ballot measure. Through control of property tax revenue in urban renewal areas and an independent budget, the PDC had high levels of autonomy and a mixed reputation, particularly following several controversial urban renewal projects in the 1960s. In 2007, the City gained greater authority over the agency through a ballot measure that granted the City budgetary control. In 2009, the City Council created the Portland Housing Bureau to centralize housing functions in the City. In the process, the PDC's housing staff and 30% of its TIF revenues were reallocated to the Housing Bureau to support affordable housing work. In 2015, the PDC released a five-year strategic plan outlining a new 21st century vision, mission statement, and business plan. In addition to an increased focus on social equity, the plan proposed strategies to offset the anticipated decrease in TIF revenues over the next 30 years. The agency has also adjusted to the projected decline in TIF funding through staffing reductions. Between 2010 and 2019, the number of staff at the agency has decreased from 161 to 78. In 2017, the City Council renamed the agency Prosper Portland.

Portland Housing Bureau

Created in 2009 to serve as a centralized hub for the City's housing activities, the Portland Housing Bureau consolidates functions that were previously divided between the Portland Development Commission (now known as Prosper Portland) and the Bureau of Housing & Community Development. The Portland Housing Bureau develops policies and programs to reduce homelessness and preserve and expand the city's stock of affordable housing. To achieve these goals, the Housing Bureau leverages federal, state and local funds as well as affordable housing set-side funds from the city's tax increment financing districts.

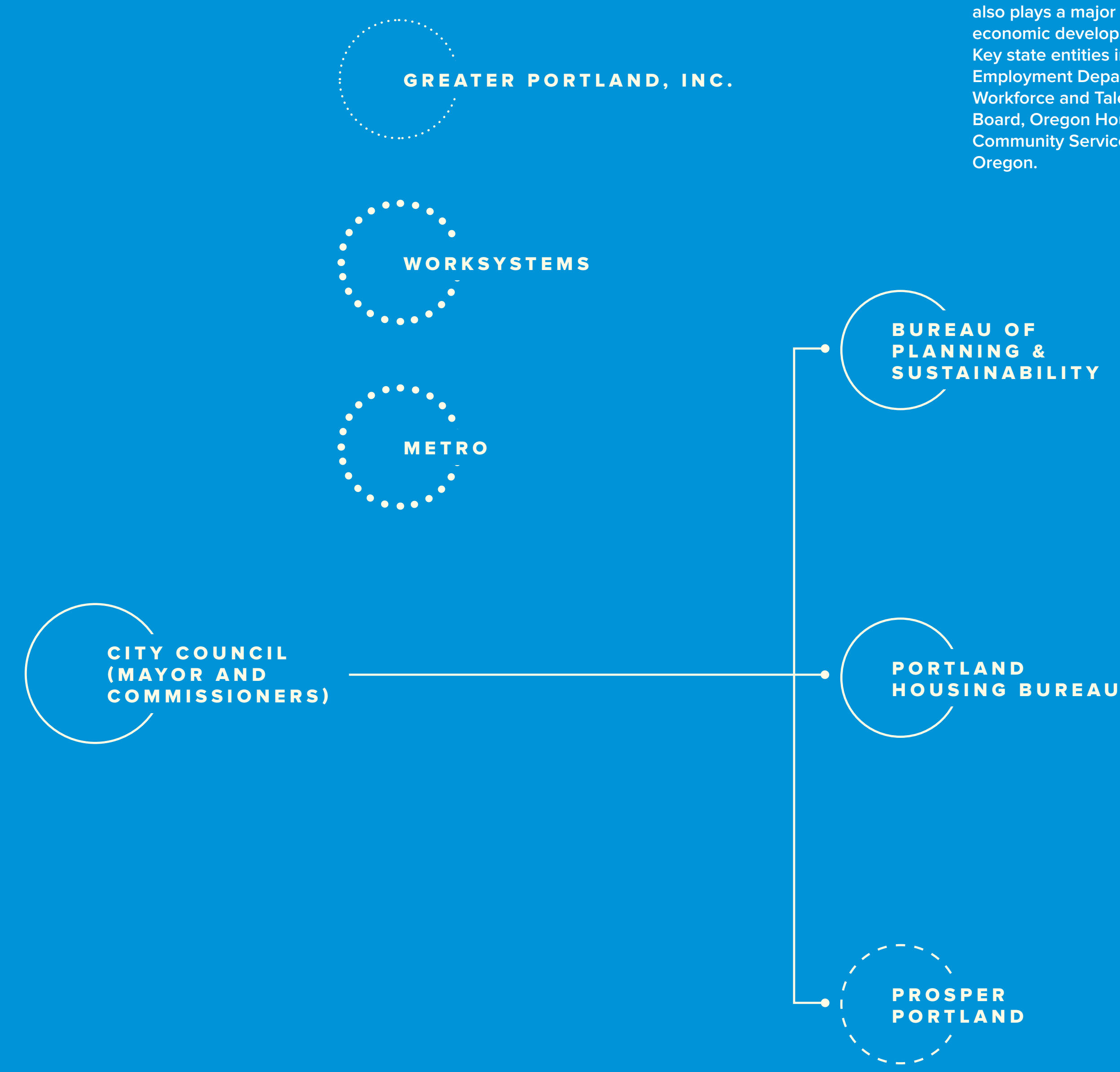
Bureau of Planning & Sustainability

The Portland Bureau of Planning & Sustainability oversees comprehensive land-use planning, manages neighborhood- and district-level plans, and sets urban design standards. In addition to these core planning functions, the Bureau also leads research, policy and technical services to advance green building, energy efficiency, waste prevention, and sustainable food production. The Bureau's work is guided by the Portland Plan (the City's strategic plan), the 2035

PORTLAND'S ECONOMIC DEVELOPMENT LANDSCAPE

City Entity
Public Authority
Regional Agency
Nonprofit

NOTE: Although not shown in the diagram above, the State of Oregon also plays a major role in the city's economic development landscape. Key state entities include the Employment Department, the Workforce and Talent Development Board, Oregon Housing and Community Services, and Business Oregon.



Comprehensive Plan, and the Climate Action Plan, among others.

Worksystems

Worksystems is the nonprofit administrative arm of the Workforce Development Board representing the City of Portland, Multnomah and Washington Counties. Leveraging federal funds, Worksystems designs and implements workforce development programs throughout the Portland region. The organization is governed by a 29-member Board of Directors, including representatives from business, government, labor and education. The Executive Director of Prosper Portland also serves on the Workforce Development Board.

Metro

Metro is the regional planning agency for the Portland metropolitan area. Governed by a seven-member council directly elected by residents of the Portland region, Metro is responsible for regional land-use planning, recreation and conservation, solid waste and recycling, and operation of major venues including the Oregon Zoo, Oregon Convention Center, and Portland Expo Center.

Greater Portland Inc.

A regional economic development entity jointly governed by public and private sector representatives, Greater Portland Inc. offers the following core services to businesses seeking to expand in or relocate to the Portland area: operational cost comparison and modeling; regional site-selection assistance; regional labor market data; connectivity to key assets; and economic impact analysis.

Transport & Utilities

The Port of Portland, a state authority, owns and operates four marine terminals, a port, and three airports in the Portland metropolitan, including Portland International Airport. Water and sewer services are provided by the City-controlled Portland Water Bureau, with electricity provided by Portland General Electric, a private company. Light rail, commuter rail, subway and bus services are operated by the Maryland Department of Transportation.

Prosper Portland Governance

Prosper Portland is governed by a five-member Board of Commissioners appointed by the Mayor and approved by City Council. Following approval by the Prosper Portland Board, urban renewal districts, bond sales, major projects and program changes are also reviewed and approved by City Council.

The work of Prosper Portland is governed by the agency's 2015-2020 strategic plan, which outlines 18 objectives for the agency to strive towards. For each objective the strategy also outlines a relevant metric, existing baseline, and a detailed explanation of why the metric was chosen. The strategic plan also explicitly builds on planning efforts and the strategic vision of partner entities including the City of Portland's strategic roadmap (the Portland Plan) and 20-year plan, the City's Climate Action Plan, and several regional action plans focused on workforce development and foreign direct investment.

Prosper Portland Budget

Prosper Portland's operating revenues in FY17 amounted to $145M. The agency's primary source of funding for projects and programs are debt proceeds generated through the use of tax increment financing. In FY17, these represented 63% of total revenues. Additional revenues were sourced from federal and state grants, City of Portland General Fund allocations, land sale proceeds, program income, contracts for services, and lending agreements.

Prosper Portland Divisions & Functions

Prosper Portland is supported by 78 staff members organized in six divisions, as outlined below. Staff numbers are listed as of 2019. Specific departments include:

DEVELOPMENT & INVESTMENT

Prosper Portland's 21-member Development & Investment team leads the agency's real estate work, including finance, construction services, technical support, and environmental review.

ECONOMIC DEVELOPMENT

Prosper Portland's 22-person Economic Development division is staffed with project managers supporting various business attraction and retention, entrepreneurship and small business development initiatives throughout the city.

EQUITY, GOVERNANCE & COMMUNICATIONS

Created following the release of the agency's 2014 strategic plan, the Equity, Governance and Communications Department has 11 staff members focused on strategic policy and data analysis, community engagement, communications, and internal equity and inclusion.

LEGAL

Prosper Portland's legal team is comprised of 5 staff members focused on supporting the agency's contractual and transactional work and compliance with local, state and federal laws.

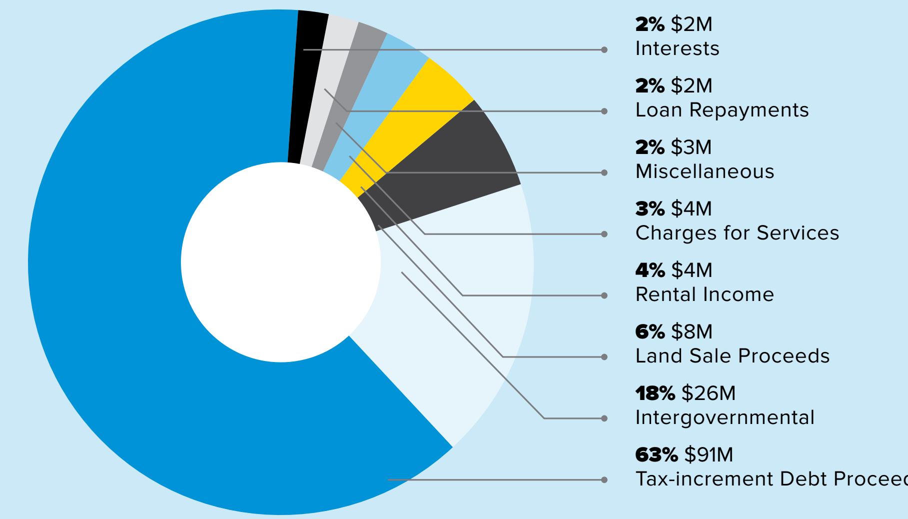
FINANCE & BUSINESS OPERATIONS

Prosper Portland's 14-member Finance & Business Operations team manages IT, budgeting, accounting and operational support.

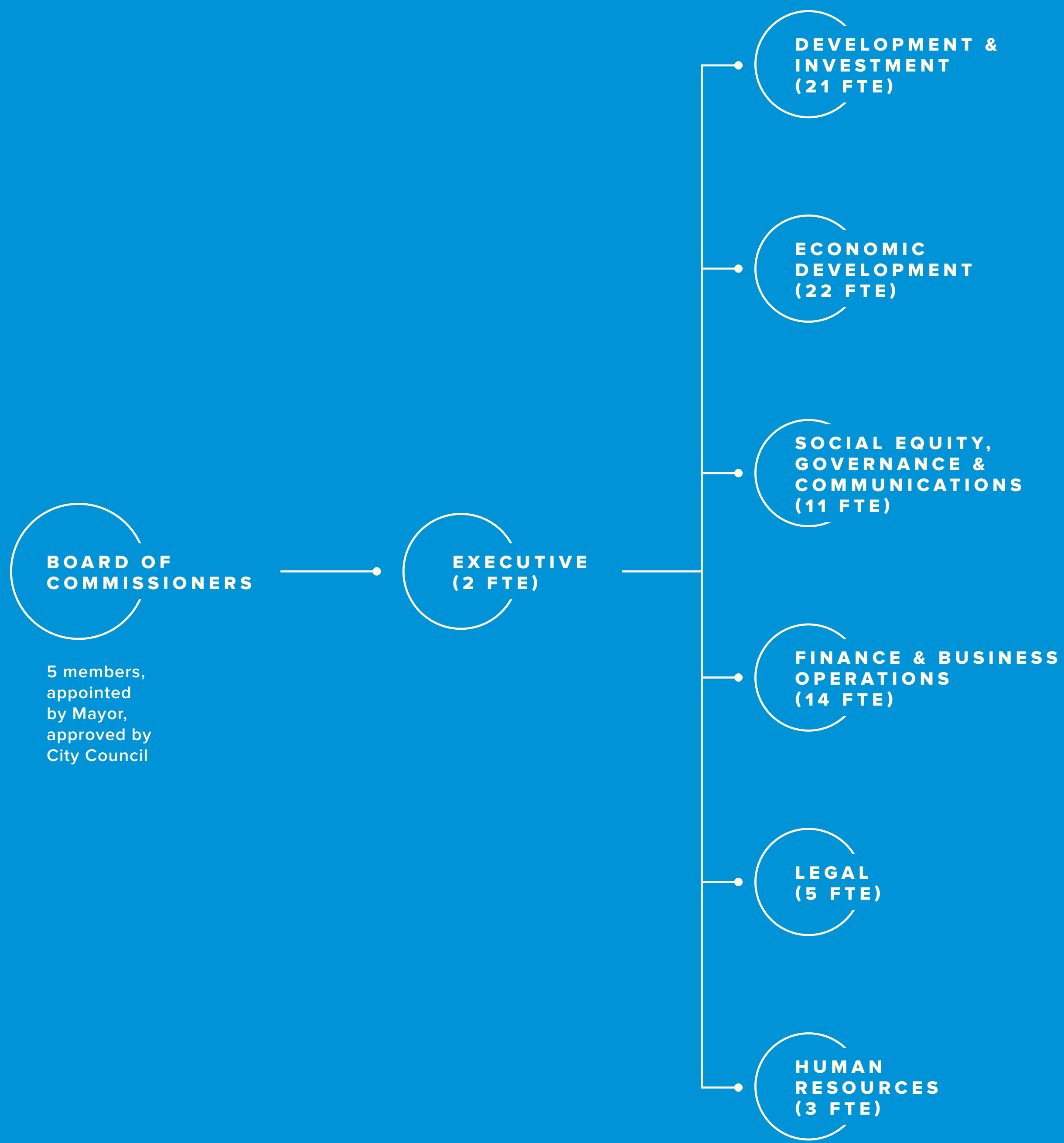
HUMAN RESOURCES

Prosper Portland's 3-person HR team manages recruiting, performance management, training and labor relations for the agency.

PROSPER PORTLAND FY17 OPERATING REVENUES



PORTLAND ORGANIZATIONAL CHART

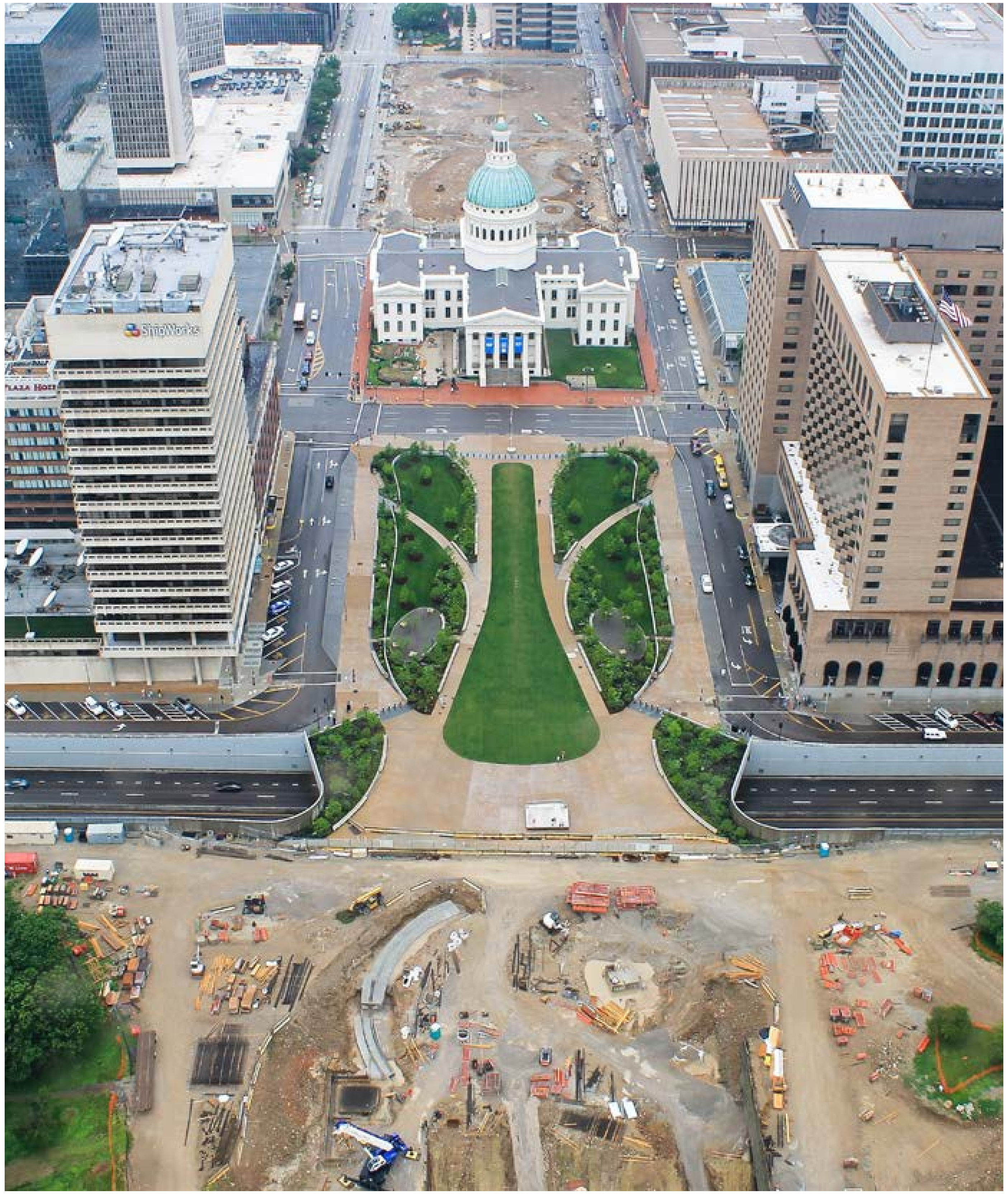


LESSONS FOR PITTSBURGH

- **Strategic Planning:** Prosper Portland's five-year strategic plan, issued in 2015, is best-in-class in terms of the clarity of its objectives, action items, roles and responsibilities, and targets/metrics. The report identified five high-level objectives and 18 desired outcomes to guide the agency's work. In January 2019, the agency issued a status report that found that of the 18 objectives specified in 2015, 8 were on track, 5 were ahead of schedule, and 5 were difficult to measure due to a lack of reliable data. Prosper Portland's Business & Workforce Equity Policy platform, housed on its website, also represents an innovative approach to monitoring and communicating progress on strategic goals. For both completed projects and projects under construction, the digital tool specifies rates of apprentice performance, female participation, and minority participation. As the URA launches its business planning efforts in the coming year, the work of Prosper Portland can serve as an instructive model.

- **Financial Sustainability Planning:** Faced with a projected reduction in TIF revenues, Prosper Portland engaged in a robust financial sustainability planning process to outline potential sources of revenue moving forward. Key components include: optimizing real estate holdings, maximizing fee revenue, increasing partnerships with other public agencies to capitalize on real estate expertise, and securing more public funding. Given the URA's dependence on declining public funds and a lack of clarity surrounding the agency's financial position, the work of Prosper Portland provides a useful precedent for effective financial planning.

- **Alignment of Community Engagement, Strategic Policy and Communications:** To consolidate Prosper Portland's focus on social equity, the agency created a new Department of Equity, Governance and Communications. The goal of the department is to weave a social and racial equity framework throughout the organization's internal and external procedures, including policies, programs, and community engagement methods. For its work on the Broadway Corridor, a major development project underway in Portland, Prosper Portland implemented a variety of approaches to ensure high-quality public engagement and mitigate negative impacts on low-income communities of color. These included commissioning a Racial Equity Impact Statement; conducting targeted community engagement for different racial and ethnic groups; and developing a report to summarize the agency's efforts in community outreach to date. As the URA seeks to develop a cohesive brand around equitable development in the coming years, Prosper Portland's organizational reforms offer a useful case study.



ST. LOUIS

Economic development in St. Louis is led by a wide range of entities, including most prominently the St. Louis Development Corporation (SLDC), a City-controlled public authority, and the St. Louis Economic Development Partnership (STLP), a City- and County-governed nonprofit entity.

Founded in 2014 as a pilot case in city-county collaboration, STLP has worked to reduce regional competition and increase coordination in business attraction and retention, workforce development, and growth in key industry clusters.

As Pittsburgh moves to reform its approach to economic development, key lessons from St. Louis include:

1. The importance of **regional coordination** in advancing a shared economic development agenda that works to the mutual benefit of all the localities in a metropolitan area; and
2. The potential of **cluster development** to serve as a central focus for economic development planning.

Economic Overview

Once a major hub for trade and manufacturing, St. Louis has suffered precipitous economic and demographic decline in recent decades. Although the surrounding metropolitan area has grown, the City of St. Louis has lost more than 65% of its population since 1950, with an estimated 2018 population of 302,800.[71] The city suffers from a poverty rate more than twice the U.S. average and chronic racial and socioeconomic inequities, with only 14% of Black residents holding a Bachelor's degree as compared to 46.2% of White residents.[72] St. Louis is also characterized by violent crime and high vacancy rates, with an estimated 24,000 vacant or abandoned properties within city limits in 2018.[73]

Despite these troubling trends, certain sectors of the St. Louis economy remain strong, while others show signs of promise. The city has core strengths in healthcare and education. BJC HealthCare, one of the largest nonprofit healthcare organizations in the United States, is headquartered in St. Louis and remains the city's largest employer. St. Louis also hosts 11 college and university campuses, and between 2000 and 2015 ranked 4th in the nation in growth in college-educated young adults.[74] Core growth sectors, meanwhile, include biosciences, advanced manufacturing, financial and professional services, and information technology. Biosciences in particular has been identified as an emerging economic cluster in the city. In a 2018 report, the Brookings Institute noted that life sciences and agtech accounted for 15,000 jobs in the St. Louis metropolitan area.[75]

The economic development agenda in St. Louis is set by a complex array of City and County stakeholders. Although the Mayor is the City's chief executive, the Board of Estimate (comprised of the Mayor, the Comptroller and the Board of Aldermen) approves all City real estate purchases, appropriations, and the annual budget, and thus exerts considerable influence on the City's policy agenda. The St. Louis Development Corporation (SLDC), the City's economic development agency, is jointly governed by the Mayor, through the Deputy Mayor for Development, and the Board of Aldermen, who reserve three seats on the agency's board. Meanwhile, the St. Louis Economic Development Partnership (STLP), a regional economic development agency, is jointly governed by the City and the County. Regional economic development is currently guided by STLP's five-year organizational strategy, which was released in 2014.

STLP OVERVIEW

NAME
St. Louis Economic Development Partnership

DATE FOUNDED
2013

LEGAL STRUCTURE
501(c)(6)

BOARD STRUCTURE
15 member Board of Directors with 11 appointed by the County Executive and 4 appointed by the Mayor.

MISSION STATEMENT
Prosper Portland focuses on building an equitable economy, based on four cornerstones: growing family-wage jobs, advancing opportunities for prosperity, collaborating with partners for an equitable city, and creating vibrant neighborhoods and communities. To support that work, we seek to maintain an equitable, innovative, financially sustainable agency. Prosper Portland invests financial and human capital to serve the city and its residents.

NUMBER OF EMPLOYEES
55 (2019)

OPERATING REVENUES
$18.6M (FY17)

Key Economic Development Actors

Mayor

The Mayor sets the economic development agenda in St. Louis in coordination with the Board of Estimate and Appointment and the Board of Aldermen. The Executive Director of the St. Louis Development Corporation (SLDC) reports to the Mayor through the City's Deputy Mayor for Development. However, the board of the SLDC also includes significant Aldermanic representation.

Board of Estimate and Appointment

Comprised of the Mayor, the Comptroller and the President of the Board of Aldermen, the Board of Estimate and Appointment is responsible for approving City real estate purchases, appropriations, and the annual operating budget.

Board of Aldermen

The legislative body of the City of St. Louis, the Board of Aldermen is comprised of 28 aldermen, one from each ward in the City, as well as a President. The Board of Aldermen passes local laws and approves the City budget on an annual basis. Three Board Committees provide legislative oversight on the City's economic development policies, including the Committee on Housing, Urban Development & Zoning, the Committee on Transportation Commerce, and the Committee on Neighborhood Development.

St. Louis Economic Development Partnership (STLP)

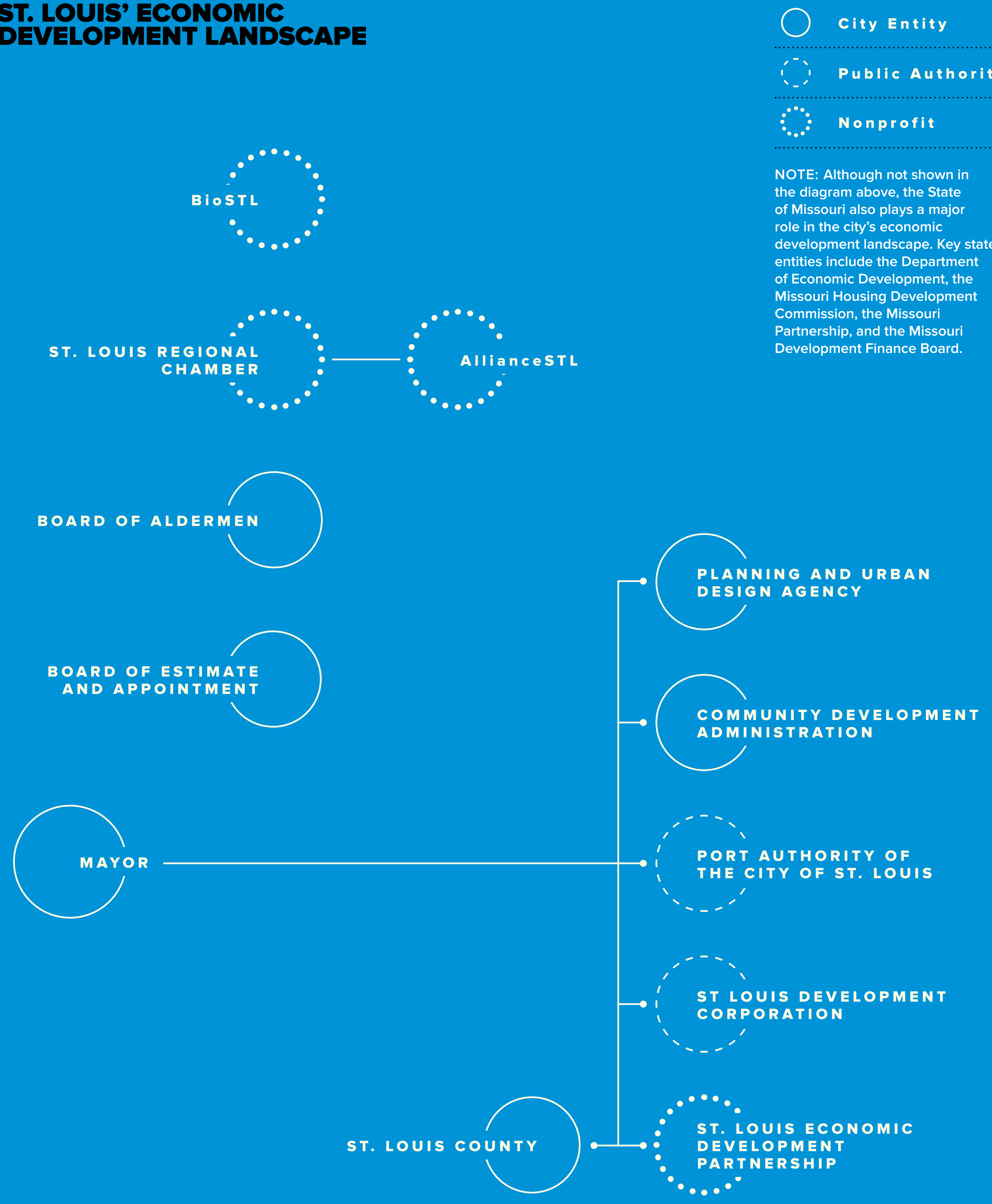
Founded in 2013, the St. Louis Economic Development Partnership (STLP) is the result of a merger between the County's economic development council and select functions from the City's economic development agency. Upon its founding, 90% of the agency's staff came from either the City or County's economic development staff. With a larger City-County consolidation currently being considered, the merger of economic development functions is intended to reduce City-County competition and improve coordination on business attraction and retention, entrepreneurship support, and talent development.
Core services offered by STLP include loans, incentives, workforce development, project management, site selection, and technical assistance for real estate projects. Under the banner of STLVentureWorks, STLP also runs five incubator spaces in the region focused on biosciences, manufacturing, food production and technology.

St. Louis Development Corporation (SLDC)

The St. Louis Development Corporation (SLDC) is the City of St. Louis' economic development agency, focused on business development, land disposition and redevelopment, and disbursement of city incentives. The agency is jointly governed by the Mayor and the Board of Aldermen. Implementation of SLDC activities is accomplished through a range of boards, commissions and subsidiaries, including:

- The Land Clearance for Redevelopment Authority, which reviews development proposals, including requests for tax abatements and tax-exempt bonds;
- The Enhanced Enterprise Zone Board, which monitors tax abatements for businesses in the city's Enhanced Enterprise Zone;
- The Industrial Development Authority, which issues

ST. LOUIS' ECONOMIC DEVELOPMENT LANDSCAPE



NOTE: Although not shown in the diagram above, the State of Missouri also plays a major role in the city's economic development landscape. Key state entities include the Department of Economic Development, the Missouri Housing Development Commission, the Missouri Partnership, and the Missouri Development Finance Board.

bonds to finance large-scale industrial and residential projects;
- The Planned Industrial Expansion Authority, which implements development incentives;
- The Clean Energy Development Board, which monitors the City's Property Assessed Clean Energy (PACE) programs;
- The Tax Increment Financing Commission, which oversees the creation of TIF districts;
- The St. Louis Local Development Company, which provides loans to small businesses;
- The Land Reutilization Authority, which receives title to tax-delinquent properties not sold at the Sheriff's sale. As of 2018, 46% of the properties owned by the Land Reutilization Authority have never received a single purchase offer.[76]

The Port Authority of the City of St. Louis
The Port Authority stimulates economic development in the City's 6,000 acre Port District along the Mississippi River. The Authority manages leases for City-owned property in the area and works with shipping stakeholders in the region to promote business growth and job creation.

Community Development Administration
The Community Development Administration (CDA) is the City of St. Louis' affordable housing agency, focused on the preservation, development and renovation of affordable housing for rent or sale. The CDA is primarily supported by federal funds, including the Community Development Block Grant Program (CDBG), the HOME Investment Partnership Program (HOME), and the Neighborhood Stabilization Program (NSP).

Affordable Housing Commission
The Affordable Housing Commission (AHC) is an 11-member public body that manages and disburses the City's Affordable Housing Trust Fund, which is funded by a use tax paid by businesses on purchases of goods from outside Missouri. In 2018, the Commission invested $4.5M in grants and loans in 42 affordable housing projects throughout the city.[77]

Planning and Urban Design Agency
The Planning and Urban Design Agency (PDA) regulates land use and development throughout the City of St. Louis through land-use planning, design review, construction plan approval, code compliance and housing assistance. The agency is charged with implementing the Strategic Land Use Plan of the St. Louis Comprehensive Plan, adopted in 2005 and amended annually since 2007.

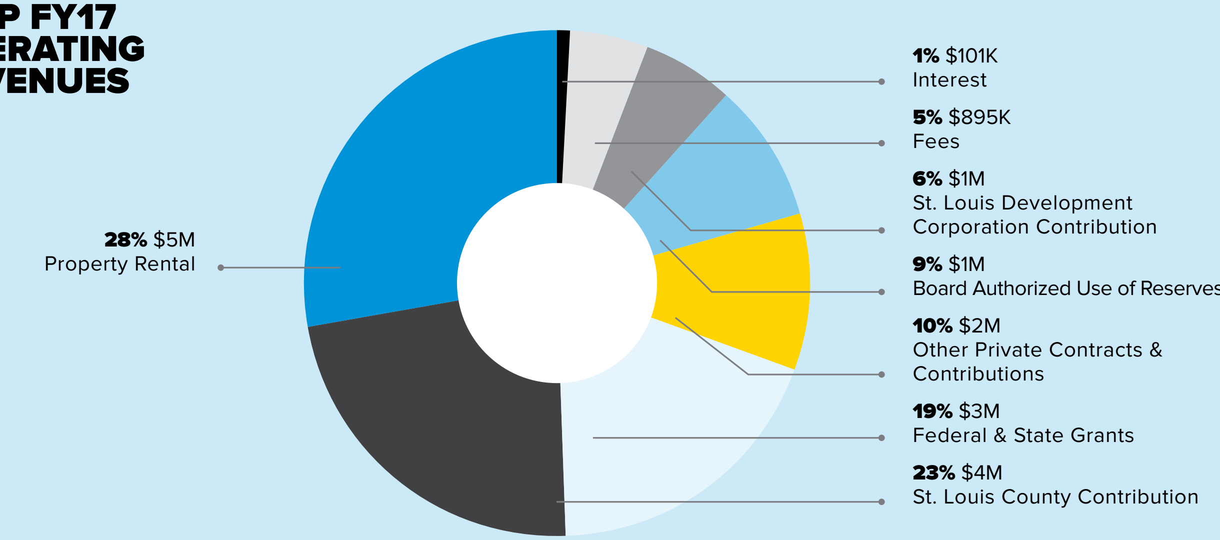
BioSTL
Founded in 2011 as a successor organization to the Coalition for Plant and Life Sciences, BioSTL is a regional economic development organization committed to driving growth in the medial and plant biosciences. Capitalized by a $30M commitment from Washington University in St. Louis, BJC HealthCare and the St. Louis Life Sciences Project, BioSTL disburses pre-seed and seed investments and provides mentorship and support to early stage companies. BioSTL is governed by a 7-member Board of Trustees from the local corporate and academic sectors.

St. Louis Regional Chamber
The St. Louis Regional Chamber is a business advocacy organization representing the 15-county bi-state metropolitan area with a membership that represents 30% of the region's employment base. The Chamber engages in programming, advocacy and research to advance economic development, talent attraction and entrepreneurship. AllianceSTL, a subsidiary of the Chamber, leads business attraction on behalf of the region.

Transport & Utilities
St. Louis Lambert International Airport is owned and operated by the City-controlled St. Louis City Airport Commission. Water and sewer services are provided by the City-controlled Water Division, with electricity provided by Ameren, a private company. Light rail and bus services are operated by Metro Transit, a subsidiary of Bi-State Development, which is jointly funded by the states of Illinois and Missouri.

Agency Governance
STLP's Board of Directors is comprised of 15 members, with 11 appointed by the County Executive and 4 appointed by the Mayor. This weighting is reflective of the relative populations of the City and County. STLP's work is steered by its five-year Organizational Strategic Plan, which was developed in 2014. The six goals outlined in the strategic plan include: growing and retaining jobs and capital investment; aligning talent with business needs; accelerating the growth of the region's foreign-born population; advancing redevelopment of strategic real estate assets; increasing foreign trade and investment; and supporting startups and the entrepreneurial community. Every year, as part of budgeting process, STLP staff tie budget requests to the goals of the strategic plan. Metrics outlined in the agency's planning process include occupancy in STLP-operated incubator spaces; demographics of incubator tenants; number of construction and permanent jobs created; SF of space assisted; and estimated regional economic impact of projects.

STLP FY17 OPERATING REVENUES



Agency Budget
STLP's operating budget in FY17 included $18.6M in operating revenues. 28% of revenues were derived from rental income, 23% from the County of St. Louis, and 6% from the City of St. Louis. These differing contributions are reflective of the relative population sizes of the City and County, as well as their relative control of the agency's board.

Agency Divisions & Functions
STLP is supported by 55 staff members organized in 9 departments, as outlined below. Staff numbers are listed as of 2019. Specific departments include:

ACCOUNTING
STLP's 6-person accounting team manages budgeting, compliance and accounting for the organization and is led by the agency's Chief Financial Officer.

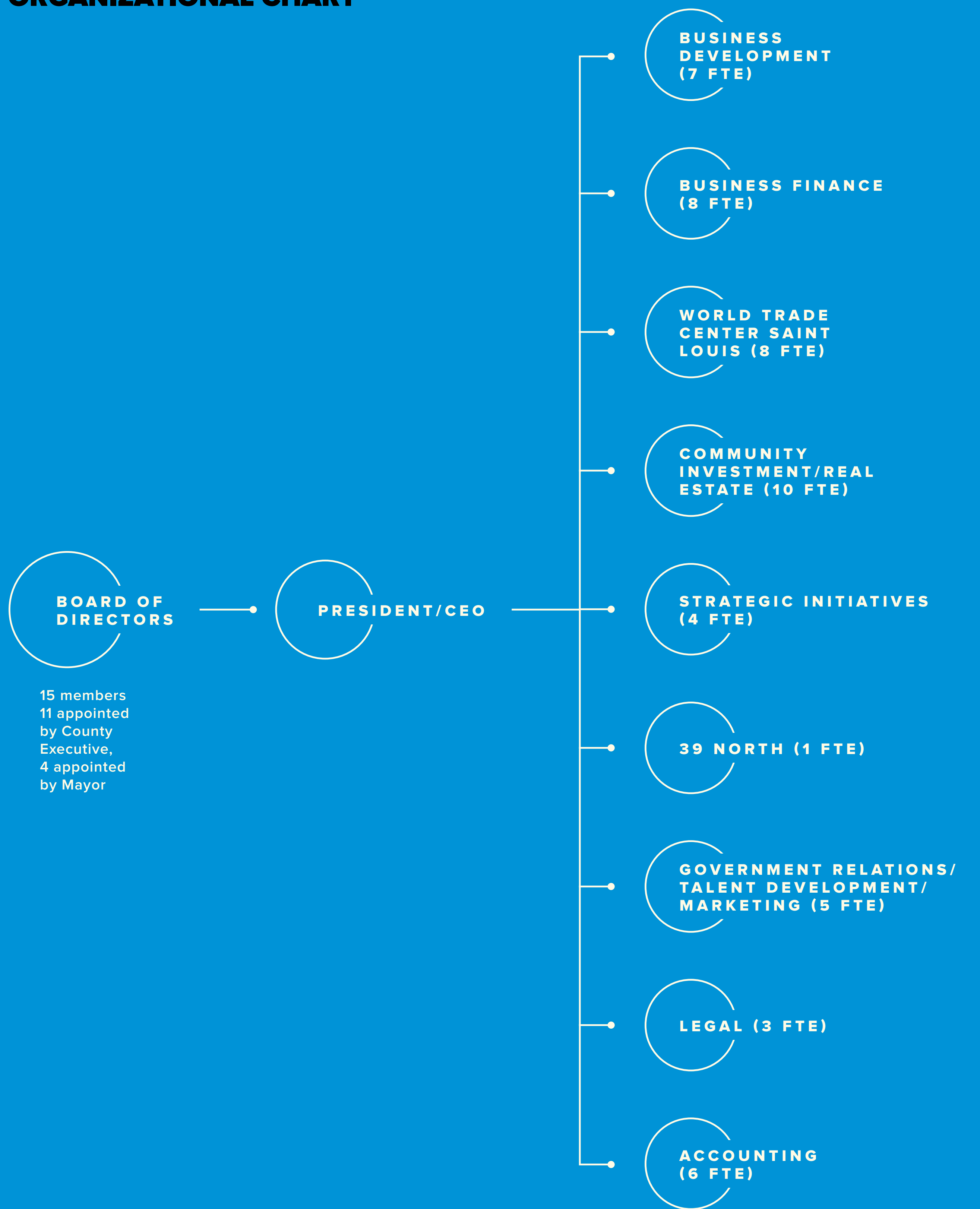
LEGAL
Led by the agency's General Counsel, the 3-person legal team manages contracts, transactions and other legal matters for the organization.

GOVERNMENT RELATIONS, TALENT DEVELOPMENT & MARKETING
This 5-person team leads workforce development, government affairs, and marketing and communications on behalf of STLP.

39 NORTH
STLP's Vice-President for Major Projects is focused on the development of St. Louis's agtech district, 39 North.

STRATEGIC INITIATIVES
STLP's 4-person Strategic Initiatives department is focused on cluster development in the region, including leveraging federal grants for advanced manufacturing and coordinating defense-related investment. Strategic Initiatives also works on the regional Comprehensive Economic Development

STLP ORGANIZATIONAL CHART



Strategy (CEDS) and tracks relevant metrics for the agency's strategic planning process.

COMMUNITY INVESTMENT & REAL ESTATE

STLP's 10-person Community Investment and Real Estate department supports public-private real estate transactions, manages the city's Promise Zone initiative and operates a network of incubators owned by the agency.

WORLD TRADE CENTER SAINT LOUIS

The World Trade Center is staffed by global import-export experts focused on leveraging foreign investment in the St. Louis region. The World Trade Center's 8-person team is governed by a separate board.

BUSINESS FINANCE

STLP's 8-person Business Finance department provides business lending, including SBA 504 loans, revolving loan programs, and IDA bonds.

BUSINESS DEVELOPMENT

STLP's 7-person Business Development department leads business retention efforts on behalf of the agency, primarily through provision of tax abatements.

LESSONS FOR PITTSBURGH

- **Regional Coordination:** As Pittsburgh explores strategies to reform its economic development apparatus in the coming years, St. Louis offers a striking model of coordinated city-county action on economic development. Rather than competing to attract employers and grow key sectors, the City and County are now aligned through the work of the St. Louis Economic Development Partnership. Challenges remain, with the City still retaining control of many key incentive tools, and limited coordination on affordable housing needs. Nevertheless, as the City and County of St. Louis explore the possibility of a full merger, the consolidation of economic development entities represents an important first step.

- **Cluster Development:** The work of the St. Louis Economic Development Partnership is particularly focused on growing the region's agtech cluster, which has been recognized as a potential source of job growth and investment in the coming years. 39 North, an AgTech district located in western St. Louis, is a focus for this work, concentrating infrastructure, transportation and public realm investments to capitalize on the presence of two major research institutes; the Donald Danforth Plant Science Center and the Helix Center, an incubator for bioscience, agricultural technology and plant-science startups. STLP has also hosted a number of delegations and led trips to Europe focused on leveraging increased foreign direct investment in the region's agtech cluster. As the URA explores strategies to increase its focus on supporting economic clusters, St. Louis's work in the biosciences serves as a useful case study.

Endnotes

1. https://www.nolaba.org/wp-content/uploads/2016/03/ProsperityNOLA-Final.pdf
2. For more details on survey response rates, see Appendices B and C.
3. https://www.boston.gov/sites/default/files/imce-uploads/2018-06/imagine20boston202030_pages2.pdf
4. https://d24wuq6o951i2g.cloudfront.net/img/events/id/821/82188/assets/bcd6.tt_dataproject_v14_spreads.pdf
5. https://www1.nyc.gov/site/hpd/about/housing-plan.page
6. For purposes of clarity, Clear includes “Somewhat Clear” and “Very Clear” survey responses.
7. https://prosperportland.us/wp-content/uploads/2016/07/PDC-Strategic-Plan.pdf
8. https://prosperportland.us/wp-content/uploads/2018/12/Prosper-Portland-Strategic-Plan-Status-Report-2018-12.pdf
9. For purposes of clarity, Effective includes “Somewhat Effective” and “Very Effective” survey responses.
10. https://prosperportland.us/wp-content/uploads/2018/12/Prosper-Portland-Strategic-Plan-Status-Report-2018-12.pdf
11. https://prosperportland.us/business-and-workforce-equity-in-construction/
12. Management of the BRT system is currently transitioning to the Port Authority of Allegheny County.
13. https://www.brookings.edu/wp-content/uploads/2017/09/pittsburgh_full.pdf
14. Although the Philadelphia Redevelopment Authority (PRA) assumes select affordable housing and redevelopment functions on behalf of the City of Philadelphia and is in certain respects comparable to the URA, PIDC is the City’s lead economic development agency, focused on business attraction and retention, small business development, and commercial/industrial revitalization. Created in 1945 under the State of Pennsylvania’s Urban Renewal Law, the PRA focuses primarily on land disposition and bond financing for affordable housing and mixed-use development, though its role in managing public land has significantly diminished since the 1980s. The PRA is governed by a five-member board appointed by the Mayor of Philadelphia and chaired by the Director of the Department of Planning and Development.
15. https://www.nolaba.org/wp-content/uploads/2016/03/SAC-Update-Issue-One-FINAL.pdf
16. http://icic.org/wp-content/uploads/2017/06/JPMC-Cluster-Report_Building-Strong-Clusters_FINAL_v2.pdf
17. https://stlpartnership.com/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_St-Louis-Agtech-final-version_JUL-25-2018.pdf
18. The URA and the CEDO should work closely with the City’s Law Department and Office of Management & Budget to clarify that these are not formal funding commitments (subject to City Council approval), but high-level estimates to be refined and negotiated on an annual basis.
19. The URA’s rental income in this chart shows governmental revenues and does not include the rental income generated as part of the self-sustaining enterprise funds (e.g. the Lexington Technology Park Fund or the South Side Works Garage Fund).
20. https://www.portlandoregon.gov/auditservices/article/663741
21. http://www.bostonplans.org/getattachment/ecedfd7f-2f1a-4cfa-8356-14ac2823cdaa
22. https://minneapolismn.opengov.com/transparency
23. Feasibility refers to the level of difficulty in securing such funds (either due to limits on statutory authority or needed staff time to generate funds) and impact refers to both potential scale of funding as well as restrictions associated with those funds. Unrestricted funds are most impactful, given their flexibility for use in programs or operations and across departments.
24. Sourced from FY 2017 Audited Financial Statement and URA internal budget documents. In addition, the URA generates earned income within its enterprise funds (segregated self-funding entities for specific programs or projects), including the Lexington Technology Park or the South Side Works Garage Fund. This earned income (typically parking fees or rent from properties) is typically used within the fund itself to pay debt service or ongoing program-specific costs within the enterprise fund.
25. Note that the Housing Authority of the City of Pittsburgh (HACP) and the City of Pittsburgh were the lead co-applicants for the Larimer Choice Neighborhoods grant. The URA was a partner in the application and has served as the Neighborhood Implementation Entity (NIE) for the project.
26. https://www.ura.org/pages/opportunity-zones
27. https://www.brookings.edu/research/city-and-metropolitan-income-inequality-data-reveal-ups-and-downs-through-2016/
28. https://www.wabe.org/atlanta-income-inequality/
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38. https://bit.ly/2MHyxUN
39. https://bit.ly/2L78eFl
40. https://www.cityofboston.gov/government/pdfs/orgchart.pdf
41. https://data.boston.gov/showcase/imagine-boston-2030-metrics-dashboard
42. http://www.bostonplans.org/news-calendar/news-updates/2014/07/17/mayor-walsh-releases-findings-of-audit-of-boston-r
43. http://www.bostonplans.org/getattachment/ecedfd7f-2f1a-4cfa-8356-14ac2823cdaa
44. https://www.census.gov/quickfacts/cincinnaticityohio
45. https://www.cincinnati.com/story/money/2018/09/18/cincinnatis-economy-hits-138-b-beats-us-growth/1346290002/
46. http://www.ulgso.org/news/68/150/State-of-Black-Cincinnati/d,CustomStateofBlackCinciandDaytonNewsDetail
47. https://choosecincy.com/wp-content/uploads/2019/05/Annual-Report-2018_web-2.pdf
48. https://www.cincinnati-oh.gov/finance/budget/recommended-fy-2019-budget-update/
49. https://choosecincy.com/wp-content/uploads/2016/03/Annual-Report-2017_4.27.18.pdf
50. https://choosecincy.com/results/
51. https://insights.cincinnati-oh.gov/stories/s/nhpp-q2ru
52. https://choosecincy.com/resources/small-businesses/
53. https://choosecincy.com/wp-content/uploads/2016/03/FDI-Strategy-Report_11.20.pdf
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55. https://www.census.gov/quickfacts/fact/table/minneapoliscityminnesota/PST045218
56. https://minneapolis2040.com/topics/economic-competitiveness/
57. https://minneapolismn.opengov.com/transparency

58. http://www.minneapolismn.gov/coordinator/Equity/sreap/index.htm

59. https://www.census.gov/quickfacts/fact/table/neworleanscitylouisiana/PST045218

60. https://www.neworleans.com/articles/post/new-orleans-tourism-visitation-and-visitor-spending-break-records-in-2017/

61. https://www.nola.com/news/politics/article_97b0b03f-039a-5f97-93d9-5d143509ee9b.html

62. https://www.nolaba.org/wp-content/uploads/NOLABA_AnnualReport_2018-2019.pdf

63. https://centercityphila.org/uploads/attachments/cj1hzfjxw090c10qdnbrxawt3-17-socc-employment.pdf

64. https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/philadelphia-2018-the-state-of-the-city

65. http://phlcouncil.com/wp-content/uploads/2018/03/FY19-23-Five-Year-Plan.pdf

66. http://phlcouncil.com/wp-content/uploads/2018/03/FY19-23-Five-Year-Plan.pdf

67. https://www.census.gov/quickfacts/fact/table/portlandcityoregon/IPE120217

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