



*Memorandum*

To: Mayor Street  
From: Kim Alleyne  
Re: Commercial Revitalization: Focus on the People and the Place

As you requested, I have reviewed Andy Waxman's article: Why Improve Neighborhoods? Shifting the Goals of Inner City Neighborhood Commercial Revitalization. As we think about our strategy of working with CDCs to promote housing rehabilitation and neighborhood economic development in the Empowerment Zone, Waxman offers two main insights. He believes that we need to plan for neighborhoods as interdependent units in a broader city-wide and even regional context. He argues that we should revitalize business districts to improve the quality of life and attract middle income residents rather than focus solely on job creation. Waxman believes in solutions for "people and places" not merely the "place-based" approach we pursue. (Waxman, 41) In this memo, I will explore Waxman's arguments in the context of our economic revitalization in the Empowerment Zone.

First, Waxman strongly urges that we create a coordinated business strategy for neighborhood clusters as part of a city-wide or larger regional context. He argues against neighborhoods becoming isolated and competing for businesses in a zero-sum game. (Waxman, 36) In this case "...economic activity is only shuffled around and nothing new gets created that was not already going to be created." (Waxman 37) He cites Luther Snow who calls this neighborhood-based jockeying for existing businesses "checkout chasing." (Waxman 36) This effort does not create new economic development resources; it merely redistributes them. Instead, Waxman recommends developing a plan for recruiting and retaining business in the district in connection to other neighborhoods and to the larger regional economy. Created by



local stakeholders, neighborhood planning would be based on a regional market analysis of consumers and competitors. It would help neighborhoods develop specific niches and reduce unnecessary competition to attract business. In the context of the Empowerment Zone, Waxman would analyze the 12 businesses we have recruited from the suburbs in terms of how well they fit the neighborhood mix of businesses and needs and how well they can connect the neighborhood to other citywide or regional players. A regional approach would lead to a more rational use of resources and greater economic opportunity in the long run.

To build on this regional approach to business development, Waxman asserts that the “overarching goal of neighborhood revitalization should be to create the conditions for the alleviation of poverty, and this is done by improving the quality of life, retaining and thereby attracting the employed middle income residents...for...neighborhood stability.” (Waxman, 42) One objective could be to reduce physical blight in the area by recruiting businesses to fill empty spaces in business districts and making financing available for home buying or improvement. (In this vein we have undertaken significant demolition under our Neighborhood Transformation Initiative.) He suggests that we work to attract businesses that address three needs related to quality of life issues: the need for higher quality goods at lower prices, the need for convenience goods and a “positive sense of place”. These strategies are intended to meet the needs of existing residents, encourage residents to remain in the area and to attract newcomers. They are about “places” for “people”.

As you know, the City’s stance has been that

“long term employment is a vital goal of the Empowerment Zone. Steady jobs give families a solid economic foundation on which they can build a more hopeful future.... Paychecks become the life-blood of local stores and entrepreneurs. In sum, employment has the power to produce positive change in almost every facet of Empowerment Zone life.”



[www.empowermentzone.org](http://www.empowermentzone.org)

To Waxman, our “place-based strategies” to attract business primarily for job creation are “inwardly focused” to the detriment of the neighborhoods. Waxman argues that neighborhood revitalization strategies like Empowerment Zones and Porter’s research in inner-city competitive advantage fail to understand the connection between home and work. He aptly points out that neighborhoods are not self-contained units capable of supplying all of the employment and consumer needs of its residents. Most residents do not live where they work. Waxman would question the number of jobs created in our 2.5-mile Empowerment Zone. The EZ population is 30,000 residents with unemployment exceeding 20%. Over 400 new businesses have opened bringing to total to nearly 1,200 from 1995 to 1999, with a total pledge of 1,700 jobs by 2000. ([www.empowermentzone.org](http://www.empowermentzone.org)) We cannot assume that the residents will have the “skills or connections to get those jobs.” (Waxman, 37) Further, Waxman criticizes community development efforts like XXX rooted in the goal of recycling money in the community rooted in hopes of creating multiplier effects on local job creation. He notes that the retail jobs that are often created in neighborhood business districts may not pay enough to support a family. Waxman believes some jobs may be created, but that should not be the focus.

With respect to jobs, Waxman recommends supporting businesses that offer entry-level jobs with “promising career ladders.” This is seen as a potential “pipeline of local jobs that can be used to develop skills and relationships for later employment.” (Novak in Waxman, 51) In our experience with the Empowerment Zone, we have complemented the place-based strategy of job creation with people-based strategies. We have invested \$8.1 million in education, offered employment training, and established 42 computer workstations for technical training for



workforce development. ([www.empowermentzone.org](http://www.empowermentzone.org)) Given the limits of jobs we can create in the neighborhood, Waxman suggests we might also invest in transportation to suburban employment. Waxman acknowledges the need for job training and job creation, but does not see that as the primary function of urban commercial revitalization initiatives.

### *Summary*

In the final analysis, I agree that Andy makes a compelling case for a mix of people and place-based strategies that recognize the regional contexts of neighborhoods in Philadelphia and go beyond job creation, but I believe that his prescriptions for revitalizing commercial districts are merely place-based strategies with a regional spin. Waxman offers only one concrete strategy for addressing the needs of people disassociated from place: support businesses that offer entry-level positions with opportunities for advancement. Though he argues for a “people” focus, his ideas do not address the needs of residents effectively nor answer questions about gentrification. Having higher income neighbors who go to work every day may be encouraging, but it does not give lower income residents relevant skills or employment. Further, his solution to stabilize the neighborhood through mixed uses and incomes may mean displacement for neighborhood residents. I am not convinced that there would be enough of a sense of ownership for local residents in stores or amenities for higher income residents or what they would get out of approaches that do not focus directly on their needs for employment and job training. Given the federal mandate for Empowerment Zones, I believe that we cannot afford to abandon our “place-based” approach, but we can incorporate Waxman’s suggestions for revitalizing commercial districts by focusing on the neighborhood’s citywide or regional connections and on improving quality of life for residents.



## Works Cited

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Snow, Luther K. "Economic Development Breaks the Mold: Community Building, Place Targeting, and Empowerment Zones." Economic Development Quarterly, 9:2, May 1995: 185 – 198. As quoted in Andy Waxman. "Why Improve Neighborhoods? Shifting the Goals of Inner City Neighborhood Commercial Revitalization." Projections, 1, 2000.

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