U.S. Department of Commerce
Economic Development Administration

EDA America

Quarterly Insights and Best Practices in Economic Development

Spring 2009 Issue

In this issue:

Federal Funding Opportunity Available for EDA's American Recovery Program

EDA is pleased to announce the solicitation of applications under its $150 million American Recovery Act Program. EDA is soliciting applications from eligible applicants in all U.S. States to fund projects that will advance economic growth in communities and regions experiencing chronic high unemployment and low per capita income.

EDA's goal is to create an environment that fosters innovation, promotes entrepreneurship and attracts increased private capital investment. The deadline for receipt of applications under the Recovery Act Program is **June 30, 2010**. All other information and requirements for the EDA American Recovery Act Program may be found in the March 10, 2009, *Federal Register* notice (74 FR 10232) and the companion federal funding opportunity announcement at www.eda.gov

Urban Renewal: An Approach to Building and Sustaining a Green-Collar Economy

by Denise Kennedy

Urban communities face both unique challenges and opportunities when it comes to economic and workforce development. Across the country, cities are facing rising unemployment rates, a decline in traditional industries such as manufacturing and other challenges. Fortunately, help is on the way. A key component of the 2009 American Recovery and Reinvestment Act (ARRA) is funding for communities to engage in environmentally sustainable rebuilding efforts and "green job" creation.

Urban areas need to act swiftly to create economic and workforce development programs that will produce higher-skill, higher-wage jobs that serve a diverse population, including low-income residents, disadvantaged youth and other hard-to-serve residents. These efforts require a coordinated effort between all levels of government, business, industry, education, unions and community leaders.

The emphasis on rebuilding infrastructure and green jobs initiatives will be at the heart of a lot of these opportunities but the task may be daunting to many city leaders. Jeremy Hays, Field Officer for Green For All, a national organization dedicated to building an inclusive green economy, recognizes the complexity and the opportunities and emphasizes that the essential element to success is "a community's willingness to be bold."

> "Cities need to properly ensure that programs provide a clear pathway for low-income residents."

So what does a bold green jobs program look like? Green For All in partnership with the Apollo Alliance, the Center for American Progress and the Center on Wisconsin Strategy, released the guide *Green-Collar Jobs in America's Cities: Building Pathways out of Poverty and Careers in the Clean Energy Economy*. This report highlights how cities across America can develop strategies to spur the creation of green-collar jobs and opportunities in their communities.

The report identifies four priorities that are essential to stimulating green-collar jobs:

1. **Identify goals and assess opportunities.** Creating successful strategies that are built on local priorities and regional assets provides the most likely scenario

continued on page 2

EDA America is a quarterly publication brought to you as a benefit of a partnership among the Economic Development Administration (EDA), DTI Associates, and Anthology Communcations. The partnership is designed to provide information about economic development practices and programs to economic development practitioners who serve distressed communities throughout the United States. It also provides telecasts and a monthly e-newsletter, EDA Update. For more information, visit the EDA Web site at www.eda.gov.

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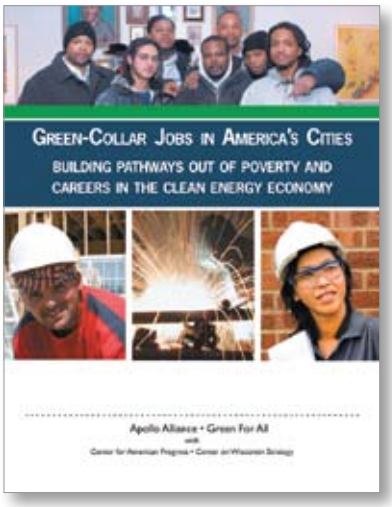
continued from page 1



Report cover, *Green-Collar Jobs in America's Cities: Building Pathways out of Poverty and Careers in the Clean Energy Economy*

for success. Green jobs initiatives will require urban committees to clearly identify their environmental and economic goals and priorities and to look for ways to leverage partnerships, existing information (data), existing investments and training programs. Key stakeholders must be involved from the beginning and should represent the diverse nature of the city.

2. **Enact policies and programs to drive investment.** Cities across the U.S. have ample opportunities to expand their green economy through public policy. These systematic and programmatic changes can and will drive private and public investments. Policies can take form as tax incentives; creating and incentivizing businesses to utilize local products and services in the green economy; land use and infrastructure policies; investment in infrastructure, transit systems and others that will spur various investment and ultimately higher-skill, higher-wage jobs.

3. **Prepare a green-collar workforce.** Successful implementation of a green jobs program will include job training that is driven by business and industry in response to an identified need. Urban areas must also focus on providing opportunities that provide a pathway out of poverty. The report emphasizes that these initiatives should:

   - Be developed in concert with the existing workforce and economic development strategies;
   - Link to existing policies, programs and investments aimed at combating climate change and growing the green economy;
   - Provide entry points for a range of workers; and
   - Provide access to a family-supporting career track.

4. **Leverage success to build political support for new initiatives.** Sustainability of a region's green economy can be leveraged by harnessing the success of the program's achievements and reinvesting savings into new projects. Measuring success and tracking partners are powerful tools when looking for funding for follow-up initiatives. Some measurements of success include:

   - Diversity and involvement of partnerships;
   - Policy achievements – and their link to environmental and economic goals;
   - Jobs – both the number and quality;
   - Participants in training programs and the results of those programs; and
   - Funding – both public and private investment.

The above recommendations are relevant for all communities. However, many urban neighborhoods and their residents face significant challenges when seeking to benefit from the stimulus investments and other dollars flowing to green jobs. Cities need to properly ensure that programs provide a clear pathway for low-income residents. Embedding green job programs into other types of support programs and economic development efforts is an essential element. Additionally, state and local governments must look to apply policies to these initiatives that address underrepresented populations.

Green For All was founded by Van Jones, who was recently appointed by President Obama to serve as Special Advisor for Green Jobs, Enterprise and Innovation at the White House Council on Environmental Quality (CEQ).

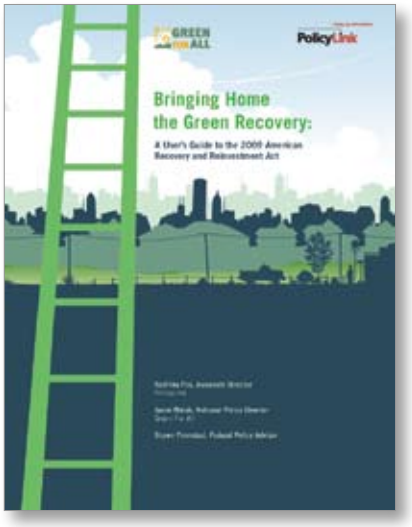
continued on page 3

continued from page 3

According to the Green For All and PolicyLink report *Bringing Home the Green Recovery: A User's Guide to the 2009 American Recovery and Reinvestment Act*, these policies include: "first-source" hiring agreements that require the targeted hiring of community members; job quality and labor peace standards that guard against low-road employer practices and union busting; resources for pre-apprenticeship and non-traditional employment programs that provide pathways into jobs and careers for African-Americans, women, and other populations that are underrepresented in building trade occupations; and accountability measures to determine that public dollars are used to benefit the public in the broadest sense.

"In order to be effective, we need to build on existing capacity of the workforce system and have more alignment between pre-apprenticeship, apprenticeship and jobs for those who are disadvantaged," says Hays. "We can do this by working with employers, driving policy understanding of what the projected demands are, and formulating a plan for how we train for that demand…"

For examples of how cities are aligning resources to create demand for green jobs, visit www.greenforall.org.



Report cover, *Bringing Home the Green Recovery: A User's Guide to the 2009 American Recovery and Reinvestment Act*

The Future of Cleantech: A Venture Capital Perspective

Mark Heesen, President, NVCA

by Erik Pages

Mark Heesen has served at the National Venture Capital Association (www.nvca.org) for 19 years, and has been NVCA's President since 2000. Over that time, he's seen a lot of trends come and go in the field of venture capital (VC). But, he's a true believer in cleantech, the term most commonly used by venture capitalists to refer to green and sustainable fields like alternative energy and green products. Heesen shared his take on how venture capitalists are viewing the ongoing boom in cleantech:

Q: VCs have been increasing investments in cleantech for the past several years. What's driving their interest?

A: VC investing in cleantech has boomed. Today, about 15 percent of all VC money goes into cleantech. This is up from only 1-2 percent as recently as a few years ago. Funding cleanteach is a quintessential VC activity. There is a huge potential market, a fundamental need for radical change, customers (government, businesses and consumers) are unhappy and dissatisfied with current market offerings and they are willing to pay for better products, services and technologies.

It's clear that oil and gas are finite resources, and that we need to find alternatives. Unlike other sectors with heavy VC involvement, such as information technology (IT) and life sciences, the cleantech sector has strong incumbent companies in place. A key question is: will oil companies and utilities and other existing players squash innovation? I worried about this a few years ago. Today, I think they are open to working with us. In fact, they might start operating like the big pharmaceutical firms, which rely on smaller biotech start-ups to test out new ideas and technologies. A similar thing might happen in cleantech, where large energy firms invest in these new firms as a conscious innovation strategy.

Q: How do VCs assess whether a company has a real opportunity to succeed in the green marketplace? What are the key decision factors?

A: VCs don't want to see "me too" companies. They want to see real innovations that can tap into a huge market. Venture capitalists want to work with entrepreneurs who have a realistic expectation of how fast their company can grow, how good their service or product actually is, and what the competition is on a global basis. They are looking for entrepreneurs "with fire in their belly" plus a business mind or the ability to work with others to shape their idea into a company.

Today, about 15 percent of all VC money goes into cleantech… Funding cleantech is a quintessential VC activity.

continued on page 4

continued from page 3

Q: Is cleantech similar to other areas venture capitalists have traditionally invested in?

A: Venture capitalists largely invest in technology, but over the years we have seen a shift in what types of technology they are most interested in. Cleantech is different from other sectors like IT and life sciences, which tend to be concentrated in a few regions like Silicon Valley and Boston. Cleantech is more diverse across regions and across sectors. Cleantech can be about a big solar facility, but it can also be about new ways to make better paints, better carpets or better tools for water purification. These kinds of skills and knowledge are present across the U.S. In fact, some of the leading research centers are located outside of traditional VC centers. For example, you have great knowledge about battery technology in the midwest, mining technology in the west and, of course, you need to be near the ocean to understand tidal energy.

Like a lot of us, VCs are also still learning about the cleantech sector. They have traditionally focused on IT and biotech. There's a reason why many VCs are investing in solar. The technology—chips—is similar to IT, and VCs understand that. As they become more knowledgeable about the science and the business of cleantech, I think you'll see them investing in a much more diverse set of technologies.

Q: Where do the Obama Administration's recovery plans fit in?

A: The economic stimulus plan is critically important. Small cleantech firms can't subsist without government help. On their own, they can't compete against the large multinational oil and gas firms. They need help at the outset. The Obama Administration's plans to fund energy R&D can have a big impact. These funds will not be dispersed only from Washington. Lots of federal research labs and state and local governments will be involved in the process. This is an important step.

Q: What can communities do if they want to encourage or support more cleantech entrepreneurs?

A: I would suggest that communities focus on the basic building blocks—building a strong entrepreneurial community and culture comes first. VCs don't lead entrepreneurial development; they follow when they identify a community of strong entrepreneurs. I'd also caution against trying to become the "next Silicon Valley" for cleantech. It's best to focus on a key niche. What is in your university system or in your community where you excel and are better than most other communities? Identify that niche and pursue it. This is a strategy that has worked well in the Minneapolis/St. Paul, Minn., area with their focus on medical devices.

> "VC's don't lead entrepreneurial development; they follow when they identify a strong community of entrepreneurs."

Use a rifle shot approach that focuses on core strengths. At the same time, don't follow the latest trend. If it doesn't pan out, you'll be in trouble.

It also makes sense to beef up technology transfer and commercialization activities at local universities. This will be a major source for the spin-out of new technologies.

My other suggestion is that communities should look overseas. Cleantech is different from IT and biotech in that the U.S. is not pre-eminent. European governments and consumers have been much more open to these technologies and have been adopting them for 20 years now. We are playing catch up with countries like Germany and Spain. We can learn a lot from how regions in these countries have sought to promote and nurture cleantech firms.

A Mighty Wind: The Iowa Lakes Region Builds a Green Workforce

by Erik Pages

Many rural regions are benefiting from competitive advantages in emerging fields of alternative energy and green technologies. The Iowa Lakes Region of Northwest Iowa has been capitalizing on the strong winds that blow through the area. Driving through the Iowa Lakes region, you'll see hundreds of wind turbines on the horizon, and the local community college, Iowa Lakes Community College is seeking to capitalize on these resources.

Iowa Lakes Community College operates one of the United States' first wind energy and turbine technology training programs. The program traces its origins back to 2005, when the college built a wind turbine for its own use. When it sought to find local workers to construct and support the turbine, it found that such expertise was not readily available in Iowa or elsewhere in the U.S. A member of the

continued on page 5

continued from page 4

project's advisory committee, Alden Zeitz, soon became one of the primary designers of the Iowa Lakes program.

Zeitz had extensive experience in the wind energy field, having been involved in the local Storm Lake project, which was, at the time, the country's largest wind project. He joined the college in July 2004, and was given the challenge of having the program ready to deliver in August 2004. While some initial curriculum design was underway, the program began with Zeitz teaching during the day and building the curriculum at night.

In its early phases and in its current operations, the program has relied heavily on key partnerships. An early federal investment of $500,000 from the USDA helped the program buy needed training equipment. In addition, many businesses have contributed to the facility's expansion and equipment, which is essential for training and represents the program's most costly line-item.

Iowa Lake's first wind energy class consisted of 15 students. Since then, the program has grown and next year, the college is planning to enroll a freshman class of 102 (along with roughly 60 second-year students). Additionally, there is already a long waiting list for other class slots and the program is embarking on its third round of facility expansions.

While a majority of students hail from Iowa and Minnesota, the program also attracts students from across the country. Zeitz notes that the college has done very little marketing and instead benefits from word of mouth advertising. This reputation is understandable as many students have three or four job offers before they graduate. Current and past students are working across the U.S., but Zeitz expects that many will be able to stay close to home, thanks to several large wind projects slated for the region.

To date, the program's biggest challenge has been keeping up with growth. Obtaining new equipment for training and hiring qualified instructors has also been critically important. Zeitz notes that, "Federal funds were instrumental in helping us move forward."

When asked to offer tips for other communities seeking to develop similar programs, Zeitz advises, "Listen to the industry." He adds, "Let industry leaders define their training needs." He notes that the wind energy industry is still relatively small and close-knit. If a college or community is not providing solid training, the industry leaders will know very soon and will be less willing to work with you.

In addition, new programs need strong financial and management support. Obtaining equipment is a costly but critical challenge—it's nearly impossible to provide quality training if students can't work on the actual generators and equipment they will use in the field.

Iowa Community College Students work on wind turbine blades.

Accessing these resources requires a committed college leadership as well as close partnerships with the business community.

The development of a ready workforce is sure to have a big impact on the future of wind power in the expanded region surrounding Iowa Lakes. According to the American Wind Energy Association, Iowa ranks number two in the U.S. in terms of installed wind power capacity, accounting for 10 percent of total U.S. wind capacity. Minnesota ranks number four. In addition, several major new wind farms and turbine manufacturing facilities are establishing operations in the state. Meanwhile, nationwide employment in the wind sector is booming. In 2008, total wind industry employment reached 85,000, with the industry adding 35,000 new jobs in the last year alone.

A demonstration of the hands-on training and classroom learning from the Iowa Community College wind energy and turbine technology training program.

Greening the Brick City: A Look at Newark's Collaborative Process to Building a Green Economy

by Chrys Marcus

Partnerships have long been a cornerstone of American economic development. This is especially true for modern communities looking to build regional economies through green workforce development initiatives. Located at the center of the New York-New Jersey Metropolitan Economy, Newark, N.J., also known as the "Brick City," is utilizing creative and extensive partnerships to create a greener city and a green-collar workforce. Faced with rising unemployment and struggling traditional industries, Newark is utilizing partner-driven efforts to create green jobs and green job training programs.

The Brick City embarked on its green crusade in 2007, inspired by the Clinton Global Initiative that year, when it brought together community leaders, the business sector, state and local government, community-based organizations and national partners for Newark's Green Future Summit. The summit and the year-long planning process created and sustained vital partnerships which have moved Newark's green vision into a realistic economic strategy.

"Now is the time for us to be ambitious and uncompromising, to be daring in the pursuit of our boldest hopes and dreams," Mayor Cory A. Booker said at the summit. "We must seize this moment and begin an audacious green agenda. The urgency is obvious, but I believe the opportunities are almost infinite."

The summit planning process began with engaging partners from the national and local levels. National leaders in the green movement such as the Apollo Alliance, the Center for American Progress and Green For All teamed with Newark's community, government and business leaders to produce an action plan for the city's green agenda. In February 2008, more than 150 stakeholders from local businesses and community organizations joined city officials and national partners to begin planning for the summit.

Photo: Ferdinando Tenore, Newark Fire Department

Calixto Laboy of the City Clerk's Office swears in members of the Newark Environmental Commission to their duties in the Municipal Council Chamber at a noontime ceremony on March 17, 2009. The nine-member commission is the first such body in Newark's history, and will oversee the City's environmental policies. From left: Commission Chair Kim Thompson-Gaddy, Mayor Cory A. Booker (who held the Bible), member Ronald M. Ollie, Vice Chair Dr. Ana Isabel Baptista, and member Pedro Lebre. Environmental Commission 01

"…the 'Brick City' is utilizing creative and extensive partnerships to create a greener city and a green-collar workforce."

The result of this planning process was twofold. First, partners developed guiding principles that drew on the collective strengths of the group and created a unified vision for a citywide green agenda. Second, these guiding principles shaped the preliminary goals created by the summit's three working groups: the Green Economic Development Working Group, the Green Building Working Group and the Green Open Space Working Group.

The collaborative process continued throughout the planning year with ongoing working group meetings in preparation for the September 2008 summit. During the summit, each of the three working groups created action plans from their previously identified goals and strategies. The collaborative approach embarked by Newark was highlighted in the Apollo Alliance's report *Imagining Newark's Green Future: A Year Building the Green Economy*, which stated that the most critical result of the summit and the working group process was the building of connections and relationships between stakeholders and organizations.

Mayor Booker also expressed the value of these partnerships in his state-of-the-city address in February 2009, saying: "Thanks to the partnerships among community leaders, philanthropists, nonprofits, unions and clergy, Newark is quickly moving onto the cutting edge of the green movement."

And that green movement has already started.

continued on page 7

continued from page 6

- The Laborers' union (Local 55) and Garden State Alliance for a New Economy, a Newark-based community-labor coalition launched a partnership with the city to develop a six-week training program that provides free on-the-job training in environmentally-friendly construction jobs. Participants receive union training, are paid union rates and earn accreditation. The first trainees were sworn into the Local 55 in January. Their first assignment was to weatherize 30 homes for low-income Newark residents and senior citizens. Funding for the program came from a U.S. Department of Health and Human Services grant and funding for materials came from the Laborers' union.
- New Jersey Institute for Social Justice's New Careers project, designed to help Essex County men and women re-enter the workforce after incarceration, and the city of Newark have teamed for the Clean & Green initiative. Participants clean, secure, restore and beautify approximately 300 city-owned lots. Clean & Green provides New Careers with transitional job opportunities for this often hard-to-serve population (Essex County has about 1,300 people re-enter the workforce from the justice system each year). The project will serve about 130 participants annually.
- The Lincoln Park Coast Cultural District (LPCCD), a low-income area of Newark working to become an urban eco-friendly village, is currently collaborating with community-based projects, private industry, higher education institutions and state and local government entities to stimulate the green jobs market. The LPCCD's Green Job Training Partnership provides five weeks of classroom and field work experience to develop effective communication, reasoning, basic math and leadership abilities in addition to job-related skills to promote energy efficiency. Trainees will receive credit and upon completion be prepared for entry-level jobs within the energy efficiency field. Trainees may receive job placements and apprenticeships, which will provide them access to careers in occupations such as building analysts, air sealers or insulation installers.

New Careers focuses on re-entry for its clients by providing them with transitional jobs and counseling services to prepare them for job acquisition and retention.

"Thanks to the partnerships among community leaders, philanthropists, nonprofits, unions and clergy, Newark is quickly moving onto the cutting edge of the green movement."

–Mayor Cory A. Booker

Newark's green initiative has support from the top and at the ground level. Its green potential and innovation is championed by Mayor Booker, who recognizes the long-term economic benefits of placing Newark at the forefront of the green movement. The mayor backed his commitment by hiring the city's sustainability officer, Chelsea Albucher, who coordinates the inter-departmental activities and develops the policies, programs and partnerships to advance Newark's green future.

Green Resources

For more information on green jobs and green initiatives, please visit:

- American Planning Association
  http://www.planning.org/
- American Solar Energy Society
  http://www.ases.org/
- American Wind Energy Association
  http://www.awea.org/
- Apollo Alliance
  http://apolloalliance.org/
- Blue Green Alliance
  http://www.bluegreenalliance.org
- Center for American Progress
  http://www.americanprogress.org/
- Center for Energy Workforce Development
  http://www.cewd.org/
- Center on Wisconsin Strategy
  http://www.cows.org/
- Environmental Defense Fund
  http://www.edf.org/home.cfm
- Green For All
  http://www.greenforall.org/
- North American Board of Certified Energy Practitioners
  http://www.nabcep.org/
- U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy
  http://www.eere.energy.gov/
- U.S. Department of Labor, Employment and Training Administration
  http://www.doleta.gov
- U.S. Environmental Protection Agency
  http://www.epa.gov
- U.S. Green Building Council
  http://www.usgbc.org/

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Upcoming Events

Southeast Workforce and Economic Development Conference
May 3 - 5, 2009, Atlanta, GA
http://www.sedc.org/conference.asp

2009 IEDC Technology-Led Economic Development Conference and IASP World Conference on Science and Technology Parks
June 1 - 4, 2009, The Research Triangle Park, NC
http://www.iedconline.org/Tech-LedConference/index.html

NARC 43nd Annual Conference and Exhibition
June 1 - 3, 2009, Denver, CO
http://narc.org/events/conferences/what-is-the-annual-conference-and-exhibition.html

NADO 2009 Annual Training Conference
August 29 - September 01, 2009, Chicago, IL
http://www.nado.org/conferences/annual.php

2009 Center for Energy Workforce Development Summit (CEWD)
October 7 - 9, 2009, Indianapolis, IN
http://www.cewd.org/news.asp

Greenbuild 2009 Conference & Expo
November 11 - 13, 2009, Phoenix, AR
http://www.greenbuildexpo.org/