STRIKING A (LOCAL) GRAND BARGAIN

How cities and anchor institutions can work together to drive growth and prosperity

SEPTEMBER 2015
The report’s lead author is Neil Kleiman, NYU Wagner Graduate School of Public Service. Liza Getsinger, Nancy Pindus and Erika Poethig from the Urban Institute are co-authors.
OVERVIEW

Cities need partners. At a time when local governments are confronting challenges on multiple fronts ranging from rising inequality to fast-moving global economic tides and reduced state and federal support, collaboration has never been so important.

Historically, cities have proven able to respond to local challenges through partnerships. A recent Boston University survey of 70 mayors showed that chief elected officials have an uncanny ability to cooperate with most anyone. In the survey, most mayors ranked the business community as their most reliable collaborator, with the vast majority stating that they have a highly cooperative relationship with local employers. This is no surprise as the private sector has long been the default partner for mayors and city managers. But with capital flight rampant, there are few traditional civic-minded corporate headquarters left.

In 2015, it is “anchor institutions”—universities, medical centers and hospitals—that are the obvious partner for city leadership. In the majority of metropolitan regions, these institutions have eclipsed all other sectors as the lead employer, providing a significant and growing number of jobs. A 2011 study by the Initiative for a Competitive Inner City researchers found that anchor institutions account for five percent of jobs across the country, but fully 11 percent in cities. Often, universities and hospitals are the largest non-governmental employer in their home city, according to a 2015 Lincoln Institute of Land Policy study. And they encompass sectors like medicine and education that are expected to grow rapidly in the coming years with nearly half a million additional jobs projected in urban areas by 2020. But more than just local job engines, anchor institutions are the exact kind of business most communities want in today’s knowledge-based economy, where product value emanates from innovation, not mass production.

Medical centers and research universities foster an entrepreneurial climate that attracts other young professionals and leads to spin-off companies in the growing tech economy. In fact, a growing body of scholars see universities as the key ingredient to high-tech growth or so-called “innovation districts.” These institutions also provide a knowledge foundation for their home cities by educating many local teachers and issuing professional degrees in high-demand fields such as computer science and engineering.

Equally important, especially in economically challenged cities, is the fact that anchor insti-

---


2. To be clear, this study is limited to higher education institutions and hospitals; others have included school districts, cultural institutions, foundations, sports clubs and even local government in their definition of anchors.


Institutions are prime real estate developers. Virtually every month the *New York Times*’ “Square Feet” section chronicles a hospital or university-led development project that has transformed large swaths of abandoned or under-used land and breathed new life into downtown areas. Oft cited examples include University Circle in Cleveland8 or Midtown Detroit9, where universities and medical facilities have proven to be critical long-term partners for urban revitalization and economic growth.

But just as much as cities need anchor institutions, anchors need cities. Cities provide public amenities and the infrastructure for growth, including transportation systems, workforce housing and public safety services. And the majority of these institutions benefit from a privilege no private employer receives: they are exempt from paying property taxes.10 Finally, while anchor institutions might be able to succeed by some measures in a vacuum, their ability to promote their presence in a vibrant city with a high quality of life allows them to better attract scholars, doctors and students who fuel their success.

In virtually every city in the United States, there is recognition of this mutual interdependence, but rarely does that awareness extend to a consistent working relationship, and virtually nowhere is there the kind of intentional and strategic planning that is found with the private sector. While a university or hospital may work with local government on a specific project or community service program, relationships can be marked by tense negotiations around real estate expansion, arguments over tax-exempt status and miscommunications stemming from a lack of understanding about how to engage productively with one another.11

One leading city consultant put it this way: “Imagine if you said to a local mayor that it was a ‘bad thing’ to be talking to your local business community. They would look at you like you’re insane, as almost all of them have strong ties with local businesses. But by the same token, very few of them have that kind of relationship with their local university or hospital. The big question


is why not?”

Indeed, we are at a critical juncture for relations between anchor institutions and cities. Although not economic saviors unto themselves, universities and hospitals are a critical — if not paramount — partner for cities that seek strategies to sustain and accelerate local prosperity. As both health care and higher education institutions become increasingly competitive, local governments can uniquely aid — or hinder — the growth of individual institutions. But many localities still lack a clear sense of what mutual benefit looks like. These municipalities don’t know how best to engage anchor institutions at a high level. For the well-being of both anchor institutions and governments, there is a need to move from isolated (or worse, random) engagement to structured, systematic partnerships in pursuit of mutual self-interest and large-scale improvements.

Today, institutions and government too often define their relationship through discrete transactions — an infrastructure improvement, appearance at a ribbon cutting, or support for a city project. This leads to a partnership of expediency. Some cities perceive anchor institutions as engaging local government only when they need something; approvals or permits for an expansion, or a public investment near campus. On the other hand, local governments are increasingly turning to anchor institutions to seek community benefits agreements or what they view as the anchor institutions’ “fair share” payments in lieu of taxes (PILOTs).

We are recommending something wholly different: a grand bargain for anchor institutions and cities. This approach is not predicated on discrete transactions, but instead is based on identifying shared interests, and on co-creating ambitious goals and working together to achieve them. High-impact partnerships between cities and institutions will only work when the actors at the municipal level come together as equals and chart a long-term course forward that is transparent, ambitious, and holds itself accountable. The rest of this report spells out how to make it happen.

**Steps to Establishing the Grand Bargain**

1. **Identify** priorities
2. **Identify** the best external partners
3. **Build** on what you have
4. **Engage** senior level leadership to co-create shared goals and strategies
HIGHLIGHTS

Our research inputs have led to a clearer understanding of the state of play and yielded a set of concrete recommendations for bringing local communities and their anchor institutions closer together. Key findings include:

**ANCHOR INSTITUTIONS ARE THE PREDOMINANT LOCAL ECONOMIC ACTOR**
Our data analysis revealed anchors to be among the top three, if not the top employer, in 11 of the 12 cities we assessed. This was also the case in 62 percent of the 297 economically challenged cities served by the National Resource Network.

**PARTNERSHIPS ARE BECOMING STRONGER**
We concluded from the literature review and expert interviews that anchor institutions began to act as community partners in the 1960s and 1970s, but only in the past 20 years have citywide partnerships focused on shared values begun to reach scale. Similarly, in the site interviews many cities were sanguine about their current relationship with universities and hospitals, and all but one of the 12 cities said that their relationship had improved in the past 10 years; in three cities, officials noted greatly improved relations. But in most cities we did not find anything resembling a full partnership, which we define as consistent and regular communication around key local priorities. Instead, the partnerships were episodic, after-the-fact and initiative-based.

**Elements of the City-Anchor Grand Bargain**

**THESE NEW DYNAMICS ARE NOTICEABLE EVEN IN SMALLER, MORE ECONOMICALLY CHALLENGED CITIES**
We found in our city review that smaller cities tend to have a greater connection to their anchor leadership. It is not a given that smallness equals strong partnership, but it was striking that Wilkes-Barre, Pennsylvania, Waco, Texas and Kansas City, Kansas were the primary examples we found of cities planning turnaround strategies that were jointly determined by anchor institution and local leadership. In these smaller locales, the economic impacts were felt most immediately and clearly. It was also notable that in these places and a few others we identified in our field review, acute economic distress was an impetus for closer collaboration.
LEADERSHIP IS CRITICAL
In every city we surveyed, respondents cited leadership as essential to a productive relationship between local institutions and government. The personalities in charge determine whether the two entities will collaborate or simply coexist. Connected to that question of leadership were differing cultural expectations that contributed to uneasy relationships between local communities and anchor institutions. In expert interviews and in a few of the cities we studied, it became clear that communication can be a significant barrier. As one consultant noted, “often cities don’t know how to speak the language of anchors.” In turn, anchor institutions just as often fail to understand the work and language of local government.

SUCCESSFUL COLLABORATION REQUIRES CLEAR GOALS, TRANSPARENCY AND A SUPPORTIVE INFRASTRUCTURE
The foundation for a grand bargain is a straightforward set of goals established in a mutually binding agreement that lays out all the deliverables, actions and activities committed to by each partner. There must be infrastructure in place to support the partners’ efforts and enable impact.

APPROACH
This report is a partnership effort between NYU Wagner Graduate School of Public Service and the Urban Institute. We were originally commissioned by the Ford Foundation to conduct interviews with leaders from anchors, cities, and other fields to better understand key challenges and promising engagement strategies. Through this work we developed and tested recommendations that could strengthen both economic and community development objectives. The project has also been conducted in collaboration with the National Resource Network, a federally designated consortium assisting 297 of the most economically challenged cities in America. Both NYU Wagner and the Urban Institute are Network partners, and we used this vantage point to engage some of the more overlooked localities in our research process.

The report’s lead author is Neil Kleiman; Liza Getsinger, Nancy Pindus and Erika Poethig are co-authors. Additional research was provided by Varun Adibhatla, Megan Burke, David Hochman, Ellen K. McKay and Sayantani Mitra. The report was edited by Next City Editor-in-Chief Ariella Cohen, Urban Institute Editor David Hinson, and David Eichenthal of the National Resource Network. The document was designed by Random Embassy.

From the outset we have remained focused on a clear goal: to identify the best ways to align cities and local anchors around shared interests and large scale economic and community development. In other words, we set out to learn how to most effectively unite these obvious partners to forge greater prosperity throughout the urban United States, particularly in cities that face great economic challenges.

Our research inputs included both primary and secondary research. We attempted to gain a clear understanding of the current state of anchor institution and city partnership activity, and spoke directly with local leaders to hear firsthand what is possible and how best to advance the field.

PRIMARY RESEARCH
FIELD LEADER INTERVIEWS
We conducted hour-long interviews with 40 experts, including university chancellors and presidents, hospital administrators, federal officials, foundation program officers and scholars focused on community development and anchor institutions (see appendix for full list of interviewees).

CITY PERSPECTIVES
We conducted semi-structured interviews with officials in 12 cities to gain perspective on their relationships with local anchor institutions and how those relationships could be improved. In most cases we spoke to a high-level public official (usually the mayor or a senior aide) and in a few cases we spoke to additional community and civic actors to gain a deeper sense of local dynamics.
We focused on cities with significant levels of unemployment and poverty, but beyond that measure we selected a diverse set of places. We included both large and medium-sized cities, and cities with varying numbers of anchor institutions.

SECONDARY RESEARCH

LITERATURE REVIEW
We conducted a review of recent policy literature assessing the role of anchor institutions in local community development. We found a considerable amount of work in this area, with extensive studies conducted by scholars and think tank researchers alike. However, little has been written about the role of hospitals and medical centers compared with other anchors, such as universities.

THE ANCHOR INSTITUTION PERSPECTIVE

This section provides an overview of anchor institution-city relations over time and combines a literature review with field leader interviews. Overall, it is striking how quickly the role of anchor institutions has expanded beyond campus boundaries. In just the past 20 years, according to interviewees, the number of institutions involved in local improvement and turnaround efforts has expanded exponentially, and there is a complementary growth in policy organizations, peer groups and grantmaking institutions focused on the civic role of anchors. The following section tracks this development and provides highlights and turning points in the growth of anchor institution-city development activity.

FROM TOWN/GOWN TO TODAY
American universities are often thought of as exclusive places of research far removed from surrounding communities. This tradition was outlined at a New York University talk in 2010 by Robert Berdahl, President of the Association of American Universities. Berdahl noted that the early development of universities was in more rural areas; and that this development was based on the Oxford and Cambridge model that placed institutions away from the community and the streets of the city. "Indeed, Harvard was located in a city named after Cambridge, England. Most universities were based on the Jeffersonian ideal that cities are dirty, noisy and corrupt. Scholarship was walled off from the city in an ivory tower so as not to be distracted by city life."

But there has also been a strong tradition of equality and open access that has driven higher education growth in America, often catalyzed by federal policy. The Land Grant Act, enacted in 1862, birthed a nationwide system of affordable education (e.g. the Texas A&M system) focused on the workplace and local economic development. A later version of the Act in 1890 provided additional funding and land for what came to be known as historically black colleges and universities (HBCUs) throughout the South.12

The U.S. also famously began making higher education more accessible with the passage of the G.I. Bill in 1944. The Bill covered the equivalent of full tuition plus a monthly stipend for living expenses, and led to a massive increase in enrollment, which had dipped during the war years. The flood of returning veterans followed by the civil rights movement in the 1960s led to an explosion of enrollments and the contemporary cultural aspiration of universal access to a college degree.13


FOSTERING DIRECT COMMUNITY LINKAGES

Land grants, HBCUs and the G.I. Bill went a long way to democratize higher education enrollment, but most universities were still fairly walled off from local communities. In more recent times, the federal government has incentivized universities to more directly partner with communities. Steve Dubb provides an excellent review of such programs in a 2007 report, “Linking College to Communities,” describing how the federal government fostered a new wave of community outreach programs and an entirely new field of community service learning.14

The Fund for the Improvement of Post-Secondary Education was a Nixon administration program in 1972 that provided seed grants to universities to better serve low-income and minority populations. Hundreds of programs and even new colleges were established to attract and educate women and minorities across the country. Equally important, the Fund established the field of service learning, where students gain scholarly recognition and course credit for community work. This notion of field work has since been ingrained in American higher education, and it was Nixon’s federal program that led to the now-mandatory clinical rotations that are part of most medical school degrees.

Another less heralded program, Community Outreach Partnerships Centers, sparked more than a hundred university-community partnerships. This effort began at the start of the Clinton administration in 1992 and was housed at the U.S. Department of Housing and Urban Development’s Office of Policy Development and Research. At its peak, the program was appropriated over $7 million annually for three-year grants of about $400,000 each. These grants helped anchor institutions to establish partnership programs to take on community-defined challenges, such as building a supermarket or improving local retail options. David Cox, who ran the initiative at HUD and is now a senior administrator at the University of Memphis, considers that initiative a success. “The program showed that even small federal grants can provide credibility to community work; and these partnerships went well beyond the amount of money given out as institutions started matching dollars four to one, and by the end of the program there were ten times as many applicants as we could fund,” Cox said. “It just really turned heads around in higher education to the possibilities of partnership [with local communities].” But Cox and others we interviewed also noted that while many institutions internalized an ethos of partnership, in some cases the collaborative spirit would fade after the funding ended.

ENLIGHTENED SELF-INTEREST

While the federal government spurred some important campus-community connections, a larger-scale and more organic model was developing at a number of major private institutions around the same time. This anchor-led transformation, referred to as a strategy of “enlightened self-interest,”15 took root in the 1990s at a number of elite institutions in urban neighborhoods with high rates of crime and blight. The approach was embodied by the University of Pennsylvania (Penn) in West Philadelphia, a predominantly African-American area struggling with widespread disinvestment, poverty and crime. The brutal 1996 murder of a faculty member spurred the Ivy League university, under President Judith Rodin, to take action beyond its gates. Penn had previously forged a few community partnerships but the death catalyzed a deeper commitment to reassessing the university’s relationship with its surroundings and ultimately led to a full-scale turnaround program. Between 1996 and 2011, Penn spent more than half a billion dollars to improve adjacent Philadelphia neighborhoods, most going to new retail and commercial facilities. Funds also flowed to local community programs, school partnerships and to the Netter Center for Community Partnerships, a campus-based organization well regarded for its local programming and outreach efforts. Particularly novel was the investment in local and minority-owned businesses. The university went...

14. Steve Dubb, Linking Colleges to Communities, (College Park: The Democracy Collaborative at the University of Maryland, 2007).

15. Rita Alexroth and Steve Dubb, The Road Half Traveled: University Engagement at a Crossroads, (College Park: The Democracy Collaborative at the University of Maryland, 2010), 71.
from spending $800,000 at local and minority-owned businesses to spending almost $100 million procuring goods from these specially vetted vendors. Penn also reformed mortgage-assistance programs to better encourage faculty and staff of all income levels to live close by. By the time Rodin left Penn, the improvement effort was significantly advanced, and several of the neighborhoods comprising the University City area had stabilized as a racially integrated professional enclave in the still impoverished wider West Philadelphia district. Overall, the area has attracted hundreds of millions of dollars in private investment, thousands of new families and hundreds of new businesses. Home prices have increased by more than $100,000\textsuperscript{16} and parents vie for limited seats at Penn Alexander School, a K-8 district public school subsidized by Penn.

Other universities have followed a similar course including Clark and Yale Universities. These and other universities are located in economically challenged communities and have felt pressure from parents and trustees to improve the surrounding area. Taken together, these efforts offer tremendous benefit yet remain constrained by a tendency to focus efforts around an institution’s needs and internal culture. So while the immediate area certainly enjoys the benefit of safer, cleaner and more diverse, opportunity-rich streets, there is often an element of gentrification and displacement that follows. Even more vexingly, there is generally little improvement in poverty or economic well-being in the broader community or city. Commenting on this phenomenon, Steve Dubb and co-author Rita Alexroth note, “These institutional initiatives should not be underestimated, [but they] pose a major challenge to partnership principles, for in these efforts, the university acts much less as a facilitator of community groups and much more in a direct leadership role. Obtaining community support is a necessary element but there is no question who is first among equals.”\textsuperscript{17}

The enormity of change and improvement that came from the enlightened self-interest model cannot be overstated. It made manifest the power of anchor institutions to not just improve an area but to completely turn it around. And as Penn and others demonstrate, there is a strong institutional civic drive that could be enhanced and channeled to broader citywide, or even regional benefit. Indeed, as former Penn President Judith Rodin has noted, the university did not always have such an expansive or outward outlook. At a time when “many university presidents were hunkered down, [we decided] to move down from the ivory tower into the streets,”\textsuperscript{18} says Rodin.

As powerful as the Penn and other models are, local and state economic development strategies have not kept up, nor have they adapted to the increasingly visible turnaround role anchor institutions are taking. A couple of academic studies clearly document the virtual absence of anchor strategy in metro planning. A 2003 article published in the \textit{Journal of Urban Affairs} notes a “fundamental disconnect between government economic development strategies and the needs of (anchor) institutions whose fortunes will determine the city’s future.”\textsuperscript{19}

In general, most job creation policies have not advanced. A recent report by the State University of New York’s Rockefeller Institute observes that governmental approaches to economic development have changed little in decades and remains a “mix of business attraction and incentives


\textsuperscript{17} Rita Alexroth and Steve Dubb, p. 70.


[with] research and technology transfer thrown in among the incentives as a kind of afterthought. Interviews with anchor leaders corroborated the researchers’ findings. “I can’t tell you how many times I sat through chamber of commerce and [city] meetings to celebrate some company investing $1 to $10 million and never, never celebrating or even acknowledging when we make the same amount of investment or often times far more,” said former University of Akron President Luis Proenza.

**A COLLABORATIVE MODEL TAKES ROOT**

Despite mainstream resistance to change, we believe that a new collaborative approach is beginning to take hold. Based on the well-being of all residents and fully leveraging local institutions around citywide priorities, this approach is proving more impactful than other approaches, and over the last 20 years we have seen it spread. Derek Douglas, Vice President for Civic Engagement at the University of Chicago, describes the new framework as “mutual benefit. We are now constantly looking for how we leverage what we do well and benefit the community—the translation is we are both better off,” Douglas says.

This new approach by no means assumes that anchor institutions will be the only driver of local improvements. As a recent *Chronicle of Higher Education* article noted, “Counting on colleges to be the economic savior (is) not the answer to communities’ prayers.” Rather, the collaborative model depends on integrating institutions into a holistic plan for economic development.

Take innovation districts. A recent Brookings Institution report discussed how universities and hospitals are essential ingredients in these districts, designed to include a 21st century economic fusion of urban amenities, transit and mixed-use development. “Rather than focus on discrete industries, innovation districts which include anchor-plus models are multi-dimensional in nature.”

Or as New York University’s President John Sexton says, the new urban economy demands a mix of traditional and anchor-supported strengths. In the past, the FIRE sector (finance-insurance-real estate) was regarded as the prototypical white-collar urban mix. But today, as Sexton observes, “FIRE is necessary but not sufficient.” The old standards must be complemented by “ICE, innovation-culture-education.”

This mix of anchor institutions and traditional urban industries has begun to happen with more frequency. There are more and more examples — at least a half dozen that we catalogued in our research — in which institution presidents are working closely with local mayors, foundation presidents and other civic leaders on a holistic plan for economic development. Still, the collaborative model remains quite new and not yet fully understood. It is telling that the concept of “anchor institution” emerged only around the turn of the millennium as a new way of thinking about the role of place-based institutions in addressing major civic challenges.

---

20. Shaffer and Wright, p. 53.


This model may be best seen in an initiative called Strive that began in Cincinnati and Northern Kentucky in 2006. There, a pact was formed between the heads of the local universities, school superintendents and Fortune 500 companies to improve student outcomes from cradle to career. The partners all made public declarations to support region-wide goals and set firm targets. The impact has been significant, as 40 of the 53 educational outcomes have been met, including rising high school graduation rates and college enrollment. The entire approach dubbed ‘Collective Impact’ has now been adopted in eight other metro areas, all with major university support. Nancy Zimpher, who was the President of the University of Cincinnati and one of the Strive leaders, said the impetus for the region-wide effort was to make sure her institution was playing its civic role.

Another example is Tulane University in New Orleans. Tulane is the city’s largest employer but was never really much of a partner. Former University President Scott Cowen had said that Tulane was historically an international university—that it was in New Orleans but not of New Orleans.24 That all changed with Hurricane Katrina in 2005. Cowen became a champion for the entire city, helping to revive Dillard College — a historically black college that would have almost certainly closed — supporting city rebuilding efforts and creating the nation’s first ever public service requirement for all undergraduates that led to after-school tutoring, house rebuilding, and the creation of public gardens in some of the poorest neighborhoods most severely damaged by Katrina.25

In Cleveland, the scale of collaboration has been even larger. Over the last decade, the heads of the Cleveland Clinic, Case Western Reserve University, University Hospitals, and the Cleveland Foundation have joined with city hall leaders to broadly chart a redevelopment plan for the seven adjacent low-income neighborhoods that surround the University Circle District. Like many neighborhoods with multiple, independent institutions, University Circle’s major campuses had long cooperated on some basic shared services, but the ambitious new plan includes major redevelopment mixed with a local home-buying program, cooperative business ventures tied to the anchor institutions, and a large scale workforce program.26

There are a slate of other creative efforts that are just now taking root. In March, the University of Chicago invested $15 million to greatly expand its “Urban Lab” model that identifies promising city programs and rigorously tests them with advanced evaluation methods to determine which ones are worth expanding. Another approach is the University of Oregon’s Sustainable Cities Initiative in which cities identify a pressing challenge that is matched with up to thirty courses across multiple disciplines over an academic year — the city is essentially swarmed with faculty and students acting as consultants working against a semester-based clock to solve a public problem.27 All of these models are encouraging and while no single effort has completely turned a local community around, they demonstrate a growing commitment on the part of anchor institutions to work directly with cities on local priorities. It is a true advancement of civic leadership that has evolved from the town/gown roots of American higher education.


ANCHOR INSTITUTION SUPPORT NETWORKS EXPAND

At the same time as anchors are reassessing their commitment to community and city partnerships, a number of new peer organizations with a similar focus have taken root. These new peer groups and formal industry organizations have formed with the goal of supporting institution leaders striving to improve local city and community connections.

In 2007, the Coalition of Urban Serving Universities (USU) was established as an organized group of 43 presidents and chancellors from large public campuses focused on local economic development, public health and K-12 improvement. This group consists only of public institutions—many of its members are Historically Black Colleges and Universities (HBCUs) or Hispanic-serving institutions that meet as part of the Association of Public and Land Grant Universities. The Anchor Institutions Task Force was established in 2009 as an advisory group. This assembly of anchor institutions decided to stay together, and their efforts are facilitated by the Netter Center at the University of Pennsylvania and Marga, Inc., a private consulting firm. Whereas USU focused just on chancellors/presidents and their core issues, the Task Force is more open-ended in terms of membership and objectives. The Talloires Network was established in 2005 and grew out of an international conference of university leaders committed to civic engagement. The organization has an active governance board of higher education leaders with a focus on student and faculty volunteering and programming. They award prizes and offer professional training. And, just this September the White House Office of Science and Technology Policy with support from the MacArthur Foundation helped launch a new city/university peer group called the MetroLabs Network to coordinate efforts that will use data analytics to address some of the greatest issues facing local government. While these peer groups are still taking shape, the presence of multiple organizations that focus on increasing civic engagement indicates movement beyond the traditional town/gown ethos.

These new associations and the shared value model are supported by a number of prominent local and national grantmakers. Living Cities, a partnership of 22 of the world’s largest foundations, was one of the first supporters of USU and has helped spread the Strive/Collective Impact model across the country. The Cleveland Foundation is seen as the catalyst for much of the work in their region, as is the Kresge Foundation in Detroit. Both foundations see anchor institutions as the critical driver of local turnaround in the Midwest. There is also a new coalition of national funders including Annie E. Casey, Kresge, Surdna and Cleveland foundations working together through the Funders Network for Smart Growth to identify ways to coordinate efforts on these issues. And of course, the Ford Foundation is supporting this research and exploring how anchor institutions figure into their overall metropolitan strategy.
Finally, it is important to note that there is a growth in policy organizations focused on the
intersection of anchor institutions and communities. This includes the Democracy Collaborative
which has published a number of comprehensive case reviews cited in this section. Notably, a
number of more traditional economic development-oriented policy organizations including the
Brookings Metropolitan Policy Program, the Initiative for a Competitive Inner City and CEOs for
Cities have dedicated staff and considerable time tracking activities in the field.

MOVING FROM TALK TO ACTION
The trajectory from town/gown to a collaborative model based on shared values and goals is sig-
nificant and signals a new era for anchor institutions and local communities. But the transfor-
mation is far from complete. There are still many places that are not committed. A number of
interviewees noted that policy reports and news articles often emphasize the success stories and
neglect to discuss just how difficult these efforts are and just how many places have yet to take the
leap. “There is a lot of talk, but a lot less going on out there than the rhetoric would suggest,”
said George McCarthy, President of the Lincoln Institute of Land Policy.

Syracuse University is one of the greatest examples of a collaborative model in action — and
also an example of how difficult these civic undertakings can be. Nancy Cantor, Chancellor of
Syracuse from 2004 to 2013, led a major effort to diversify the student body and assist the city.
Over the course of her nine years at the helm of the private university, Cantor developed a
program of scholarships and recruitment that increased the minority student population from
18 to 32 percent and increased the population of low-income students from 20 to 28 percent.
She also committed to turn around the Near West Side, one of New York State's most depressed
communities. The Near West Side was a comfortable distance from campus yet close enough to
the commercial heart of downtown Syracuse that its troubles spilled over into areas frequented
by students. The University invested millions in the community, converting two warehouses into
mixed-use facilities and building a new design school in the struggling area. As impressive as the
results were, the development flamed tensions on campus with some faculty and students fearing
that the focus on the surrounding city led to the university's drop in the influential annual US News
Report and World ranking. Much of this was captured in a widely circulated 2011 article in the

Although Syracuse's experience is sometimes presented as a cautionary tale about the
distractions of community engagement, in fact there was never any conclusive evidence
that its academic challenges were directly related to its civic focus. There were many
rebuttals to the article including one from another Chronicle reporter claiming that the
obsession with college ranking detracts from more important measures of diversity.

Cantor also responded saying, “We had much more faculty engagement and support than is
suggested — there was a small group of traditionalists (who) were very loud. The key issue is how to
expand rewards and metrics used to assess (even rank) faculty and institutions in ways that support
publicly-engaged scholarship.” That said, the original Chronicle article and related controversy led
a few field leaders we interviewed to observe that university presidents have looked over their
shoulder “at the Syracuse example” as they hold back from more comprehensive city involvement.

These and other internal difficulties are rarely assessed in the literature. When reading the
volume of policy reports one is left with the sense that the field has completely turned around
from the town/gown phase, or that focusing holistically on the local community is not all that
difficult. But as many field leaders told us, that it is not the case. “There is [certainly] a change in
university leadership in the last 25 years but it's inconsistent,” said David Cox of the University of
Memphis. “Some leaders grasp it quite well, and others don't have a clue; [they] mimic words and

October, 2, 2011.
Even those anchor institutions that engage in major outreach efforts find that the focus and cultural change needed within their institutions is significant. It can take years of planning and attention to shift institutions not naturally inclined or oriented towards such partnership activity. Robert J. Jones, President of the University of Albany, described his university’s shift as a gradual process. “Overall, we are shifting the paradigm on our campus to one that puts community engagement at the core,” said Jones. “I am building it into the accountability structure for my staff so that the mindset becomes integral to our culture.”

Recently, there has been some conversation about unexplored opportunities for universities to use endowments to reinvest in students and communities. As the value of endowments continues to rebound post-recession, universities have come under increased scrutiny to channel endowment dollars towards social good in order to justify their status as nonprofit institutions. While the conversation has largely focused on using endowments to lower the cost of tuition or to shift away from investments in fossil fuels, less focused attention has been placed on how universities can better leverage endowment dollars to further local community and economic development objectives. This is certainly an area that warrants further exploration, with an emphasis on how and in what form community and economic development investing can benefit an institutional investor’s bottom line.

Omar Blaik, a real estate and economic development consultant with U3 Advisors, who was part of Penn’s efforts and is now working closely with a number of institutions including the University of Chicago, echoed these points. “Cities and universities can work together; the key is to translate aspirations to ‘capacity to deliver.’ That is where 80 to 90 percent of the failure happens,” Blaik said. “It’s not about the mayor and the university president not having a good relationship but more about institutional bureaucracy. It’s warfare, hand-to-hand combat. It’s not a policy issue; it’s breaking bureaucracy down.”

HOSPITALS AND THE CITY

To understand the role of hospitals as anchor institutions, we reviewed literature and web postings and conducted interviews with leaders and researchers in the health field, with an emphasis on changes and opportunities associated with the ACA.

We found that even more than traditional universities, hospitals and medical centers do not view civic engagement or community development as part of their primary mission. Many medical institutions profess a strong belief that through daily lifesaving work and providing hundreds of millions of dollars in unreimbursed emergency care they are already providing a significant and sufficient public good to the region. Indeed, this has been the rationale for granting tax-exempt status to nonprofit hospitals. Yet, in some ways, hospitals are more connected to their communities, especially low-income residents, than universities are. Their employees are more likely to have daily contact with residents of the community, and health care providers encounter firsthand concerns such as poverty, violence, housing needs, and environmental hazards. But, historically, the business model of hospitals has offered little incentive for undertaking more systemic community initiatives.

One powerful way hospitals support communities is through procurement. Hospitals have leveraged their purchasing power for local economic impact by reaching out to local contractors for services, reforming their procurement processes, and monitoring results. The best examples of community-oriented work are hospitals that serve as the dominant institution in their area. For example, the Cleveland Clinic is recognized nationally for its civic initiatives, and as an institution,
it dwarfs virtually every other employer in Northeast Ohio. In the Bronx, Montefiore Hospital is the borough’s largest employer and has a long community tradition dating back to the 1970s, when it stabilized the crumbling housing stock in the surrounding area. The hospital continues to be the primary employer in the borough, and more than other hospitals in New York, supports a wide range of community-oriented programs.

In Detroit, the Henry Ford Health System has sought to use its purchasing power to drive more investment in local and regional businesses. As part of the Source Local initiative, and in partnership with the Detroit Medical Center and Wayne State University, Henry Ford has transferred significant resources to Detroit-based businesses. One challenge faced by the initiative is the limited capacity of Detroit’s existing small business network. One way Henry Ford and partners are working to address this challenge is by investing in business development strategies to draw new large businesses into the community. A few challenges were identified on the supplier side, such as limited capacity of local small businesses to handle the volume needed by the hospitals, as well as information gaps as to how to best access capital and resources to increase business opportunities in partnership with anchor institutions.

LEVERS OF CHANGE FOR HEALTH CARE AND BEYOND

While hospitals approach community engagement and economic development from a different vantage point than educational institutions, incentives have been changing, and the most recent levers in the Affordable Care Act offer opportunities to spur more activity. The provision of charity care was first introduced as a requirement for nonprofit hospitals’ federal tax exemption in 1956, and the qualifying standard was based on a hospital’s volume of charity care. The introduction of Medicare and Medicaid in 1965 increased insurance coverage, and consequently hospitals were providing less uncompensated care. The IRS responded by shifting the qualification for tax-exempt status from charity care to “community benefits.” This broader term includes activities that benefit the community as a whole.

Although the concept of community benefits has been part of Tax Code since 1965, it is only in the past decade that accountability and transparency in reporting community benefits has garnered the attention of Congress and the IRS. Most states require hospitals to prepare community benefit reports, and most hospitals make these reports public, but there has been a lack of clarity about what activities should be included and how their value should be calculated. The IRS addressed this concern with a revision to Schedule H Form 990, “Return of Organization Exempt from Income Tax.” Beginning in 2010, for tax year 2009, nonprofit hospitals have been required to report community benefit activities on this new form. The standardization of definitions through this federal reporting requirement offers a concrete leverage point that states, local philanthropists, and others could use to encourage more community commitment beyond emergency care. According to the American Hospital Association, tax-exempt hospitals spent nearly 12 percent of total expenses on benefits to the community in 2010. Nearly three-quarters of these expenses are accounted for by the provision of charity care and other forms of uncompensated care with the remainder devoted to Medicare shortfalls, bad debt, and community building activities.

33. It’s important to note that it’s easy to see the case for a dominant regional player such as a Cleveland Clinic dedicating resources to civic efforts and reaping reputational benefits and stronger connections to the community. But in cities with multiple anchor institutions, it’s harder to see a path to clear benefits at the institutional level, as anchors must often work in a coalition; and similarly city agencies don’t want to be seen as expressing ‘favoritism’ for one anchor institution over another.

34. Donna Folkemer et al., Hospital Community Benefits After the ACA: Building on State Experience, (Baltimore: The Hilltop Institute at University of Maryland Baltimore County, 2011).


another way, of all the spending hospitals are permitted to list on their Schedule H forms, most of it is “business as usual.” To encourage more community benefits, consideration should be given to setting a target percentage for “community building activities” as a proportion of the total funds listed as related to community benefit.

Another, possibly stronger lever is the federal Affordable Care Act (ACA). The law requires more preventative care, and the tax code was rewritten to mandate measurable community engagement activity. Of particular significance, a wide range of such activities will be counted as long as the hospital can demonstrate the intervention is evidence-based. The Affordable Care Act will expand health insurance coverage over time, and can be expected to reduce the need for hospitals to provide charity and reduced-cost care, as was the case after Medicare and Medicaid. As a result, hospitals can be expected to have more resources to devote to other community benefit and community building activities. Through our interviews, we heard that many hospitals are beginning to move towards a public health focus, with an emphasis on strategies and investments to improve population health and address health disparities. This convergence presents an opportunity to use ACA implementation as a tool to strengthen the connections between hospitals and their surrounding communities. However, except in areas in which a single medical center is responsible for the care of much of the area population, the economic case for significant investments in general community health remains weak.

The ACA may offer other levers, as well as cautions, with regard to community engagement. Community needs assessments, required every three years under ACA, can stimulate collaboration and new approaches to community engagement. The ACA also provides the opportunity for organizations to qualify as Affordable Care Organizations (ACOs), organizations of health care providers that are collectively accountable for quality and total per capita costs across the full continuum of care for a population of patients.37 Quality and cost saving incentives may encourage ACOs to look more closely at community needs and community-based interventions. On the other hand, ACOs typically limit their definition of “community” to their enrollees, and may define needs based on their own business objectives without broader community input. Finally, the regionalization of hospital systems, a trend that has been growing for some time, but that may be further encouraged by the role of ACOs, offers both opportunities and challenges. Regional hospital systems may bring more resources and purchasing power to the table, but the ownership of local hospitals by regional systems may break the local connection between hospitals and communities or necessitate educating an additional level of administrators regarding community needs.

THE CITY PERSPECTIVE

This section presents findings from research and data analysis of public and civic leaders in 12 locales. Rather than provide in-depth case studies of any one place, we attempted to identify key themes that surfaced during our fieldwork, conducted in these 12 cities across the country.

We looked most closely at New York, Detroit, Waco, Texas and Wilkes-Barre, Pennsylvania, speaking with a range of institutions, government and civic leaders in those places. We also conducted interviews with municipal officials in Kansas City, Kansas, Dallas, Stockton, California, Columbus, Ohio, Atlanta, Memphis, Tennessee, Nashville, Tennessee, and Los Angeles. We also conducted a review of the Ford Foundation-supported community effort to shape the development

---

of the newly formed University of Texas campus in the Rio Grande Valley area.

Our goal was to identify places of varying size and economic positions that are not known for having highly engaged institutions.

We want to make clear that we are not presenting complete or formal case studies. But our interviews and findings were rich, and sufficient for the task of providing more concrete themes from the field and proposing recommendations to advance practice. And we paid particular attention to economically challenged cities that might benefit most from the economic might of local anchor institutions. At a high level, we were able to discern the state of anchor institutions, and to identify effective methods, challenges, and approaches that could be expanded or enhanced.

By the Numbers: Anchor Institutions In the 12 Survey Cities

ANCHOR INSTITUTIONS ARE THE NEW CITY BUILDERS

We suspected that anchor institutions would play a significant role in planning and economic growth in each region, but were struck at just how predominant that role was in both weak and strong market cities. Universities and hospitals truly are the new city builders. In many cases, these institutions are the largest real estate developer in the city — and often, the region. In many cases, they are at the center of new and existing economic clusters.

This was most evident in smaller and economically challenged cities where university and hospital expansion can have an immediate impact on a city’s economic fortune. In Kansas City, the Kansas University Hospital and the Kansas Medical School joined together to achieve a National Cancer Institute designation that then led to more than $100 million in real estate investment. The

---

38. Ten of the 12 cities selected met the federal National Resource Network definition of economic challenge, which means even after the current economic recovery took hold, more than nine percent of city residents remained unemployed as of 2013; and/or more than 20 percent of adults were living in poverty; and/or population decline between 2000 and 2010 reached five percent.

39. Most studies of universities show predominance in urban areas. For example, Friedman, Debra, David Perry and Cariss Menendez, The Foundational Role of Universities as Anchor Institutions in Urban Development, (Washington, D.C.: The Coalition of Urban Serving Universities, 2014). The Coalition of Urban Serving Universities noted that of the 7,473 colleges and universities in the U.S. 4,961 (68 percent) are located in urban areas.
Institute is part of a medical complex that employs 10,000 people. The accomplishment led Mayor Mark Holland to refer to KU as one of the “jewels in [the city’s] crown” in terms of job and infrastructure development. He now meets regularly with the all of the hospital CEOs. His message to them invites collaboration: “You are building a hospital. I am trying to build a city. Let us help you with the economic tools we have.”

Transformation is even more visible in the resurgent downtown of Wilkes-Barre, Pennsylvania. High rates of poverty and unemployment have haunted this city of 42,000 for years. By 2004, when Mayor Tom Leighton came into office, most of the retail and commercial spaces downtown were abandoned and the only streetlights hung from nearby construction sites. But the core area, called the Public Square, is sandwiched between two local institutions: Kings College and Wilkes University. In his first year in office, Leighton made the obvious connection and enlisted the two campuses in creating a shared vision for downtown development. The colleges responded and have purchased numerous properties in the decade since, leading to hundreds of millions of dollars in reinvestment. The downtown area now accounts for 45 percent of all jobs in the city and one in 10 in the county.

Thanks to the partnership between the city and its two universities, Public Square is bustling, enrollments are up and the city is finally seeing its tax base expand with new jobs and development. In Detroit’s Midtown neighborhood, an area located just north of downtown, philanthropic, public and private partners have developed a coordinated anchor strategy. Three major anchor institutions, Wayne State University, Henry Ford Health System, and Detroit Medical Center are located within the neighborhood footprint and collectivity function as a major economic engine for the surrounding community. In partnership with U3 Ventures, Kresge Foundation, and Midtown Detroit Inc., these anchor institutions have developed and implemented a holistic community development strategy that involves new programs and policies to revitalize the neighborhood and improve local quality of life. Central to these efforts are strategies to increase local purchasing and hiring, encourage anchor employees to live downtown, grow the tech sector and knowledge-based economy, and catalyze building and redevelopment of infrastructure.

One surprising finding in our research was the universality of the importance of anchor institutions to cities, regardless of the size or economic vitality of the city in question. New York and Los Angeles were the largest cities we studied, and in both anchor institutions proved to be at the center of recent economic development successes. In Los Angeles, we looked at the University of Southern California’s (USC) explosive growth and expansion in the city’s southern section. Between 1991 and 2010, under University President Steven Sample, USC increased its endowment from $450 million to $3.5 billion and added six million square feet of space to its campus. Beyond the campus gates, the school has begun work on the USC Village project, the largest retail-residential development project currently planned for South Los Angeles. The 15-acre mixed-use project is expected to generate more than 10,000 new jobs and other public benefits, including a $20 million contribution to a city affordable-housing fund and construction of a new fire station.40

The growth didn’t happen in a vacuum. Major city rezonings and significant investment in downtown Los Angeles and surrounding neighborhoods have benefitted the school and helped support its own building projects. To work towards mutual benefit, the university and city negotiated a community benefits agreement to better align the economic opportunities generated from the redevelopment with community needs. In many ways, the USC-led revitalization of South LA can be regarded as a prime example of the collaborative model at work in a strong real estate market.

Similarly, other cities are exploring community benefit agreements as a way of extracting value from anchor-led real estate development.41 These agreements are often standard operating protocol.

---

when large scale real estate transactions are involved. On the one hand, such benefit agreements can offer significant public gains and strengthen the relationship between community groups and institutions when crafted well. On the other hand, these one-off agreements often reinforce the transactional nature of the anchor institution-city relationship and can be hard for the city to track and enforce. When done well, community benefit agreements bring together a diverse set of stakeholders to negotiate around living wages, local hiring, affordable housing, and other community needs.42

In New York City, numerous sectors, from tourism to financial services to technology, are secure and growing. But it is anchor institutions that lead in many economic categories. Anchor institutions employed nearly 750,000 people in New York City in 2009.43 And one of former Mayor Michael Bloomberg’s largest economic development efforts was a competition to build an engineering campus on Roosevelt Island. Cornell University was announced as the winner, and this project has promised to create thousands of high-tech jobs in addition to many construction jobs needed to build the new campus.

As Cornell’s campus on Roosevelt Island and New York University’s (NYU) new Center for Urban Science and Progress in downtown Brooklyn highlight, anchors are increasingly growing outside of campus boundaries, a phenomenon described by Brookings Metro Center researchers as the “unanchoring of anchors.” “Unanchored” anchor expansions include the University of California-San Francisco’s biotechnology campus in Mission Bay; Brown University’s medical school in downtown Providence and Duke University’s clinical research institute in downtown Durham.44 While these developments raise new questions in cities about the consequences of removing valuable downtown property from the tax rolls, the geographic spread of the anchor impact often portends economic revitalization.

What’s undeniable is the breakneck growth of urban anchor institutions and the power they possess to improve underused areas, especially in downtown locales. Economically challenged cities with no major university or hospital feel the absence acutely. At a recent U.S. Conference of Mayors meeting, Jon Mitchell, Mayor of New Bedford, Massachusetts, noted, “We have a modest university presence in our city, and I believe that developing a larger higher ed footprint is crucial to our long term success. Universities are a magnet for development and can backstop a middle class in older industrial cities like ours.”

Taken together, our data analysis revealed anchor institutions to be among the top three, if not the top employer, in 11 of the 12 cities we assessed. And in a review of the 297 economically challenged National Resource Network cities, this was the case in 62 percent of the locales. Our survey of 12 cities conveyed a similar story across the board, with all of them citing anchor institutions as one of the most important local economic actors. As Mike Reese, the Chief of Staff to Mayor Mike B. Coleman in Columbus Ohio concluded, “There is no doubt, anchors are our economic engine.”

---


OPPORTUNITIES FOR TACKLING POVERTY

Even as anchor institutions power local economies across the nation, there remains significant opportunity to strategically employ these job generators to more directly combat poverty and inequality.45 There are examples of anchor-led anti-poverty initiatives, including programs at the University of Cincinnati and Syracuse University, but aside from one example in Waco, Texas, described later in this section, we did not find similar projects on a large scale in the 12 cities we assessed. Instead of a broad anchor strategy to address poverty, we found many examples of individual professors, centers, and institutes working with local officials on specific initiatives related to homelessness, child welfare and other poverty-related issues. As Kristine LaLonde, Co-Chief Innovation Officer of Nashville noted, “We have experts on [social issues] and when we need them they help us in any way they can. And if there is a major program such as one we just established on financial assets, they step right up.”

Our interviews identified one major challenge for cities seeking to develop an anchor strategy for addressing poverty: organizing community stakeholders, priorities and interests in low-income areas and aligning them with an anchor.

In Waco, we found one promising model for addressing this challenge. This small city of 130,000 halfway between Dallas and Austin has long battled poverty. In the course of working to reform the city’s public schools, Mayor Malcolm Duncan commissioned the Michigan-based Upjohn Institute to provide a comprehensive assessment of the local economy in 2014. The results were startling: Waco was one of the only cities of its size with more than 50 percent of residents living below 200 percent of the poverty level and nearly 20 percent of its youth out of work or school. Rather than bury the findings, Mayor Duncan went all over town waving the report and its stats around. Interestingly, he found a receptive audience at the numerous hospitals and universities within city limits. Now, many of the institutions, along with the city, have contributed money to fully fund a leadership and organizing enterprise called Prosper Waco. Today, the group is run by a board of directors that includes Mayor Duncan as well as CEOs of the city’s major health care organizations, the Director of Civic Engagement and Educational Development at Baylor University and local business leaders. Prosper Waco’s focus is squarely on poverty, public health issues, and the role of local hospitals and universities in turning the tide. Mayor Duncan is taking his organizing role seriously, as the Board has been meeting every two weeks — without fail — to clarify how to translate plans into programs. “This is still early days,” says Prosper Waco’s Executive Director Matthew Polk. “But we could not be more locked-in on combating poverty and for the first time we now have the institutional actors aligned with the city.”

Another potential model is taking shape in the Rio Grande Valley in Texas, a 4,300 square mile area where the median household income is $31,000, roughly 60 percent of the national average. A huge window of opportunity arose in 2012 to connect anchor institutions to this community. The University of Texas (UT) System decided to merge two previously separate campuses (UT

45. Rita Alexroth and Steve Dubb, *The Road Half Traveled: University Engagement at a Crossroads*, (College Park: The Democracy Collaborative at the University of Maryland, 2010).
Brownsville and UT Pan American) into a new regional campus called University of Texas Rio Grande Valley (UTRGV). Recognizing a rare opportunity to address community needs throughout the region, the Ford Foundation invested funds to help local community groups work with national consultants, planning firms and other university experts. The result was a well-formed community agenda that focused on education, health, economic development and regional planning. The local organizers, which included the Community Development Corporation of Brownsville and the La Union Del Pueblo Entero community group, knew that merely presenting an agenda would not be enough. So a carefully orchestrated day-long work session with UT officials was organized. One local organizer noted, “It was at this session that the light bulbs finally went off for the university system administrators. These are folks who sit in Austin, far from our community, but when they came and saw that we put real thought into this and that the ideas were concrete, they got it.”

As encouraging as the UTRGV work has been, it’s far from finished. As local leaders noted, “It is still simply not in the DNA of universities to orient their campuses to community needs.” And as much as the central office administrators may understand the importance of reform, the new campus administration is just now making overtures to the community. There are signs of progress, including the university’s willingness to publish the ideals on the UTRGV web site. But even this victory would not have happened without the significant support of a major foundation. A number of interviewees stressed, “Without Ford, the community would not have had input, and to their credit the foundation was always just as focused on outcomes as they were on process.”

**NEVER UNDERESTIMATE THE IMPORTANCE OF LEADERSHIP**

If there is one factor that influences an anchor institution strategy and relationship with a city, it is the philosophy and approach of the city’s chief elected officer and institution chancellor or president. In all 12 cities we surveyed we found that leadership was one of the most, if not the most, critical ingredient to a successful strategy.

As we discussed in the review section, a few individual leaders — including Nancy Cantor at Syracuse, Scott Cowen at Tulane and Robert Jones at the University of Albany — have succeeded at shifting institutional focus towards the civic realm. Such extreme pivots were not found in our 12-city survey, but nonetheless officials made clear that their ability to work with local institutions began and often ended at the office of the anchor president or CEO. This was particularly acute when a transition would occur and new leadership came in. One chief of staff to a local mayor described feeling “nervous” when anchor leadership changed. “Sometimes,” he said, “it is rough for the first year.”

Interviewees from our 12 sample cities tended to open the conversation about anchor collaboration with a description of the leadership style, values and community perspective the anchor institution president brought to his or her position. Interviewees emphasized that institution leaders are not inherently inclined to pursue partnership, and rarely receive the intense public scrutiny that public officials do. Although far from operating in anonymity, they are able to make decisions more freely and chart a long-term course without significant public input. As one city interviewee noted, a civic focus is not necessarily part of an institution’s DNA, “so leadership is really about how much they will (or won’t) partner.”

But it’s not only about who has the corner office on the anchor side — city leadership is just as

---

46. See Dever, et al. for further discussion of the importance of leadership.
critical. The last section noted the turnaround in Wilkes-Barre. There, local university leaders give Mayor Leighton full credit for improving relations and supporting greater collaboration. The mayor too acknowledged his role in advancing partnership. “The previous mayor just never engaged with the universities,” he said in an interview. “On my first day in office I went up and had breakfast with one university president and then lunch with the second.”

A similar reversal occurred in Memphis, where Mayor AC Wharton has focused his administration on public/private partnerships and bridge building. One senior aide noted, “there used to be a fortress mentality and now we are intentional about reaching out to university and hospital leaders.” This has led to a collaborative spirit that translates into a number of mayoral initiatives. One example is an aggressive Wharton-initiated campaign to curb gun violence. The local public hospital realized they had a role to play and hired two full-time violence intervention intake staff to support the initiative.

In Detroit, city leadership clearly understands the economic power of anchor institutions — Mayor Mike Duggan, for example, was previously President and CEO of the Detroit Medical Center (DMC). During his time at DMC, Duggan was an early partner and champion of the Midtown strategy. He left the medical center after it was sold to a private medical system, but remains a supporter of the efforts from his new seat in city hall. Another powerful leader from Detroit’s anchor community is Nancy Schlichting, CEO of Henry Ford Health System. The hospital system has strong ties to Detroit and has fully embraced a mission of transforming lives and communities starting with the Midtown neighborhood. Our interviewees reiterated this point by noting that Schlichting’s imprint on this vision is so pronounced that she’s been known to walk down the hallway to the department in charge of local spending to “make things happen” or help solve problems as they arise.

Probably the greatest recent example of a local official exerting affirmative leadership with anchor institutions is former Mayor Michael Bloomberg’s Applied Sciences Competition. The initiative resulted in the winning institution (Cornell) bearing the majority of costs to develop 12 acres of unused city land on Roosevelt Island into a hub for engineering talent and entrepreneurship, spurring numerous other private investments across the historically underused island and advancing the growth of the city’s engineering and tech sectors. The new campus is still under construction, yet its impacts have already started to ripple across the city. In the wake of the competition, New York University established the Center for Urban Science and Progress, a major academic center focusing on urban informatics. And Columbia University has committed nearly $100 million to raise the national profile of its engineering school by increasing faculty and student enrollment. A number of cities expressed admiration for New York’s ability to influence local institutions. In an interview, one deputy mayor from another city put it plainly: “That was a master stroke and will be Bloomberg’s lasting legacy. I want that for my city; I want my island.”

It may be New York and a billionaire mayor who set the gold standard for anchor-city collaboration, but many smaller and more economically challenged cities continue to maintain strong long-term partnerships with local institutions. For example, one successful approach initiated by Memphis and Kansas City is a regular CEO roundtable with the heads of the major anchors and other business executives. And in Waco, Mayor Duncan’s Prosper Waco group continues to meet every two weeks. It was only in these smaller locales that we found a full-on collaboration around citywide development planning and turnaround strategies.

**COMPLEMENTARY PARTNERSHIPS**

When it comes to establishing a partnership between a city and a university, we found that every school comes with different focuses and strengths and cities benefit when they recognize the dis-

---


48. Although not a study city, another important example is a MOU between the incoming Rahm Emanuel administration in 2011 and the University of Chicago. The MOU codified partnership and coordination around all capital planning and economic development efforts in the mid-South Side.
tinct values in each. Major research universities, for instance, can drive economic development around high-tech industries, while state colleges broadly support the local workforce and two-year colleges have become the linchpin in skill-based training. Through its community colleges, the City University of New York (CUNY), for example, provides more than 500 tech internships a year for degree students looking to transfer into four-year computer science programs or move directly into the workforce.

This mix of roles and functions often plays out organically and works well. “Yes, there is a need for partnership between cities and anchors, but what you really need is partnership amongst institutions,” observes Hank Webber, Executive Vice Chancellor for Administration at the University of Washington. “So some institutions can help on the serious R&D side and others can help on the human capital side and provide local teachers or social workers, and it’s important to note that often it is not same institution.”

We also observed a marked difference in orientations between public and private institutions. At the outset of this research, the greater civic orientation of public institutions was understood. The significance of the difference became evident when we drilled down into the dynamics in our 12 survey cities. In Memphis, a mayoral aide explained, “Look, the University of Memphis is always with us; they are just deeply rooted in the community, and for us it’s a given that they are a partner.”

Interviewees perceived private universities as episodic in their civic orientation and driven by a particular leader, like USC’s President Sample after the LA riots. In contrast, public universities were perceived as civic in their DNA, with public funding tied to a mission to serve the public. The civic orientation can be seen in numerous examples including at the City University of New York, where a drive to improve college matriculation rates inspired the system to build 14 public high schools on or near campuses throughout the boroughs. CUNY saw another opportunity to serve a civic purpose when the city created a new 311 system to connect residents to nonemergency municipal services. At that time, the school deployed hundreds of its students to staff a new call center day and night with the ability to translate into multiple languages. Regardless of the university system’s leadership, there has always been a clear sense, almost a yearning, to engage with surrounding communities and elected officials. Speaking about a recent consultant presentation in New York aimed at increasing community participation, one City University official commented that the approach felt “strange” because the school was “so deeply ingrained in every neighborhood already.” “Why would we need a framework to be more so,” she asked.

Clearly, public and private institutions, research universities and community colleges can balance one another in terms of their core mission, areas of focus and how they engage with local communities. But we didn’t find any city in our survey where this sort of strategy was visible or even in discussion. There was no conscious articulation of the role that each anchor institution has and could play and how institutions could complement one another.49

**CULTURAL DIVIDE**

We have discussed a number of examples in which cities and institutions are working closer together. In fact, eight of the 12 cities surveyed said that relationships and project partnerships with local institutions have improved over the last 10 years. But there were also a number of examples where this connection has not yet solidified, or where the relationship may be better but remains focused on individual projects rather than broad city and community priorities.

One city official noted, “We do work well with universities and the relationship has markedly improved over the past few years. But it is still around one-off projects. So it is a good relationship but it’s not structured. We still do not know who to call.” Another city noted, “We will come together around a project and often it goes well, but then we all go our separate ways. So it’s not a criticism of the current (relationship) but we could do so much more, be more strategic and not so project focused.”

---

49. Outside of our study cities, there have been a few recent attempts by cities to map out disparate anchor institutions and discern how they can better support local priorities. Baltimore, for example, recently issued a strategy document in this vein: “The Baltimore City Anchor Plan,” (http://mayor.baltimorecity.gov/sites/default/files/Baltimore%20City%20Anchor%20Plan%20%28BCAP%29%20June%20%202014.pdf) 2014.
Another issue that many cities cited was that it can be difficult for city officials to identify the right person to reach out to within the anchor institution. Even if there is an amicable mayor-to-president relationship, their staffs may not know one another. Another common challenge is the difference in managerial approaches between anchor institutions and the public sector. “There is a real cultural divide, like a different language,” said one interviewee.

That cultural divide can manifest when an anchor needs city approvals or services for a development project. We heard many city officials comment that the relationship can feel like a one-way street in these situations, and often misfired communication is to blame. “What drives us crazy is when the institutions approach us AFTER they’ve made their plans. They come in at the last second and ask for a lot of items (such as zoning changes and new sewer lines),” said one city interviewee. “We make deals all the time and we are transactional, but we feel as though we have been taken for granted.”

Communication challenges don’t end at city hall. In the Rio Grande Valley, Ford Foundation’s efforts to connect community groups to university anchors illuminate the sizable wall between institutions and low-income communities. One of the project’s lead community organizers described the difficulties of building a culture of connectivity. “You need to keep doing trainings both within the colonias [unregulated settlements in and around South Texas] and the greater region on what an anchor institution is. And, [in turn] we must keep insisting that the residents of the colonias have a voice.” Others interviewed echoed this sentiment and stressed that intermediaries and other consultants were necessary to help communities understand what institutions can do and how to position one’s interests with them.

One theme that emerged in our interviews was that of power imbalance; cities and communities felt they had little leverage in negotiations with anchor institutions. In New York, for instance, high land values and a thriving tech economy made Mayor Bloomberg’s achievement on Roosevelt Island possible, interviewees observed. Other cities do not have such assets and certainly few legal or legislative means to compel anchors to come to the table. Yet there is movement on this front; one strategy gaining traction among mayors is payments in lieu of taxes (commonly referred to as PILOTs). These are voluntary agreements between nonprofit institutions like universities or hospitals and cities, that establish a set fee paid to local governments to offset the anchors’ tax-exempt status. As mayors and community leaders increasingly realize the importance of anchors and the value of the land they occupy, PILOTs have become more common. At a recent peer convening of the National Resource Network, we asked a group of cities for their views of PILOTs, and the response was mixed. Some cities received payments as part of a larger partnership arrangement with local institutions, while other cities believed that PILOTs were the only way they can receive benefit from partnership-resistant anchors.

All of this points to a continued need for education and dialogue between cities, anchor institutions and local community groups. Cultural differences continue to impair collaboration, and while steps have been taken towards bridging the gap in some places, the right vehicle or forum for partnership has not been identified in most cities.

RECOMMENDATIONS: A GRAND BARGAIN FOR CITIES AND ANCHOR INSTITUTIONS

This report has demonstrated the vital role that anchor institutions play in local economic and community development, and the growing opportunity for collaboration between cities and institutions. But most of the progress — even in cities with good relationships with local institutions — is often episodic and project-based. As this report has shown, tensions over PILOTs, community benefit agreements or other transactions continue to constrain the development of more comprehensive, long-term partnerships.

Our era of shrinking local revenue and mobile capital demands a different relationship. Fundamentally, we need a grand bargain that resets the dynamic between cities and their anchor institutions. Such a negotiation entails a significant break from the standard operating philosophy. Instead of a transactional relationship, the dynamic we propose is based on shared goals and a mutually determined vision. Progress towards that shared vision must be consistent, and reported on publicly and regularly.

The clearest — and simplest — example of such a bargain is Wilkes-Barre, where Mayor Leighton walked into the Presidents’ offices at his two local universities and extended his hand. The collaboration has remained consistent since. Mayor Leighton showed that mutually beneficial partnerships are possible, if not always simple. The following set of recommendations offer a blueprint for cities and anchor institutions as they endeavor to create their own mutually beneficial partnerships.

STEP ONE: ESTABLISHING THE BARGAIN

Building a grand bargain may sound intuitive, but it means local leaders must take the initiative with the following actions:

1. Identify clear community priorities appropriate for anchor institution partnership.
2. Identify the best external partners from the philanthropic sector and the federal government to advance local effort.
3. Build on what you have. Many communities feel that they don’t know where to begin, but invariably there is already some collaborative activity — even if at a small scale — that can be built on.
4. Engage senior level leadership at local institutions to craft shared goals and strategies together.

TACTICS FOR ESTABLISHING THE BARGAIN

City — Anchor Compacts

Strategic priorities based on mutual benefit must be clearly articulated and publicly available.

The foundation for a grand bargain is simply the articulation of shared goals that will be managed by key local actors and made publicly accessible. This could take the form of a PILOT, a community benefits agreement or other locally established vehicle, but no matter the form it must be a mutually binding agreement that lays out all deliverables, actions and activities committed to by each party. Often such compacts focus on improving K-12 education, for example, or on other isolated civic
community improvement efforts, such as real estate transactions. We believe that such compacts could be extended to citywide economic and community development goals as well. For such broader compacts it’s critical to fully understand the role that various institutions (e.g. research universities, community colleges and hospitals) play, and to reconcile their orientations and functions so that a city does not have 12 different compacts, but just one that clearly sets out objectives and roles. One way to do this is by setting up community coalitions that represent the various stakeholder groups and create a single streamlined concept that bounds compact negotiations.

It is also essential to instill an element of mutual accountability. Accountability measures will ensure progress is made in a timely fashion. One way to do this is to link the compact to the public budget process to ensure that it is revisited and addressed at least once a year. Part of this process would also include public reporting to communities and the media.

Philanthropic Role: Making the leap from isolated and issue-specific compacts to one that is citywide will not be easy. A grant from a national philanthropic organization to help design initial compacts could serve as a catalyst and ensure that there is a best practice model for other communities to replicate. Local grantmakers will also be critical in a few respects. Their ability to be neutral brokers can instill needed perspective on compacts and keep participants honest about progress. They can also provide seed funding or flexible grants to advance some of the more difficult initiatives.

Anchor Role: Anchor institutions must be willing to pivot from isolated programs to a serious institutional commitment that is transparent and enforceable. If one does not exist already, universities should consider creating a community or civic engagement office to help facilitate ongoing coordination and community partnerships. It will also be critical to work openly and honestly to convey feasible development and service goals. Finally, anchors must assign the right senior administrators to ensure good operational management.

Public Sector Role: Establishing a compact will demand the full attention and commitment of the city’s senior leadership. This also means committing to meaningful and ongoing community input, and empowering community groups to monitor progress and enforce action. One very clear way to do this is to build on the trend of hiring city hall chiefs, such as chief innovation and chief data officers. Cities should also hire a hospitals and higher education relations officer, a senior official within the mayor or city manager’s office charged with working across municipal departments and being a liaison — at the highest levels — with local colleges and hospitals.

AnchorStat

Just as cities rely on online statistics programs to produce the transparent data needed for evidence-based policymaking and investment in the areas of criminal justice, blight reduction and housing, AnchorStat will show key metrics on the impact of institutions in cities.

To ensure that the local compact advances, there is a need for data and clear measurement. AnchorStat would allow city officials and residents alike to easily track how institutions are doing on critical measures such as local hiring and percentage of teacher education graduates passing certification.

To be clear, we don’t imagine AnchorStat as a management club that is wielded by any particular leader, but rather a tool for consistent and open reporting on jointly agreed upon measures.

AnchorStat’s utility would extend beyond the anchor-city compact to provide informed

---


52. Friedman, Debra, David Perry and Carrie Menendez, The Foundational Role of Universities as Anchor Institutions in Urban Development, Coalition of Urban Serving Universities. Tracking community engagements, while gaining traction amongst public institutions, is still relatively new for anchor institutions and only a few have clear and transparent measures.
data points for many other entities focused on civic affairs and anchor institutions. For example, regional Federal Reserve banks could use such data to better understand local economic trends and needed interventions. The metrics could also serve as a critical indicator in future rankings, such as the U.S. News and World Report rankings of institutions of higher education. Finally, clear and transparent data will greatly assist grant-makers as they craft philanthropic programs that complement local efforts.

**Philanthropic Role:** National philanthropic organizations are well placed to fund a prototype stat model. Foundations provide needed neutrality and the flexible capital needed to ensure that the stat template is a useful, rather than polarizing, document.

**Anchor Role:** Institutions will need to assign the right internal data and operation administrators to ensure that indicators are reported consistently and effectively. This will take serious effort, as these may be new data points that most institutions have not historically tracked.

**Public Sector Role:** More than most of the other proposals discussed, this is one where local officials need to be proactive. There is often an air of deference that city officials have towards anchor institutions and this approach will necessitate a strong yet balanced stance with local institutions. City officials cannot be intimidated to the point of watering measures down, but they also cannot be overly aggressive and alienate institutions.

**Anchor Roundtables**

*CEO and community forums must be established to ensure consistent and well-organized partnership activity.*

To truly support any local compact, there must be a forum for local leaders to stay connected. We found in our city review that many successful locales build and sustain a forum for leaders to informally catch up, and more formally review project progress and chart new directions together. For institutions and public officials, this often comes in the form of a CEO roundtable in which key principals can meet. Such forums often include senior officials from the business community and the philanthropic sector as well. For community groups, it is essential to identify the right intermediary organization that has credibility with residents and a reputation for effectively advancing local development efforts.

**Philanthropic Role:** Philanthropic organizations have an important role to play as both conveners and participants. Grantmakers can provide a central meeting space to bring the various stakeholders together — and funds to offset meeting costs. Additionally, in many locales it is critical that grantmakers participate, as they are very much local policy actors and anchors as well. Finally, grantmakers are often the closest supporters of local organizations, and could help to identify the right community participants or representatives to be a part of such a leadership table.

**Anchor Role:** Institutions will need to assign the right senior level representative. Most universities and hospitals have someone in a community liaison position and that person should certainly be involved, but it’s crucial that the president or chancellor also be active with such a leadership forum.

**Public Sector Role:** Local government must take such a roundtable seriously and ensure that not only that the mayor or chief elected official faithfully attends but also assign key senior aides. As mentioned earlier, cities should have a hospitals and higher education relations officer — who can play this role.
STEP TWO: LEVERAGING SUPPORTIVE MECHANISMS

There are a number of mechanisms that can greatly advance any local compact. The federal government, as in years past, has developed tools and programs that can support partnership efforts, but it’s incumbent on local leaders to put them to good use.

TACTICS FOR LEVERAGING SUPPORTIVE MECHANISMS

Build a platform to increase community engagement in the community health needs assessment process

Hospitals and community groups should capitalize on the community health needs assessment process to drive investment tailored to specific community needs.

The ACA requires nonprofit hospitals to conduct a community health needs assessment (CHNA) every three years to maintain their federal tax-exempt status. Under the CHNA process, the hospital must engage with stakeholders representing the broad interests of the community it serves. After conducting a CHNA, the hospital is required to disclose it and to develop an implementation strategy that describes how the hospital is addressing the needs identified in the CHNA. The hospital also must note any identified needs that it is not addressing and provide explanations as to why.

The CHNA process provides an opportunity for hospitals to work in partnership with key stakeholders in a community to identify needs and plan potential community benefit investments. Engaged community stakeholders can help hospitals understand the health and well-being needs of low- and moderate-income individuals and families. As an example, Massachusetts General Hospital is using the CHNA as a tool for meaningful and sustained engagement in three communities using surveys, forums, committees, focus groups and data collection to identify community priorities and develop investment strategies. Through this process they have made substantial progress in improving the health and well being of the three communities.

The newness of this requirement means that many hospitals are still identifying how to best develop community health improvement strategies, making the current moment an opportunity for real impact. Achieving that impact will not, however, be easy. The task raises questions about how to best coordinate efforts across hospitals with overlapping footprints, build capacity within the hospitals that can leverage and grow community assets, and align incentives to further public interests. To better articulate answers to these questions involves coordination across philanthropy, communities and the hospital.

Philanthropic Role: The CHNA process is an opportunity for local philanthropy to help develop workshops and strategy sessions for community groups and hospitals. These efforts could create a foundation for partnerships resulting in greater community benefits. Philanthropic organizations can facilitate and convene multiple hospitals to develop joint plans for community interventions and strategies to better streamline resources and priorities for a given city or region. Philanthropic entities can also support efforts to make the process more transparent by educating community stakeholders about the CHNA requirement under the ACA and potential points of engagement. National foundations can partner with these efforts to help elevate “best-practice” examples to the national level.

Anchor Role: Hospitals should establish outreach capacity, if they do not have it already. This creates a level of accountability, and openness to community engagement. Hospitals should also ensure that outreach is tied to the CHNA, and that there is feedback loop to engage the community on both needs and progress.

Public Sector Role: State and local governments should look for ways to align planning efforts to support and leverage activities through the CHNA process. Aligning incentives and timelines can go a long way in helping facilitate coordination across the community health improvement planning processes and the CHNA.
Use the tax code to encourage hospital community and economic development activity

States and the federal government should better align and clarify community-building activities that are allowable as community benefits for tax purposes.

IRS Form 990 Schedule H provides the following categories for community building activities: physical improvements and housing; economic development; community support; environmental improvements; leadership development and training for community members; coalition building; community health improvement advocacy; and workforce development. In its instructions accompanying the 2011 Schedule H, the IRS made it possible for hospitals to report some community building activities as community health improvement activities — and, thus, as countable community benefits. In order to treat community-building activities as community benefits for tax purposes, non-profit hospitals must thoroughly detail evidence to support how community building activities promote the health of the communities it serves.

Philanthropic Role: The field would benefit from more detailed guidelines on how economic and community development activities benefit the health of local residents. Specifically, we suggest a fixed percentage of community benefit investments be reported on Schedule H that is directly linked to community improvement efforts. Highlighting examples of affordable housing investments that have shifted costs and improved community health would, for example, showcase evidence-based investments ripe for replication. To encourage the use of community building activities as community benefits, philanthropic groups could fund a set of toolkits, with concrete examples of evidence-based best practices that catalog and document how these approaches have been used to improve community health and well being. Philanthropic organizations could support public sector efforts to document specific community building activities allowable as community benefits for tax purposes.

Anchor Role: Anchor institutions can partner with community organizations that have a shared interest in community building investments, and can provide guidance on the best strategies for investments. They can use existing networks to support peer learning and amplification of best practices linking community-building activities to community benefits.

Public Sector Role: Using the tax code, the public sector is in a position to shift incentives towards community and public health improvements, rather than spending on individuals. The IRS should establish a safe harbor for any programs or interventions detailed by the Community Preventive Services Task Force or other established organizations with the ability to add other resources. State governments play an important role in setting additional requirements on hospitals with respect to reporting and incentives. States and the federal government should look to align public health goals and associated reporting and incentives across levels of government.
STEP THREE: MAINTAINING AN ECOSYSTEM FOR COLLABORATION

Without strong, consistent and regenerative leadership, compacts and partnerships will not withstand the test of time. An infrastructure of education and support must be put in place to keep the local ecosystem healthy.

TACTICS FOR MAINTAINING AN ECOSYSTEM FOR COLLABORATION

**Rally all stakeholders around a laser focus on local and regional workforce needs**

Colleges should use data and engage local firms to build curricular-based pathways around the exact skills and credentials employers need.

This is an opportune time to focus on using data strategically to improve student outcomes and regional economic development at the same time. From 2006 through 2013, grant funding from the Department of Education and Labor supported states’ efforts to create longitudinal data systems that follow individuals through their education and into the workforce. The Workforce Innovation and Opportunity Act (WIOA) signed into law on July 22, 2014, encourages local stakeholder involvement and collaboration between the education and workforce development systems. The federally backed data and collaboration systems provide the foundation for meaningful connections between local high schools, institutions of higher education and employers.

**Philanthropic role:** Philanthropic organizations can help convene local stakeholders from community colleges, local high schools, four-year institutions, and employers. The focus of these discussions is to enhance the pathway to matriculation and employment for students in the community. Philanthropic organizations can further encourage these approaches by developing grantmaking opportunities that provide resources for data analysis, coursework alignment with and applicability to local job markets, and student support. WIOA encourages ongoing stakeholder input, and philanthropic support can both jump-start and sustain those efforts.

**Anchor Role:** Four-year colleges can develop matriculation agreements to facilitate the transferability of community college credits. Community colleges can provide coaching to promote informed decision-making about the training necessary for different career pathways. Hospital and health care institutions and technical and professional service employers in STEM fields can provide on-the-job training opportunities for students. Both community colleges and universities can provide the internal expertise needed to analyze and interpret local economic data and present findings to a broader audience. A December 2014 Government Accountability Office report\(^{53}\) found that of 48 states that received grants for developing longitudinal data systems, 39 grantees reported developing a research agenda in conjunction with their longitudinal data systems, and that their research agendas were developed in partnership with higher education institutions, independent researchers, or others.

**Public Sector Role:** Government agencies already house valuable data that can be applied to this initiative. The federal investment in state longitudinal data systems has substantially improved data for this purpose, but there is still much more to be done. The GAO (2014) found that more grantees reported being able to match data among the education sectors than between the education and workforce sectors and that most grantees reported that they are not able to match data comprehensively. States noted challenges matching data, including state law

---

or agency policy that prohibits collecting a Social Security number in K-12, which can make it more difficult to directly match individuals’ school and workforce records. The public sector has an important role to play in furthering longitudinal data systems efforts, considering ways to provide access to these data in a secure manner, and assuring that regulations protect privacy without being overly restrictive. The public sector, through WOIA and American Job Centers, can support employer engagement to identify workforce needs and help shape thinking about how community and four-year colleges can address skill gaps. State and local governments can coordinate and spearhead efforts to break down existing barriers such as some state licensing requirements, tuition reimbursement regulations.

**Leadership trainings for institutions, public officials and community leaders**

*Establish regionally based trainings to clarify roles and interests and establish clear lines of communication.*

All too often, a lack of trust and understanding among institutions, politicians and community groups stymies local progress. To overcome this we suggest local leadership development programs to facilitate greater dialogue amongst all participants. The leader trainings will both clarify the role that everyone plays and support any local compact formed.

There are many effective training models that bring disparate leaders together and often they operate through universities. The tactic is to customize such a leadership program around anchor partnerships and establish key training hubs throughout the country. One recommended approach is to link a change in city leadership to training. Currently, Harvard's Kennedy School and a few other universities provide orientations for new mayors and councilmembers. These programs have established materials and workshop session formats that could be easily built upon.

In order for the session to work well we recommend requiring pre-work. One important assignment would be constructing a local power and organizational map. In our interviews we heard many times that local officials had little sense of how universities and hospitals function or make decisions. Similarly, anchor institutions expressed only a superficial knowledge of how local decisions are made by government. Drafting a power map could go a long way towards demystifying the opaque machinations that prevent productive collaborations.

We also recommend each of the participants develop priorities before meeting. As interviewees mentioned a number of times, local leaders often do not even know the questions to ask, especially when as they pertain to assisting low-income areas.

The sessions themselves could be conducted at a few regional hubs or universities already dedicated to engagement. Ideally, there would be a pairing of a local public and private institution. And, through regional hubs, participants can benefit from cross-learning and idea exchanges.

Overall, the goal would be to make it easier for all participants to work together and do so in a neutral space. The right course material, coupled with training, would clarify positions, goals and mutual interests.

**Philanthropic Role:** This is a great opportunity to pair national and local foundations. National foundations could support broad development of curriculum, material and knowledge exchange, and local foundations could support the actual sessions and offset the costs of participation for public officials and community organizations. Additionally, grantmakers could provide an external perspective and help “curate” the right team of public officials, community leaders and institution administrators to be in the room together.

**Anchor Role:** Anchor institutions are complex organizations and even the best have difficulties communicating their organizational structure. Anchor institutions must bring a commitment to help decode their operational structure for such a workshop to be effective.

**Public Sector Role:** Similarly, local officials will need to clarify roles and responsibilities. Government will also need to commit to working with anchor institutions and identify the relevant agencies to participate in the session in advance.
APPENDIX

INTERVIEWS CONDUCTED

Sandy Baum, Urban Institute
Robert Berenson, Urban Institute
David Birdsell, Baruch College School of Public Affairs, City University of New York
Omar Blaik, U3 Ventures
Jo Ivey Boufford, New York Academy of Medicine
Kim Burnett, Consultant
Maureen Byrnes, Milken Institute School of Public Health, George Washington University
Nancy Cantor, Rutgers University-Newark
Amy Cohen, Center for Community Engagement, George Washington University
Eugene Cornelius Jr., Small Business Administration
David Cox, University of Memphis
Beth Dever-Ryan, Consultant
Derek Douglas, University of Chicago
Steve Dubb, The Democracy Collaborative
Lauren Eyster, Urban Institute
Alex Feldman, U3 Ventures
Erin Flynn, Portland State University
Maria Flynn, Jobs for the Future
Andy Frank, Johns Hopkins University
Marc Gourevitch, New York University Medical Center
Bradford Gray, Urban Institute
Ira Harkavy, Netter Center, University of Pennsylvania
Robert Jones, University of Albany
Benjy Kennedy, Kresge Foundation
Lillian Kuri, Cleveland Foundation
Mark Linton, White House Council on Strong Cities, Strong Communities
David Maurrasse, Marga Inc
David Perry, University of Illinois at Chicago
Luis Proenza, University of Akron
Scott Ralls, North Carolina Community College System
Sarah Rosenbaum, Milken School of Public Health, George Washington University
Victor Rubin, PolicyLink
Charles Rutheiser, Annie E. Casey Foundation
George Smith, U3 Ventures
Ned Stabler, Wayne State University
Ben Starrett, Funders Network for Smart Growth
Luke Tate, White House Domestic Policy Council
Hank Webber, Washington University
Wim Wiewel, Portland State University
Nancy Zimpher, State University of New York
The National Resource Network (the Network) is a core component of the Obama Administration’s Strong Cities, Strong Communities (SC2) initiative, and develops and delivers innovative solutions for American cities to help them address their toughest economic challenges. The Network works with local leaders to identify practical solutions, share real-world expertise and best practices, and help cities develop the tools and strategies they need to grow their economies.

Funded with $10 million from the U.S. Department of Housing and Urban Development (HUD), the Network is a new program that leverages the expertise, partnerships, and resources of the public and private sectors to help cities comprehensively tackle their most pressing challenges. The Network provides cities with customized tools and advice to build strategic partnerships, strengthen their economic competitiveness, and marshal public and private sector resources.

The Network is administered by a consortium selected by HUD though a national competition. The consortium works closely with HUD and the White House Council on Strong Cities, Strong Communities, which has been tasked with overseeing the SC2 initiative, to deliver services and impact federal policy. The Network consortium consists of the following private and public sector organizations:

- Enterprise Community Partners
- Public Financial Management (PFM)
- HR&A Advisors
- New York University’s Robert F. Wagner Graduate School of Public Service
- International City/County Management Association (ICMA)

Note: The findings and recommendations of this study reflect the work of the New York University and Urban Institute research team and do not necessarily reflect the views of the National Resource Network consortium members that did not participate in the research.