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Chapter Three:
Next Up for Owensboro and Daviess County:
A New Narrative That Stokes the Fires of Innovation

By Keith Schneider
Citistates Group

The Citistates Project

www.civicpact.org

In 1991, the Messenger-Inquirer retained syndicated columnist Neal Peirce and his associates to assess the challenges and opportunities facing Owensboro-Daviess County. The report focused on many aspects of community life.

Now 20 years later, the Public Life Foundation is bringing The Peirce Group (now known as Citistates) back for a fresh, objective update and analysis. Citistates has conducted comparable studies in 26 communities and regions.

The report is based on extensive research and interviews with dozens of local residents. The lead analysts are Citistates CEO Curtis Johnson and veteran New York Times reporter Keith Schneider.

The Citistates Group is a network of journalists, speakers and civic leaders focused on building competitive, equitable and sustainable 21st century cities and metropolitan regions. The Group's forte is communications to stimulate active debate on the real-world choices facing 21st century regions.

Curtis Johnson is CEO of Citistates. A former chairman of the Metropolitan Council of Minneapolis-St. Paul, he also served ten years as a college president, leader of a public affairs research organization, policy advisor and chief of staff for Minnesota Governor Arne Carlson. He has authored and co-authored several books, numerous articles and reports.

Keith Schneider is a nationally known writer and public policy specialist. Since 1981, he has been a special correspondent for the New York Times, including a decade (1985-1995) when he was a Times national correspondent based in Washington. He also serves as senior editor and producer at Circle of Blue, an independent online multi-media news organization covering the global freshwater crisis. He has won two George Polk Awards, among the most prestigious in American journalism.

The Public Life Foundation of Owensboro is the sponsor of the Citistates project. Established in 1996 by John Hager, former owner, editor and (with brother Larry Hager) co-publisher of the Messenger-Inquirer, the foundation fosters broad and meaningful citizen participation in community decisions and public policy. The foundation studies public issues; commissions research; publishes articles, reports, discussion guides and more. PLFO creates opportunities for civic engagement and public dialogue through focus groups, public forums and town meetings.

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Owensboro, Kentucky, May 2036 -- On a sky blue Ohio River morning Mayor Denise Rose walks from her home on Baylor Place to a station platform on Frederica Street where she boards the sleek red and white Owensboro streetcar. The 15-year-old line links the shopping district at Southtown Boulevard to a downtown loop bounded by Third Street, Hathaway, and Ninth Street.

The ride, on dedicated tracks in Frederica's wide center, is inexpensive and worth every penny. The view from the clean glass windows is a tour of a mid-size southern city founded in the 19th century, and renowned in the 21st century for risk-taking, innovation, collegiality, and hospitality.

Just beyond the line's Southtown Boulevard terminus is Daviess County's thriving farm sector, historically among Kentucky's most productive and profitable. A new generation of growers is tapping multiple markets that includes Asia's unyielding demand for grain, Owensboro's own biotechnology sector that converts plant genetic material for a \$35 billion global pharmaceutical market, and for switchgrass and other sources of plant sugars to convert to biofuels.

During the last 25 years, the joint Owensboro-Daviess County Food Policy Council, a panel of citizens, market gardeners, academics, and food industry executives also fostered the investments and connections that generated a \$150 million-a-year local foods sector that employs 1,000 people to produce, transport, and sell fresh food produced in Daviess County.

Local food and the region's recreational facilities – kids say the swimming lake and park are great during the ever-hotter summers – help reduce obesity and lower levels of heart disease, arthritis, diabetes,

Recommendations For More Success

- 1. Undertake a New Community Strategic Plan**
A new strategic planning initiative is needed to propel the city and county to the next stage of its progress as a center of opportunity.
- 2. Cultivate and Recruit Women to Serve as Elected and Appointed Leaders**
Almost 52 percent of Daviess County's adults are women and that percentage is not reflected in elected positions in the city or county governments.
- 3. Strengthen Internal and External Marketing and Communications**
More focused outreach is vital to show citizens why a publicly-funded program of education, downtown development, and innovation makes sense in strengthening the economy over the next generation.
- 4. Establish a Joint City-County Office of the Ombudsman**
Thin out the cross-cutting permitting process while also providing the fairness and access that citizens expect.
- 5. Establish and Fund the Owensboro Promise**
Provide every graduate of the six Owensboro, Daviess County, and Catholic high schools scholarships for tuition and fees to attend a two- or four-year college in or outside Kentucky.
- 6. Establish the Owensboro Top 20 Young Achievers Program**
Provide the most talented young adults the chance to be part of Owensboro's future and to stay connected.
- 7. Foster Local Foods and Develop More Recreational Infrastructure**
Healthier cities note their success as a marketing advantage in promotional campaigns.
- 8. Generate More Diversity in Civic Life and Improve Business**
Recruit investment and development capital from Asia, and especially from China.
- 9. Promote New and Cleaner Energy Sources**
Owensboro's city-owned utility should serve as an innovator in carbon reduction technology, conservation, efficiency, solar development and other cutting edge thinking about energy production and consumption.
- 10. Strengthen Transportation Hubs, Build a Streetcar Line**
Owensboro's opportunities over the next two decades are significant in air, ground, and river transportation.
- 11. Put a Brake On Sprawl**
Replace the love affair with big surface parking lots with a marriage to homes and businesses, recreation, and education infrastructure that is reachable on foot, on a bike, public transit, or a very short car ride.
- 12. Promote Events and Bluegrass Music**
Design and develop a new music center that houses the International Bluegrass Music Museum.

and other illnesses connected to being inactive and overweight. That, in turn, has improved civic vitality and reduced health insurance rates, which makes employment expenses and the cost of doing business in Owensboro more competitive.

Measure and Seize Market Opportunities

While much of the nation cowered in fear of the future during the first decades of the century, and voters elected men and women to office who countenanced disinvestment – lower taxes, less spending on education and research – Owensboro did just the opposite. In a century of rapid and arduous transformation, Owensboro and Daviess County updated their operating systems to not only keep pace with the velocity of change but also to be skillful enough to measure what market opportunities fit and to seize them. The result is an uncommon American community - productive, healthy, educated, and secure.

The Frederica line passes Kentucky Wesleyan College and Brescia University, both of which more than doubled their enrollment since 2015 and added dozens of new faculty positions. All three of Rose's children were educated in Owensboro's strong public school system, gaining theater, engineering, and business skills in trend-setting academies. All three also were awarded scholarships from the Owensboro Promise, a program modeled after the Kalamazoo (Mich.) Promise, which pays college tuitions and fees to any graduate of the six city and county public and private high schools.

Two of her children attended Kentucky Wesleyan because the Owensboro Promise provides added financial incentives to encourage local graduates to attend any of the four institutions of higher learning in Owensboro. That program feature has the effect of adding local talent to the area's business and service sectors, and strengthening local higher education institutions.

Rose is the third woman in a generation elected mayor of the growing city of 80,000 residents. Now in her second term, she and the city commission just finished a governing pact with Daviess County that draws the two governments closer than they've ever been.

The agreement assures that local government will continue to foster

Owensboro's renowned state-of-the-art management practices that ensure services are delivered efficiently. It also enables the city and county to continue attracting new businesses and raising sufficient revenue to invest in public projects – research, education, infrastructure, transportation, health, local foods, and housing -- that leverage the private spending that generates well-paying jobs and civic wealth. Rose's presence aboard the streetcar, crowded at the morning rush, is acknowledged with polite hugs and warm handshakes.

A little further on Frederica, Rose passes Brescia's dorms and classroom buildings, built over a decade ago, that have provided an architecturally distinguished gateway to Owensboro's downtown, now a rich mix of street-level restaurants, stores, bars, and professional offices with nearly 4,000 apartments on the upper floors. Downtown also boasts the state-of-the-art International Music Center, on the site of the old state office building and also home to the International Bluegrass Music Museum. The center is responsible for attracting 200,000 visitors a year to Owensboro.

Mayor Rose was raised in Owensboro and came of age as a high school student in the first decade of the century, when Owensboro and Daviess County collaborated to finance big ideas like a convention center and a new downtown. The Frederica streetcar line is a path across a landscape heavily influenced by those early-century projects, and the citizens and pragmatic leaders who made them possible.

Leadership and Civic Consensus

But Rose and her current colleagues aren't resting. Nothing about what she sees every weekday morning from the streetcar -- and a good number of weekend days, too, because good public transit has meant her family needs just one hydrogen fuel cell-powered car -- has been easy to achieve.

Every decade or so Owensboro and Daviess County voters thoroughly debate the civic contest between self-interest and collective action. In government terms, that translates to policy that either focuses on tax cutting and stingy public spending, or welcomes risk taking and imagination. Elections have consistently been won by men and women who valued the latter, an important distinction in an age of

aggressive competition for shallow pools of public funds administered by Frankfort and Washington.

One reason that has occurred is that local voters insist that Owensboro City and Daviess County governments collaborate. Instead of rivalry and confrontation, the two governments view themselves as partners, working together to set and achieve aggressive economic goals, and opening more of their deliberations to gain the transparency and fairness that voters seek. That, in turn, has built trust and accelerated the time needed to make important decisions, a competitive advantage for businesses and institutions trying to keep pace with swift market changes.

Some 10,000 people now live in downtown Owensboro, an area loosely defined by the streetcar line loop, and 25,000 people work there. Owensboro's downtown also is served by an inviting pedestrian and bicycling pathway that traverses the city's riverfront park, slips by the active convention center and eight downtown hotels, and is connected to the big city and county parks on the 45-mile Greenbelt.

Even at 8:00 a.m. on a Monday, city sidewalks are bustling with workers and residents. Along with the two city college campuses, Owensboro Community and Technical College and the local Western Kentucky University campus turn out capable graduates that have made the city a hub of entrepreneurial enterprise. Signs fixed to storefronts and offices indicate thriving businesses in health, high-tech equipment and instruments, music, food and agriculture, international investment and trade, services, hospitality, and energy.

In fact, scattered atop city and county homes, and on the roofs of businesses and schools, are shiny blue and silver photovoltaic arrays generating electricity from the sun, and revenue for local governments and homeowners. The Owensboro Municipal Utility, which developed the solar program, is a noted and cutting edge generator of cleaner alternative energy, and an innovator of carbon-reducing fossil fuel power.

Arguably the most useful outcome of the utility's advances has been to help build applied energy research and training programs at Owensboro's high schools and colleges. That has yielded a steady stream of skilled and committed professionals to staff the city's energy-focused

manufacturing, research, and management sector that generates \$300 million in annual combined sales and employs 2,000 people.

Just as significant, the utility's focus on cleaner power sources, conservation, and energy efficiency have helped power bills stay lower than almost anywhere else in the country. That, in turn, helped preserve 5,000 good jobs in the regional aluminum smelting and fabricating industry.

Intelligence and Good Public Assets

Owensboro's airport attracts 225,000 passengers a year flying non-stop to hubs in St. Louis, Nashville, Las Vegas, Orlando, Dallas, Atlanta, Chicago, Detroit, Pittsburgh, and Raleigh. The city's Riverport, the focus of a \$50 million modernization and expansion in the 2010s, is a hub of national and global commerce. Its operations are supported in part by the joint city-county Office of Global Trade, which is charged with advancing the commerce of existing businesses that are owned by overseas companies. The office also recruits new businesses and investments principally from Asia, which has surpassed North America and Europe as the world's largest regional economy.

Among Mayor Rose's many duties is promoting Owensboro's economy and quality of life at conferences around the country. When asked about the critical decisions that led to the region's success, she offers a clear explanation. Owensboro became a laboratory for civic rebuilding, she says, because unlike the national government, and so many states and local governments, it pursued a vision of prosperity in the face of long odds over many years. It fended off the cramped and uninspired politics of tax cuts and layoffs.

The ability to act as a cohesive community and make rational decisions, Rose tells audiences, yielded an uncommon power to take action in a way that produced a region reborn. Year after year now Owensboro and Daviess County benefit from steady gains in median incomes, more high-paying jobs, new business starts, increasing housing values, and other indicators of economic well-being.

What she has a harder time explaining to outside audiences is what Owensboro residents have come to recognize about their region.

Seated next to the mayor on the Frederica streetcar is an attorney, raised in Owensboro, who just returned home to start her career. She thanks Rose for all the mayor has done for the city.

Even young people now understand that Owensboro's ability to break through the squabbling and inertia raised standards of living and fortified the authentic core of what makes Owensboro such a distinctive place in America. Its heart. The capacity Owensboro residents have to be warm and welcoming.

People in Owensboro answer their phones. They smile and hug at public events and ask about the new job, the rec league softball score, the kids. They connect and like to stay connected. Though Owensboro has grown to a mid-size city in a county that has 150,000 residents, the spirit of the region is still small town, where people aren't so stretched by time or personal finance or loneliness or fear. The downtown farmers market along the river is a hive of human chatter and connected networks. So is City Hall, where public meetings are well attended and civil.

Owensboro, Mayor Rose remarks to the young lawyer, is a truly great place to be. "Yes," the woman agrees, adding with a mix of pride and privilege "and we live here."

Brave Reckonings, Then A Nap

The scenario of aspiration that opens this third and final chapter of *What's Done, What's Next: A Civic Pact* reflects what is possible following Owensboro's brave early 21st century reckoning with the era of stalemate and stagnation that is scarring the United States.

It represents a choice city and county residents will consistently need to make between the grim consequences of austerity and the commanding logic of investment, entrepreneurship, and imagination. From 2005, when federal funds were secured for a new \$40 million Ohio River retaining wall and park, to 2011, when the city commission approved the \$47 million convention center, Owensboro and Daviess County seemed to tilt in favor of the latter.

But the results of the 2010 election indicate that Owensboro and

Daviess County have not reached a consensus about how to win the future. By a margin of 55 percent to 45 percent Daviess County voters helped elect Senator Rand Paul, a Tea Party-sponsored critic of taxes and government spending. And the weight of the Daviess County Fiscal Court shifted to fiscal conservatives.

The city and county are now in danger of repeating the 60-year pattern that has marked big community initiatives.

Since the early 1950s, Owensboro's views of the appropriate role of the public sector in encouraging private sector development have swayed back and forth. For instance, in the first years of the 1950s, in tremendously far-sighted acquisitions designed to advance the economy and quality of life, Owensboro's leadership recruited Brescia University and Kentucky Wesleyan College to the city. Then Owensboro relaxed in its work to develop a more robust higher education sector until the mid-1980s, when the community college was founded.

In the late 1980s, local governments and the state spent \$100 million to land a Scott Paper company plant and 350 jobs, and in the early 1990s built the RiverPark Center as an anchor for a new downtown arts and entertainment sector. But it wasn't until a series of strategic planning efforts from 2006 to 2008 by the Greater Owensboro Economic Development Corporation, the Public Life Foundation of Owensboro, and the Owensboro city government that the region decided to blaze a fresh path to civic renewal, one that emphasized downtown redevelopment.

Confrontation In Two Arenas

In effect, Owensboro and Daviess County confront fierce contests in two arenas that require highly developed levels of definition and understanding. The first is external. Outside the country information technology, foreign competition, and terrorism have unnerved Americans. The nation's customary feeling of command and control has been disrupted.

Taking its place inside the United States is a state of reaction that whipsaws between fear and thoughtless decisions that are eroding the country's self-confidence. The nation's two century-old democracy

suddenly seems immature, and its leadership both ineffective and reckless.

The second confrontation is internal. From 2005 to 2011, Owensboro displayed a rare capacity to reach agreement on a downtown development plan and business retention strategy that was intelligent and practical. Unlike decisions in Washington and most states, the city and county reached compromises on investments that will ultimately prove to be more valuable than most residents believe is possible.

But Owensboro and the county, mindful of the 2010 election results, could easily retreat from the unity that the downtown development project represents. If it does, the city and county will quickly arrive at the same economic dead end of argument and grievance that has damaged so many other places in the United States. Paraphrasing New York Times journalist Tom Friedman, if Owensboro and Daviess County rein in their ambition, that could readily transform the few tough years that lie ahead for Owensboro into a bad century.

To be fair, it's understandable that in the 2010 election Owensboro and Daviess County citizens and a good number of its elected officials exercised caution and seemed so ready to hug tightly to the old patterns and economic ideals of the 20th century. For a long time those tools worked. The prevailing market conditions shaped a popular national purpose, a big target of where to aim, and a clear picture of what economic success looked like.

That picture, which came to be known as the American Dream, was first introduced at the 1939 New York World's Fair in the General Motors-sponsored Futurama exhibit. Futurama was a huge diorama of a highway-heavy, congestion-free, car-dependent, time-efficient, leafy green all-American suburban pattern of development that no one had ever seen before.

A Pattern of Civilization Fit For One Century That No Longer Works

The exhibit was a smash. Visitors were transported in egg-shaped seats on a soaring conveyor belt across a landscape of innovation, creativity, and optimism. What astute observers recognized was that

GM's new American geography needed enormous public investments in the roads, sewers, education, research, planning, and industrial infrastructure to make it reality.

The shining and mobile American way of life displayed by GM, moreover, was eminently achievable. It fit the essential market opportunities of its time – cheap energy, low cost land, moderately rising population, competitiveness in core industries, rising family incomes, growing government wealth, and the willingness of taxpayers to invest in the nation's future.

Over the next two decades voters elected to Congress and the White House lawmakers of both parties who cooperated in steadily enacting big and expensive bills — the GI bill to educate veterans, lending bills to put them in new homes, the 1956 Highway Act to start the Interstate system, water and sewer spending bills, research grants for engineering — that changed the way America looked and functioned.

The problem Owensboro and the rest of America confronts is that the spread out patterns of American civilization, and the economy that supports it, no longer fit the times. All of the underlying market trends that produced the drive-through economy have flipped. Energy prices are high and steadily rising. Land is expensive. Entire core industries, and millions of jobs, have moved beyond our borders. Median incomes, in real dollars adjusted for inflation, have fallen 10 percent since the late 1990s. Governments operate with enormous deficits. Taxpayers are unwilling to invest in a collaborative future.

The result is a nation with fewer choices and less mobility, a nation that is uncharacteristically hesitant and afraid. And while ideologues on all sides shout past each other, and make holding office a thankless and grueling experience, the real danger in our governing circles is the deepening of our trench warfare politics. Battling. Holding the line. Not deciding. Not acting.

Owensboro Takes A Different Path

Owensboro has always regarded itself as a kind of Heartland island – difficult to reach, distinctive in its habits, and parochial in its choices. That may explain why in the first decade of the century the city and

county resisted the corrosive effects of retrenchment. Whatever the reason, it's paying off.

These are some of the measures of Owensboro's achievements:

- Revenues from Owensboro's occupational tax rose 7.8 percent last year, the highest on record. City finance officials predict that because of new job growth downtown and at the Owensboro Medical Health System hospital under construction east of town, revenue will continue to grow 5 percent annually for the foreseeable future.
- For seven straight years city government has ended the fiscal year with surpluses, most recently with \$1.1 million in its accounts at the end of the 2010/2011 fiscal year. The city, in fact, has \$10.8 million in reserve in its general fund and \$2.2 million in interest income in its Sanitation Fund.
- Daviess County, meanwhile, established a \$1 million economic development fund earlier this year to encourage entrepreneurs.
- Airline service is growing, and the Owensboro-Daviess County Regional Airport this year received \$2.1 million in state loans and a state grant to expand the passenger terminal.
- Daviess County's unemployment rate has fallen to 7.7 percent, well below the national rate of 9.1 percent. For two years in a row Daviess County produced more new jobs, 2,400, than any other city in Kentucky.

Still, Big Problems Defy Solutions

That's not to say that the city and county don't have big and unyielding problems. A view of those challenges include these trends impeding the community's goal of improving the lives of its residents:

- Though jobless rates are going down, thousands of adults are not working. Poverty rates have soared. A new report from the U.S. Census finds that the percentage of children in poverty in Daviess County increased to 28 percent last year, from 16 percent in 2000.

- Long-term pension obligations are rising for public agencies. Pension payments for Daviess County Public School teachers will rise from 0.5 percent of the budget for teachers salaries this year, to 3.0 percent by 2016, or \$1.1 million annually, according to county school figures. The total budget for salaries and other expenses for county public schools in 2011/2012 is \$105 million.
- Despite cutting 30 full-time jobs from the city payroll since 2003, Owensboro's long-term pension obligations also are climbing about \$500,000 annually, according to city figures. In the current 2011/2012 fiscal year, city pension contributions to a state-managed fund will reach \$4.43 million, 11.1 percent of the city's \$39.76 million budget, or more than twice the pension contribution in 1988-1989.

By 2018, the pension costs to the city are projected to reach \$7.75 million, or nearly 15 percent of the projected \$52 million city budget. Bill Parrish, the city manager, asserts that the downtown development projects will attract businesses and jobs, and that rising tax revenue should cover increased pension costs without increasing taxes. Other authorities who have studied pension costs and the budget predict city taxes could rise as soon as 2013. The city has joined other local governments in lobbying the state Legislature to adjust the formula for the state-managed pension fund to reduce the rate of increase in pension payments in order to avoid tax hikes.

Owensboro and Daviess County also confront a health crisis with significant economic ramifications.

- A recent national study found that while the city and county rank high among Kentucky communities in accessibility to clinical care, and social and economic conditions, the area also ranks 88th among Kentucky's 120 counties in the quality of its physical environment.
- An earlier 2004 state study of the region's collective health found that Owensboro ranks poorly among Kentucky counties for rates of obesity, heart disease, and diabetes. More than two-thirds of Daviess County's adults are overweight or obese, and nearly 40 percent of children also are overweight or obese.

Rates of drug use are on the rise, say City Police Chief Glenn Skeens and Daviess County Sheriff Keith Cain and are reflected in rising number of arrests for possession and distribution of methamphetamine. The consequences, they say, for family stability and school performance are severe:

- Rates of teen pregnancy, for instance, are high and rising, according to health department data.
- Drug use also makes it more difficult for Owensboro to increase the number of adults who graduate from high school and attend a two- or four-year college.
- U.S. Census figures show that less than two in ten people over the age of 25 in Daviess County are college graduates, a rate considerably lower than the national college graduate rate of nearly four adults in ten. And this is occurring in a city that has four institutions of higher learning and more than 8,000 students.

A Proposed New Narrative For Owensboro

Such trends are a reality check for a city and county that really aren't that far removed from the mainstream. Still, Daviess County's most recent narrative is an exception. Local governments are actually leading – understanding the globally competitive context, visualizing the local response, then deciding and managing specific actions.

Working collaboratively with each other, as well as with schools, colleges, business organizations, and non-profits, the city and county have gathered the raw materials of a mission-oriented community environment that allows entrepreneurs and their staffs to flourish. The result, already emerging, has led to more home-grown businesses where effective executives are rewarded with opportunities to move up in the organization instead of out to a different job in another place.

Great communities are distinguished by their ability to instill such value-based incentives, which reward hard work and provide favorable conditions for people to succeed. The United States in the first years of the century has temporarily lost that ability. Owensboro offers invaluable lessons about how to recover that skill. It is steadily

empowering its young people and its business owners to be adept in an unpredictable era of transformation.

Owensboro, it turns out, is an example of hope for a sore and confused nation. It is trying something new in order to spark something different. Here are recommendations, several of which were also made in previous Owensboro planning documents, to blow more oxygen into the fire of change that Owensboro has started.

These suggestions are not all-inclusive. They don't, for instance, deal with the medically uninsured, or alterations in Medicare and Medicaid that are likely in the next generation, and will affect Owensboro's growing population of seniors, and the region's less economically fortunate.

These recommendations, rather, focus on what Owensboro's residents and leaders can achieve over the next generation to write a new narrative for what Mayor Ron Payne calls "this little city on the move."

1. Undertake a New Community Strategic Plan – From 2006 to 2008 Owensboro completed several strategic planning initiatives in and outside government. They led directly to the focus on downtown development, the Gateway Planning Group's inventive master plan, and the realignment of city government staff and services to reflect the fast-changing fiscal environment.

A new strategic planning initiative is needed in 2012 and 2013 to coincide with the opening of the convention center and to propel the city and county to the next stage of its progress as a center of opportunity.

2. Cultivate and Recruit Women to Serve as Elected and Appointed Leaders – As we noted in Chapter One of *Civic Pact*, 11 women serve in elected leadership positions in the city and county, 10 more than in 1991 when the Peirce Report was published. Still, almost 52 percent of Daviess County's adults are women, and that percentage is not reflected in elected positions in the city or county governments or on the important government advisory boards. All largely remain white, middle-aged, and male.

A visible departure from this trend is the Greater Owensboro Cham-

ber of Commerce. Three of the last four chamber chairs have been women, including the current chair, Shirley Cecil, the chief marketing officer and vice president of Republic Bank.

Still, only a handful of women run for seats on the city commission or county fiscal court. In the last nine years, just three women gained city commission seats including Pamela Smith-Wright, the current mayor pro-tem. Just one woman ran for mayor over the last several years and lost. One woman ran for the fiscal court, and also lost.

In interviews, women in Owensboro offered a number of views about the causes of the region's anachronistic hierarchical and male-dominated governing approach. But all agreed on the negative consequences.

Owensboro is missing the leadership abilities of more than half of its adult population. "We're losing the female approach to problem solving," said Martha Clark, a retired accountant and co-founder of Impact 100, a prominent philanthropy. "Some people might say we don't have enough qualified women. I don't buy that. There are as many qualified women as necessary to run for office and to serve on these boards, and are willing to serve."

3. Strengthen the City's Internal and External Marketing and Communications – Owensboro and Daviess County are in desperate need of a strong governmental communications and public education office. More focused and persistent outreach is vital to show visitors and citizens why a publicly-funded program of education, downtown development, innovation recruitment, and events makes sense in strengthening the economy over the next generation. The region also has to develop better promotional videos that express the city's dynamism. Think Lady Gaga not Pat Boone.

Highlighting community assets and achievements is important to share with tourists and business prospects, but also with residents. Owensboro needs to promote civic pride, and shape a stronger sense of community. A place to start is in the city and county high schools, which could develop mandatory civics courses that include sections on community identity and leadership.

As we've reported in *A Civic Pact*, Owensboro and Daviess County are establishing the region as a center of sophisticated and smart civic action. New investment is leading to growing numbers of new businesses and the expansion of existing employers. Owensboro decided on a development strategy that is working. The city and county broke away from the national vector of decline to soar in a different direction. How that happened, and the effects it's had on workers, business owners, and community vitality are the necessary facets of a nationally significant civics lesson. They also form the basic ingredients of Owensboro's new brand.

Words matter. Public agencies need to get serious about straightforward communication; getting the messages aligned with where the interests and fears of voters are, and where the city now lies. Otherwise, Owensboro descends into the same well of grumpiness as much of small-city America. So far, Owensboro has shown an unusual capacity to build on its assets. Both the attitude and the assets have to adapt.

4. Establish a Joint City-County Office of the Ombudsman – Provide businesses and developers a surer path through the permit approval thicket in city and county government, and simultaneously provide citizens with greater access and opportunity in decision-making. The intent here is to improve certainty, speed decisions, and enhance fairness for investors and citizens. There is much work to do to thin out the cross-cutting permitting process while also providing the fairness and access that citizens expect. The city and county can help do that by establishing an Office of the Ombudsman, jointly overseen by the city and county, that employs at least two professionals to advocate internally to assist executives and citizens.

The Office of the Ombudsman also is charged with ensuring that the city and county hold more effective and better-attended public meetings prior to and during the consideration of big civic decisions. While it is understandable that government officials are anxious to move as quickly as they can to open and finish deliberations on important projects, avoiding full-throated public dialogue often slows the process. Opponents have ample opportunity to exert their veto power in active citizen campaigns, administrative appeals and, in rare cases, court action.

Owensboro's public officials need to do a better job of communicating their intent and taking public review and comment as a necessary and valued part of decision-making. Owensboro is fortunate enough to have the Public Life Foundation as a respected and impartial communications asset. The foundation's staff is expert in convening forums, meetings, and public events, as they did in August 2011 when the foundation worked with the city to hold three forums to explore the various design and cost features of the new convention center.

The Office of the Ombudsman should work with the foundation to hold public meetings and make sure that Owensboro's citizens are informed and comfortable with the steps city and county government make to strengthen the economy and quality of life. The result will be a more open, transparent, efficient and effective public process. Good decisions will reach their conclusion more quickly, and poor projects can be jettisoned before they achieve momentum.

5. Establish and Fund the Owensboro Promise – Modeled after the very successful Kalamazoo (Mich.) Promise, the Owensboro Promise provides every graduate of the six Owensboro, Daviess County, and Catholic high schools scholarships for tuition and fees to attend a two- or four-year college in or outside Kentucky. The scholarship program provides additional incentives to encourage high school graduates to attend Owensboro's two- and four-year colleges. But the scholarship is not intended to limit choice.

The intent is to provide local high school graduates the opportunity to pursue two- and four-year degrees at any qualified out-of-state or international university. If Owensboro is a cool enough place, with a thriving culture of young adults consumed with energy and creativity, its local students will want to return home after their education.

In addition, the community has a big opportunity to expand the Owensboro Promise nationally and internationally and fully fund scholarships for top students from outside the region to attend college in Owensboro. The idea is to provide funding to recruit the finest and brightest high school seniors in the nation and world to be educated in Owensboro. They would be offered four-year undergraduate degrees plus a graduate degree (masters or PhD) for free. In exchange the community would secure a contractual agreement for the student to

stay and work in Owensboro and Daviess County for a minimum of five years.

This is long enough for a healthy percentage of the scholarship students to become enmeshed in careers in the community, marry, have children, and become fully engaged in community-building. It also would contribute to Owensboro's new brand as an immensely attractive place for high school and college students, and young adult professionals and workers.

The Citizens Committee on Education has been working on the idea of an Owensboro Promise for several years and has proposed funding it through utility bills though Owensboro Municipal Utility says it doesn't have the technical capacity to implement the program.

That should not prevent Owensboro from pursuing a big and innovative higher education scholarship program.

There are other ways to develop the Owensboro Promise through philanthropy. Owensboro has a long experience in administering the \$16 million John B. and Brownie Young Memorial Scholarship, which this year will award \$900,000 to 408 high school graduates in Daviess and McLean counties, said Martha Clark, the accountant who administers the program through BB&T Wealth Management. The scholarship is based on need, and students qualify by graduating in the top third of their class. Typical awards, provided to Owensboro graduates only for the first year of college, are \$1,000 to \$2,000.

Clark said in an interview that although rules governing the Young Scholarship have been in place since the 1960s, it could be useful to leverage the history and performance of the older scholarship program to make the case and raise funds for a new regional scholarship project.

Clark also is the co-founder of Impact 100, a five-year-old philanthropy that has awarded \$1.24 million in large grants to worthy community projects. The fund raising expertise of the Impact 100 board and membership would be valuable in assisting the development from private donors and foundation funds of a stable fund balance large enough to finance the Owensboro Promise.

The idea of a big scholarship program merits close attention. The Kalamazoo Promise was established in 2005. In its first five years it awarded \$21.3 million in tuition and fees to 1,924 city high school graduates, or more than 80 percent of those eligible. About a third of the students attended two- and four-year colleges in Kalamazoo, which also has benefitted from higher public school enrollment, higher rates of high school and college graduation, and more business activity. The Kalamazoo Promise fund balance, contributed by anonymous donors, is estimated at \$80 million to \$100 million. Kalamazoo schools graduate under 500 students annually, or a little less than half of the number of graduates from Owensboro and Daviess County high schools.

6. Establish the Owensboro Young Achievers Program – Many of Owensboro's most talented young adults choose to pursue their lives outside of the region. Give those people a chance to be part of Owensboro's future and to stay connected. The idea here is to encourage top graduating seniors in Owensboro's high schools to compete to be recognized among the Top 20 young adults in the region.

The Top 20 distinction would not be merely academic, but would also include athletes, entrepreneurial students, community-minded students, and other young people that excel. A panel appointed by the city and county governments choose the Top 20.

The elite nature of the honor would attract applicants, who seek such distinctions for their college applications and resumes, and for first jobs. Events would be established to honor the awardees and to encourage the group to both establish goals for community enrichment and commit their time to helping achieve them. Very quickly, the Owensboro–Daviess County Top 20 would attain state and national stature, and become an event and mission-oriented program that keeps awardees plugged into community projects. It also invites Top 20 honorees to periodically return to Owensboro for events that build the group's cohesion and the community's visibility. The point of the Top 20 project would be to keep smart and effective area high school graduates engaged in improving their home town, from wherever they live.

7. Foster Local Foods and Develop More Recreational Infrastructure to Improve Public Health – Rising rates of obesity are a serious health and economic risk in Owensboro and nationally. Insurers are steadily moving toward coverage programs that reward employers and employees that are normal weight and penalize high-weight organizations and employees, just as there now is a ratepayer bias against smokers.

In addition, healthier cities are noting their success as a marketing advantage in promotional campaigns.

A number of steps to improve public health are needed:

a. Establish an Owensboro pure healthy foods campaign in the region's restaurants that also serves as a civic brand. Award cash prizes and incentives for menus that are lowest in fat, calories, highest in taste and value.

Healthy Horizons, a volunteer group supported by OMHS, promotes wellness, anti-smoking programs, fitness, nutrition, etc. The Farmer's Market organization surely would be interested in such a program and may be doing similar things.

b. Provide technical and financial assistance to encourage pure healthy home grown foods and build a garden market sector to supply local foods to schools, institutions, restaurants, markets. A non-profit organization to lead and coordinate this new sector will help speed its development. Local food production could be a \$150 million industry employing hundreds in production, distribution, education, and marketing. And such a new garden market sector reduces costs in the high-priced energy and transportation era unfolding now.

c. Build a farmer's market downtown on the Ohio riverfront.

d. Establish bike lanes on city streets and promote bicycling as a reasoned, healthy, low-cost transportation alternative. Expand the greenbelt to 45 miles, and connect city and county parks with bike and walking paths. Include age-appropriate bike safety instruction in both elementary and secondary schools and make it imperative that drivers cannot get a license in Daviess County without knowing the

rules of bicycle traffic and safety. That change alone would improve safety and reduce bicycle-related accidents.

e. Build a lake and public swimming beach as a new piece of recreational infrastructure, an important new installation in an era of rising summer temperatures. The lake would be a vital addition to two public pools and six private club pools that exist today in Owensboro.

f. Establish public education programs to teach children and adults how to prepare healthy foods so they taste good, and bring those prepared healthy foods into schools.

g. Turn to the Green River District Health Department to establish metrics -- size of garden market sector, sales of local healthy foods, declines in sales of fast and fried foods, improved academic performance, changes in rates of obesity and associated diseases -- and promote the results regionally and nationally.

Access to recreational resources, education attainment, improved public health, quality natural resources, and access to pure healthy food are at the top of the 21st century list of what makes communities competitive and livable.

8. Generate More Diversity in Civic Life and Improve Business

– Economic opportunity attracts new residents and compels talented young ones to come back. One step to improving economic opportunity and simultaneously establishing more diversity is to recruit investment and development capital from Asia, and especially from China.

Owensboro is well-positioned to attract Chinese capital to a beautiful river valley near the center of the United States. Moreover, it can put itself in position at the start of the nationwide race to develop relationships in China's growing centers of investment capital and attract Chinese investors.

A model for the opportunity that exists in China is Toledo, Ohio. The northern Ohio city of 287,000 residents has attracted Chinese investors who in the last 10 months have spent almost \$5 million on city-owned parcels to develop a \$300 million mixed-used development on the Maumee River, and just purchased a 400-room downtown hotel to

convert into a \$40 million business condominium for Asian businesses eager to set up offices in the Midwest. Many more projects are in the works, said Scott Prephan, a realtor and business consultant who has helped Toledo Mayor Mike Bell and his staff recruit prospects in China.

Chinese investors are willing to take more of a risk than U.S. banks or venture capitalists. But they also need to be personally cultivated over time.

The city and county should start an international commerce office to penetrate the Chinese market and recruit investors to the region. In an interview, Prephan offered these initial steps to get started:

1. Organize business, government, and education leaders to work together so that there is a single focal point, and a single recruitment message. "Chinese investors look for unity in the community, one point of contact, and everybody on the same page," Prephan said.
2. Find and cultivate a close partner in Asia who is well networked in the Chinese business community.
3. Develop technical expertise in Owensboro – lawyers, accountants, engineers, trade experts – who will volunteer their time and be paid later from fees they earn from new projects.
4. Ensure that the recruitment project is well-funded for travel to bring delegations from Owensboro to meet prospects in China, and to host dinners and events in Owensboro for Chinese visitors.

9. Promote New and Cleaner Energy Sources – After assessing a decade of national, state, and regional trends in technology, policy, public views, investment patterns, and costs it's not difficult to predict that coal, natural gas, and oil will continue to be the primary suppliers of energy in the Ohio River Valley and in Owensboro. But high prices for fuel will alter patterns of consumption, and climate change is almost certain to be seen in Kentucky and the U.S. as a much more significant health, environmental, and economic threat. Temperatures are rising. Floods and big storms will be more numerous and ruinous.

Clear policy steps will be taken over the next quarter century. Ow-

Owensboro needs to accept the science as accurate, understand the technology, and be a leader in how to respond and not a follower. Its city-owned utility can serve as an innovator in carbon reduction technology, conservation, efficiency, solar development and other cutting edge thinking. It can do this work in partnership with local colleges and it can recruit businesses focused on developing new practices and equipment that enhance energy innovation.

The Elmer Smith power station presents an opportunity. The climate change challenge raises the stakes. In this area of Kentucky both power generation and distribution are key economic factors. Why not lead in the inevitable transition?

10. Strengthen Transportation Hubs, Build a Streetcar Line –

Owensboro's opportunities over the next two decades are significant in air, ground, and river transportation. The city and county can do more to support service expansion at the airport, which is producing more passenger revenue and attracting airline interest. Establishing the Owensboro airport as a larger regional hub enhances business recruitment and retention.

The airport recently announced plans to add connections to St. Louis and Nashville in addition to the Las Vegas and Orlando flights. It also gained \$2.08 million in state grants and loans to add 8,500 square feet to the 14,000-square-foot terminal.

Similarly, the Riverport also has potential to be a much larger marine transportation hub and its expansion and modernization, at a very reasonable cost (\$30 million to \$50 million), would strengthen Owensboro's competitiveness in national and global transportation markets for grain, metals, energy, and other cargo.

A third important idea to consider is building a streetcar line that runs in a loop through downtown and north-south on Frederica Street. New streetcar lines enhance downtown development in every city that has built one in recent years. They serve communities ready to substitute public transit for private vehicles, save money for riders, and would contribute to Owensboro's developing brand as an innovative community taking big steps to frame its future.

Dozens of communities are building or thinking of building streetcar lines, and competition for Federal "small starts" funding, specifically intended to partially finance projects under \$75 million, is intense. But it's not impossible, especially for communities that have a reputation for thinking big about energy efficiency, congestion, and downtown development. Owensboro needs to get serious about this idea quickly, and begin the process of recruiting federal support for grants that can reach \$50 million, or enough to fund most of the construction cost of a new three or four-mile Frederica line.

Here's another front on which Owensboro could declare its distinction. The streetcar could be remarkably catalytic. What nearly no one wants to talk about, of course, is the possibility of a serious crisis in fossil fuels—from any of many possible causes. Nearly all our communities are predominantly auto travel dependent.

Wouldn't it be smart for cities to take a "hedge fund" approach to investments – and get themselves ready for the worst possibilities. Yes, there's only so much money. But an Owensboro streetcar pushes the boundaries of what's possible, and compels residents and leaders to think bigger and longer-term than they ordinarily do.

11. Put a Brake On Sprawl – As Owensboro is discovering, proximity is an old principle of community development that in this century is steadily gaining exceptional economic value. Compact patterns of development cost less to maintain, are more convenient, and produce more efficiency in community operations. The outward centrifugal forces that in the 20th century pushed homes and businesses far from downtown centers are now operating in reverse. This is now the case in Owensboro, where more square feet of housing, retail, and office space is being built within city boundaries than in the county, according to the Owensboro Metropolitan Planning Commission.

A number of factors are at play here. But it is entirely accurate to report that the cities most determined to re-establish the downtown and neighborhood-centered pedestrian-friendly patterns of development that existed in the early decades of the 20th century are more competitive in an era of rising energy costs, declining personal and community wealth, busy schedules, and desire for community.

Owensboro needs to continue the campaign to replace its love affair with big surface parking lots with a marriage to homes and businesses, recreation, and education infrastructure that is reachable on foot, on a bike, public transit, or a very short car ride.

12. Promote Events and Bluegrass Music – Just as Cooperstown, N.Y. depends on the Baseball Hall of Fame for branding and the livelihoods of hundreds of its residents, and Cleveland has gained from the Rock and Roll Hall of Fame, Owensboro's identification as the center of Bluegrass music represents a formidable opportunity. The development of the convention center helps. The momentum to redevelop downtown also helps the city and county make the case for state, and potentially for federal funding to assist in the design and development of a new music center that houses the International Bluegrass Music Museum. The location of the old state office building makes sense.

Whether the existing structure can accommodate the music center museum or provide a compelling architectural statement for the city's downtown redevelopment plan needs to be subjected to community engagement. It's a good idea for Owensboro to work with the Public Life Foundation to schedule public listening and comment sessions as the idea gains traction in the community.

Owensboro needs to know if a new music center and Bluegrass Museum is a high priority for public investment. If it is, what other projects will it bump off the wish list?

A New Center Where The Old Existed

These recommendations, in concert with those Owensboro has already made, add up to a rare feat in American governance. Owensboro, in short, is busy rebuilding an essential feature of community life – its productive center.

For a long time, almost two generations, Owensboro and Daviess County had no apparent center. The well-formed latticework of streets and avenues along the Ohio River that served as the center for much of the 19th and 20th centuries had dissolved by the late 1970s into rows of moldering buildings and acres of surface parking. A rough count of the downtown lots on Google Earth finds over 1,200 parking

spaces, most of which are unoccupied during the week. The high-revving cheap fuel, fast food, four-on-the-floor engine of economic growth that stormed down the Ohio River Valley in the decades after World War II had, quite literally, leveled the buildings and flung the community's civic equipment all over the county.

By 1991, when writers Neal Peirce and Curtis Johnson arrived to study Owensboro and make recommendations in a series of articles for the *Messenger-Inquirer*, they were greeted by a community struggling to make sense of what it was. Peirce and Johnson implored Owensboro to “face up to a challenging set of shifts” in local and national economic trends and “make itself a more desirable place to live and ‘hack it’ in the harshly competitive world of the 1990s.”

It took 14 years for Owensboro and Daviess County to respond to that suggestion. But when it did, the community's new development strategy unfolded with sure purpose and persistence. From 2006 to 2009, in new strategic plans and a well-attended community forum, the Greater Owensboro Economic Development Corporation, We the People America *Speaks* 21st Century Town Meeting®, and the Owensboro city government reached a striking consensus on the steps needed to forge a new path to prosperity. One emphasized downtown redevelopment. A second promoted recruiting talented people. A third emphasized public investments to increase business development, entrepreneurs, and higher education.

In 2009, the city commission and county fiscal court jointly approved a downtown master plan and a tax increase on personal and business insurance premiums to raise \$80 million to support construction of streets, parks, and facilities. One of them is a \$47 million, 169,000-square foot convention center, the signature architectural statement of Owensboro's unfolding city core.

Downtown Landscape Yields Promising Result

Meanwhile, the public investment has already prompted \$32 million in private investment downtown in new shops, housing, and a 150-room downtown hotel. Taken together, Owensboro's rebuilding campaign has spurred \$172 million in public and private spending, generated more than 100 construction jobs, and over three dozen new private

sector service jobs. And the numbers are growing.

Even more important than the investment totals is what the public decisions seemed to signal about Owensboro's governing circuitry. The formula for success in the digital age, said city and county elected leaders, called for a rewiring of principles and values that helped businesses and institutions and didn't just leave people to fend for themselves.

In developing, financing, and rebuilding downtown, Owensboro seems to be setting out to prove that governments working together can champion programs that are responsive, flexible, and heighten the sense of shared responsibility. Owensboro, it appears, is on the verge of a policy and investment breakthrough worthy of state and national attention.

Keith Schneider, a New York Times writer since 1981, also founded and directed the Michigan Land Use Institute, one of the nation's premier smart growth organizations.