

Downtown Phoenix Rising:  
A Case Study of Two Organizations  
Building Social Capital for Urban Core Revitalization

by

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## ABSTRACT

This dissertation examines the way in which social capital, or productive networks, can be used to support downtown renewal. This case study examines the way in which Phoenix Community Alliance (PCA) and Downtown Phoenix Partnership (DPP)—two, critical downtown-focused organizations ostensibly founded for civic improvement—use social capital to advance downtown urban development initiatives. This case study also explores how and the extent to which new social capital is generated by PCA and DPP through the processes of planning, designing, and implementing downtown development projects and the kinds of initiatives this social capital enables, whether and how the focus of downtown Phoenix development has shifted over time, the challenges facing contemporary downtown development and role PCA and DPP might play in addressing these issues, and recommended strategies for advancing future downtown development through social capital that evolves as downtown needs change.

This dissertation contributes to the general understanding of how pivotal groups responsible for impacting downtown development and quality of life can become more effective in their roles by examining how they create networks pivotal to advancing urban downtown renewal. Research findings illuminate how community development groups can more effectively use networks to inspire downtown improvement. Findings emphasize the need to engage a broader downtown community, including both emerging and established organizations and those who desire to contribute to a diverse and exciting heart or city core.

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Finally, I acknowledge and thank all who participated in research interviews, noted in Appendix G. Their unique perspectives about downtown revitalization based on their many personal community contributions were essential for this report. Their insight contributed to the enclosed recommendations for inspiring a new leadership agenda for downtown Phoenix. These lessons learned can be applied to all groups responsible for creating networks that drive revitalization in downtowns across the globe.

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Downtown Phoenix Rising:  
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Chapter One

Downtown identity should come from a shared vision. In Phoenix, we've grown the outside first and then we came in to invent downtown.

– Terry Goddard, former Phoenix mayor

Introduction

Creating a vibrant downtown city is a lot like creating a vibrant family – it takes constant nurturing and evolution of a core relationship of diverse family members to weather the passage of time and changing circumstances. This presents both challenges, and opportunities for growing stronger and more mature as each family member contributes to the relationship. Current research suggests that a lively downtown requires social capital, and that no one person or group can create a revitalized downtown alone. Social capital is a concept incorporated into the social sciences during the past two decades (Putnam, 2000; Herreros, 2004) and is generally understood by scholars to mean the social structures and networks needed for sustaining collective action. According to Field (2003), social capital can be summed up in two words: relationships matter. In other words, people's social networks are valuable assets.

Leaders in downtown Phoenix, Arizona can learn about creating downtown vibrancy from the city’s history, as well as downtown revivals occurring in other cities. In 1900, Phoenix citizens shopped, socialized and gathered in the downtown “core” on Central Avenue (once called “Center Street”) between Van Buren and Jefferson streets. Sixty years later, the downtown area began to lose its charisma as the city’s primary gathering place as a new “uptown Phoenix” was created along north Central Avenue. The historic downtown area, once a place of gathering and commerce, became a place of decay and crime. By the late 1980s, a dramatic focus was placed on restoring what once was a lively downtown Phoenix community. This chapter introduces this research study and summarizes how, in only a half century, Phoenix expanded from a small desert town into the fifth-largest city in the United States – a city fueled primarily by population growth and the housing, developer, and real estate industry sectors, struggling to rebuild a lively downtown with the help of pivotal organizations dedicated to downtown renewal.

### Research Question and Contributions

The research question and primary focus of this study is to examine the way in which Phoenix Community Alliance (PCA) and Downtown Phoenix Partnership (DPP)—two, critical downtown-focused organizations ostensibly founded for civic improvement—use their *social capital* or valuable networks to

advance downtown urban development initiatives. Related to this, this study will also explore:

- How and the extent to which new social capital is generated by PCA and DPP through the processes of planning, designing, and implementing downtown development projects and the kinds of initiatives this social capital enables.
- Whether and how the focus of downtown Phoenix development has shifted over time.
- The challenges facing contemporary downtown development and role PCA and DPP might play in addressing these issues.
- Recommended strategies for advancing future downtown development through social capital that evolves as downtown needs change.

Phoenix Community Alliance (PCA) is an organization focused on planning, design and implementation of quality business development within the Greater Phoenix area, with initial emphasis from Interstate 17 to 24<sup>th</sup> Street, from Camelback located at the North, to Buckeye Road to the South and encompassing downtown Phoenix. The geographic area is continuously expanding and in recent years PCA has integrated an “opportunity corridor” into its areas of community-development support, now known as the Discovery Triangle. Discovery Triangle incorporates an area within the cities of Phoenix, Tempe, and Scottsdale. This corridor benefits from the core Downtown Phoenix area because of centralized sports arenas and major entertainment venues, providing a unifying place for

gathering, and quality-of-life amenities for recruiting talented employees to the entire Triangle region.

Downtown Phoenix Partnership (DPP) is the only Enhanced Municipal Services District in Phoenix, most commonly known in the development world as a Business Improvement District (BID). The scope of the services district is comprised of 90 square blocks in the core downtown Phoenix area. These two organizations are engaged in helping to create urban renewal in Phoenix. This research explores what types of human connections are being made, as well as *if*, and *how* these organizations are maintaining and strengthening relationships among people and groups that are critical for advancing downtown revitalization. The broader impact of valuable networks is examined to explore how social capital may serve as a driver of other forms of capital that could impact downtown renewal and development (including financial, human, physical infrastructure, and natural/environmental forms of capital).

We know that successful downtown urban development can only happen when citizens are engaged, when people bring their diverse networks together to make decisions and articulate a vision for the future (Jacobs, 1961; Lofquist, 1983; Community Resilience Project Team, 1998; Robertson, 2002). This study will contribute to the general understanding of how pivotal groups assigned to downtown development can become more effective in their roles by generating networks. By studying the role of groups that bring diverse organizations and individuals together play in downtown revitalization, this research will explore social capital theory, assessing whether and how social capital (influential

relationships and human connectivity) can help organizations meet the challenges of downtown urban redevelopment.

Despite a significant amount of literature that defines the meaning of social capital, as well as literature that addresses characteristics of successful downtown development, existing literature has not explicitly examined value and impact of networks on downtown revitalization. This study explores how citizen groups can begin to build social capital, or valuable networks, within their communities, creating a shared vision for a city's downtown. Important questions are addressed, such as when a downtown is threatened by decay, how can social capital jumpstart specific types of renewal and investments in an inclusive, authentic way? What strategies can allow downtown organizations to mobilize newcomers as well as traditional groups and power brokers? These questions point to the need for further examination of how organizations charged with downtown urban progress can effectively facilitate and use social capital as a driver for development.

During the past 150 years in its modern history since the early Hohokam people lived in the region and their ancient water canals were established, downtown Phoenix has been a community impacted by unique characteristics, both structural and history in nature. These unique characteristics continue to impact downtown Phoenix today and are discussed in this chapter.

Downtown urban development historically has been influenced by social capital – that is, productive networks that mattered as issues evolved. Exactly how does social capital compare to community-building? Whereas social capital can

be equated with valuable networks, as discussed further in Chapter Two, community building in *an active process*. Moreover, community building is the *act* of social capital formation, of strengthening community capacity to identify priorities and opportunities, and to foster and sustain positive change. Community building focuses on one or more of four, major strategies: Leadership development, organizational development, community organizing, and interorganizational collaboration (Chaskin, Brown, Venkatesh & Vidal, 2001). A “community” can refer to a geographic area set by boundaries, as well as to social attributes and interests such as ethnicity, language, custom and social class.

### Downtown Phoenix – Making a Comeback

Modern-day Phoenix was founded in 1867 when Jack Swilling reconstructed ancient Hohokam Indian canals, enabling the Salt River Valley to be farmed. From the post-Civil War years to the 1920s, Phoenix was established primarily through government policies and influential businessmen from other places who saw great potential to become wealthy through acquisition of cheap land and start-up commerce. The development of early Phoenix was the result of federal policies and the important local actions by a few business leaders who came to Phoenix with wealth and experience from communities elsewhere. These business leaders had both great impact and enjoyed significant economic return through developing downtown Phoenix. Their decisions often favored self

interest, profitability, and “utility of function” over aesthetic downtown form (Larson & Alameddin, 2007). With the ability to acquire large amounts of inexpensive land through the Desert Land Act of 1877 and National Reclamation Act of 1902, land speculation became an important economic driver within the Valley. Land in this desert environment was valuable for either farming or development only if it could be supplied with water.

Notable Phoenix leaders invested in building a downtown because of personal commitment beyond self interest, using their established networks and social capital for the good of the community. When Dwight and Maie Heard moved from Chicago to Phoenix in 1895, they brought with them an extensive network of wealth that continues to benefit downtown Phoenix today. The Heards’ extensive collection of Native American art became the focus of the Heard Museum. The Phoenix Civic Center was built on downtown land from the Heards’ estate, as was the City of Phoenix Burton Barr public library and the Phoenix Art Museum (Larson and Alameddin, 2007).

Benjamin Fowler was extremely active in persuading the federal government to invest in dam building leading to the creation of Salt River Project (SRP) in 1902. SRP, a water and power company, exemplifies the impact of early farming networks on developing trust and social networks based on mutual interests of survival and agricultural sustainability. An acreage-based voting system was initiated than 100 years ago when Phoenix landowners came together and realized that the issue of ensuring a steady supply of water was too big for one individual or group to solve alone. Collectively as a community, farmers

organized as a groups and pledged their land, about 200,000 acres, as collateral for the federal government to build the \$3 million Roosevelt Dam in 1912, one of the first projects built through the federal Reclamation Act. This makes many who own land in SRP territory shareholders today, although few realize it or actively participate in elections (The Arizona Republic, 2011).

Phoenix leaders in the late 1800s tapped relationships external to their networks in Arizona in order to secure financial capital to purchase land and build local influence. For example, W. J. Murphy's need to finance the Arizona Canal Company required that he travel extensively to solicit possible investors, and he established a network of associations with wealthy individuals in different areas of the country.

Moses Sherman was active in the promoting of early Phoenix but left the city in 1890 and operated the trolley system and water company from headquarters in Los Angeles. This permitted some economies of scale beneficial to both cities; as older trolleys from Los Angeles were sent to service Phoenix.

Across the United States, many once-vivacious downtown communities, including Phoenix, disintegrated in the years following World War II, as the exodus of downtown activities was triggered by highways being built, automobiles being purchased in mass scale, and the opening of the first suburban malls in the late 1950s and 1960s (Gillette, 1985). Migration to the suburbs resulted in the continuous decentralization of services once found in major downtown cities, including retail shops, professional offices, movie theaters, and even government offices.

Phoenix was impacted more than most cities by this trend (Gober, 2006). After World War II, the central business district began to move north of downtown Phoenix along Central Avenue. The first high-rise outside of downtown opened in 1955, followed in 1957 by the opening of Valley's first shopping mall (Park Central at Osborn Road and Central Avenue). Many retailers and other businesses left downtown after this, with the downtown evolving into a legal, financial and governmental center (Rex, 2000).

During the late 1960s, 1970s and 1980s, businesses began to move out of the downtown Phoenix area and relocated along north Central Avenue, or "uptown." Some development was relocated to the 24th Street and Camelback area. Several large law firms, banks and government buildings remained in the downtown Phoenix area supported by only a few restaurants and hotels. Dave Roderique, president and CEO of DPP, noted that downtown Phoenix in the 1980s was a ghost town after business hours:

[Y]ou did not come down here unless you had something very specific bringing you here. The sidewalks rolled up at 5:00 p.m. There was high crime rate. You just didn't go to downtown [at night].

Since the late 1980s, a massive downtown revitalization process has taken place in downtown Phoenix. Roderique noted that the business community invested in what he notes as "large demand generators" or iconic, downtown places where activities draw crowds. This research focuses on some of the most

important iconic projects where PCA and DPP impacted progress through establishing networks of trust and support. One of the first large gathering places was an arena where professional basketball games would be played, serving as the home of the Phoenix Suns – formerly known as America West arena and now US Airways Center. During the mid 1990s, a professional baseball stadium formerly known as the Bank One Ballpark, and now know as Chase Field, was added, and the expansion of the Phoenix Convention Center, addition of light rail, a downtown campus of Arizona State University (ASU) was created, through partnership with the City of Phoenix and Phoenix voters who approved bond funding a decade later.

While many large, iconic projects were built during the 1990s through 2010 and continue at a slower pace today, Jon Talton, native Phoenician and former columnist at *The Arizona Republic*, noted that Phoenix lost corporate headquarters during those years – especially among the banking industry as mergers occurred. Traditional corporate leaders who served as stewards of the community either retired, were relocated to other cities, or were downsized. During this corporate upheaval, many historic buildings were torn down to make room for new development. He explained:

[m]ajor headquarters were either bought by outsiders or, in the case of APS, were radically downsized. The consequences were staggering... (Jerry) Colangelo was the last man standing. There was no Colangelo of banking. No Colangelo building a software district in the old produce warehouses. No Colangelo to endow a new Symphony Hall... none to

keep and lure new small businesses. None developing new office buildings and filling them with tenants.

#### Structural characteristics impacting Phoenix downtown revitalization

Early Phoenix was a walking city from the 1860s through early 1900s, when everything within the town was within two miles. The town of Phoenix was built upon a grid street pattern which cannot develop spontaneously; it requires specific planning. However, a Phoenix streetscapes history report states that planning was not a notable activity in the early years of downtown Phoenix development (City of Phoenix, 2010). Land was being sold faster than a plan could be developed:

[t]here are no records describing what Phoenix founders intended to do as far as sidewalk street lamps or other amenities. It may be that they did not think that far ahead. In fact, the town was laid out and *lots were proposed for sale before the half-square mile rectangle that later became the city's downtown was taken out of the public domain.*

Land acquisition and the start-up of new businesses followed expansion beyond the initial town center with the introduction of streetcars, railroad transportation, and canal expansion. A mindset and culture of “land as an

unlimited economic opportunity and natural resource” became the forerunner of urban sprawl, driven by the desire to maximize profits. Once the Arizona Canal was completed in 1886, early Phoenix records show that tens of thousands of acres were developed for agricultural development by investors and speculators from California, the Midwest, and East Coast of the United States (City of Phoenix, 2010).

#### Historical characteristics impacting Phoenix downtown revitalization

Following the structural growth pattern of “build before plan,” Lois Savage of Lodestar Foundation noted that many development plans have become “shelf ornaments” and never fully implemented. For example though state and local governments in Arizona long have been focused on promoting economic development, a comprehensive economic development plan did not exist through four decades of rapid growth. Such a plan – Arizona Strategic Planning for Economic Development (ASPED) – was created at the beginning of the 1990s. However, only partial implementation of the plan has occurred. ASPED stressed that the state should move from concentrating on growth of any kind to focusing on value-added activities in a limited number of economic clusters, particularly activities that pay moderate-to-high wages and produce relatively few deleterious effects on the environment. Eleven economic clusters currently are recognized. Six are "new economy" manufacturing activities: high technology (information

and aerospace), the bio industry, optics, software, environmental technology, and plastics and advanced composite materials. Two clusters aim to attract people: tourism and senior industries. Three are traditional activities: mining, transportation and distribution, and agriculture and food processing (Rex, 2000). This plan was further refined into the governor's plan for economic development (GSPED) in 1992, but due to process fatigue, little comprehensive public discussion has occurred since, as public and private leadership has changed, commitment waned and attention shifted to new initiatives (Johnson, 2009)

Unique attributes of historic downtown Phoenix have impacted community building and social capital formation. First, individuals arriving to Phoenix from the 1860s through today tend to be adventuresome people in search of a new life, pioneering opportunities, and pursuing dreams. The initial land survey for the town of Phoenix began in 1867 and with an irrigation canal dug by the Swilling Canal Company, land investors, speculators and new settlers were applying to the federal government for land under the Homestead Act. This act allowed "mature, white American males to apply for ownership of a quarter section," or 160 acres of land, for developing and living. Phoenix quickly developed into a checkerboard of agricultural lots, each laid out in grid. Arizona journalist Earl Zarbin noted in his 1978 series focusing on Arizona history:

[J]ack Swilling and the men who arrived with him to dig the first modern irrigation canal in the Salt River Valley hoped to *support and enrich themselves*. In any society where men must rely on themselves to meet

their needs and where government has little to hand out, enterprise and the profits it may bring are desired and appreciated.

Phoenix residents were extremely individualistic on the one hand – making bold, personal choices to leave their home states to travel to a strange, new land. Everyone coming to Phoenix arrived from somewhere else, creating a unique blend of cultural diversity and the challenge of coming together to form a unified, collective mindset (Ellin, 2006). On the other hand, early pioneers were community-oriented, as they could not survive in the desert on their own, without resources brought in by others.

In the early years of the state, the five C's were very important for jobs: Copper, Cattle, Cotton, Citrus, and Climate. These kinds of jobs are not as big in the Arizona economy as they once were, but they still play a role in the state's economy. By 1863 about one in every four people in the state was a miner. In 1918 Arizona had as many as 1.75 million head of cattle providing beef to the nation. Today the state has about half that number of cattle. The growing of cotton became a "cash crop" for Arizona farmers in the 1910s. At that time a new cotton, known as Pima long-staple cotton started to be grown in the state. (State of Arizona, 2011).

To establish the early community of Phoenix, people wore many hats. Newcomers were welcomed to bring their talents, skills, and contributions to address Phoenix needs, an attitude that remains today, emphasized many who were interviewed.

A Phoenix historical business summary prepared by Tom Rex for Arizona State University (2000) notes a history of monopolistic power brokers who were early community stewards and, due to lack of competition, set a strong agenda for growth in Phoenix that continues today:

[...]he process of urbanization was propelled by pro-growth attitudes developed by local business leaders. Originally led by a relative few, the business power base broadened with time, firmly establishing the actively pro-growth philosophy that continues today in both the private and public sectors of the Phoenix metro area. In 1948, a reformed city charter was adopted in the city of Phoenix. A charter government committee took control of city administration within a year. This committee was composed of conservative businessmen and the professional class. They set a strong agenda for growth, promoting spatial as well as industrial growth. With urbanization in the 1950s occurring almost entirely in the city of Phoenix, the power base of this select group developed further. Real power was wielded by a small number of private-sector leaders. Thus, public decisions were made in part by individuals who were motivated by profit maximization and who stood to benefit from growth. In particular, these leaders largely came from business sectors – such as utilities, newspapers and banks – which were monopolistic or near monopolistic in nature. Only two utilities, which did not directly compete with each other, and one newspaper company controlled nearly 100 percent of their sectors. Banks were more numerous, but were protected

against interstate competition, with a small number of large banks dominating the industry. Due to the protection against competition and the nature of their businesses – to serve the local population – each of these entities had a very strong vested interest in both the local community, and in growth. They played a big role in producing the pro-growth attitudes and policies that persist today. In addition, those who own fixed assets, such as land, receive a disproportionately large gain in value from the greater demand that accompanies urban growth. Large landowners, and those who do business with these property owners, profit from growth and the associated increased intensification of land uses. Thus, this group also has a very strong vested interest in growth.

Jon Talton (2011) reaffirmed a number of larger conditions that historically have worked against downtown Phoenix community building. First, land banking – the opportunity to purchase large amounts of raw land to make a profit has been a local value that has helped to create a culture of landowners who “sit” on undeveloped real estate, creating blighted lots in the very heart of downtown Phoenix. Second, an individualistic, “to each his own” mind set that fuels the lack of a unified, serious vision for downtown, including a vision for an economic development strategy for downtown Phoenix. This contributes to what Talton noted is a “general inward-looking nature of Phoenix.” where most people come to Phoenix “to be left alone and to retire,” where “the enemy is within,” rather than be outward-looking to view Phoenix within the context of a

competitive world. He believes this lack of an economic vision contributes to the shrinking of corporate headquarters and private-sector investment.

Talton noted that the individualistic mind set contributes to the lack of “urban values” for a city the size of Phoenix, the sixth-largest city in the United States. He said that most people value their cars and individualistic lifestyles; they do not want to walk to stores and live and work in downtown. He believes Phoenix residents demonstrate “suburban values” where they are willing to drive 100 miles away from the center core each day in order to live near the mountains and on the outskirts of the city.

Catrina Knoebl Kahler, Downtown Phoenix Journal publisher, believes that because Phoenix is embedded in a large valley, the absence of natural barriers, such as mountains and rivers, has promoted urban sprawl since early Phoenix township days, encouraging unlimited build-outs of residential communities that continues today. The urbanized portion of the metro area sits in the Salt River Valley, which is largely encircled by mountains. The Valley is gently sloping except where punctuated by low mountains rising from the valley floor. Most of these mountains now are protected, part of the Phoenix Mountain Preserve, but have been surrounded by urban development (Rex, 2000). The issues of growth, self interest and urban sprawl have been debated for decades by downtown Phoenix leaders, and in 2011 still continue to be discussed.

In summary, two, unique historic characteristics continue to present major barriers to Phoenix downtown revitalization. First, exclusive decision making by the early business elites created a tight network of power brokers, who, in the

early days, were notable civic stewards and large-scale downtown investors. These leaders, in general, sought mutual value from their opportunities in Phoenix; they brought valuable connections and personal resources to benefit the community as well as pursued their own self interests. Closed-door decision making still impacts the way decisions are made in downtown Phoenix. However, downtown Phoenix is on the verge of becoming a more participative, inclusive place to live and work.

Second, an appetite for rugged individualism and adventure brought speculators and pioneers to Phoenix. They brought their diverse cultures and ideals and arrived with a mindset that land and natural resources were unlimited resources for profit-making opportunities, speculation, and get-rich deals. Over time, they built, tore down, and rebuilt before much planning took place. This culture of “expansion at all costs” is counterproductive to quality growth and citizens who come together to create a shared, long-term community vision for downtown Phoenix, where small-scale development can complement large-scale, iconic projects, weaving a vivacious tapestry of people and places. These barriers will be addressed, along with recommendations, in Chapter Nine.

As more cities revitalize dead downtowns, groups such as PCA and DPP are being formed to bring people together – to provide connectivity to individuals and groups who, *together*, can help create much-needed change. This research points to how leaders can extend the meaning of “community” beyond the traditional definition of development – which, in the past, has primarily focused

on physical design of buildings and financial investments – in order to address and solve community issues and revitalize a city’s downtown.

Scholars have identified a number of social capital theories and community-engagement strategies which can be useful for the purpose of urban development. This literature and a number of prevailing strategies and tools for building social capital are presented in Chapter Two. Major theorists and scholars of social capital and their theories are presented, along with a discussion of how scholars view social capital as complementing four additional types of capital – human, physical, financial, and natural or environmental. Chapter Three spotlights five cities and illustrates how social capital has impacted downtown revitalization through downtown organizations. Three particular social capital theories are assembled as a group of notable theories important for understanding how community networks impact downtown revitalization. Chapter Four presents the research methodology. Chapter Five connects PCA and DPP to nine major downtown Phoenix projects impacted by valuable community networks. Chapter Six notes the connecting role that social capital played, while Chapter Seven reveals three critical issues impacting the future of downtown Phoenix based on interview data. Chapter Eight asserts the major contributions of this study, linking social capital theory with metaphors for downtown urban development, while Chapter Nine offers specific recommendations for PCA and DPP. Finally, Chapter 10 presents opportunities for future research that investigates the impact of social capital on downtown revitalization.

## Chapter Two:

### Literature Review: Social Capital and Urban Development

Social capital is a concept incorporated into the social sciences during the past two decades, although early references to social capital connected the importance of community involvement with successful schools (Putnam, 2000; Herreros, 2004). L.J. Hanifan (1916) believed that the individual is helpless socially if “left to himself.” Hanifan noted that if a person comes into contact with his neighbor, and they with other neighbors, there will be an accumulation of social capital which may immediately satisfy social needs and improve living conditions in the whole community.

Social capital is generally understood to mean the social relationship and networks needed for sustaining collective action – action that might not otherwise have been initiated. According to Field (2003), people’s social networks are valuable assets. He argues that the central thesis of social capital can be summed up in two words: relationships matter. Lin (2001) defines social capital as resources embedded in one’s network or associations – resources accessible through direct and indirect ties. Flap (1988, 1991, 1994) specified three most valuable elements of social capital: the number of persons within one’s social network who can be mobilized to increase the likelihood of a project’s success, who are prepared or obliged to help when called upon to do so; the strength of the relationship indicating readiness to help, and the resources of these persons.

Social capital is not a homogeneous good; the strength, content and quality of those ties varies from individual to individual (Flap & Volker, 2004).

The structural definition of social capital primarily is derived from the work of Bourdieu (1985) and Coleman (1988, 1990), both of whom define social capital as a range of resources available to individuals thanks to their participation in social networks. Bourdieu defines social capital as the “aggregate of real or potential resources that are associated to the possession of a durable network of more or less institutionalized relations of mutual recognition” (Bourdieu, 1986, pp. 248-249). Coleman defines social capital as a function of social structure producing benefits and advantage over those who do not have as many available contacts or networks, and that like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence. Bourdieu and Coleman both emphasize that the access of individuals to resources of social capital depends on their participation in some form of social relationship. Both Bourdieu and Coleman emphasize the benefit of social capital for the individual, whereas, Putnam’s definition focuses on the benefit of social capital for collective society, suggesting that social capital consists of certain individual values, such as civic virtue, that benefits the whole community. Putnam’s research examines how the individual ethos of community involvement aggregates to impact the overall social capital of an entire community which could be defined as a neighborhood or city, or a larger community such as a nation (Putnam, 1990; Coleman, 1988, 1990; Herreros, 2004).

Scholars note that in the literature, social capital is generally understood as having some combination of role-based or rule-based (structural) origins, and mental or attitudinal (cognitive) origins including shared norms, values, trust, attitudes and beliefs (Uphoff, 1999; Grootaert & van Bastalelaer, 2002). Scholars agree about the role of social capital in facilitating collective action, economic growth, and development. For example, Bourdieu, Coleman, Lin, Flap, Burt, Erickson, Portes and other scholars share the understanding that social capital drives community action and change, including downtown urban development, and benefits both the collective group, as well as the individuals *in* the group (Lin, 2001). Furthermore, Herreros (2004) argues that social capital creates a “virtuous circle,” leading to continuously new levels of social capital that continues to build and evolve. This includes the normative content of the structures, including trustworthiness and reciprocal relations, information and economic exchange, and the collective action and advantages achieved through such structures (Grootaert, 1998; Prakash & Selle, 2004; Burt, 2005).

The fact that social capital is called “capital” suggests that one can invest in it, just as one can invest in human and physical capital. From an economic standpoint, all forms of capital are created by spending time and effort in transformation and transaction activities in order to build tools or assets that increase income in the future (Ostrom, Gardner & Walker, 1994; Ostrom, 1999). Ostrom argues that assets are things that build streams of benefit, making *future* productive processes more efficient, effective and innovative.

However, measuring direct impact of social capital has proven to be ad hoc and unsystematic (Flap & Volker, 2004; Lin, 1999, 2001; Grootaert & von Bastelaer, 2002). For example, social capital can be measured at the micro level (individual agents) and be aggregated to the macro level of society (Paldam, 2000). Flap and Volker (2004) cite the opportunity to measure investments, rates of return, impact on economic growth, and opportunity costs of the future. Voter participation, newspaper readership, memberships in voluntary associations of different types, and attitudinal surveys are yet other ways to attempt proving cause and effect of social capital. A consistent measurement across a range of situations seems unlikely (Helliwell & Putnam, 1995; Fine & Green, 2000). It is important to recognize that scholars have struggled in both quantitative and qualitative terms to measure social capital and its impact. In particular, three prominent scholars have provided groundbreaking focus for understanding social capital and downtown urban development and merit further discussion: Pierre Bourdieu, James Coleman, and Robert Putnam.

#### Pierre Bourdieu

Pierre Bourdieu was a French sociologist and anthropologist interested in the persistence of social class and other entrenched forms of inequality (Field, 2003). Bourdieu's main concern was the understanding of social hierarchy. Bourdieu distinguishes four key species of capital: economic capital (money, time, technology), cultural capital (professional expertise, education, ownership of information), social capital (social networks a person can draw from), and

symbolic capital (ability to name any other resource as valuable, or the power to name and classify things). All people are engaged in producing a unique, evolved subset or “subspecies” of either the economic, cultural, or social capital (Bourdieu & Wacquant, 1992). Bourdieu defines social capital as one of a number of significant sets of personal resources – including cultural and economic capital – that asserts distinctiveness and superiority. He argues that social capital is “the sum of resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.”

Bourdieu describes the dynamic development of structured sets of values and ways of thinking as forming what he called “habitus.” Habitus is a set of dispositions which incline agents to act and react in certain ways. Habitus provides individuals with a sense of how to act and respond in the course of their daily lives. It orients their actions and inclinations without strictly determining them. It gives them a practical sense of what is appropriate in the circumstances and what is not (Thompson, 1991). Habitus’ dispositions can be defined as social in origin and acquired beginning at infancy. Even physical features such as postures, accents, ways of walking, bodily shapes, preferred foods and sports activities can be seen as the result of specific social conditioning (Bourdieu, 1994).

Bourdieu (1985, 1986, 1989, 1994) notes that in modern societies, there are two distinct systems of social hierarchization. The first is economic, in which position and power are determined by money and property, or the capital one

commands. The second system is cultural, political and symbolic. Culture is a source of domination in which intellectuals are in the key role as specialists of cultural production and creators of symbolic power. Bourdieu notes that family heirlooms are examples of how value may be measured not just in material terms, but to their contribution of lineage, as daily contact with ancient objects transmits a sense of belonging to a more polished, more polite, better policed world which is justified by its perfection of harmony and beauty. A “social field” may be seen as a structured space of positions or status in which the positions and their interrelations are determined by the distribution of different kinds of resources or capital.

Bourdieu emphasizes the role of history and power as critical factors in building social capital. He views social capitalism as an ideology of inclusion and exclusion – a means by which the powerful may protect and further their interests against the less powerful. Bourdieu acknowledges the tension and struggle between “official discourse” such as governmental directives, versus individual and collective actions that resist the official discourse. Bourdieu believes that economic capital is at the root of all other types of capital – including social capital – and that every type of capital is reducible to economic capital (Lin, 2001). Bourdieu’s analysis paved the way to further examination of social capital by James Coleman. Coleman built upon Bourdieu’s work by expanding upon the concept of norms and benefits that certain collective groups, networks and communities, such as private schools, help to create for the individuals within those groups.

## James Coleman

According to Coleman (1990), two key features characterize social capital: Social structure (collective groups), and actions by individuals who are situated within this structure. Coleman sees social capital as a set of institutionalized expectations that lead other social actors to reciprocate by making collaborative moves. Coleman portrays social capital as a public good created by and benefiting all who are part of a collective structure. Social capital, according to Coleman, represents a resource because it involves the expectation of reciprocity and goes beyond individuals to involve wider networks whose relationships are governed by a high degree of trust and shared values.

Like Bourdieu, Coleman's interest in social capital emerged from attempts to explain relationships and disparities among diverse societal groups. Coleman (1986) researched student achievement in private and public schools and found that students tend to perform better at schools with religious affiliations even when other factors such as social class and ethnicity were taken into account. Coleman argues that the most important factor in explaining this pattern was the impact of collective, community norms upon parents and students which helped to endorse teachers' expectations. He concluded that communities are a source of social capital that could offset some of the impact of social and economic disadvantage. Closure of social networks – where exclusive groups of individuals exist who are like-minded or are of similar social status – provides the conditions needed for developing community trustworthiness *among the exclusive group* (Coleman, 1988). Coleman notes that network closure serves in a positive way to

develop shared norms, but the negative consequence is that some people are excluded or left out. Coleman's focus on collective benefits of social norms provided a foundation for further research conducted by Robert Putnam. Putnam built upon the theory of collective, community norms by further investigating collective structure, such as a club or organization, and community action that results from such a structure.

### Robert Putnam

Both Bourdieu and Coleman treat social capital as something which delivers benefits to individual owners. Putnam has clearly extended the concept to apply to groups, from league bowling teams and choirs to states and nations. In his book, *Making Democracy Work*, Putnam (1993) argues that social capital is a collective-oriented structure which influences individual and community action. Putnam views the features of social organization as being initiated and maintained for collective benefit (Allen, 1998). Putnam writes that social capital refers to features of social organization, such as networks, norms, and trust that can improve the efficiency of society by facilitating cooperation and coordinated action. Putnam asserts that social capital can have both a historical and a contemporary dimension. He suggests, as does de Tocqueville (1969), a causal relationship between social capital constituted by the practice of associationalism, and the capacity for civic participation and self-government. Putnam originally envisioned these externalities as being only of a positive nature, but he and others have since recognized that negative externalities can result from interpersonal

interactions; for example, the Mafia or extremist religious groups (Grootaert and van Bastelaer, 2002). In such situations, as referenced by the earlier works of Bourdieu and Coleman, Putnam noted that social capital may benefit members of the association, but not necessary non-members or the community at large.

Putnam argues that ongoing face-to-face interactions among citizens in associations, based on horizontal relations and overlapping memberships, leads to the development of “generalized trust” and civil society at a community scale (Putnam, 1993, 2000). He used the metaphor of bowling to draw attention to his argument that Americans used to bowl in leagues, and now they “bowl alone.” His research analyzes organizational membership. Rather than spending time with others, Putnam says that Americans are becoming more isolated and passive, thanks to television and contemporary culture. Putnam has been criticized for having focused almost exclusively on the benign societal and political effects of social capital, and scholars who disagree with Putnam find little evidence that trust can be generated evenly or symmetrically across a society (Prakash & Selle, 2004).

Four additional types of capital supporting downtown urban development

Four additional types of capital can impact downtown urban renewal: human capital, physical capital, financial capital and natural capital or resources (Cooperative Venture for Capacity Building, 2008). Featured downtown examples illustrate the interconnected nature of all forms of capital and

underscore that social capital – individual relationships and networks – can inspire community revitalization.

### *Human capital*

Human capital refers to the capability of individuals, including knowledge and skills brought to an activity. Human capital is built consciously through education and training, and unconsciously through experience, and can facilitate the exchange of ideas that can contribute to urban development and planning for the future.

For example, city leaders in Kalamazoo, Michigan, revived downtown vibrancy by enhancing human capital. In the early 1990s, a significant number of businesses and thousands of people were leaving the city due to an uneducated work force. Lack of human capital threatened to impact urban development (Wall Street Journal, 2008). The philanthropists, who today remain as an anonymous group, decided to come together as a group to promise a significant amount of college tuition to graduating seniors who spent their high school years in the city's public school system. In this case, *social* capital among a group of Kalamazoo philanthropists became the platform for raising *financial* capital, which then created *human* capital, leading to the creation of an even greater financial capital for the city (Miller-Adams, 2006).

### *Physical capital*

Lachmann (1978) describes physical capital as the stock of human-made materials and resources that can be used to produce a flow of future income. Coleman (1990) notes that physical capital is wholly tangible, being embodied in observable form. Physical capital includes tangible resources such as roads, irrigation systems, public facilities, buildings, and public spaces. Physical infrastructure in a community, region or nation can facilitate not only financial prosperity, but democracy and social capital (World Bank, 2008). For example, in Omaha, Nebraska, city leaders revived the crumbling downtown by clearing out ugly buildings and physical blight such as abandoned smelters and railroad tracks. The sheer act of cleaning up the physical infrastructure built social capital in the planning process and made way for new top-notch schools, arts and corporate headquarters (Wall Street Journal, July 28, 2008).

### *Financial capital*

According to Bourdieu (1986), financial capital refers to capital which is directly convertible into money and may be institutionalized into property rights. This includes goods and services produced through human effort, including both physical and financial knowledge. Coleman (1988) notes that financial, physical and human capital are normally private goods, whereas social capital is mainly a public good.

Social capital can impact the ability to raise financial capital. For example, El Paso's downtown was dying and government efforts had failed to revive the

city's downtown. In 2004, a group of local investors who were drawn together by social networks banded together and decided to gather financial resources and chart a course for revival that included buying and overhauling more than a dozen empty, shabby hotels and office towers. While some objected to the investor group devising a plan privately before unveiling the final version to the city council, the seed investment created optimism by other investors as well as the University of Texas at El Paso. Because of the collective network and actions of these local investors, property values downtown have jumped 40 percent during the past two years (Wall Street Journal, July 28, 2008).

*Natural or “environmental” capital*

Natural capital refers to renewable and non-renewable resources found in nature; this includes water, land, air, wildlife, and vegetation (Green & Haines, 2002). Examples include the Grand Canyon, coastal beaches, rivers, and man-made parks and walkways such as Central Park in New York City that bring people together with the beauty of outdoors, creating social capital. Urban development may include greater use of natural capital which in turn, can enhance social capital. For example, in 2006, the natural capital of central Delaware riverfront in Philadelphia became the centerpiece for the Civic Vision for the Central Delaware. More than four thousand Philadelphia residents participated in a year-long process which included forming a citizen-driven advisory group, tours of the riverfront followed by discussions, community forums and value sessions, shaping of vision, values, and principles, and a public presentation of the civic

vision (Plan Philly, 2008; see case study of Philadelphia as helpful comparison to Phoenix, Appendix B). Social capital was seeded through the citizen process and this provided the ability to maximize the city's natural setting. The planning principles were derived from citizen values. The shared values included reconnecting the city to the river's edge, honoring the river, designing with nature, striking the right balance or mix of urban development and public improvements, taking the long view, protecting the public good, and making it real by including citizen input.

### The Power of Individual Social Capital

Certain types of individuals can be especially valuable as human capital for advancing ideas and resources which can contribute to urban development (Granovetter, 1973, 1974; Gellner, 1994). These unique types of individuals tend to be involved in many groups, spanning a breadth of associations and ideas in order to serve as bridges between pockets of human capital. Having a broad network or a large amount of social capital, they tend to have many impersonal affiliations. Burt (2005) calls this type of person a "boundary spanner," and notes that a person's network increases the number of people connected to each other, representing human capital by increasing the volume of contacts a person might have, bridging structural holes or gaps among networks. This type of human and social capital creates value through reciprocity, which is closely related to trust (Fukuyama 1995). Moreover, many weak ties appear to create a wider, more

productive net of social capital or the idea of human relationships as resources. Granovetter's "strength of the weak tie" proposition emphasizes that weaker ties are more valuable than fewer, more intense relationships. Productive weak ties are characterized by less intimacy, less intensity, less frequent contact, fewer obligations, and weaker reciprocal services leading to a wider network of dissimilar resources and therefore, more expansive access to human capital (Granovetter, 1973, 1974).

Malcolm Gladwell used the term "maven" in his book *The Tipping Point* (Gladwell, 2000) to describe those who are intense gatherers of information and impressions who often are the first to pick up on new trends. Gladwell suggests that mavens may act most effectively when in collaboration with connectors – those people who have a wide network of casual acquaintances by whom they are trusted, often a network that crosses many social boundaries and groups. He notes that connectors easily and widely distribute the advice or insights of a maven.

Gellner (1994) further defines the phenomenon of varied resources with his theory of "modular man." Modular man is capable of cultivating many impersonal resources with limited binding ties, being less obligated and having more capacity for human capital. Wollebaek and Selle (2002) found that the number of affiliations held by an individual emerged as a much stronger predictor of social capital than the time-related intensity of the involvement.

Burt (1997) notes that in an imperfect market, there can be multiple prices because disconnections between individuals, holes in the structure of the market, leave some people unaware of the benefits they could offer one another. Certain

people are connected to certain others, trusting certain others, obligated to support certain others, dependent on exchange with certain others. Burt's structural hole argument defines social capital in terms of the information and control advantages of being the broker in relations between people otherwise disconnected in social structure. Participation in, and control of information underlies the social capital of structural holes (Burt, 1992, 1997, 2005). Burt argues that social capital is a function of information brokering opportunities and draws on networks, including Granovetter's weak ties. People on either side of a structural hole circulate in different flows of information. The opportunity exists to be a "boundary spanner" – to broker the flow of information between people, Burt notes – bringing together what otherwise would be disconnected contacts. The disconnected people stand on opposite sides of a hole in social structure. The structural hole is an opportunity to broker the flow of information between people and control the form of projects that bring together people from opposite sides of the hole. The power of key individuals who play a significant role in contributing to social capital is illustrated in Figure 1, showing a variety of networks that an individual can bring to an organization or initiative (Baron, Field and Schuller, 2000).

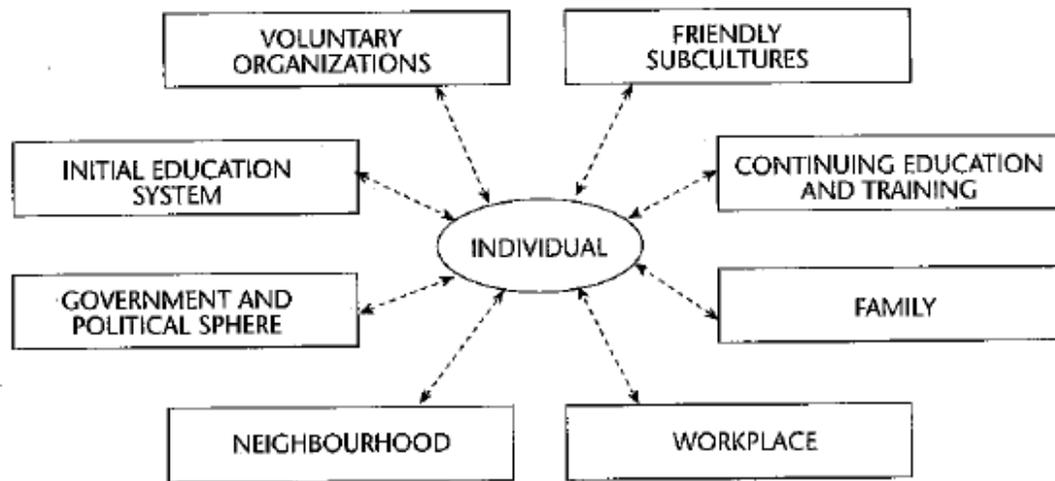


Figure 1: Some of the sources of social capital applicable to Granovetter's value of weak ties (Baron, Field and Schuller, 2000).

Furthermore, Woolcock (1998) identifies three, broad categories of individual social connections. First, binding social capital involves ties between similar people in similar situations such as close family, friends and neighbors. Second, bridging social capital is made up of more distant ties with like people such as co-workers. Third, linking or scaling is social capital which reaches out to unlike people in dissimilar situations such as those who are entirely outside the community, enabling members to leverage a far wider range of resources than are available within the community. Bonding, bridging and linking at either an individual level, or at a group/organization level, can enable a free exchange of ideas, information. This can facilitate forms of collective action that otherwise would be impossible (Bebbington and Carroll, 2001). Field underscores that

social relationships can sometimes serve to exclude and deny as well as include and enable (Field, 2003).

Social capital is noted to be synonymous with community building with respect to creating networks of people to become more engaged and to be involved with their community (Warren, 2001). However, some differentiate between social capital, the noun, from community building, the process. Whereas social capital is defined by social scientists as networks representing an asset and resource for collective action that contributes to other forms of community capital (Green & Haines, 2002), community building is considered to be a process of building community capacity featuring the interaction among various forms of resources (Chaskin, Brown, Venkatesh & Vidal, 2001). Community building consists of actions to strengthen the capacity of communities to identify priorities and opportunities, and to foster and sustain positive community change.

Social capital is considered central to not only building other forms of capital but again to address common problems that are not easily resolved by individuals actions. The process of community development, however, focuses on an ultimate goal of building assets in communities (Green & Haines, 2002). Both process and outcomes are essential parts of community development, in three particular areas: Community organizing, community visioning and planning, and evaluation and monitoring of results. Some critics have expressed concern that the community development field has become too institutionalized and has lost the ability to challenge the existing structure of power. Because many community organizations are dependent on government funding, community development

organizations may be reluctant to challenge the political structure and may be less likely to mobilize residents to keep development efforts accountable to residents based on their visions of what the community should look like in the future (Green & Haines, 2002).

While this chapter provided a thorough review of social capital theories and how social capital is differentiated from other forms of capital, Chapter Three explores how social capital is connected to community improvement, examining downtown cities noted by interview sources as good examples for downtown Phoenix.

## Chapter Three: Connecting Social Capital to Community Improvement

As noted in Chapter Two, scholars emphasized how social capital – valuable relationships and networks – have benefitted individuals, groups and communities at large. Chapter Three illustrates that, while downtown-focused organizations across the United States may not always or explicitly see themselves as building social capital, they are inspiring productive community relationships and networks that help to revitalize downtown urban cities in the United States.

In the world of downtown urban development, it could be argued that without social capital, other forms of capital would not exist (Green & Haines, 2002; Schwab & Middendorff, 2003; Morse, 2004; Robertson & Ryan, 2004). Community organizations of all sizes have found that deep-seated community issues cannot be solved by one group alone, calling for social capital as the glue holding diverse ideas and people together where both people and place are important (Morse, 2004). Successful communities have found the right combination of community investments and amenities that foster, cultivate and encourage community and economic activity.

Urban writer and activist Jane Jacobs (1961) approached cities as living beings and ecosystems. She suggested that over time, buildings, streets and neighborhoods function as dynamic organisms, changing in response to how people interact with them. She explained how each element of a city – sidewalks,

parks, neighborhoods, government, economy – functions together in the same manner as a natural ecosystem. Her 1961 book, *The Death and Life of Great American Cities*, became the most influential American text about the inner workings and failings of cities, inspiring generations of urban planners and activists (Project for Public Spaces, 2011).

In a survey of 57 cities, Robertson (2002) asked respondents to evaluate the success of 16 downtown redevelopment strategies. Four broad categories of success factors emerged. Social capital, or valuable networks, emerged as an inspiring force for these four success factors creating what Robertson notes to be “Characteristics of Great Downtown Urban Cities” summarized in Appendix B. First, social capital can reinforce a downtown’s sense of place, where people can connect and gather. Second, social capital can bring momentum and financial resources to those “large-activity generators” that create gathering places and hubs of economic activity such as convention centers, sports stadiums and arenas, shopping malls, and skyscraper office buildings. Third, social capital supports downtown housing and entertainment/nightlife that create constant human interaction. Fourth, social capital creates consensus for infrastructure improvements such as mass transit, transportation and traffic improvements so that people can be better connected with each other.

In addition to Robertson’s and Ryan’s (2004) seven key elements defining a strong downtown sense of place, Nan Ellin promotes four “Ds” of downtown urban livability: Diversity, Density, Dynamism, and Democracy (Ellin, 2003). Arizona State University’s Morrison Institute of Public Policy (2004) promotes

four “Es” of regional advantages that can be applied to downtown: Environment, Economics, Equity, and Engagement. In Phoenix, nine guiding principles for building a healthy sense of community were put forth by a grassroots citizens’ group, Downtown Voices Coalition. These included community, communication, aesthetics, preservation, mobility and accessibility, diversity, arts/culture, economic development, and environment (Downtown Voices Coalition, 2004). Common characteristics of downtown greatness noted in Appendix B include a unique sense of “place” with large activity generators and small places of gathering, heritage, diversity, interaction among residents, cleanliness, and safety. This leads to an important question: How are planners and citizens creating great downtown urban cities?

### The Creation of U.S. Downtown Organizations

Urban renewal in Phoenix follows patterns of downtown revival and creation of social capital organizations throughout the United States. Early downtown development occurred from industrialization era of the mid to late 1800s through 1950s. Suburban migration where downtown residents moved away from the downtown core occurred generally after World War II, from 1950 to 1970 (Roberston, 1994, 2004). As a result, downtown decay was magnified in large U.S. cities typically from the 1960s through the 1980s. To respond to this crisis, community-based organizations were created as early as 1950 to help revive the decayed downtowns through a keen focus on downtown development;

for example, San Diego and Denver were among the first cities whose leaders created downtown development organizations. By the early 1990s, most major U.S. cities jumped on the bandwagon in forming downtown-focused associations including Phoenix.

According to Jason Harris of the City of Phoenix, redevelopment and revitalization is always unique to the place. For example, he noted that Denver has a river and historic warehouse district, as does Portland, while San Diego has a bay. He believes that Phoenix does not have “true comparables” to other cities, however he argues that cities with similar circumstances offer examples valuable to PCA and DPP. He suggested that the following downtown cities are most relevant to Phoenix because of similarity in downtown history and the opportunity to create a theme that draws interest for downtown visitors: San Diego, Salt Lake City, Denver, Austin, and Philadelphia.

In all of the cities, downtown-focused organizations served as a catalyst to address crises such as crime and decay, and to draw together community leaders to create a more exciting downtown. Compelling opportunities were then defined that helped to spawn a downtown vision shared by the community, as in the case of Salt Lake City and the Olympics in 2002. Charrettes and group vision sessions were planned in many cases, led by very key leaders. People who normally wouldn't come together were drawn in by the downtown “inviting group.” Each of the following cities offers a unique story of how social capital contributed to downtown revitalization, providing valuable insight for Phoenix. Tools and techniques for creating social capital are noted at the end of this chapter.

## San Diego

San Diego's downtown history serves as an important example for Phoenix, because as a widening network of downtown supporters calls for a cohesive strategy for including new groups and individual leaders is essential. According to city historical records, San Diego's approach to downtown revitalization has included the creation of more than 20 separate development organizations focusing on downtown, which include city and county governments and assessment districts, the San Diego Port Authority, Centre City Development Corporation (CCDC), and downtown BID organizations such as Downtown San Diego Partnership, Gaslamp Quarter Association, and the Little Italy Community Benefit District. The San Diego Bid Council was formed in 1989 to include representation from 17 San Diego BID programs, promoting itself as the "only municipal-wide coalition of BIDS in the United States." The smallest BID in San Diego has 300 assessed members (San Diego BID Council, 2010).

Similar to Phoenix, San Diego's Centre City began to fall into a state of disrepair and disrepute in the 1960s. Major businesses and stores moved from downtown to suburban shopping malls. Downtown became known as a hangout for people without homes and sailors on leave. Tattoo parlors, bars, and strip clubs were predominant forms of business. Trash littered the Gaslamp Quarter, and many 19th century Victorian houses were dilapidated.

In 1975, redevelopment plans were created for downtown and ten years later, San Diego's first major landmark redevelopment project, Horton Plaza, was developed by the Rouse Company (who developed Arizona Center), followed by

revitalization in the Gaslamp Quarter and completion of the San Diego Convention Center. The government structure of court houses combined with law firms and two law schools – Thomas Jefferson and California Western – provided another large-scale downtown amenity for supporting revitalization.

Despite the variety of San Diego organizations and the enthusiasm displayed by these entities, an important question that Phoenix leaders should ask pertaining to downtown revitalization is this: Who, or what, is the “glue” for downtown vitality when there are many groups focusing on downtown improvement? As of today, CCDC serves as the unifying organization setting a grand vision for downtown San Diego. CCDC helped to facilitate big improvement projects impacting the 2006 Downtown Community Plan that created lifestyle amenities, parks, open space and transit corridors.

CCDC is the public, nonprofit corporation created by the City of San Diego to staff, plan and implement downtown San Diego redevelopment projects and programs. Formed in 1975, the corporation serves on behalf of the San Diego Redevelopment Agency as the catalyst for public-private partnerships to facilitate redevelopment projects according to redevelopment law. Through an operating agreement, CCDC is the Agency's representative in the development of retail, residential, office, hotel, cultural and educational projects and public improvement projects. Each of CCDC's seven-member board of directors is appointed by the Mayor and City Council to three-year terms. CCDC on behalf of the Redevelopment Agency of the City of San Diego administers two project area

budgets, Centre City and Horton Plaza. CCDC can help fund, but cannot maintain City and BID projects.

San Diego's Community Plan, facilitated by the City of San Diego's planning department with collaboration with the CCDC, is the product of a two-year relationship with downtown community members and stakeholders structured around issue identification, vision and goal setting, alternatives analysis, and synthesis (City of San Diego, 2010). Central to the process was the 35-member Steering Committee which formulated the planning and design principles. More than 1,500 people have participated directly in workshops and other forums or offered suggestions for inclusion in the Plan. Broad public input was obtained through a series of workshops where downtown residents, employees, property owners, as well as representatives of advocacy groups and the surrounding neighborhoods, weighed in on issues and provided recommendations. Ideas and comments were also gathered via a project web site, newsletters, stakeholder interviews, and media coverage. One of the guiding principles is stated as "large-scale projects will remain equally as important as neighborhood initiatives" (City of San Diego, 2010). Continued improvement of the Qualcomm stadium (a City of San Diego-owned stadium improved in 1997 through Qualcomm financing), revitalization of a deteriorating Horton Plaza Park, expansion of the Convention Center, and creation of a new Civic Center are major projects on the agenda of downtown-focused organizations in San Diego.

Petco Park, a baseball used by the San Diego Padres, opened in 2004. Large projects initiated downtown improvement in San Diego and the downtown

area evolved from blight in the 1970s and 1980s to a vibrant place attracting residents and visitors who walk the streets and enjoy shopping and entertainment. Downtown San Diego is now home to more than 30,000 residents with expected downtown residential growth to triple by 2030 (CCDC, 2010).

The City of San Diego's BID program is the largest in the state of California and one of the most active in the nation, administered by the City's Office of Small Business. San Diego's program dates back to 1970 with the creation of the Downtown Improvement Area, California's first metropolitan downtown district. The establishment of a friendly exchange between civic, city and county interests was an important step forward. Since that time, the small business community and City of San Diego have created 18 separate business improvement districts, with another two in preliminary stages of formation. More than 11,000 small businesses participate in these self-assessment districts, raising more than \$1 million annually (Downtown San Diego Partnership, 2010). San Diego's business improvement districts illuminate how more than one BID can successfully provide a focus on street-level amenities and vitality to create special districts yielding unique features, connecting downtown to the surrounding neighborhoods.

In San Diego, DPP's equivalent organization is the Downtown San Diego Partnership (DSDP), a privately funded nonprofit 501(c) 6 business organization. The Partnership was formed in 1993 by the merger of two longstanding, privately funded downtown business organizations: San Diego Downtown Association / Central City Association (formed in 1952), and San Diegans, Inc. (formed in

1958). Membership consists of companies and individuals committed to strengthening the business, residential and cultural environment of Downtown San Diego. The DSDP's mission to advance Downtown San Diego as the leading economic, cultural and governmental center of the region through leadership, advocacy and education by representing membership before governmental agencies and community organizations, serving as Downtown's watchdog. The partnership is funded in four ways: membership, Clean and Safe (a downtown property-based business improvement district), the downtown business improvement district (BID), and special events such as an annual awards dinner, mixers, and golf tournaments.

DSDP's President Shirley Horton noted in an interview that productive social networks are promoted through a diverse board representing the entire cross section of active downtown businesses, including small, mid-sized and large businesses. She emphasized the importance of building coalitions beyond the DSDP's boundaries to include other BIDs and government partners. She serves on the BID Council where leaders of all downtown BIDs share issues and opportunities for collaboration in public policy and community projects. Within DSDP, quarterly membership meetings bring all of the BID members together while ongoing committees promote networks that support major BID initiatives such as the Civic Center Committee, Horton Plaza Park Committee, the Business Attraction and Retention Program Committee, and event-focused committees such as "Downtown for the Holidays," a month-long event partnered with the Gaslamp-area BID and Petco Park.

New groups, such as neighborhood coalitions, are springing up in downtown, creating a new type of community outreach beyond the usual DSDP membership structure. Horton assigns staff members to attend these community group meetings so that new relationships can be formed and local issues better understood. Other BID programs complete an annual survey to assess the DSDP's Clean and Safe program, offering the opportunity for critical input from stakeholders. This type of outreach is helping DSDP create social networks that span organizational boundaries, helping DSDP's staff understand how to improve as well as stay tuned to new and emerging issues. Tools to address communication gaps have been created. For example, a diagram titled "Whose job is it anyway?" shows all of the possible street-level maintenance problems on a typical downtown San Diego street corner and provides a helpful guide for how to report problems and who to call. This guide is posted on the DSDP's Clean and Safe web site as well as is published in brochures for residents and business owners.

At a tactical level with street improvement operations, connection and communication among these many downtown San Diego groups was needed. An initiative called "Paradise in Progress" was created by the CCDC and 11 other public and private organizations as a public-private partnership to bring together what otherwise would be fragmented groups planning street improvement and construction projects in downtown San Diego (CCDC, 2010). Funding for this initiative comes from downtown stakeholder organizations including downtown BIDS, the San Diego Convention Center Corporation, the Unified Port of San

Diego, and the San Diego Padres baseball team. Paradise in Progress is led by a steering committee comprised of the Downtown San Diego Partnership, City of San Diego, CCDC, San Diego Convention Center Corporation, San Diego Convention and Visitors Bureau, San Diego Padres, Port of San Diego, Metropolitan Transit Development Board, East Village Association, Gaslamp Quarter Association, Little Italy Association and Associated General Contractors. Workshops and communication with community organizations are held monthly to keep the lines of communication open among the many San Diego community organizations regarding major construction projects and civic events (Downtown San Diego Partnership, 2010).

### Salt Lake City

Salt Lake City's downtown revitalization in recent years has been spawned by sports, snow, and history. Phoenix leaders can learn from how Salt Lake City leaders maximized downtown opportunities based on nearby natural capital – the mountains and snow – as well as a major international event creating impetus for downtown improvement. Salt Lake City's recent downtown revitalization was expedited when the city hosted the 2002 winter Olympics which focused on skiing and snow. Furthermore, the city's vision process is one of the most participative citizen-based development approaches noted in this study. However, according to the Salt Lake City Downtown Alliance, the city's challenge is to overcome the perception that the city is controlled by the LDS

Church (Salt Lake City Downtown Alliance web site, 2010). Salt Lake City Downtown Alliance is a nonprofit organization serving the downtown property owners, businesses, and residents. Its mission is to build a dynamic and diverse community that is the regional center for culture, commerce and entertainment. Established in 1991, the Alliance represents more than 2,500 business and property owners in the Central Business District and became a strategic partner of the Salt Lake City Chamber of Commerce in 2003 (Downtown Alliance, 2010).

The Alliance is governed by a 13-member board that includes small business owners and executives from several larger entities such as Wells Fargo bank, the Utah Jazz basketball team and the Mormon Church. Ex-officio board members include the mayor of Salt Lake City, the mayor of Salt Lake Council, an elected city councilman, a staff member of the Salt Lake Convention & Visitors Bureau, a staff member from the Redevelopment Agency of Salt Lake City, and the executive director of the Downtown Retail Merchants Association. The Downtown Alliance Board of Trustees also is represented on the Salt Lake Chamber's Board of Governors.

Initiated in 2006, a visioning process called "Downtown Rising" brought citizens together to create a timeline of Salt Lake City's history as well as a vision for the future. The plan calls for six downtown districts of character, each having distinct qualities. Sports, performing arts, and the outdoors are major themes woven into the vision. According to the "Downtown Rising: A Vision for Salt Lake City" report, Downtown Rising began in May 2006 as a business-led collaborative effort to draw citizens together to create a bold and exciting long-

range vision for downtown Salt Lake City. The process began with a high profile kickoff event. Invitations were sent to business and community leaders that included a camera and instructions to capture those elements that help create a bustling downtown. Hundreds of photos were submitted to Downtown Rising; people included everything from curbs and gutters to plazas and buildings. Some people even sent in images from cities in other states and countries.

A group call the “conveners” – prominent leaders from Salt Lake City’s business community – were called upon to lead the Downtown Rising effort. Hands-on policy and technical advice was provided by the “cabinet,” which consisted of working professionals who are knowledgeable about regional and city issues. Each group met half a dozen times to hear reports on various aspects of the effort and provide counsel from their diverse perspectives.

Design Workshop, an urban planning and landscape architecture company with an office in Salt Lake City, focused a 10-day student internship program on Downtown Rising. This visioning charrette brought together 15 of the nation’s top college students studying urban design, planning, landscape architecture, real estate, business and environmental planning. The students formulated strategies which were then presented to members of Downtown Rising’s Cabinet and Conveners.

From the start, Downtown Rising was considered to be a major investment and asset to the future of Salt Lake City. The process built community networks by reaching out to citizens statewide to generate feedback to preliminary ideas to help define the vision for downtown. A 32-page newspaper insert reached more

than 250,000 Utah citizens. Readers responded to the draft vision by mailing in thoughts or commenting via the Downtown Rising web site. Members of the Downtown Rising team made hundreds of presentations to various groups. “Visual preference” surveys were conducted in key locations around the city, allowing 300 residents to react to images of what makes an ideal downtown. More than 150 attendees at workshops for members of the public and downtown businesses used maps and paper models to respond to the draft vision and brainstorm changes. The public involvement process found there was a high level of support for a healthy downtown and for a visioning process to keep it that way — 85 percent of those who replied to the newspaper questionnaire and online survey said they supported the draft vision and its ideas.

Despite the participatory visioning process noted on the Downtown Rising web site, Salt Lake City still struggles with its identity, trying to strike a balance between the headquarters of a major religion and modern secular city. The LDS Church recently bought several large shopping malls, continuing its trend of large-scale property ownership. Salt Lake City is already planning a bid for the 2018 Winter Olympics. Beyond the visioning process, the Downtown Alliance offers a membership-based “Friends of Downtown” program for an annual fee of \$50 which provides a way for all citizens to engage in downtown activities at grassroots levels. The program offers special coupons and discounts, gift certificates, tickets and downtown connectivity to people who want to become part of the downtown insider circle. Furthermore, the Alliance’s web site is attempting to build social capital through electronic social networking, including

Facebook and Twitter connectivity for those who want downtown updates and the opportunity to provide input.

The Redevelopment Agency of Salt Lake City is a second organization that focuses on downtown Salt Lake City, and is less participatory due to its specific mission to improve blighted areas of Salt Lake City. The agency encourages economic development with a focus on housing for low and moderate income households within Salt Lake City and advocates compliance with and implementation of the Salt Lake City Master Plan.

#### Denver

Similar to downtown Phoenix, the past fifteen years have marked a renaissance for downtown Denver. Denver's focal point for sustaining downtown revitalization has centered on creating an environment for recreation and shopping. Three prominent downtown groups created more than 50 years ago have worked together in a coordinated manner to revitalize Denver's downtown. These organizations include the Denver Urban Renewal Authority (DURA), the Downtown Denver Partnership, and the Downtown Denver Business Improvement District. Denver provides a good example for how three-distinct downtown groups can work together in a cohesive way over time, each providing specific areas of downtown focus. Phoenix leaders can learn from this coordinated approach to downtown development.

DURA was created by the City and County of Denver in 1958 to assist in the redevelopment of blighted property and help foster the sound growth and

development of Denver. Working with residents, businesses, civic leaders, area developers, and financing institutions, DURA provides financial assistance to support redevelopment activities throughout the city. These include single family home rehabilitation, emergency home repair, historic preservation, brownfield redevelopment, infill development, and neighborhood revitalization, among others. DURA's programmatic activities are separated into Housing and Redevelopment. Before the City and DURA decide to assist with a redevelopment project, it must be clear that the completed project will be a desirable outcome for both the city and the surrounding community. As part of the process, DURA will hold at least one community meeting to review the proposed redevelopment plan and every redevelopment project undertaken by DURA is reviewed by the Denver Planning Board to determine whether it conforms with the city's Comprehensive Plan. Once a redevelopment plan has the Planning Board's approval, it moves to City Council where it receives two hearings – preliminary Council action and then a public hearing followed by final Council action.

DURA has played an important part in the redevelopment of downtown by targeting neighborhoods for change, endorsing development projects and providing capital to private investment projects. DURA has made expansive use of its tax increment financing (TIF) authority where future gains in taxes are used to finance current improvements which are expected to create the conditions for those future gains. To make use of TIF, DURA must declare a property blighted and determine that a new better use of that property requires public financial assistance for it to be possible. DURA finds a developer for a property, and

through negotiation an assessment of need is made. The property's current level of general sales and property tax as well as dedicated mill levies are set as the "tax base." The city then provides funding to the project based on its needs. This funding occurs either as an annual reimbursement to the developer, or as upfront financing, usually financed by a municipal bond sale. The tax increment is the additional amount of tax revenue above and beyond the base that the property generates under its new use. That increment finances either the reimbursement payments or bond repayment and continues until the total amount of the TIF granted has been reached. In their study of tax increment financing in Denver, Robinson and Nevitt estimate total DURA TIF subsidies of over \$515 million and \$153 million has been invested in the downtown area.

Downtown Denver Partnership, Inc. is a nonprofit business organization established in 1955 that says it "creatively plans, manages and develops Downtown Denver as the unique, diverse, vibrant and economically healthy urban core of the Rocky Mountain region." The Partnership calls itself a leader, place-maker, convener, idea generator, facilitator, recruiter, team-builder and policy advocate. The Partnership's six areas of focus – Leadership, Environment, Experience, Jobs, Connections and Housing provide the organization's areas of focus. The Partnership's three civic events help generate social capital by bringing more than 1 million citizens to the downtown area during the year. Public forums and citizen gatherings such as trade shows help the Partnership marshal public input on topics critical to improving downtown Denver.

As an innovative approach to social capital, the Downtown Denver Partnership created the Urban Exploration Program in 2008. This program brings city leaders and public and private sector stakeholders in Downtown Denver together to learn about best practices in other cities, where visits to best-practice cities are organized. Trips provide opportunities for 50 community leaders to network and immerse themselves in educational settings where they can learn about infrastructure, economic development, transit and transportation and public private partnerships in other cities.

The Downtown Denver Business Improvement District is a quasigovernmental management organization funded by downtown commercial property owners. The Denver BID's scope of work includes daily cleaning and maintenance, repairs, improvements, security, marketing and promotional support, as well as resources for economic development. Denver's BID is governed by a nine-member board represented by large businesses. The board meets monthly for 90 minutes. With the approval of downtown Denver's commercial property owners, the BID was formed and the district's boundaries were expanded to its current 120-block area, making it one of the largest U.S. BIDs in terms of land area. The Denver BID's governing board is composed of primarily large business interests; this restricts variety and input from other vital constituencies such as small business and nonprofits.

## Austin

Austin's downtown has been revitalized around the economics of burgeoning industries bringing people together – the industries of music, entertainment and technology. Phoenix leaders can learn from Austin's determination to build a downtown identity around a major industry – music – as well as creating a clear vision to develop a unique palette of characteristics that develop a great city (Appendix B).

In the 1970s, Austin became a refuge for Country-Western musicians and songwriters seeking to escape the music industry's corporate domination of Nashville. The best-known artist in this group was Willie Nelson, who became an icon for what became the city's "alternate music industry." In the following years, Austin gained a reputation as a place where struggling musicians could launch their careers in informal live venues in front of receptive audiences. This ultimately led to the city's official motto, "The Live Music Capital of the World." During the 1970s and 1980s, the city experienced a tremendous boom in development that temporarily was halted with the savings and loan crisis in the late 1980s. In the 1990s, the boom resumed with the influx and growth of a large technology industry. Initially, the technology industry was centered around established companies such as IBM, but in the late 1990s, Austin gained the additional reputation of being a place appealing to creative entrepreneurs, and the city became home to dot-com businesses, game development and film making.

Created in 1993, Downtown Austin Alliance is a partnership of individuals and businesses devoted to promoting and maintaining a safe, clean,

attractive, accessible, and fun downtown environment. A special assessment on privately owned large properties within the district is the primary source of funding for the Downtown Austin Alliance (Downtown Austin Alliance web site, 2010). Other partners contributing funds include the City of Austin and Travis County. The partnership has grown to include businesses, civic and cultural organizations, and many individuals. Providing private sector leadership, the Alliance works with government to develop and implement programs that enhance the business, cultural, and residential environment of downtown Austin. Similar to DPP, the Alliance is structured into five primary categories with supporting committees working to get things done: Arts and Entertainment/Marketing, Economic Development, Parks, Streetscapes & Transportation, and Security & Maintenance. Committee and board involvement provide venues for cultivation of community social capital. Most recently, the city has pushed for smart growth, mostly in downtown and the surrounding neighborhoods, spurring the development of new condominiums in the area and altering the city's skyline. This has increased gentrification and has drastically raised the housing prices throughout the metropolitan area, especially in downtown neighborhoods.

## Philadelphia

Philadelphia has been compared to Phoenix regarding business improvement district best practices and the need to create distinct identity and

sense of downtown as a destination or special place to experience. Unlike Phoenix, Philadelphia's unique downtown revitalization capitalizes on rich history of the United States and the Founding Fathers. Philadelphia's redevelopment effort shows that a downtown can be revitalized based on financial capital, strong leadership, and heavy reliance on a historic image. Philadelphia is important to Phoenix because of the rich, ancestral culture and history in the downtown Phoenix area, including Native American, Mexican, and U.S. history, and the potential to showcase history as one of several defining attributes in downtown Phoenix vibrancy.

Philadelphia's downtown situation is much like that of many cities in the post World War era, where changes in production and transportation led to an exodus of manufacturing jobs from the urban core, leading a decline in the downtown. As early as the 1960s, Philadelphia assumed a leadership role in rebuilding its downtown. Using the power of eminent domain, Philadelphia renovated hundreds of historic homes in Society Hill, reclaimed its waterfront, reinvested in mass transit and maintained healthy retail and office markets (St. Louis Downtown Street Guidelines report, 2000). Despite these efforts, by the 1980s downtown Philadelphia had declined. Streets were dirty and vacant looking, especially at night, and tourism to the city had significantly decreased. In order to reinvigorate downtown, Philadelphia's civic leadership decided that it was crucial to become a "destination" city. In the early 1990s, these factors came together with the creation of the Center City District and the construction of the

Convention Center. Municipal services alone were insufficient to make Center City a place that was clean, safe and attractive.

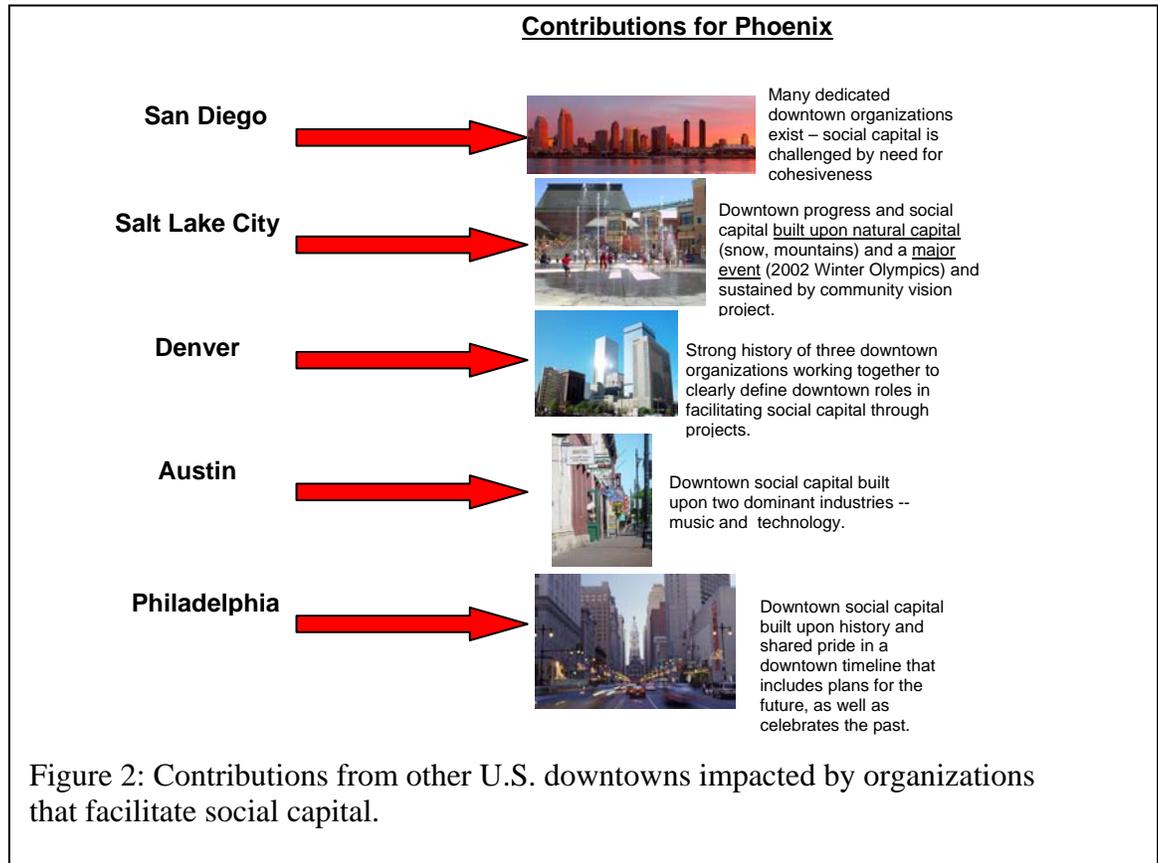
To solve this problem, local business leaders banded together and agreed to form a self-taxing BID. With the ability to issue bonds, BIDs bring financial capital to downtown urban projects through the support of those who agree to be taxed in order to support new amenities. Philadelphia business owners agreed to be taxed in order to create the Center City District (CCD) in 1990 to make Center City Philadelphia clean, safe and attractive. Through use of a timeline of city planning in its community vision meetings, downtown municipal and business leaders created a cohesive mindset among participants, focusing on Philadelphia's unique history and progress dating back to 1683 with the "Philadelphia Plan" developed by William Penn and Thomas Holme. CCD is governed by a 23-member board of directors representing a wide cross section of Philadelphia's leaders in business, labor, education, and cultural and health care institutions. Services are provided directly by staff and by competitively selected private contractors (Center City Philadelphia, 2008). In Philadelphia's case, it took a collective and democratic process supported by the CCD structure and active business leaders to find the financial capital for an improved downtown. Social capital was facilitated by the BID and CCD structures, leading to new financial resources that expedited the improvement of downtown Philadelphia.

## Contributions to Downtown Phoenix

Phoenix leaders can learn from each city's experiences. For example, in San Diego, more than 10 organizations are focused on downtown vitality; the volume of groups including BIDs, business coalitions and municipal efforts create the challenge of developing a cohesive plan. PCA and DPP can learn from San Diego's challenge and ensure that these two organizations work together to define clear roles and ways to work together. In Salt Lake City, natural capital and a major international event drove the community to work together to revitalize downtown and later, create a community visioning process. In Philadelphia, the rich history of events and public places, such as the historical City Hall, have become the focal point for downtown renewal. Phoenix can look for ways to build downtown vibrancy around the surrounding desert landscape and its history of native cultures and arts. In Austin, two industries – the music industry, and later the high-tech industry based on technology – became main attractions leading people, vibrancy and change to downtown. Phoenix does not have one particular industry that drives vibrancy, but can learn from Austin's use of creating an entertainment district where people can gather and experience downtown while having fun.

Each downtown drew its appeal from different strengths, or characteristics of “place” noted in Figure 2. For example, San Diego downtown faces San Diego Bay and has a historic flavor due to the presentation of old buildings. Austin has a strip of bars where entertainment abounds, and the city has the historic landmark capital building where events are held. Denver has created the 16<sup>th</sup> Street Mall

area. Salt Lake City’s downtown was inspired by the 2002 Olympic games and the focus is outdoor recreation, whereas Downtown Philadelphia is distinctively focused on U.S. history and historical buildings and archives.



What were the downtown issues that provided the compelling rationale for creating PCA and later DPP? According to former PCA and DPP board member Dennis Mitchum and other interview sources, the initial prevailing issue that inspired downtown revitalization in Phoenix during the 1970s was crime, blight and homelessness – not a pressing need for a downtown vision, distinct opportunities or the need to articulate distinct urban characteristics.

## Tools For Open, Authentic Downtown Urban Redevelopment

The word “authentic” derives from Greek sources, meaning one who accomplishes (Terry, 1993). Authenticity in the context of community building and social capital is inclusive, is self-correcting for actions taken, requires empowerment and action, sets direction, and is grounded in ethics. Authenticity includes action that is both true and real in humankind, and in the world. Terry argues that we are authentic when we discern, seek and live in truth as persons in diverse communities. Authentic action requires courage and hope for the human community. Etzioni (1968) notes that authenticity exists where responsiveness exists and is experienced as such, where reflective engagement matters. In contrast, inauthenticity exists if a “relationship, institution or society provides the appearance of responsiveness while the underlying condition is alienating” (p. 619). This includes shaping the appearance of events or feeding the public misleading information while creating the illusion of reality in order to accomplish manipulated outcomes.

Furthermore, authenticity is genuineness and refusal to engage in self deception (Terry, 1993). An authentic action is one that succeeds in accomplishing its mission. In order to build authentic community and build a community’s capacity, the fundamental ingredients that help to create social capital must be in place – effective connections, shared values, civic participation, networks of relationships, strong leadership, and vehicles for collective action and problem solving (Chaskin, Brown, Venkatesh & Vidal, 2001).

What techniques and tool are being used by downtown communities seeking to engage authentic citizen input for downtown improvement? The literature points to a number of mechanisms for creating downtown networks. Techniques include public meetings such as community forums, visioning sessions, tours, charrettes, and focus groups. Charrettes typically are meetings, involving municipal officials, developers, and residents. A successful charrette promotes joint ownership of solutions and attempts to defuse typical confrontational attitudes between residents and developers. Charrettes tend to involve small groups, however the residents participating may not represent all the residents nor have the moral authority to represent them.

Tools helpful for encouraging participation include facilitated group brainstorming exercises and the use of historical timelines and community report cards. Mass communication strategies can help to create social capital, including web sites, newsletters, news articles and surveys.

Downtown Denver Partnership's Urban Exploration program was most innovative in developing a face-to-face network of future downtown participants by coordinating citizen tours to other cities. San Diego's Paradise in Progress program was established to facilitate information about downtown construction projects. Paradise in Progress was created as a public/private partnership as a proactive step to ensure that the myriad organizations supporting downtown San Diego stay connected and well-informed.

Those associated with formal government entities, such as DURA, tended to facilitate support and awareness of downtown projects through structured

public meetings and public input processes. Supporting committees, public meetings and charrettes were among frequently used tools to generate social capital and provided venues for creating new community relationships where people get to know each other, where community leaders are identified at a downtown project level, and where change is effected.

As mentioned earlier, formal mechanisms – such as BIDs, LISCs and CDCs – provide forums and community assessment scorecards and toolboxes for collective evaluation, decision making, visioning and financial investment. For example, the University of Wisconsin developed an online Downtown and Business District Market Analysis Toolbox to help communities understand market conditions, identify market opportunities by sector, and develop market-driven strategies for business retention and expansion. A downtown “report card” is one such tool that is creating dialogue among city government, development leaders, and citizens. Separate from official government activity, citizen’s coalitions can form to frame guiding principles and publish white papers for sharing with community leaders (Bailie, 1999).

John Gardner called average citizens that work together across boundaries to make their communities better the “responsibles” (Gardner, 1997). He argued that the task facing communities today is to build what he called “leadership plazas” – open, authentic, inviting opportunities to put the whole community to work for the community – rather than leadership pyramids where only a few leaders exist at the top, in closed, hierarchical structures. Valuable community research from the Kettering Foundation found that unless a community issue is

understood from multiple perspectives and takes into account different interests, it is unlikely that citizens can work together as a community. This is where social capital and helpful tools and techniques can directly impact the success of downtown community building, as shared human relationships serve as powerful assets for building community pride and participation.

Despite literature pointing to the importance of tools that facilitate social capital, the literature does not address emerging pressures of how downtown boundary-spanning network groups can include emerging groups and new leaders who desire to engage in downtown improvement. In Phoenix, not only are the traditional leadership power structures changing, but the major issues of street-level vibrancy and affordable housing cannot be “solved” by any one network alone, nor can these profound issues be quickly erased by a handful of the traditional CEOs or business elites. Corporate downsizing and a shift in corporate senior executives located in Phoenix, such as those at Chase Bank, have resulted in fewer Phoenix-based top decision makers with delegated authority to contribute to, and raise capital for, local pet projects. As we will see later in the dissertation, because the power base of Phoenix leadership has changed, the need to create new and valuable relationships has evolved, from alliances among a few leaders, to creating coalitions among new and emerging types of leaders in nontraditional settings such as neighborhoods, arts communities, and small business.

## Social Capital Helps Build “Authentic Communities,” Improves Poor Communities

The ability to champion strengths while working on deficits builds a community’s capacity to act on its own behalf (Chaskin, Brown, Venkatesh & Vidal, 2001). Authentic communities seek fundamental social change requiring a commitment to inclusive community institutions which sustain and are nourished by community-level social capital. When communities are rigidly divided by class or by race, community-level social capital may exist in the haves’ world, but not in the community as a whole (Duncan, 1999). Some argue that social capital can help combat poverty and foster development in poor communities, not by alleviating poverty directly, but by leveraging investments in human capital and household financial resources (Saegert, Thompson & Warren, 2001). While social capital within a community can lead to greater resources, strongly bonded communities can be closed-minded, hostile to outsiders, and possibly corrupt (Portes, 1998). To be inclusive and effective, community revitalization efforts must be *authentic* – balancing the bonding of internal social capital within a community and bridging ties to other communities. Both social capital and norms that exist internally within a community, combined with external relationships, are critical for combating poverty. Moreover, it is widely believed that problems in poor communities lie in weak internal organization, resulting in the collapse in a community’s ability to solve its own problems. Furthermore, poor communities cannot solve their problems on their own, no matter how strong and well-

organized their internal social capital becomes, because they require greater financial resources and better public services (Saegert, Thompson & Warren, 2001). Social capital can play an essential role by helping to make investment strategies work in public health, safety, housing, economic development and education. A community's strong internal organization can enhance the effectiveness of public institutions and revitalization strategies to the extent that the poor can act collectively and force alliances to outside resources.

For example, Warren advocates that relationships within the local public school system help to strengthen community initiatives that can make a number of critical contributions to school improvement. Local school improvement can address the community's specific social context of education so that children come to school better able to learn, foster parental and community participation in the education of children and the work of schools, work to transform the culture of schools and the practice of schooling and hold school officials accountable for educational gains, and help build a political constituency for public education to support the delivery of greater resources to schools and to address in other ways the profound inequalities in public education (Warren, 2005). Warren notes that historically, community-organizing groups have followed a strategy that can best be understood as reflecting unilateral power. They organized the social capital of their community to leverage power into the political arena to force public, and sometimes private, institutions to improve services or to provide funds to build affordable housing or support economic development. Some community organizations have used this strategy in the education arena as well, lobbying for

new school construction or policy changes at the district level. However necessary this outside strategy ultimately is insufficient for improving urban schools, because such schools lack the capacity to change on their own.

Moreover, Warren (2001) notes that low-income and disadvantaged communities can begin to address the fundamental requirement of building bonds that lead to social capital by finding common ground around broadly shared values such as family integrity, healthy communities, social justice and economic fairness rather than trying to build social capital through typical political discourse. Warren advocates that American democracy would do better to seek ways for citizens to discuss deeply held views within the context of an effort to establish the public good. As more people connect with each other, the more they will trust each other and the better off they are individually and collectively (Putnam, 1993; Briggs, 1998; Gittel & Vidal, 1998). For example, the Texas Industrial Area Foundation (IAF) has developed a unique strategy to build cooperative action coined “relational organizing.” Instead of mobilizing around a set of predetermined issues, IAF brings residents together first to discuss basic community needs and find common ground for action. Conversations and relationships lead to identifying issues around which participants are prepared to act together. Rather than starting from the top with the “most important issues” that have potential to divide a community, IAF organizations build a base of trust and political capacity by first focusing on issues that have meaning in the lives of participants and their families. Internal community bonding then works together with external bridging, the type of social capital that brings together people and

groups with new bridges to outside resources who did not know each other (Warren, Putnam).

Warren (2001) argues that people learn to trust and to cooperate with each other in particular social arrangements and in specific institutional settings and within less formal social settings such as church. Religious congregations stand out for three reasons. First, churches represent the country's largest form of social connectedness—roughly half of America's stock of social capital. Second, religious institutions embody strong traditions through which people can learn and express the value of the community and obligations members have toward each other. Third, religion can offer a moral vision for political action as well as networks of community caring and action. Rather than focus on differences in religious beliefs, Warren advocates an approach that engages these rich community networks to inform an agenda that serves the more concrete needs of families and communities around a community-based agenda. Local level community organizing provides the needed grounding for democracy in communities where people live and raise their families, where face-to-face interactions can take place that build trust and cooperation.

The principle of Granovetter's weak ties can be applied to overcome a marginalized community's lack of linkage to financial, technical, social and political forms of capital. A network of weak ties to link in organizations and individuals outside an inner city can garner new resources and forms of capital (Gittel & Vidal, 1998). New ties can lead to new norms of trust and cooperation, and eventually new activities and collective action that can be beneficial to a

community as a whole. For example, IAF was invited to help San Antonio address the city's poverty rate and decline of good paying jobs for unskilled workers. While the initiative could not reverse the trend of plants and major employers closing, the IAF worked with a community-based organization to begin exploring a longer-term solution to attaining livable wages for San Antonio poor communities. Exploration of a job-training program was vetted among more than three hundred citizens at meetings called "house meetings." Project QUEST, an urban community-based job training program, was developed from the grassroots feedback and supported by organized business and government who could fund the effort from an institutional base of power and resources (Warren, 2001).

Arizona State University's Lodestar Center for Philanthropy and Nonprofit Innovation offers strategies for creating a more inclusive community, minimizing power differences in community building. These can be applied to a downtown urban community building setting. First, effective orientation of new members in a downtown context can help to equalize power relationships. Organizations charged with community development can consciously increase numbers of those with less power through recruitment initiatives. Second, ground rules or group agreements developed by the entire group can promote participation at community meetings. Preparations can be made to involve those with less power in decision making and input including listening to and respecting all members to equalize power relationships so that people know their ideas are heard and respected. Special support can be provided to those who are from

diverse communities – such as transportation and childcare reimbursements – to help cover time and expenses for those who otherwise would not be able to participate. These strategies can be integrated into the way PCA and DPP conducts meetings, engages committees, and seeks input at the front end of projects in order to neutralize power differences (ASU, 2010).

In addition to informal settings, a number of formal initiatives exist to provide structure to downtown urban development. Comprehensive community-based change initiatives (Cocas), Local Initiatives Support Corporation (LISC) and Community Development Corporations (CDCs) have grown in number since the 1990s. According to a national census of CDCs conducted by the National Congress for Community Economic Development (NCCED), there were an estimated 3,600 CDCs across the United States. Since the emergence of the first CDCs in the late 1960s, CDCs have produced approximately 247,000 private sector jobs and 550,000 units of affordable housing in the United States with the purpose of advancing neighborhood transformation (NCCED, 2006). The Neighborhood and Family Initiative funded by the Ford Foundation found that in order to create the kind of bridging capital that brings new resources to poor communities, the initiative must be governed by a collaborative that includes both leaders from the target community, and a variety of other well-regarded citizens from the public and private sectors who can contribute to the neighborhood revitalization process by virtue of their positions, experience and perspectives (Gittal & Vidal, 1998).

## Social Capital Theories Connected With Downtown Renewal

Three particular social capital theories noted in Figure 3 show the value of social capital to downtown revitalization. First, social capital is an investment and an asset into downtown renewal (Ostrom, 1994; Field, 2003). PCA and DPP are, as organizations, investments in downtown Phoenix, and these organizations also are in a constant state of developing future investments of social, human and financial capital.

Second, coalition building through boundary spanning and establishing weak ties can expand downtown networks and benefit downtown revitalization by enhancing a community's ability to reach out and gather new ideas and resources, as well as bridge gaps in relationships among groups (Granovetter, 1973, 1974; Burt, 1997). PCA and DPP, in principle, are vital for balancing the need for internal bonding among groups with the ability to reach out and bridge to new resources – those who can create new forms of bonding *among* groups, bridging *between* groups, and those who are committed to create the next generation of leadership that creates “plazas” of social capital rather than solely the traditional leadership structures of past Phoenix. This outreach and bridging then becomes a powerful tool to attract and cultivate the next generation of new “responsibles” (Gardner, 1997). And third, social capital in the context of downtown development can lead to a virtuous circle of continuous improvements, fostering other forms of community capital (Herreros, 2004). The three theory groups noted in Figure 3 support how social capital can assist in the formation of new, open

networks of idea sharing and action among a diverse, changing constituent base, enhancing trust, information exchange and inclusion of new participants valuable to an exciting downtown.

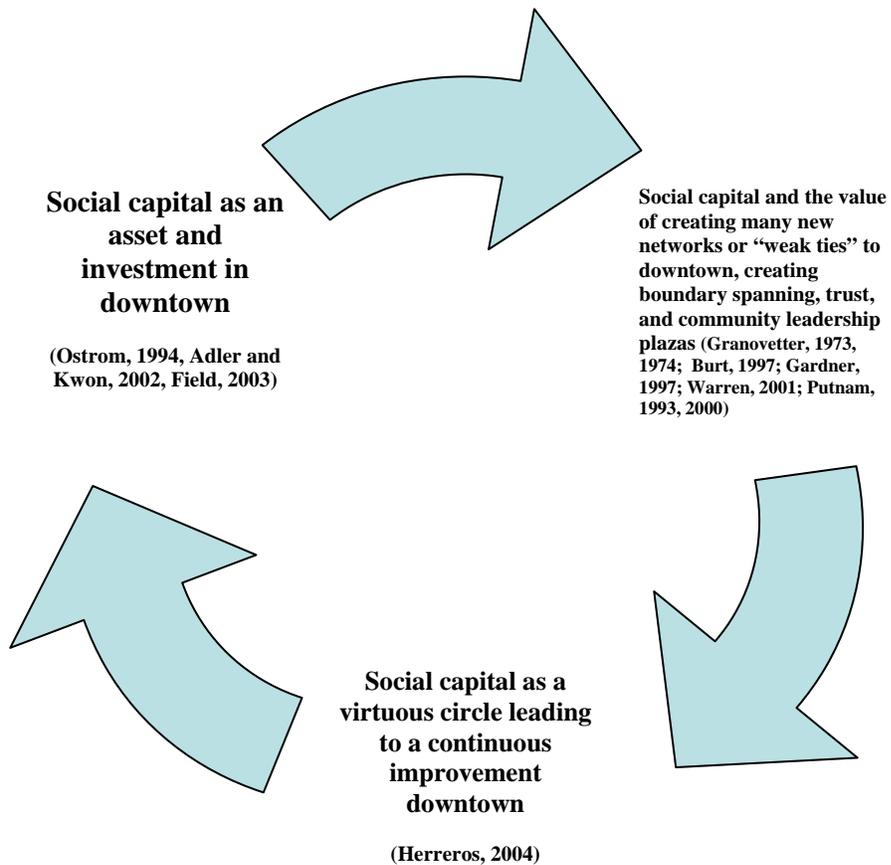


Figure 3: Three social capital theory groups combined above illustrate how networks serve as an asset to downtown, create stronger trust and resource sharing among diverse community groups, and can create a “virtuous circle” of continuous improvement – all helping to create a great city as defined by certain characteristics noted in Appendix B.

Chapters Two and Three presented an extensive literature review and contributions from other cities that focus on the origins and applications of social capital theory. This chapter illustrated the important role that social capital plays as glue in connecting diverse ideas into authentic community action and improvement. Chapter Four will discuss the scope and methodology of this research examining social capital as an intervening or intermediary force created by organizations to help drive urban revitalization in downtown Phoenix.

## Chapter Four:

### Methodology

As stated in the introduction, the research question and primary focus of this study is to examine the way in which PCA and DPP use *social capital* as a variable, intermediary force to advance downtown urban development initiatives.

Related to this, this study will also explore:

- How and the extent to which new social capital is generated by PCA and DPP through the processes of planning, designing, and implementing downtown development projects and the kinds of initiatives this social capital enables.
- Whether and how the focus of downtown Phoenix development has shifted over time.
- The challenges facing contemporary downtown development and role PCA and DPP might play in addressing them.
- Recommended strategies for advancing future downtown Phoenix development through social capital that evolves as downtown needs change.

The research used in answering the research question is based on collective case study methodology where a number of cases are studied in order to investigate general phenomenon (Silverman and Marvasti 2008). Yin (2003) notes that case study is a bounded system (a person, group, activity, process) and is an approach capable of examining simple or complex phenomenon, with units of

analysis varying from single individuals to large corporations and businesses, and can meaningfully make use of, and contribute to, the application of theory.

### Case Study Methodology

The collective case study methodology explored the causal implications of social capital as well as attempted to address what would have happened had PCA and DPP not existed by asking interview sources questions that addressed how the projects would have been completed or accomplished without participation of PCA and DPP. Stake (1995) and Yin (1994) identified at least six sources of evidence in case studies including documents such as newspaper articles, agendas, memoranda and letters, as well as archival records, interviews, direct observation, participant-observation, and physical artifacts. All of these sources were examined as part of this research.

Flyvbjerg (2001, 2006) notes that the generalizability of case studies to create knowledge can be increased by strategic selection of *critical cases* – those cases, determined by strategic choice, that have the potential to reveal more information because the particular cases activate more actors and perspectives in the specific situation being studied. A critical case can be defined as having strategic importance in relation to the general problem. Flyvbjerg emphasizes that cases of the “most likely” type are especially well-suited to falsification of propositions, while the “least likely” cases are most appropriate to tests of verification. PCA and DPP presented critical cases for the potential for creating

social capital, or important networks that matter, for downtown urban development in Phoenix through leadership and organizational development, community organizing, and interorganizational collaboration.

### Strengths and Limitations of Case Study Methodology

A key strength of case study methodology involves using multiple sources and techniques in the data gathering process. As a major advantage of case study methodology, case studies can close in on real-life situations and test views directly in relation to phenomena as they unfold in practice. Researchers who have conducted in-depth case studies typically report that their preconceived views and assumptions were wrong and the case material forced them to revise their hypotheses on essential points (Flyvbjerg, 2001). The researcher determines in advance what evidence to gather and what analysis techniques to use with the data to answer the research questions. Data gathered is normally largely qualitative, but it may also be quantitative. Flyvbjerg further notes that falsification is one of the most rigorous tests to which a scientific proposition can be subjected. If just one observation does not fit with the proposition, it is considered not valid generally and must therefore be either revised or rejected. Popper (1968) emphasized that the case study is well-suited to identifying “black swans” because of its in-depth approach. What appears to be a “white swan” often turns out on closer examination to be black through the test of falsification when the observation does not fit with the proposition.

Critics of the case study method believe that the study of a small number of cases can offer no grounds for establishing reliability or generality of findings (Tellis, 1997). Some believe that the intense exposure to study of the case may bias the findings. Some dismiss case study research as useful only as an exploratory tool. Other criticism includes lack of rigor, confusing case study research with case study teaching, that case studies take too long and may provide little basis for generalization. This particular criticism can be overcome with selection of critical cases and the identification of “black swans” through in-depth examination and falsification when the observation does not fit the proposition.

As stated earlier, PCA and DPP presented critical cases, demonstrating “most likely” characteristics of organizations charged with downtown urban renewal and community building consisting of actions to strengthen the capacity of downtown Phoenix (Chaskin, Brown, Venkatesh & Vidal, 2001), through identifying priorities and opportunities and to foster and sustain positive downtown community change.

Examination of PCA and DPP as critical cases was placed in the context of the broader context of social capital and community building. Both organizations facilitated a number of large-scale, pivotal downtown projects, partnerships and deals that helped to launch the beginning of downtown revitalization in Phoenix between the 1980s and 2010. Nine iconic projects most frequently mentioned in interviews were further explored to provide more complete coverage of how social capital was built through the projects, and how social capital as an intermediary force led to successful downtown projects and

future capacity building. The variety of nine projects over a 21-year time period provided significant depth in testing the research question, as well as contrasting of the project experiences based on involvement by PCA and DPP. The unit of analysis includes both the organizations (PCA and DPP) as well as the individual downtown projects described in Chapter Four, with social capital theories being examined through the networks and scope of work that PCA and DPP facilitated in each of the nine projects.

#### Critical Case: Phoenix Community Alliance

The Phoenix Community Alliance (PCA) was selected as a critical case study because it is self-described as “the only major, private sector catalyst dedicated solely to the revitalization of Central Phoenix” (Phoenix Community Alliance, 2009). PCA is a coalition of more than 200 business leaders allied with individuals who lead government, cultural organizations, educational and faith institutions, and with other stakeholders in Phoenix's Central City. Formed in 1984 as a 501(c)3 nonprofit corporation, the organization was created to provide a coordinating vehicle to facilitate the start-up of the Arizona Center project on Van Buren and 3<sup>rd</sup> street. Expectations for PCA include generating productive networks, which contributes to the general problem by assessing how social capital can be used to advance downtown urban development initiatives.

PCA is supported entirely by dues from its corporate, nonprofit and public-sector members who donate expertise and financial resources to enhance the quality of life in Phoenix. Collaborators included Arizona Public Service Company (APS), The Arizona Republic, City of Phoenix, local banks, and Rouse Company (PCA, 2009). The focus of PCA extended the Downtown Crime Task Force's work in making downtown a safer place. Initially, the membership of PCA consisted of a group of CEOs who also belonged to the "Phoenix 40" – an elite, invitation-only group of business chief executive officers who had control of large, local corporate budgets. PCA's web site notes that, since its inception, the public and private sector has invested more than \$3.3 billion in Phoenix's urban core since 1984 (PCA, 2010). This reference attempts to quantify the value of PCA's role as a facilitator of important downtown relationships. Moreover, PCA indicates that the social and civic relationships created by the organization:

- Provides coordination and assistance to the City of Phoenix and other government agencies and private enterprise for central city development.
- Induces greater commitment of public and private resources to community planning and development.
- Expands opportunities to increase the economic vitality of the urban core and Phoenix community.
- Supports, promotes and catalyzes the renovation of neighborhoods and improvements in housing, services and amenities in central Phoenix.

- Promotes, facilitates and catalyzes development of cultural and educational resources for the benefit of all the residents of the Phoenix metropolitan area, enhancing the quality of life and lifestyle in central Phoenix (PCA, 2010).

PCA's board (Appendix J) is heavily composed of leaders from a diverse mix of real estate development, architectural, banking, and business industries, noted board member Mo Stein. Major board categories include arts and culture, community development, healthcare, performing arts, government, associations, education, civic, economic development, volunteerism, faith institutions, tourism, foundation, research and technology, service district, transportation, and miscellaneous. While corporate membership is based on annual revenue and other indicators such as number of employees, PCA extends adjunct memberships to members of the nonprofit and public-sector community for a fraction of the for-profit business membership dues and adjunct members participate in all the forums, committee meetings and board meetings. PCA President Don Keuth believes that adjunct members not only have an opportunity to learn about a broad range of community issues, but that their input is valuable for discussing comprehensive solutions to critical issues facing downtown Phoenix. For example, in the case of the downtown Human Services campus to be discussed in Chapter Five, PCA's diverse base of members and their perspectives helped public and private community leaders understand the breadth of needs of those who are homeless.

## Critical Case: Downtown Phoenix Partnership

The Downtown Phoenix Partnership (DPP) was examined as a critical case study because this organization's purpose is to provide enhanced city services above and beyond what the City of Phoenix provides while fostering connections among downtown projects, member businesses, and city government. This includes sharing information between DPP business district members and city departments, helping business owners better understand municipal requirements such as business licensing and inspection, street improvements and city zoning. Similar to PCA, expectations for DPP include generating productive networks, which contributes to the general problem by assessing how social capital can be used to advance downtown urban development initiatives.

Governed by a 30-member board (Appendix K), in which half of the members represent large businesses and the other half represent small businesses, nonprofits, and government, DPP was created as an Enhanced Municipal Service District as established by Arizona statute and the organization fulfills the requirement that the service district be in a downtown area that qualifies as a redevelopment site. DPP is a taxing authority accountable to the City of Phoenix and those within the prescribed 90-block taxing area (DPP, 2010). Maricopa County collects property owners' taxes through the property tax system, and these funds then are administered by the City of Phoenix back to the DPP for specific types of services to be rendered through an annually approved budget. The parent organization, DPP, oversees three subsidiary organizations: A community

development corporation (CDC) known as Downtown Phoenix Housing Corporation (a 502c-3 nonprofit entity), a retail council and merchant association, and the Downtown Phoenix Services LLC.

According to Neil Irwin, who served as DPP's board chairman for more than 20 years, members of Phoenix Community Alliance, together with the City of Phoenix, helped to launch the DPP, driven by five founding issues needing solutions. First, security downtown in the late 1980s needed to be improved, and it was believed that DPP could enhance the police and municipal services work already being provided by the City of Phoenix, especially in areas of providing street-level hospitality and enhancing walkways and signage (way finding). Second, downtown Phoenix lacked a marketing arm focusing specifically on the core activities and amenities of downtown. Third, the downtown public transportation system needed improvement. Fourth, downtown Phoenix needed assistance in business location and expansion in order to create a friendlier business environment for attraction of new business. Fifth, it was widely recognized that downtown Phoenix, in order to become an exciting metropolitan centerpiece, needed housing – people living and working in the downtown area 24 hours per day, seven days a week.

DPP's Services LLC organization provides sidewalk ambassadors who provide directions and answer questions for downtown visitors and the community. Due to potential liability associated with providing advice to the public, the services organization is as legally separated from the Partnership as an

LLC. The Partnership provides the following services to its constituents (DPP, 2010):

- Market research.
- Project feasibility and site readiness analysis.
- Liaison services to expedite permitting, codes and other regulatory issues.
- Developer assistance to attract financing from a variety of public and private funding sources.
- Support for desirable development projects through the public review process.
- Security, marketing, economic development, transportation/parking coordination, streetscape/urban design, and streetscape maintenance services and public policy facilitation (DPP, 2010).

David Roderique, president and CEO of DPP, noted that DPP today is focused on some of the organization's founding goals that stakeholders continue to identify as important. The first issue is parking – ensuring that downtown Phoenix has ample, accessible parking at a reasonable price to visitors (transportation). The second issue is panhandling – working with Phoenix Police Department to minimize panhandling from transients and those living on the streets (security). The third issue is communication to stakeholders – exploring new forms of interactive social media to engage the businesses and stakeholders as well as downtown Phoenix visitors (marketing). The fourth issue is the integration of the

large-scale venues into a downtown fabric, promoting a connection among the sports stadiums, theatres and small retailers and other downtown amenities.

[W]e have tried to set the standard as being the water bearer for downtown issues. We are solely a downtown-focused organization... the only one that is exclusively downtown oriented...we provide a whole variety of enhanced services to the business community that ranges from marketing to maintenance functions, streetscape improvements, security and hospitality. That's probably the thing we are most noted for, the ambassadors ... they are unanimously seen as a very positive asset by the community and by visitors here. We're really focusing on marketing right now to get people down here. We have a new web site and a new brand underway. We're focused on again basic streetscape and maintenance. Making the area look attractive, planting new trees, picking up trash, getting rid of graffiti quickly, things like that. So those basic services have probably been where we have excelled the most in recent years.

The Downtown Phoenix Community Development Corporation (CDC) is a nonprofit organization formed in 2001 under the umbrella of the Partnership to attract affordable- and attainable-priced housing to the Downtown Phoenix area. The CDC has also played a significant role in the establishment of the Phoenix Public Market. The CDC is governed by a separate board of directors and relies on a separate funding source.

DPP's board of directors (Appendix L) primarily represent large business and government. Nearly a quarter of the directors represent City of Phoenix top administration and city council; two board members are Maricopa County officials. Less than five board members represent small business, education, and nonprofit sectors. DPP's board has been criticized for shutting out the smaller business and arts community voices, noted Beatrice Moore, a leader in the downtown Phoenix arts community and business owner in the Grand Avenue Merchants Association. However, according to Sloan Burwell who directs Artlink, DPP has made recent efforts to prove its value to street-level smaller businesses and the arts community through its strong support of art shuttle buses during First Friday and ArtLink events. DPP also initiated a bus tour for local chefs in the greater Phoenix area to showcase the downtown restaurant and bar scene. By creating new relationships during the bus tour, DPP was seen as helping to connect leaders with new business opportunities in downtown Phoenix.

### Methods for Collecting Data

Methods for collecting data included field research that incorporated individual interviews with community leaders involved with downtown development in Phoenix, interviews with those who have led projects on behalf of PCA and DPP, a document review of PCA and DPP marketing materials, web sites and historical documents, attending PCA and DPP community forums, and a

review of newspaper articles about downtown Phoenix published from 2007 through 2011.

Snowball sampling involved building a targeted group of more than 50 interviewees (noted in Appendix F) through referrals by the top executives of PCA and DPP as well as by interview source recommendations. The interviews exceeded 100 hours. Each interviewee was asked to then identify others who would meet the study criteria. Interviews included a broad variety of community leaders from the public and private sectors, ensuring input as well as perspectives from downtown business, arts, economic development, nonprofit organizations as well as perspectives sought from neighborhood and underserved communities. The sampling included the provision that any person who determines that he or she prefers to not be interviewed may withdraw from the interview at any time. Data gathering occurred at Downtown Voices monthly meetings, PCA monthly membership luncheons and committee meetings, downtown visioning meetings facilitated by a collective group of downtown citizens including PCA, DPP, Downtown Voices, and Arizona State University, and a walking tour of the historic warehouse district promoted by *Downtown Phoenix Journal*.

Interview subjects mentioned 36 specific development projects impacted by PCA and DPP. Nine of those projects were noted to be most impacted by social networks of PCA or DPP (see Appendix D). Projects that got launched by PCA and DPP were explored, as well as projects that died in the incubation stages. Interviews were transcribed and analyzed. Interviews revealed three, overarching themes crucial for the future of downtown Phoenix: A dramatic shift

in community leadership and participation that must be addressed, desire for street-level vibrancy, and the need for more affordable/attainable housing.

Upon completing a near-final draft of this dissertation, findings and practice-based recommendations were presented to senior management at both PCA and DPP, the case-study organizations. Feedback was generated by the audiences and findings were validated through discussing the research. This demonstrated a self-critical approach of proving the research findings to be false and it welcomed feedback, an essential resource for effective qualitative research by writing draft papers and giving oral presentations prior to the final version of the dissertation (Silverman & Marvasti, 2008). Findings were validated by both PCA and DPP management teams. Additional information was provided by both PCA and DPP that further clarified case study background and strengthened the research results. Moreover, the investigation was confirmed to be useful to downtown urban organizations, contributing to the practice as well as to policymakers. Invitations to present the research were extended.

A set of four, rigorous criteria for evaluating qualitative research underscores the importance of this research being assessed and validated by PCA and DPP, the case-study organizations as follows (Spencer, Ritchie, Lewis & Dillon, 2003). First, how can we demonstrate that the research has helped to build useful social theories? Second, is the data, methods and findings based on a self-critical approach of proving the information to be false? Third, to what extent do our preferred research methods reflect careful weighing of the alternatives or resource constraints? And fourth, how can the valid, reliable study contribute to

practice and policy by revealing something new to practitioners, clients, and policymakers? The final chapters of this dissertation address each criteria for assessing research quality and in particular, prove the usefulness of the dissertation.

Limitations to the research include the difficulty of showing a distinct causal relationship between social capital and the success of each development project. Social capital does not always lead to implementation of projects, and therefore, the causal effect of social capital can be difficult to quantify. This study attempts to spotlight what would have happened had PCA and DPP *not* existed. This study does not assess the operational effectiveness of PCA and DPP. It must be noted that social capital, or valuable community networks in downtown Phoenix, do not guarantee that effective communication, engagement, and inclusiveness exists among *all* constituents. It is important to recognize that according to some of the interviewees, in attempts to revitalize the downtown core of any city, someone always will be left out, or believe that they have been left out.

The complex web of networks or relationships impacting the projects' successes was not always visible to the interviewees and may not have been fully captured. Interviewees may not have known as much about smaller projects at the tactical, street level that might have been impacted by PCA and DPP. Because interviewees focused on the largest downtown projects, PCA was mentioned more often due to its strategic focus than DPP due to its tactical focus. Chapter Five

presents nine projects most often mentioned as impacted by networks created by PCA and DPP.

## Chapter Five:

### Nine Downtown Phoenix Projects Exemplifying How PCA and DPP Created Productive Networks

As mentioned in Chapter Four, PCA and DPP were identified as critical organizations for examining how downtown development was impacted by groups of downtown citizens. PCA and DPP presented critical cases for the potential for connecting social capital, or important networks that matter, with downtown urban development in Phoenix. PCA and DPP demonstrated “most likely” characteristics of organizations charged with downtown urban renewal through community building consisting of facilitating action to strengthen the capacity of downtown Phoenix by identifying priorities and opportunities to foster and sustain positive change. Opinion leaders from all walks of Phoenix downtown community life were asked to identify major projects most-impacted by PCA and DPP. This was an important step to understanding which projects were most significant in scope in order to examine if, and how, social capital played a role in bringing projects to completion. Interview sources identified 35 downtown Phoenix projects as being most-influenced by PCA and DPP (Appendix C), and of these, nine projects implemented between 1988 and 2009 were noted most frequently as *most illustrative* of being impacted by social capital. By examining social networks evident in nine projects most significantly impacted by PCA and DPP, this chapter will discuss how these organizations used social capital to help spur downtown Phoenix renewal.

Nine downtown Phoenix projects impacted by social networks include: Arizona Center (1988-1990); Local Initiatives Support Corporation/Phoenix (LISC, opened in 1992); Steele Indian School Park *near* downtown Phoenix (2001); Phoenix Convention Center (2003); *Downtown Phoenix: A Strategic Vision and Blueprint for the Future*, a vision paper published by City of Phoenix (2004) and influenced significantly by the Downtown Voices Coalition white paper, *Creating A Sustainable Downtown* (2004); Human Services Campus as part of the Capitol Mall development (2005); Light Rail Project (1988), Arizona State University's Downtown Campus, officially funded during the 2006 Bond Election (2006), and the first phase of Phoenix Public Market (2009).

The least-mentioned downtown projects noted in Appendix C were mentioned as less-impacted by PCA and DPP. The striking similarity among those projects was the fact that most involved self-contained, *private* financial resources and the ability to move forward quickly with bankers and the City power brokers and processes. First, there were projects controlled by private developers which were quickly implemented without much public dialogue (CityScape, Dodge Theatre, Sheraton Hotel, Barron Collier Center, 44 Monroe condominiums, Central Park condominiums as examples). Second, there were City of Phoenix-driven projects that relied less on social networks and more on city financing (Arizona Science Center, Phoenix Art Museum expansion, and Phoenix Children's Museum). Third, there were projects driven by large institutions (Translational Genomics, ASU's Downtown campus) where PCA and

DPP has less influence due to relationships between the institution’s leaders and City of Phoenix.

Of the most frequently mentioned projects however, the networks generated by PCA and DPP led to three major types of community support: project financing, public voter approval for certain projects, and public dialogue leading to a deeper, shared vision of the nine downtown Phoenix initiatives. The types of community support are noted in Figure 4.

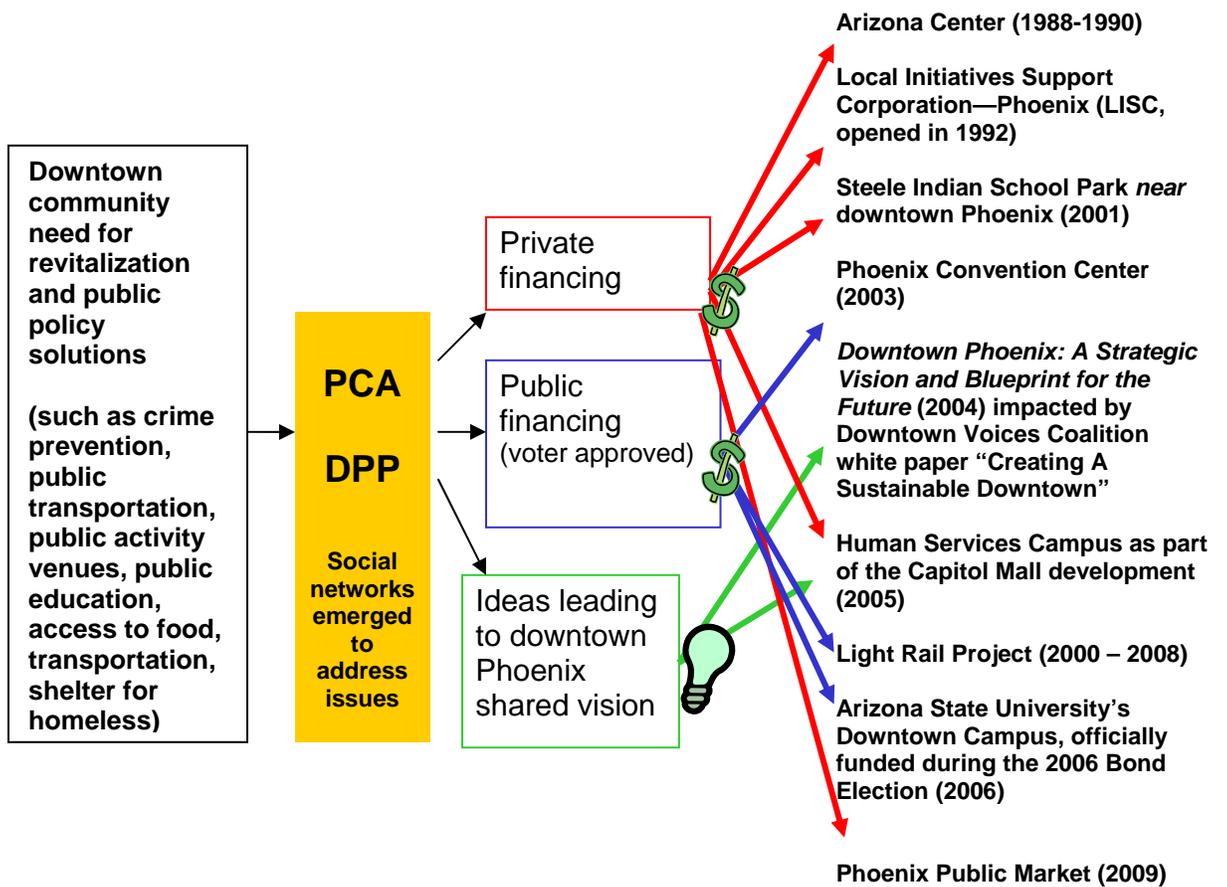


Figure 4: Impact of PCA and DPP in creating community networks prompting collective action, inspiring the completion of nine major projects from 1988 to 2009 in Downtown Phoenix.

## Arizona Center (1988-1990)

PCA was formed by the business community to address downtown Phoenix blight and crime, according to founding PCA Board member Dennis Mitchum. Newly established with many members of the Phoenix 40, a group of approximately 40 business leaders that included representatives from industries such as real estate, construction, banking, and utilities, PCA's chief role for its first project was to gather a network and facilitate financial capital to put the Arizona Center project together. Arizona Center became the first collaborative project bringing investors together who, on their own, could not have implemented a project of such magnitude.

Arizona Center is a shopping center and office complex located in downtown Phoenix. The Arizona Center project was PCA's first assignment as an organization created for civic improvement. The project exemplifies Ostrom's theory of social capital as an investment and asset leading to future economic returns (Ostrom, 1994) and was the first large-scale "super block" revitalization project that kick-started downtown Phoenix revitalization in the late 1980s (Dragos, 1999). In the case of Arizona Center, true to Coleman's examination of reciprocal relationships, long-term social relationships of reciprocity were established in order to create a critical mass of support, trust and shared values helpful in overcoming the risk of any one community leader taking the first step (Coleman, 1990).

PCA issued a request for proposal to developers and Rouse Company was selected as project developer. Arizona Center opened in the fall of 1990 to great

fanfare and high expectations, as it was considered one of the original components of the ongoing downtown revitalization efforts in Phoenix taking place since the early 1990s (City of Phoenix, 2010).

Arizona Center features two office buildings, retail shops, and a 24-screen AMC theatre. Pinnacle West/APS became the anchor tenant of Arizona Center. *The Arizona Republic*, whose headquarters stands adjacent to Arizona Center, and tenants Snell & Wilmer law firm, and AMC movie theatre all played important roles creating a downtown hub of commerce. The Arizona Center, filled with corporate, retail and entertainment venues, was created to spur future downtown developments, helping to create what Herreros (2004) notes as a virtuous circle of other large developments that continues to build and evolve in downtown Phoenix, including America West Arena, home of the Phoenix Suns basketball team (now US Airways Arena), Bank One Ballpark, home of the Arizona Diamondback baseball team (now known as Chase Field), as well as Herberger Theatre.

PCA's role in building a productive network of supporters included gathering PCA board members who would believe so strongly in the project that they would make personal financial guarantees to underwrite a \$2 million line of credit from five banks in order to assemble and purchase the land designated for the Arizona Center. PCA board members volunteered to provide property information, legal services and the preparation of offers to purchase and to "option" the property. PCA introduced the project to then-Phoenix Mayor Terry Goddard, and PCA arranged meetings with key city department heads as well as

potential office tenants. PCA created new social capital by connecting land guarantors, political allies, future tenants, and City of Phoenix leaders. This included the assembly of financing support from the business community, key investors, and Rouse Company. Meanwhile, this group also was selling the idea of a theatre project (Herberger Theatre) to a group of citizens and potential donors in order to build financing for the theatre. As a result of the publisher's involvement, *The Arizona Republic* was helpful in featuring articles publicizing the project.

It was believed that this mixed-use development project would return retail activity to downtown Phoenix as in the pre-1950s time period, as well as provide a place for hotel and convention visitors to be entertained, attract other major developers, and jump start investment in adjacent blocks including the expansion of major corporations (Dragos, 1999). PCA vice president Jo Marie MacDonald noted that PCA was interested in developing a super-block project like Horton Plaza in downtown San Diego. The super block is based upon the concept of combining several downtown blocks and eliminating street-facing structures such as boutiques and restaurants featuring pedestrian-friendly windows and front doors. The super-block concept is fortress-like in design and serves the purposes of enhancing security by providing a wall to the streets and creating a special internal "oasis" environment that provides a shelter or cocoon for those inside of the shopping area. MacDonald described PCA's role in bringing the support network together:

[W]e actually looked at a super block at that time to bring in a giant mixed-use retail, office, recreational and hotel space [in Phoenix]. PCA initiated discussion and had completed a plan for downtown by getting all of the member stakeholders to participate in discussions. PCA purchased the land from an assembly of property owners and two individuals on the PCA Board put their personal names (as guarantors) on loan notes. The project was funded by tax abatement so that no taxes would be charged. PCA paid the debt service... all of the corporate players floated money. A memo of understanding was developed to take the land. PCA sold the land back to the City who then owned the land.

In the case of both Phoenix and San Diego, crime existing in downtowns during the 1970s through 1990s often prevented visitors from feeling safe in their downtown communities. The super-block master plan created a manufactured sense of refuge and security by creating a fortress, or barriers from neighborhood streets. Both Horton Plaza in San Diego, and The Arizona Center in Phoenix were designed to jumpstart revitalization in downtown during that time. But not all interview respondents applauded the Arizona Center Project as a super block. Steve Weiss, steering committee chair, Downtown Voices Coalition, believes that the superblock design of the Arizona Center, being inward-looking, takes away street activity and downtown vibrancy:

[A]rizona Center began as an overpriced mall. It was a great mall, it was really fun, but little by little, the interesting businesses started dwindling away. As the square footage increased, a lot of the businesses couldn't survive...

Terry Goddard, former City of Phoenix Mayor and current Arizona Attorney General, recalled taking part in initial discussions. He was skeptical about the largeness of the project:

[T]he small gallery, the small restaurant, the tea shop, the odd retail establishment, we've almost zoned it out of existence. Arizona Center has no small nooks and crannies facing any of the streets. It's all interior... frankly I think it's hurt Arizona Center because it didn't try to integrate with the rest of the community. I know it was with the best of intentions. But what [Rouse] did was just unspeakable violence to the urban character and the small scale integrity of downtown Phoenix... we've got to fight to get that back. I still don't think that's the concept at City Hall. I still think they think in terms of block developments, not partial developments. They think in terms of one or two entries on a street as opposed to 20 or 30.

Arizona Center was negatively impacted by several economic downturns during the years after it was built. Most of the center's small retail shops closed

during the 1990s and Arizona State University leased some of the space as the institution opened a downtown campus in 2006. The long-term commitment of the three anchor tenants pulled together by PCA – Arizona Public Service Company, Snell & Wilmer law firm, and The Arizona Republic – have been paramount to the long-term survival of Arizona Center, noted interview sources including Jerry Colangelo, Dick Bowers, Don Keuth and Denny Mitchum, and the Arizona Center helped to jumpstart future developments productive to downtown Phoenix development. While the initial format was instrumental as a design technique to help visitors feel safe and insulated from the city's street life and crime of past years, this design model does not work well today. A significant amount of this study's data indicate that people now want more interactivity with the life and culture of urban cities, not walled developments that isolate pedestrians from retail and cultural activities (Downtown Voices, 2004 and 2010).

#### Local Initiatives Support Corporation/Phoenix (1992)

PCA's focus on downtown development expanded to addressing downtown disadvantaged neighborhoods when it introduced Local Initiatives Support Corporation (LISC) to Phoenix. LISC is headquartered in New York City, funded by the Robert Wood Johnson Foundation. The organization addresses underserved needs from periphery neighborhoods of downtown cities and contributes to the overall well-being of collective downtown life. LISC is dedicated to helping community residents transform distressed neighborhoods

into healthy and sustainable communities of opportunity, and in doing so, the concepts of social capital as an asset, an investment, and a contributor to a virtuous circle are brought to life (Ostrom, 1994; Field, 2003; Herreros, 2004). LISC mobilizes corporate, government and philanthropic support to provide local community development organizations with loans, grants and equity investments; local, statewide and national policy support; and technical and management assistance.

LISC Phoenix was formed in 1992 when PCA president, Don Keuth, worked with the PCA Board to raise the required \$1 million mandatory for starting up a local LISC office. PCA's role was to bring together business leaders who believed in the need for LISC and could make the needed financial investment to launch this initiative. The PCA Board – many who were members of Phoenix 40, including Tommy Espinoza of Raza Development Fund, corporate executives Don Bliss (U.S. West Communications), Mark DeMichele (APS), and sports franchise owner Jerry Colangelo – were asked to commit \$100,000 each. Phoenix Suns owner Jerry Colangelo developed a keen interest in the project and asked others on the PCA Board to support the LISC initiative. By the end of the meeting \$1 million was raised. PCA also provided initial office space to seed the start-up in Phoenix. With PCA's facilitative support, LISC was launched in Phoenix and has brought millions of dollars of additional investments to support the rebirth of a number of blighted neighborhoods surrounding downtown Phoenix. Teresa Brice, CEO of LISC-Phoenix, noted that PCA's efforts have resulted in an investment of nearly \$58 million in Phoenix's low-income

communities, with an additional \$120 million in leveraged resources from other banking, private industry and public partners since 1992. Brice noted that downtowns cannot thrive by serving only the immediate environment but must have broad support.

[P]CA could reach out more to the surrounding, well-organized neighborhood groups - to the Garfield Association, the Roosevelt Association, the Phoenix Revitalization Corporation, and Capitol Mall Association - and let them know that they're valued, especially, but not exclusively during times when there's a vote at stake. You have to build those bridges *before* you need them.

LISC is a conduit to downtown revitalization and it continues to exemplify Ostrom's theory of social capital as an asset and investment, as well as Herreros' theory of social capital as a resource leading to an evolving "virtuous circle" of civic improvement process benefiting communities (Ostrom, 1999; Herreros, 2004). Working in collaboration with grassroots organizations, called community development corporations (CDCs), LISC Phoenix has built 2,156 housing units and more than 251,716 square feet of community office/facility space in central Phoenix.

The LISC initiative has connected the need to focus not only on downtown issues, but the need to connect a healthy downtown to periphery neighborhoods. Tom Espinoza, president and CEO of Raza Development Fund, Inc., finances

development projects that serve low-income populations. He advocated that PCA and DPP look beyond the downtown border to assess how surrounding communities could be supported and emphasized the importance of making an investment in starting up a LISC office in Phoenix:

[T]here was I thought, a very negative push, of not dealing with a real social ills around the downtown area. We were like the middle of the donut, but everything around us was deteriorating. You had all these properties where you had large Mexican-American families, and back then it wasn't a big issue, but you had a lot of – a number of undocumented families living all around us and south of the tracks, and no one was worrying about that. They (PCA and DPP) were only worried about downtown. My logic was pretty simple. The way I pitched it to them, I said, “Look, guys, so we drop a couple hundred million dollars on the core of downtown, and then what, you drive out, you know, two blocks and then you're in the middle of a ghetto?”

#### Steele Indian School Park (2001)

Located at Central Avenue and Indian School Road in Phoenix, Steele Indian School Park exemplifies a project driven by PCA and its cadre of long-time friendships. Local business leaders with personal, long-term friendships and

business connections were essential for raising financial capital among private funding sources, government, and corporate entities. The park covers 75 acres and cost \$13 million to develop (City of Phoenix, 2010). In 1890, the Federal Government purchased 160 acres of farmland from a local landowner for \$9,000. Federal officials opened the Phoenix Indian School one year later. At its peak in 1935, 900 Native American students attended the school. The federal government closed the boarding school in 1990. City of Phoenix was able to obtain the land in 1996 through an intricate three-way land exchange involving the Baron Collier Company and the federal government.

When the land was purchased, the City of Phoenix lacked full funding to complete the needed park improvements, initially estimated to be about \$7 million. Without private support, the park was estimated to take more than 10 years to develop. Prompted by Barry Starr, then-president of PCA, together with Phoenix businessmen Dick Snell and Ron Bookbinder, successful businessman and long-time friend Horace Steele donated \$2.5 million dollars to fund the public park. The Phoenix Parks and Recreation Board approved naming the park for Steele in 1997. From 1997 to 2000, a cadre of influential PCA board members – all men – partnered with the City of Phoenix to raise \$5 million from private sources, raising the needed funding through small-group meetings and personal phone calls. PCA board leadership included Dick Snell, APS and Pinnacle West CEO, Jerry Colangelo, CEO of the Phoenix Suns and Arizona Diamondbacks, Wayne Alcott, CEO of US West (now Qwest), City Parks and Recreation staff and Don Keuth, CEO of PCA. Jim Burke, City of Phoenix Parks and Recreation

Director, noted the longevity of friendships and community relationships leading to the ability to sustain the project until the needed amount of money was raised:

[W]hen we started this there was no city money. It took four or five years. So it was all on the strength of their connections and their 40 and 50 years of corporate history and their ability to call people in. The minimum ask was \$250,000. The depth of the relationships over time was evident... some were college or law school kind of friends... major history here.

Steele Indian School Park opened in November of 2001 and is operated by City of Phoenix. The park's design pays homage to the site's Native American history and social capital played an important role in planning an approach that honored Indian cultures. PCA invited members from all Native American tribes in Arizona to participate in community charrettes to gather input to help park designers create a master plan. These public meetings created important connections to neighborhoods as well as Arizona's Native American communities. In this project example, social networks drove financial capital and community investments, which in turn, created more social capital among the broader community.

### Phoenix Convention Center (2003)

From 1988 to 2004, the focus of downtown Phoenix development continued to emphasize big projects. Social capital generated by PCA and DPP helped to support ballot initiatives for public financing. Without public support for city bond and property tax financing, some projects, such as the Phoenix Convention Center expansion, otherwise would not have been realized due to the magnitude of the costs associated with revitalization. In 2003, the Arizona Legislature approved \$300 million in funding for the expansion of the Phoenix Civic Plaza convention center in downtown Phoenix (City of Phoenix, 2003). This total matched the \$300 million allocation earlier approved by Phoenix voters in 2001 for a total fully-funded project costing \$600 million. Social capital built by both PCA and DPP represents both an investment in an important community asset, and support for a virtuous circle of benefits created by the expanded civic center (Herreros, 2004).

DPP built new social capital through its advocacy initiatives with State legislators and also assisted with civic center space planning in task force meetings, including a focus on pedestrian-friendly design. PCA played a prominent role in the Arizona Legislature's decision to support this downtown-based project by PCA President Don Keuth chairing an advisory committee that brought together the public, elected officials, and the downtown business community in unified support. Separate from that group, PCA's lobbying effort was chaired by PCA board member Marty Shultz, a public affairs executive and lobbyist at Pinnacle West Capital Corporation, parent company of APS. Shultz

was noted by interview sources as an influential community leader in at least four of the nine major downtown community projects, reinforcing the concept that social capital is not a homogeneous good; the strength, content and quality of those ties varies from individual to individual (Flap & Volker, 2004).

John Chan, Director, Phoenix Convention Center, provided insight about how social capital generated by PCA and DPP led to votes. Initially, an outside lobbyist had been hired by the City of Phoenix to lobby the Arizona Legislature. Chan noted that the Arizona Legislature would not be open to trusting an outside lobbyist and the more successful strategy would be to lobby with those who have the relationship credibility – the social capital – vested in the good of Arizona:

[A]t one point in order to finance the construction of the \$600 million project the City [of Phoenix] realized it couldn't do it on its own. We just didn't have the bonding capacity... so it took convincing the state legislature to pay for half of it ... Marty Shultz was very instrumental because he's very well-known down at the legislature from his APS background... we needed somebody like that to... spearhead ... because you couldn't go hire a lobbyist from [Washington,] D.C. ... it wouldn't have carried weight with the legislature.

PCA President Don Keuth agreed that the Phoenix Convention Center was a massive, collaborative effort critical to future vibrancy of downtown Phoenix, impacting nearly all other forms of capital including financial, human, physical

and more social capital. Keuth chaired the Citizens Advisory Board and believes PCA's role in education efforts led to voter approval of bond funding:

[I]t was probably 30 of us [PCA members] on that board. Marty Shultz, PCA board chair, also chaired the bond subcommittee that got [voter approval for] the \$233 million. Our [PCA] members probably provided 50 to 75 percent of the campaign funds to win the bond election.

The expansion of the Convention Center today allows for hosting 95 percent of Arizona's major conventions. The expansion provided a large, high-tech, client-friendly facility that can be marketed to 85 percent of all conventions, making it one of the top 20 convention venues in the United States, tripling rentable space from 302,000 square feet to 940,000 square feet. The former convention center was capable of hosting only 50 percent of all conventions. To date, the expansion has led to further economic and fiscal impacts including actual project expenses such as direct construction labor and materials to build the Phoenix Convention Center expansion, job creation, wages, profits, increased sales taxes and income taxes bringing new revenue to local and state government, increased profits and subsequent spending on other goods and services (AECOM, 2010).

## Downtown Phoenix:

A Strategic Vision and Blueprint for the Future (2004) shaped by the white paper

“Downtown Voices: Creating a Sustainable Downtown”

Project networks generated by PCA and DPP again played an important role in creating a City of Phoenix vision document entitled, “Downtown Phoenix: A Strategic Vision and Blueprint for the Future.” This vision paper represents a success story in pulling together what otherwise would have been fragmentation among four separate initiatives to develop a vision for downtown Phoenix. A political tug-of-war led to the melding of an important community vision process in 2004.

PCA and DPP spearheaded a visioning process called “Phoenix Futures” in 2003, initiated as an open citizen’s input meeting by an external consulting group, The Jerde Group. The Jerde Group developed Horton Plaza in San Diego and was criticized by some for its “Disneyland approach” to development (New Times, 2003). The City of Phoenix also was working on a plan for the Evans-Churchill neighborhood, located adjacent to the downtown core – east of Central Avenue to 7<sup>th</sup> Street, and South of Moreland to Fillmore near the Phoenix Biomedical Campus and home to Roosevelt Row—a burgeoning arts community that draws thousands of visitors every month.

ASU and the City of Phoenix had been working on plans for the ASU downtown campus. Simultaneously during that time, a group of business owners and grassroots citizens known as Downtown Voice Coalition held its first

downtown workshop and by August of 2004, created the white paper, “Downtown Voices: Creating a Sustainable Downtown.” This paper drew attention to 10 facets of downtown Phoenix that needed improvement. The paper included input from Local First ARIZONA, an organization promoting local commerce, Downtown Phoenix Arts Coalition, Phoenix Coalition of Historic Neighborhoods, The Community Housing Partnership, and Local Initiatives Support Corporation.

The Downtown Voices paper provided the first grassroots attempt to provide input to the downtown Phoenix vision. Downtown Voices provided a significant wake-up call for city leaders and others who had been embroiled in separate plans – none of which were connected. PCA and DPP attended the meetings held by Downtown Voices, and were helpful in bridging the City’s vision with the Downtown Voices’ vision paper and ASU’s downtown campus. The unified Blueprint calls for more than 600,000 square feet of retail and entertainment space, 10,000 new jobs, urban-oriented academic and biomedical campuses, continued focus on the arts and historic preservation, and strong pedestrian environments. Social capital created human (intellectual) capital which is expected to create all forms of additional capital over time.

Phoenix Mayor Phil Gordon hosted an open planning forum, inviting a broad array of downtown constituents, including representatives from the arts community. Gordon was heralded for his progressive approach to listening to a variety of stakeholders essential for street-level perspectives. An interview source and community leader, who preferred to remain anonymous, noted that the

visioning process was inclusive, despite early criticism that “a hidden agenda” existed:

[I]t was pretty evident very early on that there needed to be a blended plan. ... we’ve had multiple public meetings with hundreds of people in the process over a long period of time and by the time we got to the end of the whole planning process there was hardly anybody at the public meetings because a lot of the stuff had been vetted in an open forum. I think a lot of people realized that there was no secret plan being hatched.

#### Human Services Campus as Part of Capitol Mall (2005)

A plan to revitalize the blighted multiblock area called “The Zone,” located near the downtown Phoenix core and the State Capitol Mall, would prove to be the catalyst for addressing the homeless problem in a comprehensive and coordinated way. PCA hosted community leader charrettes where the initial conversation had focused on Capitol Mall economic development, but quickly moved to the real underlying issues of the homelessness.

Widespread homelessness did not exist in Maricopa County until the early 1980s, when the move to “de-institutionalize” the mentally ill coincided with a sharp reduction in affordable housing. A growing population of chronically homeless men and women began to populate the streets of downtown Phoenix and communities across the Valley. These individuals typically suffered from multiple

problems, including drug and alcohol abuse, serious mental illness, untreated medical conditions, lack of education and a corresponding inability to find and retain employment (Central Arizona Shelter Services, 2010). Although government agencies, nonprofit organizations, religious groups and community advocates reached out to the homeless, programs and services were largely uncoordinated. As a result, homelessness was addressed in a piecemeal fashion. Individuals were sent from one agency to the next, often falling through cracks in the system and landing back on the streets.

Sheila Harris, member of PCA's Capitol Mall Committee, observed that PCA's charrettes brought government, the private sector, and nonprofits together to discover solutions to the complex issue of homelessness in downtown Phoenix:

[I]nitially, one group wanted to clean up Capitol Mall by sending the homeless to the river bottom in South Phoenix.

PCA President Don Keuth was determined to involve PCA in dialogue among PCA members lead to \$23 million being raised:

[N]obody wanted to touch the homeless issue. When we were undertaking the whole issue of the Capitol Mall, there was a charrette that included PCA, the Arizona Institute of Architects, Arizona Chapter and ASU Joint Urban Design Studio – two and a half days of exercises ... they came out

with a plan... the county stepped up and acquired the land, was the catalyst for this public-private partnership.

Jo Marie MacDonald, PCA Vice President, described PCA as a “catalyst pushing a donkey... realizing that the homeless issue had to be solved.” Mark Holleran, now President and CEO, Central Arizona Shelter Services (CASS), said that PCA facilitated “the opening of doors” that nonprofit leaders otherwise would not have known how to pry open:

[P]CA kept the avenues of communication open between the state and the county and the city, and those were sort of up and down and what they (PCA) did is they opened doors for me I couldn't open and then Marty very specifically opened doors that I didn't know existed.

PCA helped to connect a new combination of civic leaders, including PCA business leaders, nonprofit leaders, and government leaders to address the challenging problem of the growing homeless population in downtown Phoenix. Where divisions of opinions had existed, the series of meetings built empathy, trust, and shared solutions. Local leaders including Terry Goddard, Frank Gordon, Jan Brewer, Sheila Harris and others, took a group of 20 community leaders to California cities to learn best practices about how communities address homeless issues.

As a result of this shared experience and the new relationships built, Maricopa County leaders resolved to build a coalition to raise \$25 million in capital to cover the costs of constructing a Human Services Campus (HSC) on a 13-acre parcel of land at the western edge of the downtown area. The project included parcels donated by Maricopa County and the City of Phoenix, as well as private land purchased by the county. Five agencies agreed to become HSC's founding members, including CASS, Maricopa County Health Care for the Homeless, NOVA Safe Haven, St. Joseph the Worker, and St. Vincent de Paul. HSC formally opened its doors in November 2005. Today, HSC is considered a national model for collaborative community solutions that exemplify the principles of boundary spanning and the strength of weak ties and creation of a new community of “responsibles” (Granovetter, 1973, Burt 1992, 1997, 2005; Gardner, 1997).

#### ASU Downtown Campus (2006)

On March 14, 2006, community networks created by PCA and DPP leadership helped secure voter approval of the passing of Proposition 3 by 66 percent. Proposition 3, one of seven listed on the City of Phoenix ballot, allocated \$223 million in bond money to create ASU's Downtown Phoenix campus (ASU, 2006). The city bought nearly \$100 million in land to provide space for the first phase of the campus which opened in fall 2006. The campus ultimately will grow

to 15,000 students and will include 20 acres of academic buildings, student and regular housing, retail development, cultural programs and entertainment venues, all contributing to the vitality of round-the-clock downtown life.

Social capital played a significant role in city voter approval to fund a state university campus in the middle of downtown. Marty Shultz served in multiple community roles that helped to bring groups together, including that of Pinnacle West/APS executive, PCA board member, ASU Alumni Association chairman, 2006 Bond Committee Chairman. His role in bringing together numbers communities of interest was considered instrumental in leading to the approval of City of Phoenix bond funding for the City's land and building acquisition.

Relationships among ASU top administrators (ASU President Michael Crow and university administration), City of Phoenix (Mayor Phil Gordon, city council members and city administration), PCA (Marty Shultz, PAC board member and Don Keuth, president) and DPP (Brian Kearney, president and CEO) were important for building support from civic leadership. DPP played a less-active role than PCA due to the strong ASU alumni ties among PCA staff and board members. The role of PCA and DPP in assisting public dialogue for the introduction of ASU's downtown campus was compared to being a "heat shield" by one interview source who preferred to remain anonymous. PCA and DPP, he believes, helped bridge what ASU wanted to achieve and input from the City of Phoenix and downtown community:

[A]SU wants to set standards for design, whether it's green buildings; sustainability; whether it's creative design; whether it's public art; whether it's open space; you name it; but none of it was their money. So they were always spending the City of Phoenix's money and the city wanted to be extremely fiscally prudent. So you had this incredible, intense clash between what ASU wanted to see; what the city was willing to fund; what the community might want to see at the pedestrian level." It also is what created some of the severe tension among the community groups, PCA, and DPP. Because the community groups clearly understood that the PCA and the DPP were there to help facilitate ASU... PCA and the DPP are defending projects over which they have no control. But the perception in the grassroots community is they have control, because they're part of... the large scale development team.

The interview source illustrated that many downtown organizations appear as power structures to each other. This can lead to perceptions of "us" versus "them," noted the anonymous interview source. For example, PCA, DPP and City of Phoenix departments and staff may appear to be power structures to members of Downtown Voices, while Downtown Voices may be perceived as a grassroots power structure by interview sources at City of Phoenix, PCA, and DPP.

## Light Rail in Downtown Phoenix (2000 – 2008)

During the 1970s, mid 1980s and in 1994, Phoenix voters voiced their long-term opposition to a public transit tax to support light rail through a series of defeated ballots (Arizona Rail Passenger Association, 2010). PCA and DPP helped to educate voters to support the light rail election known as Transit 2000.

Finally, in 2000, the City of Phoenix voters approved a dedicated tax that approved the light rail project once and for all. Senior executives from PCA-member companies contributed six-figure corporate contributions to fund the public campaign and sell the importance of Transit 2000 to PCA members and the community at large so that the bond election was passed. PCA president Don Keuth explained how PCA educated members so that in turn, these high-profile leaders could reach their employees, customers and other constituents to encourage voter approval:

[W]e as an organization were very supportive of the Proposition that created the four tenths of a cent sales tax for light rail in the city of Phoenix. We stepped up to help with the election with public outreach and education. We then worked collaboratively with the city and Valley Metro on the design and development of the system.

Dennis Mitchum, a founder and board member of both PCA and DPP, underscored the importance of education in securing votes. He noted that without PCA and DPP advocating for light rail, the proposition would not have passed:

[...]every community is full of naysayers. I have friends today who will tell you what a bad idea it was to ever build a rail system. I went through my own transformation from a pro-freeway advocate to a pro-transportation advocate. I can remember going to a meeting to talk about the design of the station. And I thought, “Boy, there’s gonna be a lot of hotheads here that are just spewing hate.” The place was jammed with people who were supportive. They were there to see if they could have input into what the station was gonna be like...

When Transit 2000 passed, 65 percent in favor to 35 percent against, it opened the door to Federal Transit Authority (FTA) funds. According to the FTA, this was the third-highest approval ever recorded for a U.S. transit and rail proposal. Because of PCA’s work soliciting input from downtown and Central Avenue stakeholders, the whole route would be further enhanced through pavement. The design of the train tracks was shaped by central city merchant input. DPP was engaged in political advocacy by educating local downtown business owners within its 90-block territory to understand the benefits of light rail to the city as well as to downtown Phoenix. Light rail will drive new forms of

social capital by creating recreation, entertainment and nightlife venues that eventually will be developed at each train stop.

### Phoenix Public Market (2009)

Acclaimed as a recent Phoenix downtown success story by all interviewees, Phoenix Public Market is a program of Community Food Connections, a 501 (c)(3) nonprofit organization. The Market brings to downtown Phoenix community revitalization, economic development and a showcase for small-scale agriculture and local artists and crafters at Central Avenue and Polk. The Market creates the potential for supporting Arizona growers and producers, expanding access to nutritious and locally produced foods for low-income children and adults, as well as meeting escalating consumer demands for fresh and locally-produced foods. This, in turn, builds local wealth, jobs and a revitalized community hub for residents of the community where the market is located.

The public market would not have been launched without local food bank leader Cindy Gentry, later to become Downtown Phoenix Market executive director, who called Phoenix Suns and Arizona Diamondbacks owner Jerry Colangelo and asked for financial help to launch the market. Colangelo then called Brian Kearney, DPP president and CEO. Kearney assisted the project by helping Gentry create an advisory board and asked one of DPP's senior staff, Dan Klocke, to participate on the board. This DPP connection further opened doors at

the City of Phoenix. Many technical details required city zoning logistics to be addressed, noted Gentry, who today serves as Downtown Phoenix Market

Executive Director:

[I] probably wouldn't have got to the table in most cases without DPP and PCA. I wrote a letter to Jerry Colangelo and when I had the idea to get this market going, and he referred me to Brian Kearney who was the CEO of the partnership (DPP). And Brian told me to come back when I had a business plan. I came back two months later and said, "I don't have a business plan but this is a really good idea. And I'll learn to make a business plan but can you please listen to me?" And he did. He then helped us form an advisory board. They [DPP] opened doors at City Hall. They have stood through the process while we learn about zoning and variances and what we had to do to make this work.

PCA then jumped into the circle of supporters. Don Keuth, president of PCA who also served as chairman of the Industrial Development Authority, introduced Gentry to community reinvestment bankers and property owner Kurt Schneider, who proceeded to lease a building in the heart of downtown Phoenix suitable for market retail and coffee shop operations. However, it was Colangelo's endorsement and his network of resources that led to additional community-based support including \$30,000 in operational funding provided by LISC. LISC also brought the Arizona Community Foundation, St. Luke's Health Initiatives and

other funders to the table, raising a year's worth of working capital for Phoenix Public Market. According to the Phoenix Public Market web site, the market today is helping to build local self-sufficiency and viability for farmers and vendors, of whom more than 40 percent are at or below the federal poverty guidelines, and 62 percent are women- or minority-owned businesses.

#### Impact of PCA and DPP in the nine projects

Interview sources noted that the nine case studies presented in this chapter illustrate both the history and variety of networks in downtown Phoenix most impacted by PCA and DPP. Both organizations used social capital as an intermediary force to drive community development initiatives as illustrated in Figure 5.

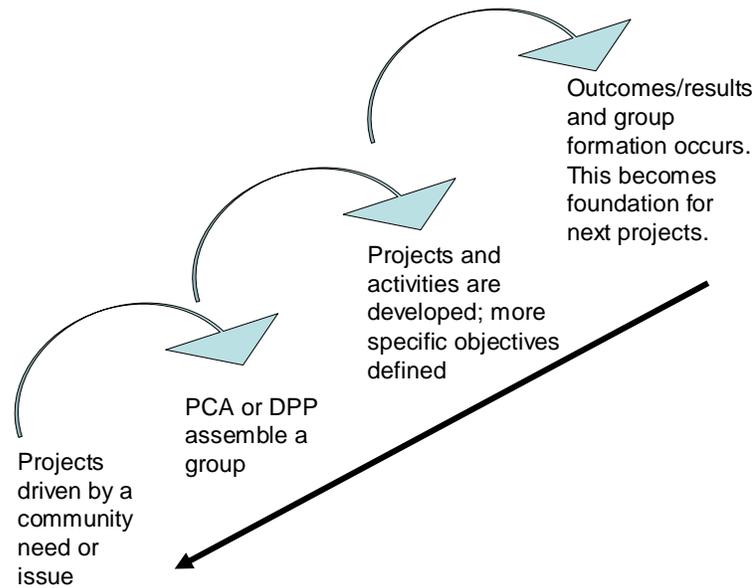


Figure 5: In past downtown Phoenix development projects, a need or issue created networks and as outcomes were realized, group formation created a new network. This became a platform for future projects.

Networks created by PCA and DPP led to private financing (Arizona Center, LISC, Steele Indian School Park, Phoenix Civic Center expansion, Human Services Campus, Downtown Phoenix Market), voter approval for public financing (Phoenix Convention Center, Light Rail, ASU Downtown Campus), and sharing of ideas leading to a community vision (Human Services Campus and Downtown Phoenix: A Strategic Vision and Blueprint for the Future). Appendix B illustrates the types of networks impacting characteristics of great cities,

whether traditional leaders (T), new and emerging leaders (N/E) and combination of the two ( C ). As noted earlier, Figure 4 illustrates how social networks encouraged by PCA and DPP led to three, specific benefits resulting in the completion of the nine major projects critical to initial revitalization in downtown Phoenix from 1988 through today.

What would have happened had not PCA and DPP existed to serve in a boundary spanning role to pull community leaders together? While it is difficult to speculate, it seems likely that ideas would not have been as broadly shared among individuals and groups. Many people and groups would not have been connected. Some of the projects may have been delayed or might not have received the needed public or private funding in order to get implemented. For example, without the continuous community and financing connections facilitated by leaders of PCA and DPP, the Phoenix Public Market and the Human Services Campus likely would have not been launched. Other downtown projects, such as Arizona Center, LISC, and Steele Indian School Park, may have taken much longer to complete. Three large public votes were required to approve projects (ASU Downtown Campus, Phoenix Convention Center expansion, and Light Rail) that otherwise might not have had enough momentum to get approved for funding. And, two large-scale planning projects were born that impacted the future of downtown Phoenix (Strategic Vision/Blueprint and Human Services Campus).

Through the nine frequently mentioned downtown Phoenix projects advanced by PCA and DPP through use of community networks, findings

emerged that showcase each organization's strengths, opportunities and challenges for continuing to use social capital to support and implement downtown urban development initiatives. Chapter Six examines these findings and proposes three downtown imperatives for PCA's and DPP's future focus.

## Chapter Six:

### How PCA and DPP Use Networks for Urban Development –

#### Strengths, Gaps and Opportunities

How do PCA and DPP use social capital or important networks that support downtown Phoenix renewal? This chapter examines the structure and mechanisms by which PCA and DPP facilitate downtown Phoenix networks. Strengths, opportunities and future issues facing both organizations are noted with respect to networks that support future downtown development.

PCA and DPP build relationships in four major ways. First, networks are created through the governing boards. Second, networks are created through project work led by committees focused on specific issues and initiatives. Third, networks are created among the general membership at large. Fourth, networks are created when PCA and DPP members reach out to targeted constituents in order to communicate about one or more downtown issues. A number of tools are being used to engage audiences, such as meetings and promotional strategies, and these will be discussed later in this chapter.

#### Board Governance Creates Networks

PCA and DPP rely on a large number of prominent board members to make many connections with funding and other resources. These primarily are business leaders who have social capital, financial capital, human capital to get

things done (Wollebaek & Selle, 2002). Dave Roderique, president and CEO, noted that DPP's governance traditionally has been focused on Phoenix power players:

[O]ur board... has always been the heavy hitters. I mean, it was founded by Jerry Colangelo... always had a very strong representation of the major CEOs and the power brokers for downtown and the community. I've tried to emphasize... we need to be more inclusive in terms of the board. We need to have – we don't have yet a resident on the board. We... have a couple of token small business people.

Dick Bowers noted that DPP raises the quality and character of public conversation among the very influential, engaged a group of people that serve on the DPP Board through framing of complex issues for decision making:

[...w]e had the luxury at Downtown Phoenix Partnership to take something and think it all the way through. So that exactly, that infectious nature of their conversation is huge. It is absolutely huge. So that if Jerry Colangelo wants to do something, he really, even with the power that he had, wouldn't do it until he came in front of that group and got enough head nods if he thought they were with him. And that's incredibly powerful stuff.

Bowers further noted that public conversation “is absolutely imperative”:

[D]PP – in raising the quality of the conversation to a very influential, engaged a group of people that serve on the board, you raise the quality of decision making through information, through framing of complex issues, through identification of opportunity that needs sponsors and supporters, they bring it together... they help to define it... somebody has to frame the issues.

Longtime PCA member Dennis Mitchum added that leadership continuity can represent both a strength as well as a barrier to new ways of thinking:

[O]ne interesting thing about Phoenix Community Alliance, we don't get a new chairman every year. We get a chairman we keep him for a while. We had Dick Snell for a number of years, then we had Jerry Colangelo. Now we got Marty Shultz. Well, these are all three people that have an enormous background of knowledge and experience, and a long record of leadership. So with volunteers like that chairing the organization that certainly adds to its vitality in my view. I think it is an unusual strength in that that's just the way we do it, and the last three leaders are people that I have had a – I think very highly of and I have had a very strong relationship, all of different types.

Critics say that not enough attention is paid to members who are owners of small businesses. While PCA and DPP bring its constituents together through Board luncheons, some downtown leaders who would seem to be “in the know,” such as the publisher of Downtown Phoenix Journal, appeared to be unaware of the major initiatives being driven by PCA and DPP, as noted during interviews in 2010. However, by late 2010, it is important to note that PCA had developed a collaborative partnership with the Downtown Phoenix Journal enabling a printed version of the web site to be produced.

#### Committee Project Work Creates Networks

Both PCA and DPP use committees as powerful smaller-group networks where people of similar interests and skills can accomplish the organizations’ work projects while developing strong networks of downtown support. PCA committees include Membership Communication, Arizona Capital Mall, Education, Health and Bioscience, Central Avenue, Anti-graffiti Hotline, Housing, Infill and Retail, and Hotels and Phoenix Convention Center. DPP’s committees focus on practical, action-oriented projects. For example, the Marketing Committee serves as an advisory to the production of marketing materials. The Wayfinding Committee provided input for downtown signage. Committee members are able to form valuable networks through these special-interest task forces. Generally, tangible products, such as a work plan or

marketing materials, have resulted from many of the PCA and DPP committees and task forces.

### Membership At Large Creates Networks

Nearly all interviewees acknowledged that today, as well as in the past, there are distinct advantages for individuals and organizations to be affiliated with either PCA or DPP. PCA and DPP were noted by a number of interview sources to be valuable as the “glue” and inviting groups or catalysts to bridge and strengthen relationships among individuals and groups. Both individuals *and* group networks play an important role in projects facilitated by PCA and DPP, noted all of the 37 community leaders interviewed. Some – especially those on PCA’s and DPP’s board and also in city government – affirm that both PCA and DPP serve a unique role as independent voices *separate* from the formal City power structure, and *also* by serving as a credible conduit to the City. This was an important recognition that, without PCA and DPP, the City of Phoenix might have too much dominance as a downtown “power structure.” Jason Harris, City of Phoenix Economic Development, reinforced the lesson learned in San Diego downtown development. That is, coordination among organizations facilitating social capital is essential, Harris believes:

[A]t minimum, we should be informed of what each other's organizations and efforts germinate from, and what the focus is... we have such a diverse portfolio of messages and activities to coordinate in the community... we don't want to confuse the public.

The evolving history and roles of PCA and DPP are similar to other downtown development groups in cities noted in this study. Specifically, an anchor project served as a catalyst to jumpstart community cohesion. In Phoenix, this introductory anchor project was noted in Chapter Five to be Arizona Center. Moreover, in the comparison cities mentioned in Chapter Three, early leaders provided momentum and trust was established among a leading group. Over time, more projects continued to develop in certain downtown areas, demanding wider citizen participation. Individuals who were engaged simultaneously in several organizations served as connectors or "boundary spanners" to help create trust and continuity across community groups. The prevailing issue in all of the cities has become how to engage a larger, more diverse base of downtown citizens while maintaining a cohesive vision.

What types of broader community networks and relationships are facilitated by PCA and DPP? Many interview sources noted that in particular, PCA creates dialogue and helps to elevate issues through forums – social gatherings that bring together members who are leaders of government, business and nonprofit communities. Appendix G shows the repetition of influential leaders and their organizations lending steady support time after time. As

mentioned in Chapter Six, without social networks and collaboration facilitated by PCA and DPP, projects would not have been as publicly discussed and adapted to meet downtown public needs. Both quality of *discussion* and quality of *development* were cited as benefits of PCA and DPP involvement in the nine projects.

#### Outreach to Constituents Creates Networks, New Connections

Several City of Phoenix leaders noted that PCA and DPP promote social capital by facilitating what their leaders say is “responsible” conversation and refocusing what otherwise might be confrontational discussions and redirecting that energy to productive collaboration and decision making and network building. They explained that this helps to make productive use of diverse and divided positions for public input, creating a better understanding among individuals and groups. PCA and DPP help to raise the quality and character of the community conversation by engaging those who are committed to downtown Phoenix issues, notes Don Keuth, PCA President:

[... i]t’s those relationships with council members, the mayor, deputy city managers, department heads, where you can have good, honest dialogue... and say, ‘All right, is this something we ought to get behind? Or is this something we ought to try to counsel – to see if we can tweak it so it

actually has a better chance of being successful?’ And it’s those very frank discussions that really are the result of long-term relationships. When you have that kind of staying power, you don’t worry about the agenda du jour. You can take on these projects that have long windows and keep working on 'em knowing it’s going to continue to be a priority to the organization.

But not all sources agreed about the desire and ability of PCA and DPP to include those from non-traditional membership communities such as small business and arts communities. Even DPP’s President and CEO, David Roderique, acknowledged that much more progress needs to be made in including the grassroots business, arts and nonprofit communities as vital members of DPP’s board of directors and membership, noting the downtown cultural shift that is taking place, and must evolve to a fuller extent.

Some interview sources sharply criticized DPP for its lack of focus on what’s vital for downtown improvement, and for missing a focus on authentic relationships among small business owners. Kimber Lanning, downtown Phoenix business owner and founder of Local First Arizona, a nonprofit organization that advocates for shopping locally, disagreed that DPP facilitates relationships among its members who are owners of smaller businesses. Lanning cautioned that the input may not be as inclusive as city leaders think. She noted that PCA operates behind the scenes:

[D]owntown Phoenix Partnership leaves out Local First Arizona, in my opinion. For example, my Small Wonders map should be in the hands of their ambassadors, but they (DPP) do not put them in the hands of their ambassadors because there are advertisers in my map that aren't within their boundary.

Other interview sources such as Jim McPherson, a historic preservationist and downtown advocate, noted the PCA and DPP are strongly aligned with the business community, to the extent that those outside of corporate members may have a difficult time distinguishing between the two groups. McPherson noted how adjacent neighborhoods are critical to downtown vitality and play a significant role in steady retail and entertainment spending, and should be included in downtown dialogue:

[Y]ou gotta think of the people in these neighborhoods here, who are here 24/7. They're right adjacent to downtown Central Phoenix.

Despite disagreement among interview sources about whether PCA and DPP are effectively engaging emerging participants, the nine Phoenix developments reinforce, from an economic viewpoint, that social capital can be considered as a general set of relationships which *minimize* transaction costs of information sharing through interpreting relevant information that helps *expedite* decision making through weighing of options and value judgments (Coase, 1937;

Szreter, 1999; Coleman, 1990). PCA was described by one city official as a “free agent” working with a broad base of business leaders and community groups, while DPP is confined to its prescribed 90-block service territory. Particularly noted in such projects as the Human Services Campus and Phoenix Public Market, both PCA and DPP have brought together people, organizations, viewpoints, and a variety of people and their resources who otherwise may not socialize together. This includes bringing together leaders from corporate, higher education, and small businesses arenas. PCA long-time member Dennis Mitchum said that certain public projects requiring vast amounts of public capital, such as Phoenix Convention Center and Light Rail, would likely not have been realized at all:

[P]CA and DPP have helped to facilitate a higher quality development... where we played a very major role with public attention and awareness on critical development and planning issues... with our membership and through our committees we certainly promote discussion and cooperation of public and private sectors.

Had not PCA and DPP help overcome power structures by helping individuals play a role in framing critical issues, the nine projects noted in Chapter Five may not have been realized in downtown Phoenix. PCA and DPP made a difference in generating social capital leading to funding and learning (Steele Park, LISC, Human Services Campus), in generating votes (ASU

Downtown Campus, Phoenix Convention Center), in establishing design plans (Steel Park, Light Rail), and, in supporting the formation of a strategic downtown vision. City officials such as Jim Burke, Jason Harris, and Dave Krietor pointed out that one of the most valuable attributes of PCA and DPP in facilitating social capital is the ability to frame community issues by consolidating constituent opinions. That is, they believe that both agencies advocate for positions that benefit their members' interests as collective organizations.

#### Social Capital Tools Helpful for Phoenix Downtown Renewal

This research revealed a number of prominent mechanisms or “tools” helpful for creating new networks in downtown Phoenix. First, individual friendships among PCA and DPP membership were instrumental for securing financial commitments which helped jumpstart big projects in downtown such as Arizona Center, Steele Indian School Park and Phoenix Public Market. Second, public meetings were essential for creating face-to-face dialogue among constituents. Examples include the Human Services Campus serving the homeless population in downtown Phoenix, and the Downtown Strategic Vision/ Blueprint white paper. Third, education campaigns elicited voter support among PCA and DPP members broad-based trust and new relationships among those interested in downtown issues. The ASU downtown campus and light rail both required voter support in order to become a reality.

Face-to-face group strategies in all cities, including Phoenix, featured meetings, charrettes, public forums focused on critical community issues, web site and marketing materials created to inform the public, media roundtables with editorial boards to educate the media about issues, neighborhood meetings, board meetings and monthly luncheon meetings intended for sharing community information, downtown tours to engage citizens.

Burt (2005) notes that a person's network represents human capital by increasing the volume of contacts a person might have, bridging structural holes or gaps among networks. Social media (Facebook, blogs, web sites, etc.) is broadening the base of downtown Phoenix networks. Interview data revealed that social media is helping PCA and DPP build new forms of social capital by engaging a broader audience of community leaders who want to participate and invest themselves in revitalizing downtown Phoenix. New social media channels – such as DPP's new web site and guest blogs where visitors can participate in the lively discussion of downtown – are opening new doors of communication, trust, public awareness of events, and can reach diverse audiences in a cost-effective, instantaneous way. For example, a historic warehouse walking tour was organized on May 1, 2010 among downtown Phoenix groups and promoted on Facebook. More than 60 residents from diverse organizations – including the City of Phoenix and PCA – participated in the two-hour experiential tour and learned about the historic warehouses as well as other events leading up to the preservation of those warehouses. This group now is connected through Facebook and now is

connected through Facebook and has become a virtual community experiencing downtown Phoenix.

PCA and DPP should continue to use social media in ways that go beyond the more traditional PR model – the one-way pushing of information – according to Rhonda Bannard. Interviewees noted that social media can play an important role in keeping a high volume of downtown constituents informed and engaged in discussions, events, and opportunities for involvement in a cost-effective way.

Social media to incite participation were noted as important new forms of downtown community outreach (such as Facebook invitations, E-blasts that reach e-mail constituents, and web-based interactivity to survey constituents and elicit two-way communication around downtown happenings). In 2009, DPP made a significant capital investments to upgrade the organization's web site as a central downtown Phoenix connecting tool for those who want to experience downtown Phoenix. DPP's web site is interactive and exudes a new energy about downtown Phoenix. The web site engages bloggers who want to engage in a dialogue about Phoenix. Through DPP's new web site and other emerging web sites such as downtownphoenix journal.com, people interested in downtown can opt in to announcements and exchange ideas through blogging.

### Phoenix Community Alliance Strengths

Interviewees illuminated that PCA creates knowledge and strategic focus about important Phoenix issues through its board and committee structure. PCA is

known for bringing leaders with diverse backgrounds together, and “getting things done” with a small staff and lean resources. Getting things done means creating support for project financing, voter approval, and a unified vision for downtown. PCA offers an excellent variety of education programs for its members and guests and summarizes issues for both its members and for the broader business community. John Chan, Phoenix Convention Center Director, noted that PCA’s strength is in the ability to quickly bring together a diverse group of stakeholders to work with the city to both vet and drive initiatives:

[...]they can accomplish things a lot faster and quicker just by virtue of them having a broad diverse membership base and spearheading issues and challenges and priorities. The way they have their committees set up is very effective. I think that is their (PCA) core strength, kind of helping city management and city elected officials work on policy issues... the priorities.

PCA provides a catalyst for responsible public discourse, creating productive dialogue that otherwise might be confrontational and cross pollinating government, private and nonprofit perspectives. The organization provides an inclusive way of engaging membership; members are encouraged to participate on committees and special community initiatives. PCA is noted as an effective advocate for large project and serves as a “conscience” for the City of Phoenix when the City is considering “ill-focused” projects. PCA can assemble and

leverage the “traditional CEO network” while yet being nimble and independent from the City and other bureaucracy.

### Phoenix Community Alliance Opportunities

Despite the significant strengths noted by interview sources, PCA is viewed as a “power structure” that presents barriers to entrepreneurial projects by some, such as small business proponents Claudia Bullmore, Steve Weiss, Kimber Lanning, and Catrina Knoebl Kahler – not nimble, and supportive of only the big projects. Some believe that PCA needs to support smaller projects and dispel an “old boys network” image. Some perceive that PCA has a monopoly on downtown Phoenix power boards and commissions due to many overlapping board memberships, locking up downtown for PCA pet projects. Several interview sources believe that PCA should go “beyond dialogue” to provide more leadership around practical, actionable next steps for downtown projects. Some say that PCA should collaborate more with Greater Phoenix Economic Council (GPEC), Greater Phoenix Leadership (GPL) and Greater Phoenix Chamber of Commerce (GPCC) and create a unified vision for both large and small downtown development projects.

Interviewees such as Teresa Brice of LISC, Tom Espinoza of La Raza, and Shiela Harris who were involved with development of the homeless campus, indicated that PCA should boost its outreach out to neighborhoods and suggested that someone at PCA specifically be assigned to work with smaller groups. This

includes participation in the general plan for Phoenix and support of good urban planning principles, such as integrating City of Phoenix Urban Form and Adaptive Re-Use Task Force ideas. Through this research, it was observed that PCA's web site provided outdated information. New opportunities exist for PCA to link to other downtown-focused web sites such as DPP and Downtown Voices. Downtown reports and valuable information resources could be shared to a wider network of those who could be informed by PCA's work.

#### Downtown Phoenix Partnership's Strengths

Research findings indicate that DPP's strengths focus on its role of providing enhanced or "stepped up" services that go above and beyond what the City of Phoenix provides through police, fire, sanitation and planning departments. DPP serves as an outsourced arm of the City of Phoenix for going beyond basic services to provide "enhanced municipal services," providing tactical, street-level services such as the ambassador program and marketing of the specific 90-square block downtown area where DPP serves. DPP's ambassador was noted as a significant strength, adding warmth, hospitality, vitality and extra security to the sidewalks of its downtown Phoenix district. Some noted that DPP helps to focus the business community on downtown Phoenix, helping business leaders and elected officials to identify priorities of the greater Phoenix metro area.

DPP receives funding support through a predictable city tax structure, and this steady funding source is viewed by some as a strength. DPP's board of directors is a well-connected, influential group of civic and business leaders who provide a bridge to City Hall and other governmental entities.

Sloan Burwell serves in a volunteer role as the president of Artlink, an art tour linking downtown Phoenix art galleries. Burwell noted how DPP ambassadors promote African American and Latino art studios, promoting the diversity of downtown Phoenix. She praised DPP's web site and the role DPP serves in connecting people with art venues:

[t]hey have a great web site... which is totally critical for people who want to come downtown and drive around. They have a fantastic calendar that gives every business in the area an opportunity to list. DPP helps us do tours on Third Fridays... ambassadors have been trained and taken to galleries so they know who owns them and what kind of artwork is there. The ambassadors hand out more First Friday maps than any other organization.

John Chan noted that DPP's focus is marketing, branding, and image building of the downtown district. DPP's scope of work is specific in terms of annual work plan and budget, and the plan goes for approval to the DPP Board of

Directors and Phoenix City Council. DPP is expected to translate the needs and priorities of the district to the scope of work and budget:

[...b]eing that liaison and voice for the stakeholders or the businesses that they represent ... they are in fact representing not only the property owners but they're also representing the businesses in the downtown as well. So from a strength standpoint it's that voice so that you (the City of Phoenix) don't have to try to figure out what 30 different businesses, what their priorities are. It should in fact be all prioritized and summarized as you're dealing with the Partnership as an entity...

DPP's strengths were noted at an operational level with respect to downtown marketing, street-level ambassadorship and in working with the City of Phoenix. Terry Medeksza, vice president for Operations at DPP, noted that the Ambassador Program is one of DPP's greatest assets with 24 full-time ambassadors who are tasked with not only answering questions, but creating memorable experiences for downtown visitors and residents. Where other U.S. ambassador programs are security-focused such as those in Denver and San Diego, DPP put ambassadors on foot rather than bikes to enhance interaction with people walking the sidewalks and using information kiosks. This type of street-level engagement cultivates social capital on an informal basis and is critical to purposefully creating a revitalized, friendly downtown.

However, one anonymous interview source connected DPP's strength of relationships with "controlling all the contact information" of retailers, property managers, police, late-night businesses. Rather than the relationship resulting from connections among people through information shared, this person equated the relationship to tightly held contact information – the unique combination of knowing who to call, and for what purpose:

[T]hese networks are [DPP's] alone. Nobody else has this type of relationship where they can pull the retailers together at a meeting. No one else has the contact information. No one – somebody at the city wanted to get retailers together, they would have to come through [DPP].

### Downtown Phoenix Partnership's Opportunities

DPP is viewed by some as a barrier to progress in facilitating street-level vibrancy, rather than being a nimble resource to respond to development needs. One senior DPP staff member noted that not all staff are well-connected to downtown priorities and unity about DPP's vision. The DPP staff member noted that re-activating downtown Phoenix at the street level is both a priority and a current gap for the organization. Four interviewees (Lanning, Weiss, Moore and Kearney) noted that DPP is only interested in large-scale downtown projects. Reid Butler sees merit in DPP forming a private venture capital financing organization

to support historic preservation through purchase and stabilization of historic properties threatened to be displaced by modern development. The projects would be re-sold, preserved and repurposed as historic places transformed as street-level business venues.

Rhonda Bannard, former DPP director of marketing, current small business owner, and downtown consultant noted that DPP seems “out of touch” based on comments from some individuals from grassroots groups and some key leaders who question DPP’s existence and value proposition. It was recommended that DPP needs to focus on linking big and small venues together to create constant buzz – a serious gap as of today. DPP should “pound the sidewalk and visit members,” says one former DPP employee based on observation. Moreover, DPP board meetings need more dialogue with attendees to create a more participative atmosphere – and less being “talked at.” A retail shop owner, who asked to remain anonymous, sees opportunity for both DPP and PCA to build trust through timely, open shared communication:

[I] think one of the huge unspoken rules that the DPP and the PCA maintain is this issue about secrecy, insider knowledge. I think that’s probably one of the things that’s the most offensive to the downtown community groups. Why do the DPP and PCA get insider knowledge? Why are they in the early meetings with the City of Phoenix, if these are public projects, or these are projects supported with public funding or public land? If you’re the President of the Roosevelt Action Association,

or you're the President of the Evans Churchill Community Association, don't you have standing where you ought to be allowed to be in those early meetings? So the kind of unspoken rule, if you're doing large scaled downtown projects, is that you can't trust community groups. Sometimes what gets forgotten, in my opinion, is that everybody matters. Everybody matters in these decisions about downtown projects. So if you are leadership – if you are the Mayor and you are on to large-scale thinking, you still have to have small scale thinking. You've still got to sweat the small stuff. You've still got to talk to the local people who are the local leaders.

Brian Kearney, former DPP president and CEO, noted that some DPP board members were nervous about “letting people under the tent for fear of causing uproar” although there was recognition, particularly with some of the political leadership at the city, including the mayor, that citizen engagement is critical for downtown vibrancy:

[T]he arts community in downtown clearly was a group that we didn't have a lot to do with in the early years. They hated us. And we didn't hate them, but we were, you know trying to bring a stadium downtown and they were fighting this tooth and nail. And, you know, we just didn't talk. And that was the cause of those things. When we did talk it would be in a very confrontational type of setting. So over time some of the tough

battles we went through I think introduced us to each other. Began to realize what, you know they were generally rational people. Just like we're generally rational, but we have our quirks as well. And that they had a lot to offer to downtown, which is obvious now. That was a group that I think was particularly excluded in the early years.

Kearney underscored that building downtown relationships is a continuous process requiring “enhancing existing relationships, developing new relationships.” New relationships bring upheaval within the power structure, making decision making more difficult. This includes elected officials such as city council members, he noted.

#### Power Structures and Perceptions of both PCA and DPP: Further Analysis

Governance in the form of board of directors plays a vital role in how PCA and DPP serve downtown Phoenix revitalization. Data shows that a perception exists among leaders of smaller businesses and arts organizations that both organizations and city officials pay “lip service” to those who serve on their boards. In an editorial, Phoenix resident Susan Copeland noted community design mistakes in downtown Phoenix where city officials and leaders failed to follow their own “community vetted and charretted ideas” (Copeland, 2011).

As PCA and DPP seek to become more interactive and inclusive with grassroots members of the downtown Phoenix community, these organizations can take steps to establish credibility, noted in Appendix D. Beatrice Moore, downtown Phoenix arts leader, founder of the Grand Avenue Merchants Association, member of Downtown Voices Coalition, and small business owner noted that her perception of PCA and DPP is that most of the people that they represent are people who are large property owners downtown:

[T]hey're not the little business owners... they [small business owners] perceived that the Downtown Phoenix Partnership was pretty much calling the shots and there was not a whole lot you could do. You couldn't really be involved in that process because your voice really wasn't gonna be heard, not in a real way...I think they've worked in a very insular manner, quite frankly... maybe in the last few years they've opened up more. The big business community, the big property holders, the big companies. I see them [PCA and DPP] networking with that group of the big boys. The good ol' boy network is very much a part of who they network with. They [PCA and DPP] said that this [Downtown Voices Coalition, an organization comprised of small businesses and the arts] is one of those groups that basically "we just check them off of our list. We go meet with them and just check them off of our list." They [PCA and DPP] need to really glean community feelings about things and not just like that... I think they do that with a whole lot of organizations... I think that's why

they're not very well liked is because they do just check people off their list.

While PCA tends to collect feedback through face-to-face meetings, DPP is moving toward a web-based approach and has created a blog which provides grassroots interaction with DPP, its members, and downtown Phoenix visitors and those who want to participate in the downtown experience. DPP Marketing Director Jim Flynn explained that DPP has created a brand positioning statement that notes downtown Phoenix as unique to its urban focus, and that “Downtown Phoenix is the Urban Heart of Arizona” offering a rewarding, progressive, creative, energetic and unique experience (2010, Downtown Phoenix Partnership).

Not all downtown constituents believe that PCA and DPP present a unified “frame” on behalf of downtown Phoenix small businesses and nonprofits. Opinions vary regarding the effectiveness of two-way communication with street-level constituents including the arts and small business communities. Representatives of small business and the arts indicate that these organizations – and especially DPP – are not tuned into their issues, needs and input. Rhonda Bannard emphasized that DPP staff needs to get out of their offices and operate at “ground level” rather than at the 14<sup>th</sup> floor of the downtown high rise building where the organization is located.

Other interviewees emphasized that PCA and DPP *are part* of the “good old boys network,” presenting barriers and biases that sometimes hamper efforts

of individuals and smaller projects. Bannard noted that both PCA and DPP impose barriers that are territorial, and that the cultures of the organizations are to protect the status quo. She cited how each organization seems to focus on specific duties that keep each organization in silos or “boxes” rather than explore collaboration with each other as well as with downtown newcomers.

Kimber Lanning believes that neither PCA or DPP are willing to “roll sleeves up” to challenge the City of Phoenix power structure that promotes vacant lots and old downtown culture. Lanning has spoken at many downtown events, including those sponsored by PCA, and has been a leading advocate in helping Phoenix residents understand the importance of shopping locally. She advocates that these organizations make connections between social networks, vibrancy, and economic vitality:

[W]e still have 1950s suburban zoning regulations dictating urban lifestyle. Neither one of them (PCA and DPP) is willing to roll their sleeves up. It’s gonna take work. And in my opinion, it’s gonna take the next generation because that model is broken. There are big major land-use policies that need to be changed, and they need to be changed now if we’re gonna be a sustainable city. Do you think DPP cares? They’re not even thinkin’ about it. They’re not showing up to these conversations. So here I am in my little record store. And I am dealing on a daily basis with a mass exodus of our brightest young people. They all leave. And they say Phoenix has no soul. They wanna go to a place like Portland or Seattle or

Chicago or San Francisco, where it's a real urban experience, and it makes them feel like a grownup. So I understand in a blink of an eye what they're saying. The PCA needs to play the role of taking that information and translating it into a language that... Greater Phoenix Economic Council can understand. So... you just attracted 137 new high-end scientific jobs. What the hell are you gonna do to keep those people here? Because I guarantee, they're not gonna renew their contract in two years if you don't figure out how to connect them to place. That is the role that PCA needs to be playing. So PCA needs to play the role of interpreting between the culture that is so imperative and the true long-term economic development of high-sector, high-paying jobs. Cause otherwise, we're just continuing on this path of creating low-wage, dead-end jobs.

Both PCA and DPP leadership talk about efforts to communicate with stakeholders to understand their wants, needs and opportunities to incubate and launch vital new projects impacting downtown development. According to City of Phoenix interviewees Krietor, Harris and Burke, the City relies on PCA and DPP for important citizen input on issues and projects. For example, City of Phoenix senior administrators Krietor, Chan, Harris and Burke recognized that unified efforts from PCA and DPP help to extend the city's budgetary limitations through a vast amount of volunteer time.

For example, PCA board member and business leader Bob Shcolnik helped the city start a graffiti hotline – a community witness program – that

supplemented police efforts to catch graffiti perpetrators and reduce both unsightly graffiti and the associated crime and vandalism in downtown Phoenix. Shcolnik described how, without PCA's promotion of graffiti as a strategic city issue, and without a volunteer team to organize and help implement the program, this program benefitting downtown Phoenix revitalization would not exist today. Graffiti damage was costing downtown businesses more than several hundred thousand dollars annually prior to the graffiti hotline being established:

[T]he members of the Phoenix Community Alliance were very concerned that something proactive had to be done [about graffiti]. We decided we were going to put some pressure on the city and we went and we met with several city councilmen as well as the city manager etc. and said, "Look, we're not going to drop this. We want some kind of program to come out of this." We [PCA] put our heads together with the city and the policy department and came up with an idea to put in a silent witness like program for graffiti because silent witness could not handle that capacity. It was operating to capacity and so we designed something with the help of the Phoenix Police Department that worked like silent witnesses where people would anonymously turn in tips and get rewards and Phoenix Community Alliance agreed to front the program and provide the leadership to make it go forward not as a solution to graffiti but as a piece to the solution to graffiti... so they started the Graffiti Busters working and we set up our hotline. We sent out a mailing to our members and I

don't remember the amount that came in but with just sending out one mailing we raised somewhere between \$10,000-20,000 of contributions to fund the rewards that we were going to give out.

What are solutions applicable to improving the network-building capacity expected of PCA and DPP? The vast majority of subjects believe that PCA and DPP play an important role in bridging power structures – government, city, private sector, nonprofit sector, developers, zoning attorneys, neighborhood associations, and financial institutions. Long-term member relationships were viewed by both PCA and DPP board members, as well as interviewees who work in larger institutions, as assets for complex downtown projects requiring a long-term perspective. Social capital helps to reduce “structural holes” (Burt 1992, 1997, 2005). Burt argues that disconnections between individuals and groups leave “holes in the structure of the market.” PCA and DPP have the opportunity to facilitate social capital in terms of information and control advantages of being the broker in relations between people otherwise disconnected in social structure. Participation and control of information draws on networks and PCA and DPP are in an ideal position to broker the flow of information between people and projects.

Kimber Lanning believes that DPP's best opportunity for including new downtown constituents is to partner with such groups that are considered small and “authentic” – groups that are creating a groundswell of interest, and can deliver fresh perspectives and provide a diversity of opinion. This includes initiatives such as Ignite Phoenix, started in 2008 as a gathering of 16 innovators

sharing their creative ideas. The gathering in 2010 sold its 650 available tickets in less than 20 minutes. Presenters have five minutes in which to share their ideas and people who were never connected before are being connected, and meetings are held at the Phoenix Art Museum in downtown Phoenix. Lanning expressed that both organizations have the opportunity to create a collective “political will” to make things happen – the will to say “no” to harmful projects and to implement policy changes to ensure that downtown blight is cleaned up:

[S]o how do we expect somebody who is coming from a very defined suburban environment that gives the illusion of being safe all the time, of being manicured, and you bring them downtown and a third of downtown is vacant and abandoned and boarded up. And you think you’re just gonna say we’re the urban heart, and everybody just believes that cause you spent a lot on a really cool logo? No. We have to deal with these issues. In Richmond, Virginia, if you have a dirt lot for more than two years, you now have to landscape it and light it and have one cultural event a year on it, which means you have to have liability insurance year round. In the city of Montreal, if you have a dirt lot, you’re gonna pay property taxes to the tune of the potential of that lot. So if you just got it rezoned for 20 stories, you’re paying property taxes on a 20-story building. So you better build it.

City staff such as Jason Harris who participated in interviews acknowledged the critical role, as a power structure, that the City plays in approving, driving, and ultimately delivering large-scale downtown development projects in Phoenix. While the City was lauded for its transparent codes and processes, the majority of interview sources acknowledged that most small business and individuals are unfamiliar with the City's complex processes for setting up a business in downtown, and requirements for construction, renovation and initiating new building projects.

As noted earlier, several interview sources who had served on PCA and DPP board in adjunct roles expressed resentment toward the organizations for feeling that their participation was not taken seriously. However, others emphasized that DPP is an invaluable resource for providing knowledgeable staff to hand-hold the needs of members at practical, "how-to" street level. These interviewees felt that PCA and DPP members from the larger corporate community treated them as "token members" of small business, arts, or other community niches being represented. There was a strong sense that the most important thing that PCA and DPP can do is to "show up" at some of the smaller community organization meetings, such as at Downtown Voices, in order to demonstrate a two-way dialogue with emerging downtown groups. The idea that PCA and DPP and all downtown community groups should be "part of a downtown family" emerged during several interviews among those representing smaller groups, underscoring the perceived value of long-term relationships as well as being "considered part of the downtown Phoenix family." All seemed to

agree that those who care about downtown Phoenix should be respected for their contributions and given respect as part of authentic downtown investors who care, who show up, who contribute, and who sometimes argue and disagree, just as family members do – without losing “status” as a member of the downtown Phoenix family. The next section discusses some of the tools created by PCA and DPP that help to facilitate social capital, new connections, and progress.

### Reasons for Stalled, Defeated Projects

Dave Krietor, John Chan, and Jason Harris of the City of Phoenix, and others such as Margaret Mullen, Terry , Neil Irwin of DPP, Mo Stein of PCA, and Reid Butler, a developer, agreed that the lack of social capital was *not* to blame for most downtown Phoenix projects – such as the Cardinals football stadium proposed for downtown – that did not get launched. Rather, they noted that many of these turned-down projects were highly speculative and lacked community support. In some cases, PCA and DPP members may have been supportive but the lack of financial capital, lack of buy-in from certain factions within PCA and DPP, and lack of City and/or mayoral support may have doomed these projects from the start.

Other downtown Phoenix projects have been stalled because of bad public policy noted Jon Talton on his web site blog:

[o]ne example is the lack of tax-increment financing, critical to downtown San Diego's comeback, another is little legislative support for the downtown university/biosciences campuses. Land banking continues to make the core look uninviting, to say the least. Center city champions, so combat fatigued from years of banging their heads against City Hall, sometimes pick the wrong battles, are often too far from each other to build a critical mass, and in any case lack the capital to really launch a comeback.

Other reasons projects have been stalled include the lack of a serious economic-development strategy and loss of private sector investment and employment according to Talton. Developers with significant capital have, in many cases, railroaded projects with little public input or have ignored the input according to Susan Copeland (2011).

While recent projects such as CityScape were built with little public input as a result of networks created by PCA and DPP, what remains of the historic warehouses south of Jackson Street may someday create an entertainment district. This project has been stalled due to the major recession that began in 2008. Historic preservationists such as Jim McPherson closely monitor the warehouse district in hopes that the few, remaining structures are protected from demolition. The entertainment district is expected to provide downtown entertainment venues that do not require tickets for entry, providing high-quality, affordable places to have fun.

Moreover, many interview sources noted that a proposed downtown football stadium project was unsuccessful primarily due to the downtown property not being large enough to accommodate the recommended stadium design. It was noted that former Mayor Skip Rimsza didn't support the project because the City lacked funding to complete the expanded arena design to accommodate the Phoenix Coyotes hockey team. CityScape, a shopping center project built in 2009-2010 at the former Patriot's Park site, was mentioned grudgingly by some interview subjects as a project driven by large developers who disregarded public input calling for preservation of green spaces and parks in the heart of downtown Phoenix (Copeland, 2011). Despite the lack of public input, CityScape opened in fall of 2010.

### Future Opportunities for Downtown Network Building

In Phoenix, opportunities exist for both DPP and PCA to strengthen approaches to downtown Phoenix revitalization by building diverse board and committee memberships, hosting open meetings where community visioning can take place. Other ideas included creating a downtown report card to create dialogue among city government, development leaders and citizens who desire to participate in revitalizing downtown Phoenix.

Dave Krietor, Deputy City Manager, City of Phoenix, noted that 20 or 30 people currently define the downtown Phoenix agenda. He noted that PCA at

times has been more powerful politically than DPP in terms of its board composition and action-oriented accomplishments. He noted that a broader based of involvement, including neighborhood input, will be critical for including a growing number of new downtown constituents:

[...w]here they struggle is with this kind of eclectic collection of entrepreneurs, many of whom have an arts focus, that really have gotten a foothold downtown... it's hard for DPP and PCA to kind of make the connection to those people.

Rhonda Bannard noted that grassroots, community-based activists are poking holes in traditional downtown Phoenix networks:

[T]hese organizations are so structured – City structured – so programmed in the old way. Jerry Colangelo and Margaret Mullen were risk takers. The PCA and DPP board members are not breaking barriers with expansive thinking. Instead, we have this divide to fit into different boxes. The leaders of these organizations are leaders that filter. They want to fit everything into boxes. Leadership at the top must change if we're going to be a break-out city versus “plod along and do O.K.” For example, First Fridays could be leveraged in the neighborhoods to showcase the core downtown. DPP is not capitalizing on this opportunity, as DPP is only focused on its members in the service territory, not neighboring areas.

Rather than boxes and barriers, Dick Bowers' concept of creating an open "leadership plaza" of participants who come together over certain issues to dialogue and embrace ideas, may be an effective new metaphor creating fresh models of participation and shared vision to continuously revitalize the future of downtown Phoenix:

[... I] like plazas, you know I like places where people gather spontaneously there's always something going on there. I'm very happy with things like the farmer's market but I think what one of the things that DPP is encouraging is more activity, more street life, more energy, more vibrancy.

David Roderique, hired as DPP President and CEO after a long career with the City of Scottsdale, noted the need for a shift of leadership on DPP's board of directors at the governance level:

[... i]t's mostly the big players that are represented... the head of APS... the developer of CityScape, the head of Chase (Bank). It's all ... the big power broker type folks. And I think between those two groups, that has really been who has made the vast majority of decisions in downtown. I think that's going to change over time. We try to get out, try to seek out representation from a variety of different groups on a proactive basis...

residents and going to their HOAs and seeking them out to be part of the way finding process and so on. We try actively solicit as opposed to just say put a little meeting notice out there and say anyone who's interested please come. We'll call people directly and say, "We think you need to be there for this reason. We'd love your input." If we can convince – again I'd call it the old guard – the value of being inclusive as opposed to trying to force everything internally. (Some) think the way you get something done is the Phoenix 40 model... you get the power brokers together and they go and they push the politicians and tell them that they have to make this decision and do something. And that's the only way you can get something done. I have had a number of discussions about the value of including some of these outlying small grassroots organizations into the process. And seeing if you can convince them and get them on board as allies, you bring a much stronger case forward ultimately and have a better project and more benefit to the community. I'm trying to look at additional board members and bringing new people in, I'm trying to bring in people that are younger, a little more focused on outreach and more willing to be inclusive and have broader representation amongst the folks. I think that's probably the biggest thing we could do.

The question remains: How can social capital help serve as an intermediary force to create more inclusive networks, encouraging citizen engagement so that a comprehensive, authentic downtown exchange can occur?

Interview subjects answered this question by revealing three, major issues that leaders in downtown Phoenix must face going forward. First, a fuller recognition of the profound shift in downtown power structure and need for a collective vision that widens the circle of participation and input into downtown Phoenix. As acknowledged by the leaders and staff of both PCA and DPP, some progress toward creating a new “leadership plaza” has occurred as the circle of downtown leaders has expanded.

Figure 6 illustrates how a leadership plaza networking approach could conceptually create *more* opportunities for downtown citizen engagement by PCA and DPP expanding certain types of Board subcommittees and special issues-oriented task forces. However, both organizations can expand community connections among a broader network of vested downtown leaders in response to profound power shifts in downtown Phoenix and can help to inspire a shared vision among those leaders.

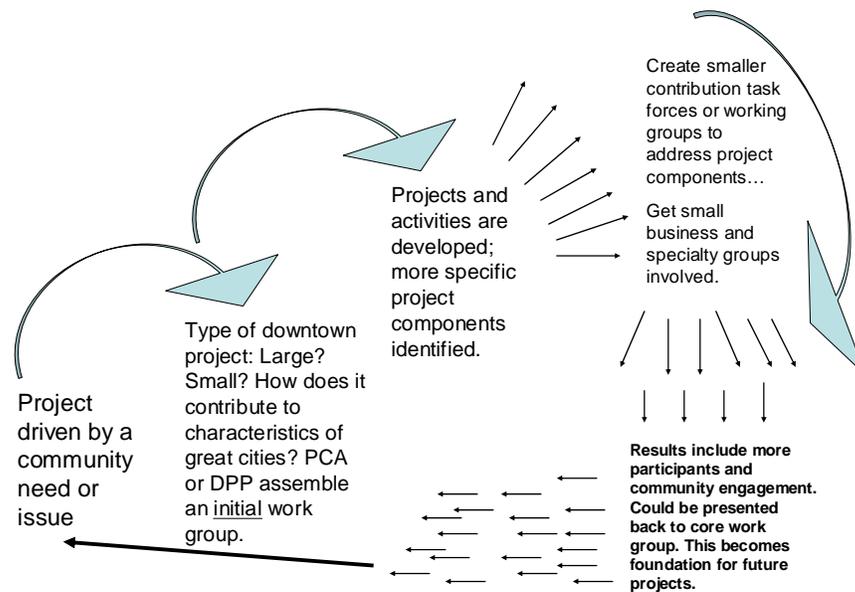


Figure 6: How expanded citizen engagement can create “leadership plazas” where people gather to develop solutions to downtown issues and opportunities.

Second, PCA and DPP can strengthen networks to focus on street-level vibrancy by including small business, arts and nonprofit leaders and by trying new outreach strategies such as meeting at those smaller, less-typical venues for certain types of gatherings. Third, PCA and DPP can address the need for affordable and attainable housing in or near downtown Phoenix. These three themes for downtown Phoenix are further described in Chapter Seven. By addressing these three big issues and widening the dialogue net, PCA and DPP

can more effectively help create open networks to overcome structural and historical barriers and to revolutionize the way downtown Phoenix development is accomplished as the city continues to grow and change. Chapter Seven explores each of these three downtown Phoenix issues in much more depth.

## Chapter Seven:

### Three Critical Issues Essential to Renewal in Downtown Phoenix

Expectations regarding the role of PCA and DPP in facilitating networks valuable to downtown Phoenix renewal were explored in prior chapters. Nine top downtown projects illuminated how social capital was used by PCA and DPP to ensure projects were implemented. Interviews with a wide variety of leaders recommended by PCA and DPP, noted in Appendix F, led to three critical themes for future downtown improvement. First, a shift in leadership structure is changing power relationships in downtown Phoenix. Second, street-level vibrancy in downtown Phoenix is the much-needed glue to bind existing large venues together into an exciting community of venues and activities. PCA and DPP can ramp up efforts to create dialogue and facilitate support for small businesses moving downtown. And third, affordable housing is a critical issue that must be elevated and be more effectively addressed to create downtown vibrancy through a diverse base of people who desire to live and participate in downtown Phoenix as residents. PCA and DPP can educate decision makers by creating community discussion about affordable housing. Moreover, DPP's Community Development Corporation (CDC) was created to specifically broker affordable housing projects where the CDC can expedite affordable housing in or near downtown Phoenix.

## Power Shifts and Creating Collective Vision Among Many

As noted by interview sources in Chapter Six, a shift in downtown Phoenix leadership calls for drastic changes in how PCA and DPP cultivate relationships among established organizations, emerging organizations, and individuals who all are vested in the future of downtown. DPP President and CEO David Roderique emphasized that a new generation of DPP board members must be invited to the leadership table representing a diverse downtown Phoenix constituent base. Active outreach to new participants is constantly needed to produce open networks of exchange.

New community power brokers include Arizona State University's Downtown Campus (ASU) and University of Arizona College of Medicine – Phoenix (UofA), bringing the dilemma for PCA and DPP of how to engage large institutional entities with entrepreneurs and grassroots neighborhood groups. This includes connecting the downtown community with ASU's and UofA's students, faculty, staff and the Arizona Board of Regents. ASU occupies approximately 30 percent of leased spaced within DPP's 90-block district. Moreover, the biomedical campus of University of Arizona College of Medicine – Phoenix brings a monumental medical and science research agenda and long-term economic benefits into downtown Phoenix, creating global networks of related industries, jobs and student connections to internships, and resulting benefits for retail and entertainment venues according to both PCA and DPP sources.

Furthermore, finance-related power players are emerging, such as the Industrial Development Authority (IDA) formerly chaired by PCA President Don Keuth. IDA is now chaired by former PCA Board Chairman Tom Espinoza, who also serves as president and CEO of Raza Development Fund, Inc. Espinoza believes that IDA is expected to become even more influential for financing downtown projects during the current economic downturn and its connection with PCA creates an influential social network of overlapping leadership. The IDA works with banks and lending institutions that must use a portion of their capital for funding community reinvestment projects helping low-income and underserved populations.

A smaller group of traditional power brokers still exists, although the potential for a more open network of downtown leaders is critical, bringing hope for a new flow of leadership energy. PCA committee chairman and long-time member Bob Shcolnik noted that today within PCA, some powerbrokers can “pick up the phone and make some things happen” due to long-term business relationships leading to trust that have existed for many years:

[T]hose relationships exist within the organization and I don't think they have anything to do with the organization. These people have been friends and business associates for many years and they happen to belong to the same country club or they happen to go to the same church or they happen to belong to PCA and they feed off of each other. That's what insider groups do.

Shcolnik acknowledged that the power structure is changing in part, because of limited financial resources among the power elite. Today, many new individuals associated with small businesses, neighborhood associations, and artisan groups want to contribute to the rebirth of downtown Phoenix. Mergers, acquisitions and consolidation of corporate offices since the late 1990s resulted in dozens of reorganizations in banks and corporations, drastically reducing the amount of local corporate CEOs who have large budgets and decision making power over Phoenix-based community investments.

DPP board member Dick Bowers noted how “adhocracies” spring up based on temporary groups advocating particular issues, such as the dialogue that occurred when a group of business leaders sought to build a stadium to house professional football team Arizona Cardinals during the early to mid 2000s. From the largest downtown projects such as the Cardinal football stadium once proposed for downtown, to smaller-scale projects such as the retailer wanting to locate a boutique in a small house in downtown Phoenix, Bowers believes that a fresh approach to downtown problem solving may well include project-based “adhocracies.” A broader leadership base may include participants who emerge to take on specific issues, and Bowers’ metaphor of a plaza – where people gather spontaneously – may be an effective way to open up new community networks. Jon Talton, who grew up in Phoenix, noted the importance of Phoenix power brokers to Arizona’s history. These were true civic stewards for Phoenix. He emphasized:

[Y]ou wouldn't have a Phoenix without them... Valley National Bank, APS, Central Newspapers, Western Savings – these companies played a defining role. They had the support of their companies to write checks and knock heads and generate capital.

Jerry Colangelo, Phoenix Suns and Arizona Diamondback owner; former DPP and PCA board of directors member, noted that as leadership in downtown Phoenix changes, that organizations such as PCA and DPP must embrace and act on the need to change how business gets accomplished. He noted that the days of raising quick seed capital among a small group of CEOs are gone:

[T]he infrastructure has changed regarding the leadership. It's very challenging to have leadership that has any continuity... we need people to step up and take responsibility but I would also say the landscape has changed – people don't stay in positions... there was a time when a handful of us could make the decisions and get things done. I think that day is over. I think downtown Phoenix leadership needs to have a much more of a broad base and I think small- and medium-sized business will play a much more significant role than they have in the past and should because that's part of the changing landscape.

Colangelo, one of the most important modern-day developers of sports and business developments in the United States as well as downtown Phoenix,

added that that DPP and PCA must find ways of cultivating leadership who can work with the smaller, street-level organizations to break the “big project, big corporation” mindset. However, it was noted by many interview sources that Phoenix is a place where individuals – including newcomers to Phoenix – can quickly become contributors and make a difference.

Phoenix is fifth-largest metropolitan city in the U.S. and as such, features urban sprawl that extends to more than 10 neighboring cities outside of the downtown Phoenix core (City of Phoenix, 2010). While creating a downtown community, after so many years of sprawl, is like building a center-city group of supporters from scratch, many interviewees noted that Phoenix is not closed to new leadership as are other large, established cities such as Boston or Chicago, nor is there a stodgy network preventing newcomers from making an impact on downtown decisions. Arts leader Greg Esser, a former City of Phoenix employee overseeing the city arts program, noted that Phoenix is a “very accessible and a very open community.” He believes that anybody who wants to have a voice *can* have a voice:

[...]exclusion isn't by any intentional exclusivity. It's through a lack of interest or a lack of desire to participate...And then there are people that don't play well with others and don't want to be a part of that coalition or want to do things in a different way.

However, some interviewees noted that developers traditionally have represented a strong power force, leading City of Phoenix administration and others down the wrong path of chasing large projects without having a real vision – promoting an unspoken rule that “anything big gets accepted as wonderful.” Dick Bowers, Marty Shultz and 80 percent of those interviewed noted that the visioning process is critical to building unity and a plan for cultivating a community of supporters. This broadened downtown leadership base can shape guidelines for what’s important, what’s not, and then can create additional networks to achieve the vision.

Interview sources noted that smaller, grassroots groups are attempting to contribute a fresh vision for downtown Phoenix and in the process, are creating new and increasingly influential power structures within downtown Phoenix. These groups include Ignite Phoenix, Radiate Phoenix, Downtown Voices, and a number of neighborhood associations. PCA and DPP have begun to reach out to these groups for inclusion in community forums and web site links.

Beatrice Moore, downtown Phoenix arts leader, believes that PCA and DPP should assign someone to be responsible for community outreach – someone who regularly attends a variety of downtown Phoenix Community meetings and brings back information to the organizations. She noted that it’s “gotta be more than just a token position.” Dick Bowers, DPP Board member and Herberger Theatre President and CEO, noted the importance of civic leaders coming together to create a shared vision for downtown development:

[I] think we as leaders have an obligation to have clarity of purpose and vision. The core values that we subscribe to collectively and it's the vision of what we want to achieve. We have never really had that in Phoenix. It makes it easy to make very bad decisions... it makes it easy to overact or under-react when you don't have absolute clarity on what you're trying to achieve.

Former columnist for *The Arizona Republic* and native Phoenician Jon Talton, an author who now lives in Seattle, disagreed with Moore and asserted that notion of broadening community dialogue “sounds nice but endless deliberation and endless fighting results from too many people engaging with no capacity to bring in capital and get things done. He called this “loud voices at the table with no clout.” But also in his blogs, he criticizes City of Phoenix and the “leasing boyz” which represent large business (Talton, 2011).

#### *Vested Relationships Produce “Downtown Family”*

The concept of leaders becoming “vested” in downtown Phoenix was a strong theme among those interviewed, and particularly among those involved in smaller groups such as Downtown Voices Coalition. The Coalition consists of individuals who have shown an enduring investment into the success of downtown by living and working there – people who have become part of a “family circle” who show up, discuss, agree and also disagree with each other.

The idea of PCA and DPP showing up and participating in this authentic, gritty and sometimes controversial conversation is key to be considered by those interviewed as a credible for bridging networks together to advance downtown initiatives.

But “family” as a closed network is not what Bauman (2001) promotes in his definition of community, a place where he says people typically believe that they can count on “each other’s good will.” Bauman emphasizes that a new definition of “community” is actually a reality of “paradise lost.” Those who cling on to sameness, predictability and closed decision making eventually find that conditions crumble when the balance gets skewed between “insiders” and “outsiders” – or “us” versus “them.” He notes that any community of common understanding is fragile and therefore, seekers of contemporary community must acknowledge the constant need for including new members and being flexible to be “uprooted” by changing circumstances.

Downtown developer Reid Butler reinforced the importance of vested relationships as function of simply showing up and listening as critical steps to building trust, investing time and sincere contributions toward supporting a downtown vision:

[T]his is what I tell everybody who does urban infill development work. People who are involved in community associations and neighborhood associations don’t get paid to do what they do. They do it purely, 100 percent because they care deeply. Either because they care about something in a positive way, or more often, because they care about

something that they're afraid of. They're afraid that some agent of change (which the developer, as I said, often is), it's going to somehow negatively affect something involving them. Property value, traffic (take your pick), all the issues. In my opinion, if you're a developer, the general attitude toward you is one of fear and mistrust. How do you earn that back? How do you earn the trust? How do you earn these relationships? You show up, and you don't only show up when you're asking for something. The PCA, or the DPP, don't really have a natural affinity with the grassroots community groups. I think the big challenge for the PCA and the DPP is how do they really assist the non-conventional projects, the small scale projects, the grassroots projects, the projects that make downtown more interesting, in my opinion. That probably is the biggest weakness that I see, because they don't have good relationships with the downtown community groups, despite the fact they might say they do. They just don't.

On the flip side of constant change is the commitment to respect and connect a city's history to its citizens, noted Jim McPherson, historic preservationist. He lamented that in Phoenix, plans often are created without regard for learning from past development mistakes. Dan Klocke, who leads DPP's CDC organization, was cited several times as an example of a downtown leader with genuine, personal commitment to downtown history in context of future development. A resident of downtown Phoenix, he purchased and moved a

home built in 1909 to save it from being torn down by developers, and then leased it out as a business, putting a significant amount of his personal time and financial investment into the home's restoration.

Important questions for future exploration are these: How can PCA and DPP show themselves to be genuinely vested in listening to and including new types of community leaders and organizations springing up at the grassroots level, while respecting history, creating many links between and among new and emerging networks, when the focus has been to work with primarily CEOs of major corporations? How can grassroots, smaller-size organizations, microbusinesses and mom-and-pop business owners become more empowered, engaged and participatory in the future vibrancy of downtown Phoenix? Chapter Nine provides recommendations for how PCA and DPP can encourage an inclusive downtown, breaking through the "big-project, big-corporation" mindset.

### Street-Level Vibrancy In Downtown Phoenix:

#### The Glue That Connects Community

Phoenix, as a number of revitalized U.S. cities such as San Diego and Denver, began the downtown revival process by creating big anchors of activity generators where people gather for entertainment. Eighty percent of the interview subjects noted that that in Phoenix, the large downtown infrastructure is in place – including stadiums, hotels, theatre venues, higher education, libraries, museums,

and several parks that provide downtown green spaces. The next generation of downtown Phoenix renewal projects will require a new mindset for PCA and DPP regarding how to create social capital among new participants in downtown vibrancy. The success of downtown Phoenix now depends on many small retail shops and human networks of people who care, notes Catrina Knoebl Kahler, publisher of *Downtown Phoenix Journal* magazine and web site. Jim McPherson, Phoenix Historic Preservation Commission and Downtown Voices Coalition member, noted that “big projects make a city. Small projects make a community.”

Jon Talton (2011) added that Phoenix leaders made a series of catastrophic mistakes in the 1960s, 1970s and even 1980s that left downtown nearly dead. Among the mistakes included bulldozing of the Deuce to make room for Civic Plaza with no provision for where the homeless would go; failure to preserve historic buildings that “provide the bones of a great city,” or even the one- and two-story buildings that could have housed small businesses in a downtown revival; pursuing a policy of massive tear-downs in downtown and the capitol mall, and allowing quality of life petty crime that, along with City Hall's neglect, drove out the small retailers and their customers. H said that retail for the working poor was forced out to turn downtown into an office "park" with stadiums.

Russ Haan owns a marketing firm in downtown Phoenix and also lives in his work-life building. He recommended “100 one-million-dollar projects in Downtown Phoenix” to transform the downtown area versus the “one, traditional big \$100-million project.” Dan Klocke, DPP’s Director of Planning and

Economic Development, agrees that the focus in Phoenix must now be on smaller projects:

[I] think the downtown has all the main things in place. We don't need more big buildings... we (DPP) can help facilitate smaller things that become community gathering places... we can help work with the small business owners... that's the kind of thing that drives community.

Now that downtown Phoenix has its big anchors, how can PCA and DPP encourage networks that support smaller projects while preserving downtown Phoenix heritage? A combination of people-based and rules-based approaches may be useful. People-based, or “cognitive” social capital focuses on ideology, norms and attitudes such as meetings where ideas are shared. Rules-based, or “structural” social capital focuses on city guidelines and helpful processes that assist citizens in contributing to downtown vitality (Uphoff, 1999; Grootaert & van Bastalelaer, 2002).

How can PCA and DPP create street-level, people-based, grassroots engagement and vibrancy when the historical culture of Phoenix indicates that big projects rule in priority with the City of Phoenix, PCA, DPP, developers, bankers, property owners, and other constituents? PCA and DPP must find ways to engage the new groups that already are moving forward and gaining momentum as the new face, and new force of downtown Phoenix.

Greg Esser, artist and leader of downtown art enclave Roosevelt Row, believes that a city's downtown is never a finished product, reinforcing the phenomenon that social capital leads to continuously new levels of social capital that continues to build and evolve (Herreros, 2004). This fosters trustworthiness and reciprocal relations, information and economic exchange, and the collective action and advantages achieved through such structures (Grootaert, 1998; Prakash & Selle, 2004; Burt, 2005). However, significant discontent regarding street-level vibrancy exists among several downtown leaders of small-business interests, including Kimber Lanning:

[...t]here is a group of young creators who get together. They have several hundred people (who) show up every month... we should be concerned with keeping them engaged and making sure that they're connecting (with downtown Phoenix) – it's about “place making.”

Jon Talton asserted that without private investment and a major focus on economic development, downtown Phoenix lacks high-paying jobs and residents with money. Much controversy has resulted from DPP's “Copper Square” and “Urban Heart of Arizona” marketing campaigns. Kimber Lanning added:

[I]t even makes me angrier thinking about a branding campaign that they [DPP] spent hundreds of thousands of dollars on to tell people simply that it's the urban heart of downtown, without even dealing with any of the real

issues. You can't just tell them it's the urban heart. You gotta *make it the urban heart*, and then they'll come.

Claudia Bullmore, founder of a downtown dialogue group, "Radiate Phoenix," created the organization to fill a community gap among diverse professionals and entrepreneurs who care about downtown Phoenix vitality. She explained:

[y]ou can't put all your intention on the big commercial projects. You need to have the creative local businesses that go in between all the stops. That just wasn't really their [PCA's] interest... most of the constituents of the group were big commercial architects. We have these groups that have a particular voice and there wasn't a good connection to the arts community, for example, or merchants association. These little pockets were not cross-pollinating ... from this view, you have the reputation that PCA is a boys' network. You've got the "suits" coming in there, big projects, commercial oriented. They have little subcommittees, it's true, but again, just by virtue of the membership fees you're not gonna have small merchants coming there.

### *Overcoming “Us” Versus “Them”*

While a number of interviewees noted significant progress for both PCA and DPP in cognitive, or people-based outreach initiatives to downtown constituents including adjunct memberships (PCA) and an engaging new web site (DPP), bitterness about unspoken rules that create barriers for smaller projects was noted (Appendix F). Several sources from the arts community expressed frustration regarding the tear-down of old warehouses to the south of Jackson Street when the stadiums were being built. Despite input from the arts community who occupied a number of those warehouses, the City and developers proceeded to displace the artists and tear down a bit of Phoenix history.

According to arts leader Beatrice Moore, DPP had wanted the arena to be within its district. Beatrice Moore was one of the arts leaders that took city officials on a bus tour to show the warehouse district and advocate for preservation. She recalls hosting a trolley tour to educate government and downtown leaders about historic preservation and felt that PCA and DPP were not advocates of protecting the warehouse district:

[...b]y the time we had the first Art Detour in 1989, we had heard rumors that they were gonna be putting a big arena down in the area that we were in, and our block was one of the blocks that they were looking at. I decided the best way to deal with it would be to invite a bunch of dignitaries from the city and from different organizations to go on a special trolley ride down into the Warehouse District to see what was

down there, to see the potential... They [City of Phoenix] could've easily have placed the arena on the other side of 7<sup>th</sup> Street. There was a huge, vast amount of land there that belonged to this big steel company that I think was really not even functioning at that point in time or they could've put it south of the tracks... Well, they decided to put it on our block, and not only that, they just tore down a huge swath of the older warehouses that were down there, one of which was the historic bar that we were in at that time which was about 100 years old. We made a lot of suggestions to the city as to where else it could go. It was the Downtown Phoenix Partnership that ultimately wanted it in their district for a variety of reasons, some of which was tax revenue.

Historic warehouses were being demolished in order to make room for the basketball and baseball arenas. When Moore's gallery and those of other colleagues were torn down to make way for a sports arena, the displaced arts community turned into skeptics of PCA and DPP and began viewing these entities as a barrier to the art community, noted Steve Weiss, steering committee chair, Downtown Voices Coalition:

[T]hey're selling the lifestyle of downtown that you can go to the Herberger [Theatre], that you can go to a baseball game, and you can live in a big loft space... there was this weird dichotomy of tearing down an old warehouse and on the other side of the street they'd be building a

building that replicates a loft warehouse-looking building... we watched that happen.

Margaret Mullen, former CEO of DPP, gained insight during the early DPP years regarding the importance of inclusion of smaller groups who want to have a voice:

[Y]ou've got to have everybody sit at one table, hold hands and play fair together, listen to each other and understand each other's problems. The first strategic plan and DPP had – we had to move a group of artists off the arena site to build the arena, and that was also my job, which was a wonderful process. I don't know if you've ever worked with artists. They don't look like we do, and they don't talk or act like we do. Well, you can imagine putting them together with [*names mentioned from business community were removed*] and that sorta group. Well, they were in these community meetings together. And one of the CEOs leaned over to me and said, "You should be really proud of yourself to get us in the room with them." And I turned around and said, "I will be really proud of myself when you don't call them 'them.'"

Nearly 20 years later, many of the early displaced artists are thriving along the Roosevelt and Grand Avenue areas where dozens of artists are located in retrofitted old homes and businesses. The disregard that some downtown civic

groups showed toward historic preservation and the lack of public dialogue for projects such as the revitalization of Patriot's Park, the Sun Mercantile Building, and Madison Square Garden created a sense of decisions being "ramrod by carpetbaggers who don't live downtown" according to a Downtown Voices Coalition member who asked to remain anonymous. This interview source opined that he believes certain staff at the City of Phoenix have developed techniques that serve to *deter* public input, such as cancelling and rescheduling public meetings where residents may have waited in meeting rooms for hours prior to City staff announcing that hearings are cancelled and rescheduled.

Regarding street activation, authentic street-level vitality requires more than special events where streets are closed off from traffic. Sloan Burwell, president of ArtLink, noted that First Fridays, a monthly downtown Phoenix arts event, creates what she calls an "artificial festival environment" which is counter productive to the 24-hours-a-day, seven-days-a-week vibrancy:

[T]he street closure attracts 20,000 (people), but they're not going to the businesses or restaurants, they're going to the street closure.

Furthermore, absentee landlords were identified as barriers for downtown improvement by Shannon Dubasik, Executive Director, Capitol Mass Association:

[... t]he biggest challenges in neighborhoods today remains these absentee landlords who don't care about their properties. They rent them for outrageous prices. People move in, they don't care, and then we get a lot of the drug (users)... so a house that's really supposed to be for three people, there are 22 people living in it, and it becomes our charge to continue to work with police to keep those things cleaned up.

Structural forms of social capital create rules, roles and procedures may be helpful for implementing street-level downtown vibrancy. Business owners can be active participants in creating a welcoming downtown Phoenix culture in similar fashion as business owners in San Diego, who have helped to create distinct neighborhoods among more than a dozen business improvement districts and neighborhood enclaves.

Interview subjects noted that the focus today is on financing and developing smaller, street-level projects and working with the City of Phoenix to cut through development red tape such as citing permits to produce the things that truly make a local community come alive. Dick Bowers, DPP Board member and Herberger Theatre President and CEO, has received city approval for enhancing seamless flow from the theatre venue to the adjacent sidewalks on a street where pedestrian travel can now be encouraged for street-level interaction among downtown residents and visitors:

We got the city to agree to create a plaza in front of the Herberger... the whole road can be closed and there's no curb and gutter to trip over... it's truly like a piazza and if we have events out there you can engage at a social level, so it's not just a business center.

Terry Madeksza, DPP's director of operations, is proud of the street-level amenities facilitated by networks created by DPP. These include signage and wayfaring to enhance the downtown visitor's experience:

[W]e're gonna be planting or hanging flower baskets. We're looking at [showing] movies on a wall. So having some games, like a large life-size game of chess. [People are]... looking for pedestrian amenities... flowers... trees... lively streets. And we don't have that yet. At least for now, we have our ambassadors who will walk with you to and from your destination – they're like concierges. They'll make reservations for you at a restaurant.

While pedestrian amenities and streetscape enhancements help create a distinct sense of place and hospitality much-needed in downtown Phoenix, these are perceived as helpful for “outsiders” who visit the area and do not substitute for authentic, people-based, human-level connections among the members and potential new members of PCA and DPP, noted Rhonda Bannard, Catrina Knoebl Kahler, and others who desire to be involved as contributors to downtown life. In

particular, DPP has an opportunity separate out the “stuff DPP does,” noted Bannard, from the need to connect with constituents in order to create a new culture of downtown Phoenix. Jason Harris of the City of Phoenix noted that there are unspoken processes that often present difficult project hurdles:

[...t]here have been some great proposed projects out there that just did not... get traction or support. Getting the political support and having a political champion for initiative for change is pretty critical and having financial wherewithal and ability to deliver on something is critical. Just because you have a great idea and the possibility of it getting financed doesn't mean it's going to happen. The City (of Phoenix) is the one ultimately that drive and delivers the change... at the end of the day, if the City wasn't there it (most projects) wouldn't have happened. The City either directly delivered it or helped address the gap to make it deliverable.

Urban infill projects often are difficult and messy compared to developing projects on the outskirts where less requirement for project buy-in and established utility, street and building infrastructures exists. City of Phoenix Urban Form guidelines now provide both a roadmap and more flexibility for creating unique retail storefront designs and streetscape amenities to complement the distinct downtown neighborhoods. Jim McPherson and Kimber Lanning noted that now, more City accountability for stewardship of vacant lots can be balanced with stewardship of historic properties. Downtown developer Reid Butler noted that

PCA and DPP can push the agenda of government as a helpful implementer of unique, downtown projects:

[I]f you want to do urban infill development, the rules are totally different. It is incredibly difficult. The reason is – you’re an agent of change, fitting into somebody else’s neighborhood, by definition.

*Urban Form: Zoning to enable downtown vitality at street level*

The Downtown Phoenix Urban Form Project is a collaborative process to revise downtown zoning, to shape future growth and to help implement the city's vision for a livelier, pedestrian-oriented, integrated downtown. The project is a product of “Downtown Phoenix: A Strategic Vision and Blueprint for the Future” that was adopted by the City Council in December 2004. PCA’s Don Keuth served as chairman of the City of Phoenix Planning Council, the entity overseeing the Urban Form project. The downtown plans and codes were presented to the Planning Council. DPP’s Dan Klocke attended all Urban Form advisory committees and provided comments on behalf of DPP.

The Urban Form area contains about 1,500 acres, roughly bounded by Seventh Avenue and Seventh Street, McDowell Road to the north and Buckeye Road to the south. The area also encompasses the downtown core and residential neighborhoods, historic districts, unique arts districts and many vacant and underutilized areas that offer opportunities for growth.

Through a year-long process that invited residents and neighborhood associations to share values, visions and concerns for downtown, three common principles emerged to give direction to the planning process. The principles include Community, Connectivity and Integration, supplemented by seven priority themes: Knowledge Anchors; Downtown Living; Great Neighborhoods; Arts and Entertainment Hub; Distinctive Shopping; Great Places/Great Spaces; and The Connected Oasis.

To implement the Strategic Vision and Blueprint, the Downtown Phoenix Urban Form Project is charged with the development of the Downtown Phoenix Plan and the Form-Based Code, a new zoning ordinance for downtown. The plan is the foundation for the goals, policies and strategies that will help shape the vision of a pedestrian-oriented, dynamic downtown Phoenix urban environment. The new code will replace the existing zoning districts and overlays, with the exception of the Historic Preservation Overlay, which will remain in place.

Urban form-based zoning, according to Jason Harris, who directs economic development at the City of Phoenix, determines the size and shape of new downtown buildings and construction projects. Carol Johnson, director of the City of Phoenix Urban Form Project, noted that the Urban Form code creates a built environment. That is, form guidelines provide design flexibility while providing consistent physical guidelines for each project. This adds creativity and variety to downtown Phoenix building design standards. Both PCA and DPP helped to shape the Urban Form project.

Now that the Urban Form guidelines have been developed, implementation of the guidelines is seen as a major problem due to the 2008 economic downturn and the City's current financial shortfall. Six project areas and an interdepartmental team from City of Phoenix had been identified prior to major City budget cuts in 2009 and 2010. Johnson noted that no particular entity has been identified to implement the activities of downtown in the Urban Form area, such as coordination of street vendors and trash collection in newly created community gathering places.

One anonymous, skeptical interviewee argued that Urban Form was supported by major project leadership downtown, but it was not supported by every property owner and business owner. He noted while everyone wants shade, landscaping, connectivity, pedestrian-oriented amenities, more parks, more public art, more green projects and more sustainability, nobody wanted to talk about "who pays for Urban Form recommendations." Today, places created for visitors and residents are being occupied by homeless. Roosevelt neighborhood and Downtown Voices Coalition have been supportive but are limited in ability to implement new Urban Form projects. The role of social capital to advance urban form has great potential as a solution for creating stronger commitment and excitement for this movement forward. PCA and DPP can create dialogues and helpful forums where Urban Form guidelines can be better understood and implemented. The city's new guidelines offer newfound flexibility for business owners who want to start or move their businesses to downtown Phoenix.

## Affordable and Attainable Downtown Housing:

### A Driver for Downtown Revitalization

Residents who live in downtown cities contribute to street-level density, diversity, and round-the-clock vibrancy (Ellin, 1999). Fifty percent of interviewees noted that despite the significant workforce size in downtown Phoenix, few affordable housing options exist within the downtown core, which in turn, negatively impacts the ability to create a round-the-clock presence of people who support the street-level array of retail, food, and entertainment businesses.

The U.S. Department of Housing and Urban Development defines "affordable" as housing that costs no more than 30 percent of a household's monthly income. That means rent and utilities in an apartment or the monthly mortgage payment and housing expenses for a homeowner should be less than 30 percent of a household's monthly income to be considered affordable<sup>1</sup>. Downtown Voices Coalition and DPP's Dan Klocke, who oversees the organization's separate housing arm, recommends that the common definition of affordable housing in downtown Phoenix be articulated as "50 to 60 percent of medium income" – which may be considered to be defined more as "attainable," and that once the location of affordable/attainable housing is decided, efforts must be made to alleviate tension between current stakeholders in the area, often with negative perceptions, and the developers of affordable housing (Downtown Voices, 2010, Klocke, 2011). Klocke notes urban growth boundaries and historic

districts inflate Phoenix downtown housing market to a level higher than it should be.

About 62,000 people work in downtown Phoenix, and about 80 percent of this population qualifies for affordable housing, earning 50 percent of the median income level, noted a downtown visioning report produced by Downtown Voices (2010). Research noted in Appendix B shows that affordable housing, democracy, diversity, and the establishment of microbusinesses and street-level projects in downtown Phoenix are strongly linked. Interview sources noted that business owners who can live near their business have the added incentive to locate their business downtown. The key for a revitalized downtown Phoenix is a work force that lives and works in the heart of downtown, creating a downtown area where people can connect with each other. Moreover, affordable housing is not “just for the poor.” Affordable housing can be creatively embedded in strategic housing projects so that, as DPP Director of Planning and Economic Development Initiatives Dan Klocke noted, individuals who are employed and who qualify for reduced rent rates can be situated side by side with others who can pay full rent prices. This can encourage teachers, police officers, and those who are gainfully employed who might not otherwise be able to afford downtown living to qualify for rents and purchase financing.

Affordable housing helps to promote and celebrate diversity of cultures by promoting a diversity of downtown residents who can afford to work and live in the downtown area. Tom Espinoza, president and CEO, Raza Development Fund, Inc., notes that PCA could become a bridge to downtown neighborhoods to

expand beyond the borders of affordable housing near downtown. Sheila Harris acknowledged the gap in awareness about the value of affordable and attainable housing for downtown Phoenix:

[A]ffordable housing was a four-letter word and then when you started talking about trying to help people who were homeless and had all kinds of other issues, it was really very hard for people to wrap their heads around that whole concept.

Dan Klocke advocated housing projects that are smaller in scope, such as a four-story building with 40 to 80 units per acre. He noted that smaller units have a shorter permitting and construction schedule and can be implemented more quickly than major high-rise condominiums, and that smaller housing projects have been important to other major downtown cities:

[A]t the rate that we're building attainable housing, we'll be here 50 years from now saying, "... we need another 10,000 people living down here ... we don't need to build high-rise after high-rise... otherwise, the prices are too high, and most normal human beings can't afford these places."

Klocke cited new housing projects enabled by the economic crisis of 2008. These include a 250-unit single-family home development in the Roosevelt District for senior residents supported by affordable housing tax credits and

federal funding, and an affordable rental development to be constructed in 2011. He believes that several thousand affordable rental units will be constructed near downtown Phoenix during the next few years.

While this is notable progress, a number of interviewees suggested that PCA and DPP must continue to demonstrate political will to sell and support the rationale for affordable housing, especially during the economic downturn when emphasis is on recruitment of smaller business, arts, and nonprofit projects. PCA and DPP can help to facilitate the public voice so vitally important to affordable and attainable housing, notes ASU professor and housing expert Joanna Lucio:

[D]evelopers can be creative. It's a good time for nonprofits to partner with developers and to work with cities to help people get ready to move into units. Developers know the housing, and the nonprofits know the people. By forming alliances, developers and nonprofits can sit together with the City staff. In public forums, residents should be included who would be living in the affordable housing to incorporate a voice and input from those who actually would be living there. This is a *community* project – not just making a decision to locate a project in a place where no one wants to live!

Phoenix Revitalization Corporation is a nonprofit community development organization dedicated to revitalizing neighborhoods by facilitating community improvement projects and creating low-income and workforce

housing. Founded in 1985, Phoenix Revitalization Corporation places emphasis on the revitalization of Central City South, a community located immediately south of the Phoenix Downtown Business District and the Arizona State Capitol Mall. PCA has invited participation from Phoenix Revitalization Corporation's executive director, who serves on PCA's affordable task force. Other housing agencies, such as the Housing Authority of Maricopa County (HAMC) and City of Phoenix Housing Department, can be engaged to discuss opportunities in and near downtown Phoenix.

Created by Maricopa County, HAMC provides affordable housing through a range of delegated powers. In addition, the Maricopa County Board of Supervisors appoints an Advisory Board to provide community input and assist in the administration of the Housing Authority. HAMC is an active partner with county, local, state and federal agencies and programs, as well as the broader public and private sectors, to carry out its mission and strategies in meeting a wide range of affordable housing needs throughout Maricopa County. HAMC owns and manages 790 units in 16 communities throughout Maricopa County. These properties are generally located in the smaller cities and unincorporated areas of the County. Most of the larger cities in the Metropolitan Phoenix area have their own Housing Agencies that serve the populations of each city (HAMC, 2011).

The City of Phoenix Housing Department owns approximately 3,500 units of public and affordable housing and manages more than 5,200 housing choice vouchers. City of Phoenix provides homes to more than 25,000 Phoenix residents.

The department provides services and referrals to assist residents reach their goals and attain self-sufficiency. The City also provides financing to for-profit and nonprofit partners to help create additional affordable housing in our community. Phoenix Housing Department provides and promotes diversified housing opportunities and enrich the quality of life for low- to moderate-income families, seniors and persons with disabilities. The Housing Department administers down-payment and closing-cost assistance programs to promote and increase homeownership opportunities for Phoenix families throughout the city. Down payment and closing cost assistance is recognized across the country as the "necessary ingredient" to help low- and moderate-income families move to homeownership. Through a variety of down-payment assistance programs, eligible homebuyers are helped with the "gap" between the purchase price of a home and the mortgage loan amount.

Federal funding has provided new affordable housing opportunities in Phoenix during the U.S. economic downturn. According to the City of Phoenix Housing Department, on March 20, 2008, the City of Phoenix and McCormack Baron Salazar (MBS), an affordable housing developer, received an \$8,855,000 HOPE VI grant from the U.S. Department of Housing and Urban Development (HUD) to revitalize the 76-unit Krohn West public housing community, which is located between 16th and 17th Avenues, North of Buckeye Road. Along with general obligation bonds, tax credit equity, and other funds, the HOPE VI grant uses a combination of both public and private financing and will be used to build

a new 83-unit mixed income rental community on the same site and develop homeownership units off-site.

The new rental community is expected to add high-quality rental units to the neighborhood with premium design standards. All units include central air conditioning, in-unit washers and dryers, dishwashers, Energy Star appliances, and accessible units. The development will result in infrastructure improvements to sewers, water mains, streetlights, streets, and sidewalks. The HOPE VI grant will also support the Community and Supportive Services (CSS) program, which is designed to help community residents achieve self-sufficiency and enhance their quality of life. Overall, the new Krohn West HOPE VI community will build upon and expand the revitalization efforts of the Matthew Henson Village HOPE VI community by reconstructing distressed public housing units, establishing a mixed-income community, and creating economic investment in the Central City South Neighborhood. Construction is expected to be completed in late 2011 (City of Phoenix, 2011). A third public housing project near downtown Phoenix is expected in future years using the HOPE VI model of rebuilding existing residences have the option to return to their current location with new housing (Lucio, 2011).

In downtown Phoenix, several affordable and work-live housing success stories exist including Roosevelt Square in 2000 and Artisan Parkview in 2003, and followed rapidly by Artisan Lofts on Central, Stadium Lofts, Artisan Village, Orpheum Lofts, Portland Place, 44 Monroe, PRD 845 and the Summit. Residents can walk to restaurants and entertainment in a real urban environment. The key

will be adding more affordable housing units to this stock and making sure that future construction integrates retail projects, according to a Downtown Voices web report. While the report noted that Artisan Village is a great example of housing and retail integration (Downtown Voices, 2010), Steve Weiss, past steering committee chair, Downtown Voices Coalition, said that much can be learned from mistakes involving the arts community:

[T]he artists were forced out of Jackson Street long ago, first by the America West Arena [now US Airways Center] and then by Bank One Ballpark [now Chase Field]. What was once an area inhabited by live-work studios and galleries seeking large spaces with cheap rent is now priced for speculation or geared towards the ethereal sports fan. If the developers who seek to make Jackson Street interesting once again are wise enough they will create incentives for affordable (not just attainable) live/work artist spaces and the kind of hospitable and distinct food, music and art venues that thrive in the less structured and less pricey environments of Grand Avenue and Roosevelt Street.

Gentrification of neighborhoods is a critical issue noted in some downtown renewal case studies. In their study of gentrification, Maureen Kennedy and Paul Leonard (2001) define the phenomenon as the process by which higher income households displace lower income residents of a neighborhood, changing the essential character and flavor of that neighborhood.

Kennedy and Leonard identify three key features inherent in the gentrification process. First, gentrification requires the displacement of lower income residents from their neighborhood. Second, there exists a physical component that results in the upgrading of the housing stock in the neighborhood. Finally, and rather vaguely, gentrification results in the changed character of the neighborhood. Gentrification is an issue facing many large U.S. downtown cities undergoing revitalization. Although gentrification is impacting neighborhoods surrounding downtown Phoenix, interviewees saw more benefits of improved education, shopping and mixed cultures than negative attributes of neighborhoods impacted by development. Jon Talton argued that affordable housing is “not what it seems – it’s a wage problem” where good jobs bring people into the downtown who can live and work there.

This chapter has spotlighted three issues critical to the future of downtown Phoenix. From interviews and supporting documents, the role of PCA, DPP in advancing nine downtown revitalization projects was examined and three downtown themes were framed that impact the future. How do these three, major downtown themes for Phoenix contribute to understanding how social capital theories can support downtown revitalization in the United States?

An analysis of 53 Arizona newspaper articles from 2007 to early 2010 emphasized general awareness about two of these three dominant themes – power shift and vision for downtown as the most frequently-cited issue, and need for street-level vibrancy as the second major issue. Fifteen major articles focused on the new downtown Phoenix identity, branding, economic drivers, and new leaders

in downtown Phoenix. Another 15 articles focused on downtown street-level vibrancy, including eight articles that emphasized new restaurants and entertainment, seven articles that focused on local shopping and use of social media to connect patrons, and two articles that focused on the need to make it easier for businesses to renovate downtown venues. There were seven articles emphasizing the important role of downtown infrastructure of light rail and air travel, and five articles featuring general development and building construction. However, three articles specifically discussed affordable downtown housing.

Why has there been lethargy regarding the three, major downtown Phoenix themes? First, history reveals that a paradigm has long existed painting Phoenix as a place for unlimited land and natural resources, and this has lured speculators focused on profits and self interests. Phoenix weather is hot during the summer, and the heat and individualistic nature of those who leave other places to come here bring their own motivations and diverse views. Phoenix is a large Valley and many people are spread out – they enjoy their independence. These characteristics can serve to thwart community-based strategies of open networks, a culture that supports many small-business interests, and conversations that leading to affordable, attainable housing at the expense of those who want to make larger profits.

Phoenix early history as described in Chapter One would suggest that a culture based upon the attitude of independence and individualism – the very qualities that attracted people to Phoenix – would impact the ability to build a new culture of open leadership, and a collective vision for street-level vivaciousness.

The attitude of building-before-planning circumvents public input and community vision, leadership development, and the opportunity to collectively plan for housing. Chapter Eight applies these findings and suggests contributions to the literature as well as lessons learned in Phoenix regarding social capital and downtown renewal that may extend to other cities.

Chapter Eight:  
Contributions to Social Capital Theory

Why are downtown cores important at all, and why should downtown leaders be concerned with ongoing revitalization of their downtown core? In the words of Jane Jacobs (1961) downtown cities serve as the “heart” of any urban area, providing an ecosystem, a place to gather, a place of density and efficiency for large-scale venues that provide significant activity generators.

As mentioned earlier, scholars note that downtowns can reinforce a region’s sense of place, bring momentum and financial resources to create hubs of economic activity, support downtown housing and entertainment/nightlife, and infrastructure improvements such as mass transit. Therefore, this research reinforces the fact that downtown networks matter, and they vary according to the project. Appendix B illustrates three types of network impacting the characteristic based on this research. Blue signifies “Traditional Networks, CEOs, Government and Developers. Green denotes “New and Emerging and red indicates a “Combination” of groups. The majority of characteristics are noted to be impacted by *both* traditional and new or emerging groups.

This research contributes to social capital literature by affirming that open, inclusive downtown networks are critically important as an intermediary force driving the characteristics of great downtown urban cities (noted in Appendix B), such as being dynamic, diverse, safe, clean, and distinct. The research builds upon existing social capital and urban development theories notes in Chapters Two and

Three and applies two predominant social capital theories to downtown revitalization: Woolcock's and Burt's theory of "Boundary Spanning," and Granovetter's "Strength of Weak Ties" as paramount to reducing what otherwise would be community barriers or "structural holes" among downtown constituency groups.

This study further extends the work of Granovetter, Putnam, Woolcock, Burt, Herreros and Ostrom by providing downtown as the context for building networks, strengthening weak ties, and spanning traditional downtown boundaries. Ostrom notes social capital as a community asset and an investment does not wear out with use, but rather, with *disuse*. As long as participants continue to keep prior commitments and maintain reciprocity and trust, social capital will improve with use. However, Ostrom adds that if unused, social capital deteriorates rapidly (Ostrom, 1999).

### Lessons for Other Cities

What can other cities learn from this research about downtown Phoenix revitalization and the impact of networks? Different types of networks are critical to advance the variety of projects needed for continuous downtown improvement. Downtown civic improvement requires that both big and small projects thrive; and while all interviewees noted that it's not an "either-or," the binding glue today is public participation – participation of open, authentic networks.

Other cities can learn from these findings because in Phoenix, as in other large cities in the United States, downtown network building is much more complex than even a decade ago. The research underscores that open, inclusive downtown networks are needed to advance the variety of both large and small community projects as noted in Appendix B, where Traditional, New/Emerging, and Combination networks all are needed. Where traditionally big projects required engagement and funding from the power elite in closed circles, projects today require transparency even though large resources (government, investors, corporate resources) are required. Moreover, smaller and new street-level projects providing downtown vibrancy require broad-based support for start-up support and for ensuring ongoing engagement with downtown life (see Appendix B).

While downtown networks must become broader and more inclusive than in years gone by when downtown communities were established by a small group of founding leaders, this research noted that large projects will continue to benefit from the traditional network of corporate chief executive officers, developers, bankers and attorneys who have the capacity to launch massive projects. Two metaphors may be useful to organizations responsible for future downtown network building and revitalization. First, organizations can aim to create “downtown leadership plazas” where organizations can help people exchange ideas in an inclusive, open type of forum similar to a plaza or piazza, where vision, problem solving and opportunity building can occur. Second, organizations can consider the metaphor of a “downtown family” of contributors relevant to downtown revitalization, where all members are welcomed and

engaged in deliberation. Downtown participants can then be likened to family members who show up, who are loyal to the family, and who agree to disagree – even quarrel – without the risk of losing status as being part of the family.

Other cities can learn from downtown Phoenix as a regional downtown core. Jon Talton notes that the greater Phoenix metro area lacks authentic downtowns. He called Scottsdale exclusionary and affluent. He scoffed Tempe and the West Valley for chain stores, adding they lack energy, diversity, public spaces, a transit center, corporate power, concentration of talent, walkability, infrastructure and the critical mass of a real downtown. Talton said that this puts more importance on Phoenix to be the urban focal point, or centerpiece of the region:

[I]f Phoenix wants a chance, it must reclaim its core... the central core has renewable water resources. Want to preserve the desert? Focus on the core. Want to counter extremism? Build a downtown that attracts open-minded, "liberal" people.

Open, Inclusive Downtown Networks  
Vital for Downtown Improvement

This research affirms that organizations that are responsible for creating networks to promote downtown renewal *constantly* must be facilitating weak ties that lead to change, new forms of vitality, and a wider collective network that results in more enjoyment of, and greater use of – or public good – of downtowns. As Ostrom asserts, those relationships must be continuously cultivated to be *not only sustained, but remain open to new participants*.

The “use” of social capital as a vital investment and asset reinforces the *raison d'être* for the scope of work accomplished by groups such as PCA and DPP. Organizations responsible for downtown network building must be amenable and adaptable to change and evolve to accommodate new issues, new networks, new contributors, and the perception of new power structures. Where cities in the past grew organically, today’s downtown city is a hotbed of planning processes, zoning and tax ordinances, power structures, uprising new groups, and proliferation of social media (Facebook, web site, blogs, Twitter, etc.) that presents both the opportunity and need to communicate with timeliness and transparency – communication that cannot be manipulated within the construct of traditional top-down power structures.

Therefore, in a new era of downtown development where many groups and individuals want to get involved, groups designed for creating networks for downtown development must understand the need to open up networks to address

both big and small development opportunities as well as invite new constituents to participate in the discussion, bringing a higher level of democracy to downtown urban revitalization.

PCA's role as a convener of issues and strategy, in particular, illustrates the potential for many weak ties to create wider, more productive social capital or the idea of human relationships as resources. Weak ties allows newcomers to come together to solve problems and create opportunities (Granovetter, 1973, 1974).

Both strong and weak ties can create productive change for downtown Phoenix, noted many of the interview subjects. Through their stories, interviewees emphasized that PCA and DPP have harnessed the power of individual relationships and weak ties to facilitate trust among individuals and groups – and these many weak ties served as assets to open new networks that enhanced the success of the nine downtown projects. PCA and DPP illustrate what both Warren and Putnam emphasize – that informal, ongoing, face-to-face interactions between citizens in associations, based on horizontal relations and overlapping memberships, may lead to the development of generalized trust and civil society, conducive to collective vision, planning and action on a large-scale that benefits communities (Warren, 2001; Putnam, 1993, 2000).

This research illuminated three issues paramount to Phoenix' future – changing leadership, the need for street-level vibrancy through small downtown businesses at a granular level, and the need for affordable/attainable housing in downtown Phoenix. All call for a larger, more diverse network of engaged

citizens. Homogeneity and protected, closed networks of the past are not feasible to solve problems that point to the need for wider networks and diversity. In all cases, closed networks of the past are no longer useful, feasible and relevant for issues that require a more participative approach.

### Useful Metaphors for Downtown Network Building

Two metaphors are useful for organizations responsible for creating downtown networks in our complex society: Downtown leadership plaza, and downtown family. These metaphors support the idea that downtown revitalization is both an evolving relationship among groups and people who want to contribute to the discussion and be engaged in revitalization, as well as is a constant process. The idea of a downtown leadership plaza connotes people gathering in an open, engaging space to address a particular issue or task-specific project. The open plaza creates a picture of inspiration, inclusiveness, creativity, flexibility, spontaneity and nonpermanent collaboration. Many downtown contributors “come to the plaza” to voice input, participate in visioning, contribute to the solution, and provide a vision that can make a lasting impact on specific projects.

Cities are not only built with bricks and mortar but on ideas that get implemented, as affirmed by The Phoenix Public Market project described in Chapter Five. The flow of information then creates greater capacity to generate new forms of capital specific to downtowns – whether financial, human, physical or environmental – is continuously expanding. In contrast, strongly bonded

communities can be closed minded, hostile to new ideas, and sometimes corrupt (Portes, 1998). Not everyone needs to be at every table every time, but, individuals can connect and share ideas as networking organizations create downtown “leadership plazas.”

“Downtown family” as a metaphor connects downtown citizens as a family of downtown contributors where all members – elected officials, traditional business leaders, emerging leaders, new business owners, and even unlikely participants who might be considered as “distant cousins and in-laws” – are welcome at the table. In a family context, all downtown “family members” can have a voice while agreeing to disagree when differing opinions and heated conversations arise.

This research illuminates the fact that PCA and DPP – one being called an “Alliance” and the other a “Partnership” with the community – must serve in those respective roles by bringing together a continuously evolving cast of “family members” with varying agendas and visions for downtown. In the past, highly visible leaders of downtown Phoenix – such as Jerry Colangelo and Marty Shultz – were able to achieve significant influence as opinion leaders and facilitators of social capital because of their high volume of connections and corporate budgets. In the future, such leaders will continue to be vital in Phoenix; however, many new leaders associated with grassroots groups and creative, smaller, entrepreneurial projects must be integrated in a sincere and productive way.

In examining downtown Phoenix, there is an important lesson that can apply to other downtowns across the globe. That is: Open, participatory networks are critical for continuous downtown revitalization. The metaphors of downtown as a “family” of diverse members, and creating a “leadership plaza” as an evolving place are paramount for helping network-creating organizations understand how today’s downtown can be revitalized, strengthened and sustained. The ability to evolve, adapt, and be resilient as a community requires more participation – not less. This is affirmed by Granovetter’s Weak Ties Theory (1973) and Nan Ellin’s examination of cities as organisms – that dynamic downtowns are constantly evolving and being sustained through organic interventions rather than by contrived master planning and social engineering (Ellin, 2004).

Secondly, the nine Phoenix projects examined and the major, downtown issues discovered simply reaffirm that all downtowns have history and related barriers, iconic projects, and major issues. Organizations such as PCA and DPP are crucial for bringing community networks together to create a balance between individualism and collectivism to enhance a downtown’s quality of life. Chapter Nine addresses recommendations pertinent to the future with respect to network building to address opportunities in downtown Phoenix.

## Chapter Nine:

### Recommendations for PCA and DPP

As mentioned earlier, community building is network building. PCA and DPP were created for downtown civic improvement. This research emphasizes the understanding that PCA and DPP, similar to other downtown revitalization organizations across the U.S., have a constant and evolving responsibility to spawn and nurture networks to create new downtown opportunities, and solve problems.

Today, this requires connecting people and groups who otherwise would not have reason to interact. The ability to remain relevant as network builders – facilitators of social capital – *is the core opportunity* for PCA and DPP. Without valuable networks, PCA and DPP are able to create nothing as noted by an interview source who asked to remain anonymous:

[R]emember, PCA and DPP own nothing. They build nothing. Finance nothing. I mean, they've helped with the public market – I don't want to play that down. But they're not builders. They are advocates. They are thought leaders. Some people in the community groups would say they're "thought suppressors." So to me, the PCA and the DPP could have such enhanced power if they really knew more about what the Downtown neighborhood and community where their positions are. I think *they think* they're connected to those groups, and they're not. Two things need to

change. Join the groups and be a member. And, bring things to the (community groups) early, when they're still being shaped.

PCA and DPP can assess the findings noted in Chapters Six and Seven and address the three, major Phoenix issues in a more cohesive way as network builders. Both organizations can strive to create a new downtown “leadership plaza” that inspires a new way of building an inclusive downtown Phoenix network or “family” of leaders. Furthermore, PCA and DPP can share responsibility to encourage more affordable housing in and near the downtown Phoenix area. Specific recommendations for each of these opportunities are noted in this chapter.

### Create a New Downtown “Leadership Plaza”

In response to the traditional, closed network of downtown leadership mentioned in earlier chapters and need for new types of leaders engaged in downtown Phoenix, how can PCA and DPP serve as network builders? As Dick Bowers suggests, PCA and DPP can promote a new downtown “leadership plaza” as a metaphor of a public square where dialogue and decision making occur. PCA and DPP can acknowledge network creation as the primary reason for existence – capitalizing on their “Alliance” and Partnership” monikers as strategic imperatives.

PCA and DPP can help to lead a culture shift among the downtown Phoenix community by acknowledging the problem of closed networks in a

sincere and public way and creating new efforts to invite and engage individuals and organizations to the discussion and leveraging the talents of both new and more traditional participants.

Both PCA and DPP should assess how social capital might ease tension and open up communication channels between leaders of large organizations and members of smaller groups such as Downtown Voices, Grand Avenue Merchants Association, Ignite Phoenix, Radiate Phoenix, downtown neighborhood associations, and the editorial board of *Downtown Phoenix Journal*, a web-based publication that now has partnered with PCA and is published in a magazine format in addition to the web version. By taking a strategic, targeted-outreach approach, PCA and DPP can actively reach out to up-and-coming leaders to serve on smaller working committees, provide community-based presentations, and participate in charrettes and monthly meetings, creating a broader and more inclusive downtown dialogue.

Along with entrepreneurs, artists and small business leaders, leaders from large institutions, and those from new institutions to downtown Phoenix must be integrated as strategic network for future downtown economic development. Arizona State University and the University of Arizona College of Medicine – Phoenix have emerged as new, large-scope power players, along with the governing body, the Arizona Board of Regents. Interviewees recommended that ASU be more cohesively integrated into downtown Phoenix. They noted that the physical campus, while embedded into the downtown blocks, is more of a fortress than well-integrated into downtown life. PCA can invite ASU faculty and students

to lead and participate in community charrettes and dialogues. DPP can invite input from ASU for street-level strategies and projects with merchants.

Learning from how San Diego addressed the need to open up its downtown networks, PCA and DPP should focus on recruiting small business owners and nonprofit leaders to serve on committees as well as on the boards, and specific roles for these members should be created. Downtown San Diego Partnership's President Shirley Horton noted that the Partnership recruited more small-business leaders to serve on its board of directors and assigned staff members to attend grassroots meetings as ambassadors of DSDP.

Arts leader Beatrice Moore noted that PCA and DPP should consider hiring a liaison to the many emerging downtown organizations – all for the purpose of providing listening ears, representation, and follow-up to ensure that grassroots connections are being made on behalf of PCA and DPP. This could include attending community-based meetings and keeping abreast of grassroots groups and developing strategies for serving as connectors:

[... s]omeone who regularly attends other meetings and brings back information to their groups about ... who really can listen ... so people feel like they have some kind of real connection with their organization. I could even say that for the city. The city could use a community outreach person but it's gotta be more than just a token position so we can "check them off our list."

DPP should consider the formation of a "street activation" committee. The former downtown Phoenix culture of a few, elite businessmen from large

corporate settings can be acknowledged in a candid, productive way in order to acknowledge the past and welcome a new culture of inclusive community building within downtown Phoenix.

It is important to note that prominent new downtown Phoenix participants are both large in size, such as ASU, and small in size and scope, such as the local ownership of popular downtown restaurant, Matt's Big Breakfast. Appendix D lists many of the new downtown Phoenix constituent groups that have emerged in the past five years.

For networks to become open, inclusive and engaging in downtown Phoenix, PCA and DPP must involved and engage existing power players, helping them understand that a move toward more inclusive community building is essential for addressing a greater variety of emerging downtown issues. Phoenix should avoid finger pointing and an attitude and culture “good guys” versus “bad guys.”

*Ensure transparent, inclusive agenda building among the “downtown family”*

Along with widening the circle of downtown contributors, many interviewees noted that PCA and DPP can create transparency in decision making, avoiding the perception of tokenism and working toward creating a more open, authentic, two-way dialogue among downtown Phoenix constituents. To build a shared downtown agenda and shaping of vision, Rhonda Bannard added that DPP can open up its meetings to more community dialogue rather than a polished, prescribed agenda of board reports. She noted that PCA could do a better job of

articulating next steps leading to authentic, actionable outcomes. One interview source recommended that an association of downtown homeowners associations (HOAs) be established in order to create a cohesive network of downtown neighborhoods.

Despite much progress and the sense from some interviewees that PCA and DPP are making progress in engaging new downtown groups, interview data revealed that there still is a sense of distrust among the arts and small business communities. Social capital theory supports the phenomenon that there will always be tension between what is perceived as those groups which are official, and burgeoning new factions. Bourdieu acknowledges the constant tension and struggle between “official discourse” such as governmental or large-scale, bureaucratic directives, versus individual and collective actions that resist the official discourse (Lin, 2001).

PCA and DPP can recognize these emerging new groups and find ways to authentically engage commitment and value to downtown Phoenix, and not provide lip service or “tokenism” to these new leaders, as several interview subjects recommended. Moreover, PCA and DPP can inspire two-way communication by assigning someone to attend the small group meetings – rather than *only* expect members of those groups to engage in PCA and DPP meetings, to build credibility among these emerging community-based organizations.

*Create many weak ties and small networks to continuously reinvent downtown*

Noting the potential of many weak ties in creating a large, broader-based network of leaders and participating organizations (Granovetter, 1973, 1974), PCA and DPP can form strategic alliances with both large and smaller, more informal groups to maximize the ability to get things done. While membership for PCA and a service territory for DPP are facts of life for those organizations, the ability to leverage *smaller* strategic alliances is a powerful concept to open up new networks of participation leading to continuous improvement and vitality.

Neighborhoods represent an emerging, untapped resource for downtown Phoenix vibrancy. In particular, DPP should focus on “downtown as a neighborhood,” connecting leaders of big anchor projects with leaders of small businesses, nonprofits, and entrepreneurial start-ups, to leverage a woven, downtown-fabric concept, and facilitating street-level strategies for helping the downtown find its urban heart. Neighborhoods and smaller organization have potential to create new connections to contribute to creating the downtown Phoenix social fabric. A downtown neighborhood parent organization should be assessed by DPP to create more open networks among the grassroots citizens, and create a more participative role in contributing to street-level vibrancy and affordable housing opportunities. DPP could facilitate dialogue around the idea of a neighborhood association parent association, or “umbrella organization,” to create greater organization and connections among downtown Phoenix neighborhoods – namely, Roosevelt Action Association, Evans-Churchill, Garfield, Central Park, and Grant Park.

*Continue to use social media as a tool for expanding downtown networks*

As noted in earlier chapters, social media can assist PCA and DPP with bonding (within organizations) and bridging (outside of organizations,) with groups such as the City of Phoenix and new key players (Woolcock, 1998). To that end, PCA and DPP should continue to maximize web site information, where, in addition to promoting events and places to experience the web site can be used as an effective place where the vision of downtown Phoenix can be broadly shared. Today's social media greatly enhances downtown Phoenix historical networks – greatly surpassing the volume of connections from the Phoenix 40, even though the financial capacity and leadership decision making may be far different. This type of human and social capital may create ongoing, repetitive bonding which leads to trust (Fukuyama 1995). Moreover, social capital in the form of social media can help create stronger institutional memory, creating shared stories, facts, history and a rich base of information that can be stored, accessed and shared among downtown leaders and up-and-coming new participants or family members.

Identify and Advocate for Critical

Downtown Phoenix Issues in a More Cohesive Way

This research points to the need for Phoenix to facilitate social capital in an organized, cohesive way to address the issues noted in this study. Learning from Denver's history of downtown organizations, both PCA and DPP should

clearly articulate their roles and distinct contributions to maximize and maintain a clear downtown Phoenix focus. PCA and DPP can and should provide a more cohesive voice to the City of Phoenix and other governmental entities regarding important issues, retaining a degree of independence while being connected to business, government, nonprofits, sports, higher education, and other types of institutions. Appendix J shares specific recommendations for each organization in order to delineate roles for PCA and DPP in order to build and maximize social capital for future downtown Phoenix revitalization.

Subjects noted that PCA and DPP need to do a more effective job in partnering with traditional economic development and business membership groups such as Greater Phoenix Economic Council, Greater Phoenix Chamber of Commerce, and Greater Phoenix Leadership, helping these organizations focus on downtown Phoenix opportunities and look for niche downtown partnership projects. Moreover, staff turnover at the City of Phoenix and in other organizations forces the constant need for PCA and DPP to facilitate productive networks with the city.

It is recommended that DPP be designated as the issue owner for street-level vibrancy. DPP should continue to maximize its role of helpful implementer and to personally know all of its business members in the Partnership's 90-block territory. DPP also can continue to maximize the impact of its web site by promoting events and places to experience by sharing advice and templates useful for small business to navigate *specific City of Phoenix processes*. As mentioned earlier, experiential activities such as downtown walking tours should be

facilitated by DPP to build street-level constituents and street-level participation and commitment among a diverse variety of residents.

It is recommended that PCA and DPP share responsibility as joint issue owners for promoting affordable housing as a critical issue. PCA can elevate affordable housing as an issue critical to downtown revitalization, gathering its membership at meetings, forums and workshops to create a much deeper understanding and collective will for affordable housing community support. DPP can most effectively leverage its CDC organization as a more effective tool for financing and implementation of affordable housing in downtown Phoenix.

DPP's members have the opportunity to be a strong voice when addressing critical issues. Neil Irwin, former DPP board president, noted that years ago, DPP wrote a bold letter to the City of Phoenix sharing collective vision from its membership. This was a definitive leadership step, Irwin noted. However, Dan Klocke, director of DPP's Planning and Economic Development, argued that DPP must regain its voice:

[W]e (DPP) have lost our voice – lost some of the attention that we had in the past because we have not put much emphasis into public policy. What we've done in the past is put our voice to a [big] project, but those [big] projects are done now.

*Advocate for downtown fiscal policies that fix land banking and blight*

PCA and DPP can spur public discussion about land banking zoned for sky scrapers. These bare, blighted properties should be taxed at higher rates to motivate development until the properties are brought to a productive use.

Jon Talton and a number of those interviewed noted that City Hall needs to either develop the checkerboard of empty land, especially in Evans-Churchill, or return it to the private sector zoned at a market-friendly rate for such uses as single-family bungalows. City Hall needs to invest in improving its empty lots with grass and real shade trees. And it needs to make downtown and the wider core the cheapest, easiest place to do business. Without a change in the tax structure penalizing unbuilt land in downtown Phoenix, land prices remain high with property owners holding the land until large developers can make even larger offers.

*Support Urban Form in downtown Phoenix*

PCA and DPP should actively support and promote the City's new Urban Form principles as public policy to ensure sound downtown design principles and planning. PCA and DPP could jointly pilot a demonstration project to illustrate how important the Urban Form guidelines are for creating places for small businesses that honor the city's history while proving novel and new adaptive reuses of buildings.

By supporting a pilot program using Urban Form guidelines, PCA and DPP could inspire other downtown renovation projects. Interview sources such as

Jim Flynn, Terry Medeksza, and Carol Johnson noted that DPP can maximize its reputation as a street-level project “go-to” resource, serving as a conduit of information to and from the City of Phoenix Planning Department. DPP could examine the improvement projects in the plan and identify funding sources for projects within the DPP service territory. PCA could analyze creating additional BIDs and a central parking authority to provide parking pool resources for downtown Phoenix. Developers could provide a fee for pooling the downtown parking resources. Institutionalizing new community leaders so that there is a legacy of new leaders filling the pipeline is yet another opportunity for PCA and DPP.

By PCA and DPP jointly working together to help support the new City of Phoenix Urban Form design policies, quality of downtown life can be ensured by businesses adhering to zoning regulations targeting absentee landlords, helping to eliminate Phoenix downtown blight. Former DPP CEO Brian Kearney noted the challenge of costly downtown land which tends to fuel a requirement for big developers who build big developments. Policies such as those created by Urban Form are an important part of a city’s vision, establishing formal roles and rule-based structures to help create cohesive vision and road map for the future (Uphoff, 1999; Grootaert & van Bastalelaer, 2002). A new mindset of “economic gardening,” as Kimber Lanning notes, describes a much-needed, conscious approach to placemaking connected to weaving a fabric of small business, culture, dialogue, and *action* – including a downtown municipal support system that helps entrepreneurs get into small spaces and the available building stock in “lost and

forgotten” streets in downtown Phoenix. A tool box for local Phoenix business start-ups could be created to help owners of small businesses learn how to negotiate specific City of Phoenix processes and politics as members of the “downtown family.”

*Create cohesive communication to inspire downtown identity*

Having a downtown vision and clearly communicating the vision is essential for inspiring citizen engagement. One community leader noted that we must ask “if Phoenix was the most spectacular downtown in the world that met our greatest aspirations, what would it be?” Many interview sources noted that the downtown vision does not necessarily need to be “owned” by one entity, but PCA and DPP are well-poised to take leadership roles in articulating the vision, integrating neighborhood groups and newer organizations such as Downtown Voices. Terry Goddard, former Phoenix mayor who initiated a vision process called “Phoenix Futures” during the late 1980s, believes that downtown identity should come from a shared vision of residents. He noted that in Phoenix, “we’ve grown the outside first and then we came in to invent downtown.”

*Consider cohesive structure, location*

PCA and DPP should explore co-locating in the same downtown facility and explore restructuring to either merge or create a parent organization to pull both organizations together, harnessing more focus and momentum for engaging the new order of downtown Phoenix leaders. Some advocated that PCA and DPP

should explore whether a merger or “merged type” of organizational structure could feasibly exist, and if so, if such a merger would increase cohesiveness among new and emerging downtown leaders for the benefit of downtown Phoenix renewal. Interview data indicated a significant amount of confusion over how PCA and DPP differ in mission and scope of work, as well as how to access the services of these organizations. An interview source who preferred to remain anonymous noted:

[I]f you really had to differentiate between what does the PCA do versus what does the DPP do, you’re splitting hairs. The different organizational structures, I get it. Different, district improvement, district tax [that helps pay for DPP], I get it. Do you need both organizations doing what they’re doing? I’m not sure you do.

Rhonda Bannard and other interview sources observed that the economic crisis of 2008 brought large projects to a halt due to a greatly restricted financial market, and this slowdown continues today, impacting development. Bannard believes the time is ideal for Phoenix to prepare for prosperous times ahead, which will require the “removal of barriers, boxes, and fear” that keeps PCA and DPP behaving in ways that are territorial as silos, not as the facilitative organizations they need to be in order to create participation and downtown vitality.

While PCA generally is perceived as broad-based and strategic, DPP is viewed as tactical and focused on providing enhanced, street-level services vital to providing friendlier streets, marketing, and project support. More research could assess whether a “parent-company structure” could serve as an umbrella organization over DPP’s operational role in providing enhanced municipal services – an entity or authority to lead development in downtown Phoenix, similar to San Diego’s Center City Development Corporation. DPP’s tax structure and defined service area would need to be explored to assess whether a merger under Arizona statute can be lawfully completed. Finally, both organizations should consider governance policies that require term limits to encourage fresh thinking and board leadership.

### Share Responsibility for Ramping Up Affordable Housing as a Critical Issue

Residents who live downtown contribute to street-level vibrancy. Half of the interviewees recommended that PCA and DPP share responsibility for promoting affordable housing as a critical issue. Data suggests that affordable housing must be fast tracked in or near downtown Phoenix order to create downtown vibrancy as well as more options and smaller and realistic housing units (rather than expensive high-rise condos where government subsidies

attainable units), where affordable options can be created for people who want to both live and work downtown.

Affordable housing should be discussed as a positive asset for downtown Phoenix – not negative. There is a pervasive perception that affordable housing is “slum” housing, when affordable housing can be an asset to the community with many innovative ways that developers can partner with cities and nonprofits (Lucio, 2011).

Four affordable housing themes were spotlighted by Downtown Voices Coalition at the “Envisioning 2010” workshop held in January, 2010 in downtown Phoenix. First, downtown Phoenix needs a common definition of affordable housing – and the definition should be 50 to 60 percent of medium income. Second, public support of affordable housing is needed. Third, key leadership should publicly promote affordable housing using real-life examples. Once decided, efforts must be made to alleviate tension between current stakeholders in the area who often hold negative perceptions, and developers of affordable housing. And fourth, the myths of “irresponsible” low-income renters versus those with perceived as having higher socio-economic status must be dispelled (Downtown Voices Coalition, 2010).

PCA and DPP should support the 2010 Downtown Voices Coalition report and join this coalition in creating social capital through civic discussion about housing needs, providing a stronger voice for creative, fast-tracked, affordable and attainable housing. PCA can play a strategic role in facilitating dialogue and social capital by gathering its membership to host forums and workshops to create

deeper understanding and collective will for community support. DPP can play a tactical role in the implementation of housing, as its Community Development Corporation can specifically broker affordable housing projects.

DPP can more effectively leverage its CDC organization as a tool for financing and implementation of affordable housing in downtown Phoenix. The CDC is structured to go outside DPP's territory and can be more flexible to work with and support the positions of Downtown Phoenix Voices and other organizations, such as Capitol Mall Association, who are focusing on Affordable Housing. DPP should use its CDC and develop an affordable housing campaign using real-life examples (fire fighters, police, etc.). Discussions can focus on the potential for the CDC to expand beyond the 90-block DPP territory to provide new opportunities for growth in affordable housing. The CDC could build and develop affordable housing, but currently it has no financial resources do to this. The most realistic role for the foreseeable future would be to serve as a significant advocate for affordable housing, which could leverage social capital by way of gathering downtown business, nonprofit, social service and neighborhood leaders.

Dan Klocke, who directs DPP's CDC, noted that at the state level, tax increment financing (TIF) is not likely to be accepted by a conservative state government. No city is likely to take this on due to financial risk; however, a county level might be possible. Inclusionary zoning that is open to a variety of diverse housing and income levels has not been supported by homebuilding associations.

Downtown Phoenix needs moderately priced, attainable housing to attract younger working professionals and families where parents are working and living in downtown. Both PCA and DPP can use their powerful member networks to promote more options and smaller units (rather than expensive high-rise condos), where currently few affordable options exist for the masses of working people who want to live and work downtown.

Furthermore, those who watched large-scale arena displace local artists and historic warehouses strongly believe that PCA and DPP can help focus people around core issues, including what “affordable” and “attainable” housing means to those living in downtown Phoenix and illuminate gaps in public policy (Downtown Voices Coalition conference, 2010). Light rail serves as a positive catalyst in creating new opportunities for affordable housing near the light rail route.

In particular, PCA is well-positioned to expand dialogue and for advocating for integrated affordable housing in downtown periphery neighborhoods. As downtown neighborhoods become more desirable to home buyers, scholars agree that demand increase and property values rise (Kennedy & Leonard, 2001). Some low-income residents who already own homes stand to gain as their homes appreciate in value. Existing home owners also face greater property value assessments and an increased tax burden they often cannot afford. In poor neighborhoods, a substantially larger part of the population consists of renters. As property values increase, renters are frequently displaced. Rent becomes unaffordable as rent levels increase to reflect higher property values and

the greater availability of higher income renters. Or, rental units are lost to demolition or conversion to other uses, such as condominiums.

Discussions about both the positive and negative impact of downtown development upon neighborhoods with respect to gentrification should be facilitated by PCA. Gentrification can be a good thing, according to interviewee Tom Espinoza, president and CEO, Raza Development Fund, Inc., if diverse resources co-exist and new resources can enhance traditional neighborhoods and diverse communities live together, show up at the same grocery stores, etc. Communities can benefit from better education, better transportation and better streets as a result of new developments being mixed with the traditional neighborhoods.

#### Revisiting Phoenix history, examining future barriers

As mentioned in Chapter One, two, unique historic characteristics continue to negatively impact Phoenix downtown revitalization: Exclusive decision making, and an appetite for individualism and “expansion at all costs.” Innovations in network building and in shaping public policy often have come when the values of individualism and collectivism have had to be balanced (McCullough, 2007).

The likelihood is strong that, with listening ears and open minds, members of PCA and DPP can work together to address the very specific issues noted in this dissertation research. PCA and DPP can, and have, brought together valuable networks to discuss important downtown issues. Now, it’s time to get specific

with the issues outlined in this report. PCA and DPP have boundless capacity to build productive networks to address these issues.

The more important question remains: Will they can recognize their vital roles as network builders and view this role in a fresh and powerful way? Furthermore, will PCA and DPP reach out to the downtown-based organizations noted in this study – groups such as artisan and neighborhood organizations, universities and major downtown institutions, and organizations such as Greater Phoenix Leadership and Downtown Voices Coalition? PCA and DPP can emphasize the mutual benefits to both downtown Phoenix and the individual participants and their organizations. Network building can bring newfound interdependence – stewardship balanced with mutual benefits, rather than independent decision making leading to further isolation, fences, and closed garages.

Recommendations in this chapter are designed to be both practical and essential for future progress in Phoenix. To meet current and future downtown needs, PCA and DPP cannot continue to operate with a limited, closed-network consisting solely of corporate executives – a model that might have worked two decades ago when the iconic downtown projects required a large capacity for financing and leadership. Chapter 10 provides an overview of future research valuable to building on the new model of social capital theories and urges future research about how this model can support organizations across the globe charged with downtown revitalization.

## Chapter Ten

### Opportunities for Future Research Valuable to Social Capital and Downtown Revitalization

This research went beyond existing research to take a deeper look into the role of social capital and its impact on downtown development. The need for network-building organizations – in particular, those that focus on downtown revitalization – to grow capacity for continuous improvement through civic engagement is the major contribution of this research study. Open networks lead to a vibrant downtown, whereas closed networks lead to stagnation, fragmentation, and frustration. Despite a significant amount of existing social capital literature as well as literature that addresses downtown development through community development organizations, prior research did not address how social capital can successfully drive downtown urban development and the changing nature of boundary-spanning downtown groups had not been examined.

The primary focus of this study was to examine the way in which Phoenix Community Alliance (PCA) and Downtown Phoenix Partnership (DPP)—two, critical downtown-focused organizations ostensibly founded for civic improvement—use their *social capital* to advance downtown urban development initiatives. This research examined how, and the extent to which new social capital is generated by PCA and DPP and whether and how the focus of downtown Phoenix development has shifted over time as the challenges facing contemporary downtown development have evolved. Iconic projects essential for

early downtown Phoenix revitalization were studied, and three overarching issues for the future were discovered. Recommended strategies for PCA and DPP were noted to advance future downtown Phoenix development.

We know that community issues cannot be solved by one person alone (Morse, 2004). In downtown Phoenix, members of larger, more structured organizations believe they are diligently trying to engage the grassroots groups in new forms of open community dialogue that sometimes leads to further finger-pointing and no-win blame. Downtown groups such as PCA and DPP are at a crossroad and must focus new efforts to find new ways of engaging grassroots leaders in a productive way that is solutions-focused, where issues are understood from multiple perspectives rather than be blame-oriented. This research emphasizes the potential for deep rifts of grassroots, community-based organizations whose members feel overlooked, excluded, and disregarded by developers, city staff, and leaders of big business.

While Chapters One and Two provided an introduction to social capital theory, Chapter Three spotlighted three particular groups of theory that bring a cohesive view of why social capital is so vital to downtown revitalization. First, social capital is an investment and an asset into downtown renewal (Ostrom, 1994; Field, 2003). Second, coalition building that spans boundaries, and establishing many “weak ties” or points of community engagement can expand downtown networks. This benefits downtown revitalization by enhancing a community’s ability to reach out and build cohesiveness, address problems, and seek resources (Granovetter, 1973, 1974; Burt, 1997). And third, social capital in

the context of downtown development can lead to a virtuous circle of continuous improvements, fostering financial investments and other forms of community capital (Herreros, 2004). Connected and considered together, these theories have the potential to create a new way to consider network building as valuable to downtown revitalization. As a result, we can see more clearly the significance of network-creating organizations in achieving the never-ending, rigorous goal of advancing major projects.

In Chapter Three it was noted that Phoenix leaders can learn from experiences in San Diego, Salt Lake City, Denver, Austin, and Philadelphia. In San Diego and Denver, numerous organizations focus cohesively on developing a downtown plan, working together to define clear roles. In Salt Lake City, natural capital and the 2002 Olympic games inspired the community to work together to revitalize downtown and later, create a community visioning process. In Philadelphia, the rich history of events and public places, such as the historical City Hall, have become the focal point for downtown renewal. In Austin, two industries – the music industry, and later the high-tech industry – became main attractions leading people, vibrancy and change to downtown.

In Phoenix, PCA and DPP can strengthen the vision for the downtown and create more open networks of dialogue to help articulate qualities that make the downtown area unique. Stories and insights shared by nearly 40 interview subjects representing a diverse cross section of downtown Phoenix leadership illustrated that social capital theories are personified in the network-generating missions and activities of PCA and DPP. Nine projects were noted to be most

influenced by deep networks of human connectivity facilitated by these two downtown Phoenix organizations.

Findings do not assume that the past roles of PCA and DPP were deficient, as the initial purposes for these organizations were achieved through notable major projects described in this research, as well as many other accomplishments not featured in this study. The findings also do not assume that there are “good guys” and “bad guys” with respect to community groups versus PCA and DPP. Phoenix, as well as many U.S. cities, has experienced predictable patterns with respect to the creation and renewal of downtowns.

Interview data revealed that networks are situational according to project scope and the expertise and resources needed, as noted in Appendix B. PCA and DPP have built valuable networks to support fundraising, successful elections determining public funding, and innovative ideas leading to completion of downtown projects. Beyond those projects, however, more remains to be done to create a unified vision for revitalizing downtown Phoenix. Three, major issues must be addressed, including the need to expand civic engagement by creating new “leadership plazas,” the need to activate street-level businesses and smaller places offering authentic, memorable downtown experiences, and the need for affordable housing in and near downtown Phoenix. PCA and DPP can consciously work together to dissect and address these three, major downtown Phoenix issues.

Finally, this research led to providing recommendations for PCA and DPP in Appendix J for how social capital has, and can continue to bring revitalization

to Phoenix and other cities in the future. For networks to become open, inclusive and engaging in downtown Phoenix, these organizations must help the existing power players – namely, the business and city government communities – understand that a move toward more inclusive community building is essential for revitalization to become an ongoing process.

### Future Research Valuable to Downtown Cities Everywhere

Clearly, further research is needed to examine finer details about how organizations can use social capital as a means to create vital, open networks of exchange and continuously revitalize major urban downtown cities across the globe. We still do not fully understand how downtown-connecting groups in major U.S. cities can use social networks to strike the appropriate balance of downtown power relationships. Essential characteristics of great cities noted in Appendix B rely on participation from *both* traditional government and corporate leadership as well as emerging contributors such as local artists and entrepreneurs. While major employers bring jobs and contribute to a region's economic health, exclusive, closed networks thwart participation from diverse, grassroots constituents from smaller groups springing up in downtowns across the nation. We need to understand more about how to authentically engage street-level contributors from entrepreneurial, small business, nonprofit and arts communities, in similar fashion how San Diego has created a welcoming neighborhood feel

through the variety of business improvement districts within neighborhood enclaves.

Future research can further explore the metaphor of “leadership plaza” to better understand how to engage an ever-changing diversity of downtown Phoenix constituents and interest groups in order to create many weak ties as a new framework for downtown vision and vitality.

Ongoing research can measure the progression of public opinion about the importance of their downtown being vital and vivacious. In 2004, commitment to downtown Phoenix was lukewarm. Approximately one third of Greater Phoenix respondents said it is “very important” to develop a strong downtown, while 52 percent selected “somewhat important.” We need to know more about how to foster a downtown culture of density and vivacious community, when sprawl and the adventure of open spaces and the “Wild West” continue to lure residents away from the downtown and into the Valley’s suburbs and mountain sites, exacerbated by the lack of affordable housing in Phoenix downtown. Residents may not be as convinced as leaders are about the importance of downtown. Downtown Phoenix may be seen as important for the region, but not vital or attractive to Phoenixians as individuals. In addition, for those who have supported redevelopment in the past, improvements may have been too long in coming or too few and far between for them to keep the downtown faith (Morrison Institute of Public Policy, 2004).

Social capital is a byproduct of goodwill. Progress happens when both self interest and the good of community converge. As noted earlier, Phoenix is relatively an open place where participation is easier than some older U.S. cities where power elite have traditionally controlled. Further research could examine when networks are productive in some circumstances and not in others.

While agreement exists that the few, elite business leaders cannot continue to make decisions that drive downtown development, how can downtown networking groups engage new participants and smaller community-based groups as issues evolve and groups come and go? Is there a center of information in any major city these days, including downtown Phoenix? And, are there larger conditions working against social capital in various cities?

This research illuminates a question not fully explored: Should there be a “keeper and facilitator” of the downtown vision? And, how can Phoenix develop a shared vision when the community’s culture is individualistic by its history? In cities with downtowns, should there be one organization designated as the *keeper* of the vision, when this research suggests that ownership and implementation of the vision should be shared among citizens who seek to be involved with downtown revitalization.

On a practical level, further research is needed to examine the dilemma of cities where too many downtown organizations have created a duplicated, fragmented approach to downtown vibrancy, rather than promote social capital that enhances the quality among downtown leaders and groups. Best-practice research examining the structure of other business improvement districts could

help PCA, DPP, and City of Phoenix leadership determine if, and how, the two organizations could be joined together under one umbrella organization.

As downtowns evolve, groups responsible for creating project-oriented networks can consider the metaphors of “leadership plaza” and “downtown family” and can strive to develop strategies to reach out and include emerging groups and individuals valuable to various types of downtown projects. This can increase the potential for more diverse and active citizen engagement as individuals and groups come together to solve complex issues and in turn, can lead to an engaging downtown community for all to enjoy.

Since Arizona’s territorial days, inspired pioneers who migrated to Phoenix to start a new life. While individuals couldn’t survive on their own in isolation, the sense of independence, the pursuit of dreams, and the opportunity to be a rugged individual were ideals that brought those early pioneers out West. These hearty adventurers survived the desert heat before air conditioning and swimming pools. They needed each other to start and sustain businesses. Their early social networks built on the natural environment provided by the desert and its beauty, bringing together many forms of capital including financial, human, social and natural capital.

What does the future hold for Downtown Phoenix? The opportunities for adventure still exist, providing a fresh start and open doors for individual prosperity and starting life anew for those who move here. But individualism can bring isolationism and decision making that benefits the individual’s self interest, missing the potential to add to the collective whole. It takes a family of

contributors to build a downtown community and develop a shared vision for an inspirational, vital downtown. Community-building organizations that focus on downtown development such as PCA and DPP are in ideal positions to pull together dreamers and builders of what ordinarily might be independent decision making and investments. How to create a cohesive, authentic, diverse and evolving downtown community for the purpose of ongoing revitalization is the lesson still ahead for not only Phoenix, but other cities across the globe.

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APPENDIX A  
INTERVIEW QUESTIONS

In studying the Downtown Phoenix Partnership (DPP) and Phoenix Community Alliance (PCA), the primary focus of the study is to examine the way in which these two organizations do, or do not create social networks (social capital) in efforts to create downtown urban renewal and development.

1. How did you get involved in this organization?
2. What are the organization's strengths with respect to helping to impact downtown urban renewal and development?
3. What set of alliances or relationships are created by the organization (DPP or PCA)?
4. How does the agency create influential relationships and human connectivity beneficial to downtown development? That is, how does the organization create or facilitate the creation of social structures and networks needed for sustaining collective action – action that might not otherwise have taken place?
  - What networks currently exist that can be attributed to the organization?
  - Are groups left out of the discussion?

- What community power structures exist, and how does DPP or PCA address the power structures or remove barriers so that progress can take place?
5. What types of new connections are being made? Are these organizations maintaining and strengthening valuable community connections? If so, how?
  6. How can (DPP or PCA) improve the focus on social networks and relationships as a potential driver to facilitate downtown community development? Facilitate other forms of capital?
  7. Does the organization *facilitate participation – not exclusion* – in order to create urban renewal in Phoenix? If so, how?
  8. Are there groups with which the (Downtown Phoenix Partnership or Phoenix Community Alliance) should be interacting with which currently are NOT engaged? If so, what groups?
  9. Are there unspoken rules that exist in order for downtown projects to get launched, or accomplished? If so, what rules, or associations, drive change?
  10. Do individual relationships play a role in (Downtown Phoenix Partnership or Phoenix Community Alliance) projects driving downtown developments? If so, how and/or what relationships?

11. So larger networks and relationships play a role in (Downtown Phoenix Partnership or Phoenix Community Alliance) projects driving downtown developments?
12. Please share specific examples of urban downtown development because of social networks created by (DPP or PCA):
- Projects that got launched?
  - Projects that died in the incubation stages?
  - How can city leaders mitigate the tension between the need for external outreach (bridging) especially helpful for poor communities, versus the need for deep internal work in building social capital (bonding)?
13. Read mission. How does the organization fulfill its mission?
- What did they SAY they want to do? Is the organization doing it?
  - Where does the organization excel? (In general)
  - Where does the organization fall short? (In general)
  - What could the organization do to improve alignment with its mission?
  - Asking DPP – what are the issues they’re trying to influence?
  - Tell me about your organization’s project?
    - What is the relationship between the project and DPP and ...(project)

- How do/does DPP and PCA help you develop relationships helpful to your project? Bring different types of groups together?
  - New relationships developed because of DPP and PCA?
  - Tell me what types of relations the organization has helped you build?
- 
- What was the strength of the organization in bringing social networks to your project?
  - What was the weakness of the organization in bringing social networks to your project?
  - Greatest opportunity for improvement in bringing social networks to the project?

APPENDIX B

COMPARISON OF CHARACTERISTICS OF GREAT DOWNTOWN URBAN CITIES

It takes a “family” of contributors to guild a downtown community, from traditional power brokers from large institutional settings as well as those from smaller organizations and individual contributors such as artists and entrepreneurs. Note that the majority of characteristics are impacted by the combined efforts of both traditional and new/emerging groups based on findings noted in Chapter Five. (Code helps to denote the type of networks impacting the characteristic based on this research. **Blue** is “Traditional Networks”... CEOs, Government, Developers. **Green** is “New and Emerging.” **Red** is “Combination of both groups.”)

Green’s and Haines’ (2002) definition of Community	Robertson’s (2002) survey of 57 cities (four buckets)	Robertson’s and Ryan’s (2004), seven key elements defining downtown sense of place	Nan Ellin’s (1999) four “Ds” of urban livability	ASU Morrison Institute of Public Policy: Four “Es” of regional advantages	Cincinnati downtown survey (2002): most important factors driving a residential downtown	Phoenix: Downtown Voices: Nine guiding principles (2005)
<b>Territory or place</b>	<b>Reinforce downtown’s sense of place.</b>	<b>Downtown is distinct from other commercial settings, building on historical, cultural and physical assets</b>	<b>Diversity</b>	<b>Environment</b>	<b>Safety</b>	<b>Community</b>
<b>Social organizations or institutions that provide regular</b>	<b>Second, create “large-activity generators.”</b>	<b>Downtown represents the unique heritage of the community in terms of physical structures</b>	<b>Density</b>	<b>Economics</b>	<b>Cleanliness</b>	<b>Communication</b>

<b>interaction among residents</b>						
<b>Social interaction concerning matters of common interest.</b>	Third, offer supplemental downtown functions such as downtown housing and entertainment/nightlife.	<b>Downtown is a multifunctional place</b>	<b>Dynamism</b>	<b>Equity</b>	<b>Critical mass of residents</b>	<b>Aesthetics</b>
	Fourth, create transportation improvements such as traffic improvements and enhanced mass transit.	<b>Downtown is pedestrian-friendly</b>	<b>Democracy</b>	<b>Engagement</b>	<b>Accessible transportation</b>	<b>Preservation and History (See Appendix B, downtown timeline as example of a tool used to build pride and civic participation around history as a downtown asset)</b>
		<b>Human activity is vital of the sense of place</b>			<b>Convenient retail</b>	<b>Mobility and accessibility</b>
		<b>People linger to shop and enjoy local entertainment.</b>			<b>Green space (jogging trails, parks)</b>	<b>Diversity</b>

		<b>The area engenders a high level of community ownership (Robertson and Ryan, 2004).</b>			<b>Diversity of people, experiences, places</b>	<b>Arts/culture</b>
					<b>Entertainment</b>	<b>Economic development</b>
						<b>Environment</b>

Social capital drives all of the various elements of downtown community building and is pivotal in bringing people together to help define and shape a strong and vibrant downtown. Common themes in scholars’ theories of what makes a dynamic downtown and how social capital drives downtown development include:

- Creating a distinct sense of place; the downtown area should be distinct from other commercial settings, building on its historical, cultural and physical assets (physical capital). Certain physical properties help create an interesting, vivacious downtown core. This includes well-maintained sidewalks, alleys that feature personality and attractive landscaping, open spaces, riverfronts and pedestrian-friendly features (social capital driving physical capital).
- Creating diversity of people and functions; a multifunctional place comprised of diverse functions such as eating, employment, tourism, government, religion, entertainment and more, all found within walking distance (social capital).

- Creating a strong presence of human activity to add vitality and momentum (social and human capital); a place where people linger to shop and enjoy local entertainment (social capital).
- Creating a high level of community ownership (social capital). As more people feel some connection to downtown, the more they will use it and care about its future.

## APPENDIX C

### TIMELINE TOOL: THE PHILADELPHIA STORY –

#### ILLUSTRATING HOW TIMELINES CAN BE USED TO COMMUNICATE CITY PLANNING AND GROWTH

This timeline tool created dialogue and pride among citizens shaping a plan for its downtown and natural capital, the Delaware River.

Timelines can be used to build a downtown community's sense of shared history, contributing to pride and civic participation.

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1683: Philadelphia Plan: William Penn and Thomas Holme's grid plan for Philadelphia is first published in London. Its framework of streets has guided the city's growth for 325 years, allowing for an easy mix of uses between businesses and residences.

1684: Seeing the clear economic value of the central Delaware, Penn allows development at the river's edge as long as public riverfront access is retained at every block. The Wood Street Steps in Old City are the lone remaining vestige of this agreement.

1700s: River Of Commerce. The city continues to develop, primarily north and south along the Delaware River. By the time of the American Revolution, the river has become a national center for commerce and manufacturing, and it remains so through World War

## II.

1822: This year marks the opening of Frederick Graff's Fairmount Water Works, the first municipal waterworks in the country, designed to protect the city's water supply and provide a refuge from the crowded metropolis. It soon becomes a beloved symbol of excellence in civic design.

1831: Delaware Avenue: In his will, shipping magnate Stephen Girard starts a trust that finances Delaware Avenue. The avenue becomes the first public road to link the docks of the central Delaware to one another.

1854: Philadelphia is consolidated into a single city and county, giving local government new authority to acquire land for public good. The establishment of Fairmount Park follows in 1855.

1876: The Centennial International Exhibition, the first official world's fair in the United States, is held in Fairmount Park. The showcase introduces the United States as a new industrial force and Philadelphia as a center of American culture and industry.

1907-1917: The Parkway. With the help of plans created by Paul Cret and Jacques Gréber, the Fairmount Park Commission designs the Benjamin Franklin Parkway, a European-style boulevard that connects Philadelphia's downtown with Fairmount Park. This effort generates the first direct participation in city planning by local leaders (the Parkway Association) and helps make Philadelphia one of the most progressive cities for urban design in the United States.

1920s: Infrastructure: Benjamin Franklin Bridge and the subway system are completed.

1949-1970: Edmund Bacon becomes a national figure as executive director of the Philadelphia City Planning Commission, implementing many large projects, such as the Society Hill revitalization, Penn's Landing, and the Gallery at Market East.

1956: CPDC: Central Philadelphia Development Corporation is founded, ushering in a new era in which planning is conducted by smaller, nonprofit groups.

1952-1962: Reform: Philadelphia mayors Joseph Clark and Richardson Dilworth begin a post-WWII reform movement that significantly strengthens the local government's role in city planning. John Gallery calls this reform in urban redevelopment a "civic and political partnership."

1970s-Present: Displacement: As many early projects of the Urban Renewal era caused widespread displacement, the federal government is focusing its projects on communities and neighborhood preservation. Philadelphia responds by decentralizing its planning processes to involve more community groups and citizens.

1979: Elevated I-95: A mostly-elevated extension of Interstate 95 opens along the central Delaware, marking the beginning of the riverfront's identity as a regional auto thoroughfare.

1990: Center City District: CPDC helps establish Center City District, a business improvement district charged with implementing

maintenance and marketing programs for downtown. Over the next seventeen years, the residential population of Center City grows to make it the third largest downtown in the nation.

2003-2007: Mayor Street launches the New River City initiative. This includes the creation of a civic vision for the central Delaware, a vision plan for the future of the central Delaware River.

**Downtown Phoenix Partnership  
Timeline of Major Downtown Projects in 20 Years**

**1990 1991 1992 1993 1994**

1990

Arizona Center Grand Opening  
Mercado Grand Opening  
Herberger Theater Center Completed  
Old City Hall Restoration Completed  
Downtown Phoenix Partnership Created  
II Renaissance Tower Completed  
Deck Tunnel Completed

1991

Union Station Renovation Completed  
Maricopa County Administrative Addition  
Completed

1992

US Airways Center Opens  
Margaret T. Hance Park Opens  
Phoenix Prep Academy Opens

1993

Suns Reach NBA Finals,  
Fans Flood Downtown Streets  
for Team Rally

Jefferson Garage Completed

1994

Pizzeria Bianco Opens

New City Hall Completed

First Friday Artwalk Begins

Wells Fargo \$30 Million Renovation Completed

**1995 1996 1997 1998 1999 2000**

1995

Burton Barr Central Library Completed

Streetscape Initiative Begins

Verde Park Opens

Sahara Remodel Completed

1996

Arizona Republic Tower Completed

Museum of History Opens

Phoenix Art Museum Expansion

Completed

McDowell Marketplace Grocery Store

Currently Safeway) Opens

1997

Heritage Square South Block Completed

Arizona Science Center Opens

Carol Channing's "Hello Dolly"

Christens Newly Renovated Orpheum Theater  
The Met Opens  
411 N. Central Adaptive Reuse Completed  
Phoenix Mercury Play First Game  
Mounted Horse and Bicycle Patrol Programs Launched

1998

Diamondbacks Play First Game at  
then-Bank One Ballpark  
Leinenkugel's Ballpark Brewery  
(Now Sliders) Opens  
Tommyknockers, Jackson's On Third  
and Alice Cooper's town Rejuvenate  
Warehouse District  
AMC 24 Opens at Arizona Center

1999

Camden Copper Square Opens  
Valley Youth Theatre Opens  
Irish Cultural Center Dedicated  
Civic Plaza East Garage Completed  
Municipal Court Expansion Completed

**2000 2001 2002 2003 2004 2005**

2000

Collier Center  
Roosevelt Row Established

Post Properties Opens  
Federal Court Completed  
Portland Place Opens

2001

Downtown Ambassadors Program  
Launches  
Sandra Day O’Conner Courthouse  
Completed  
Coach & Willie’s Opens  
Phelps Dodge Relocates Downtown  
Diamondbacks Win World Series

2002

Dodge Theatre Opens  
Japanese Friendship Garden Completed

2003

Wells Fargo Museum Opens  
Stadium Lofts Opens  
Campaige Place Opens  
Artisan Parkview Opens

2004

TGEN Completed  
Grace Court Completed  
Mercury Win First WNBA Championship  
Westward Ho Renovation Completed

2005

Symphony Hall Expansion Completed  
Artisan Village Opens

**2006 2007 2008 2009 2010**

2006

Phoenix Crime Lab Opens

2007

U of A College of Medicine Opens

2008

ASU Downtown Welcomes Students  
Sheraton Downtown Opens  
Hanny's Opens as Restaurant  
Phoenix Convention Center Completed  
METRO Light Rail Completed  
Phoenix Children's Museum Completed  
44 Monroe Opens  
Alta Phoenix Opens  
The Summit Opens  
Science High School Begins First Semester

2009

Mercury Win Second WNBA Championship

One Central Park East Completed  
Civic Space Park / AE England Building Completed  
Phoenix Public Market Urban Grocery and Wine Bar Opens  
US Airways Center Hosts NBA All-Star Game

2010

Herberger Renovation Completed  
County Court Tower Completed  
Freeport McMoRan / Westin Completed  
BioMed Campus Breaks Ground  
CityScape Opens  
Luhrs Tower Renovation Completed

## APPENDIX D

### PHOENIX PROJECTS MENTIONED AS IMPACTED BY SOCIAL CAPITAL FACILITATED BY PCA AND DPP

1. Light Rail in Phoenix
2. Arizona Capitol Mall
3. Human Services Campus (Including Central Arizona Shelter Services and St. Vincent de Paul)
4. Arizona Center – was the first project in downtown Phx
5. ASU Downtown Campus
6. CityScape
7. Phoenix Convention Center
8. Phoenix Public Market
9. Downtown Phoenix Sheraton
10. Central Park East
11. 44 Monroe

12. Herberger Theatre
13. Dodge Theatre
14. Phoenix Art Museum
15. Children's Museum
16. Arizona Science Center
17. Reaching out to downtown residential community (DPP)
18. Steele Indian School Park
19. Discovery Triangle
20. US Airways Arena
21. Translational Genomics (TGEN)
22. Phoenix Annual Parade of the Arts
23. Civic Space Park and AE England building
24. City bond projects
25. Artlink shuttle bus – supported financially by DPP in covering bus fee

26. Phoenix Symphony Hall
27. Park Central
28. Hanny's (the clothing shop and now, the bar/restaurant in downtown Phoenix)
29. UofA College of Medicine – Phoenix
30. Barron Collier Center
31. Patriot Square
32. Heritage Square
33. Bridal Path on Central Avenue in Phoenix
34. Steele Commons – 84 units on Grand Ave. just south of McDowell
35. Local Initiatives Support Corporation – Phoenix (LISC)

## APPENDIX E

### UNSPOKEN RULES REGARDING DOWNTOWN PHOENIX DEVELOPMENT

PCA and DPP can play an important role in helping downtown Phoenix organizations and business owners overcome the perception and reality of the “unspoken rules” below, noted from interviews.

1. Get the mayor’s support as a first step.
2. It’s who you know... decisions are made behind closed doors.
3. “Big” is good at all costs.
4. Follow the codes and processes – there are no unspoken rules.
5. Lip service is provided but little help from the City of Phoenix.
6. There are no unspoken rules – just unspoken (or misunderstood) processes.
7. If a project will damage a PCA member, it won’t get supported.

APPENDIX F

INTERVIEWEES AND ISSUE FINDINGS: MAJOR DOWNTOWN PHOENIX THEMES MENTIONED FOR FUTURE

No.	Name/association	Street-level vibrancy	Affordable housing	Power shifts & leadership changes as a force requiring shared vision	PCA as social capital facilitator?	DPP as social capital facilitator?
		80 % 30/37	50% 19/37	25% 9/37	77% 28/37	58% 21/37
1	Don Keuth, PCA	X			X	X
2	Dave Roderique, DPP	X		X		X
3	Rhonda Bannard, downtown consultant and former DPP director of marketing	X			X	
4	Jim McPherson, Historic preservation and Downtown Voices	X		X	X	
5	Sloan Burwell, Artlink	X				X
6	Denny Mitchum, community leader, former PCA board				X	
7	Marty Shultz, community leader, Pinnacle West/APS lobbyist, board chair PCA	X			X	

No.	Name/association	Street-level vibrancy 80 %	Affordable housing 50%	Power shifts & leadership changes as a force requiring shared vision 25%	PCA as social capital facilitator? 77%	DPP as social capital facilitator? 58%
8	Mark Holleran, Central Arizona Shelter Services (CASS)		X		X	
9	Jim Burke, City of Phoenix Parks and Recreation	X		X (ASU mentioned)	X	
10	Sheila Harris, affordable housing		X		X	
11	Beatrice Moore, arts community and entrepreneur	X	X			
12	Steve Weiss, Downtown Voices Coalition	X	X			
13	Claudia Bullmore	X			X	
14	Jo Marie McDonald, PCA	X			X	
15	Dick Bowers, DPP board and nonprofit as well as municipal background	X		X		X

No.	Name/association	Street-level vibrancy 80 %	Affordable housing 50%	Power shifts & leadership changes as a force requiring shared vision 25%	PCA as social capital facilitator? 77%	DPP as social capital facilitator? 58%
16	Jim Flynn, current DPP marketing director	X				X
17	Shannon Dubasik, Capitol Mall	X	X		X	
18	Terry Madeksza, current DPP Operations director	X				X
19	Kimber Lanning, downtown Phoenix small business owner and Local First founder and director	X			X	
20	Cindy Gentry, Downtown Phoenix Market	X	X		X	X
21	Dan Klocke, DPP	X	X	X	X	X
22	Dave Krietor, City of Phoenix	X	X		X	X
23	Catrina Knoebl Kahler, Downtown Phoenix Journal and Radiate Phoenix	X			X	X
24	Mo Stein, PCA board member	X			X	
25	Jason Harris, City of Phoenix Economic/Downtown Development	X			X	X
26	Reid Butler, developer	X	X		X	X

No.	Name/association	Street-level vibrancy 80 %	Affordable housing 50%	Power shifts & leadership changes as a force requiring shared vision 25%	PCA as social capital facilitator? 77%	DPP as social capital facilitator? 58%
27	Teresa Brice, LISC		X		X	X
28	John Chan, Phx Convention Center		X		X	X
29	Bob Shcolnik, PCA board and graffiti project committee leader				X	
30	Margaret Mullen, former DPP President & CEO		X			X
31	Tom Espinoza, president and CEO, Raza Development Fund, Inc.	X	X	X	X	X
32	Neil Irwin, DPP Board chair for 20 years	X	X	X	X	X
33	Brian Kearney, former CEO of DPP	X	X	X	X	X
34	Greg Esser, arts, Roosevelt Row	X	X		X	X
35	Terry Goddard, former Phoenix mayor and AG, and housing	X	X	(Vision mentioned, not power shifts.)	X	X

No.	Name/association	Street-level vibrancy 80 %	Affordable housing 50%	Power shifts & leadership changes as a force requiring shared vision 25%	PCA as social capital facilitator? 77%	DPP as social capital facilitator? 58%
36	Jerry Colangelo, Phx Suns, Diamondbacks, PCA, DPP, and development	X	X	X	X	X
37	Carol Johnson, Urban Form Project, City of Phoenix	X	X			
	Total: Opinions based on interview questions	30	19	9	28	21

Additional interview subjects discussing topics related to downtown Phoenix issues:

Shirley Horton, President and CEO, Downtown San Diego Partnership  
 Joanna Lucio, Ph.D., School of Public Affairs, Arizona State University  
 Jon Talton, former columnist with The Arizona Republic who now lives in Seattle  
 Lois Savage, President/CEO, Lodestar Foundation

Smaller groups including many additional conversations for broader discussions:

Downtown Voices Coalition (more than 10 meetings and a conference)  
 Phoenix Community Alliance Board meetings and community roundtables  
 Downtown Phoenix Partnership luncheon and community meetings

APPENDIX G

SOCIAL CAPITAL AND INFLUENTIAL PEOPLE INVOLVED WITH NINE PROJECTS

IMPACTED BY PHOENIX COMMUNITY ALLIANCE AND DOWNTOWN PHOENIX PARTNERSHIP

Connecting person or organization	Arizona Center (1988)	Local Initiatives Support Corp (1992)	Steele Indian School Park (2001)	Phoenix Convention Center (2003)	Downtown Phx Strategic Blueprint (2004)	Human Services Campus (2005)	Light Rail (2006-2008)	ASU Downtown Campus (2006)	Phoenix Public Market (2009)
PCA Board	X	X	X	X	X	X	X	X	X
PCA Don Keuth	X	X	X	X	X	X	X	X	X
PCA Jo Marie McDonald			X		X			X	
PCA Barry Starr			X						
PCA campaign committees				X			X	X	
DPP Board				X	X		X	X	
DPP Brian Kearney or Dave Roderique				X	X		X	X	X
DPP Dan Klocke					X			X	X
City of Phx Mayor's Office	X		X	X	X	X	X	X	X
City of Phoenix Depts	X		X	X		X	X	X	
State officials				X		X	X	X	
County officials						X	X	X	

Connecting person or organization	Arizona Center (1988)	Local Initiatives Support Corp (1992)	Steele Indian School Park (2001)	Phoenix Convention Center (2003)	Downtown Phx Strategic Blueprint (2004)	Human Services Campus (2005)	Light Rail (2006-2008)	ASU Downtown Campus (2006)	Phoenix Public Market (2009)
Az Legislature				X				X	
APS – Keith Turley, Dick Mallory, Dick Snell, Mark DeMichele	X	X	X						
Marty Shultz, APS/Pinnacle West			X	X		X	X	X	
ASU					X		X	X	
Terry Goddard	X					X			
Tommy Espinoza	X	X							
The Arizona Republic	X			X			X	X	
Jerry Colangelo	X	X	X				X		X
IDA (chaired by Don Keuth)									X
Cindy Gentry									X
Kurt Schneider developer/land owner									X
Voters				X			X	X	
Phoenix 40 (GPL)	X	X	X					X	
Rouse Developer	X								
Downtown Voices					X			X	

Connecting person or organization	Arizona Center (1988)	Local Initiatives Support Corp (1992)	Steele Indian School Park (2001)	Phoenix Convention Center (2003)	Downtown Phx Strategic Blueprint (2004)	Human Services Campus (2005)	Light Rail (2006-2008)	ASU Downtown Campus (2006)	Phoenix Public Market (2009)
Arts Community					X			X	
Horace Steele			X						
Biz - Merchants			X	X	X	X	X	X	
Nonprofit community						X		X	
Neighborhoods			X					X	
Native Am Tribes			X					X	

APPENDIX H  
 RECOMMENDATION SUMMARY FOR  
 PHOENIX COMMUNITY ALLIANCE (PCA) AND DOWNTOWN PHOENIX PARTNERSHIP (DPP)

**Changing leadership and need for more open networks and shared vision**

(Social capital is an investment, and an asset; Field, 2003, Ostrom, 1994, Adler and Kwon, 2002.)

<b>PCA</b>	<b>DPP</b>
The ability to evolve and remain relevant as a network builder (facilitator of social capital) is the core opportunity for PCA.	<p>The ability to evolve and remain relevant as a network builder (facilitator of social capital) is the core opportunity for DPP.</p> <p>Open up meetings to community dialogue rather than a polished, prescribed agenda of board reports.</p> <p>Create more transparency in decision making. Avoid the perception of tokenism regarding the grassroots voices.</p>
Know the points of view of key downtown community and neighborhood groups for major issues of importance.	Know the points of view of key downtown community and neighborhood groups for major issues of importance.
Create a new downtown “leadership plaza” that inspires a more inclusive downtown Phoenix network or family of leaders where all members are welcome and tasked with meaningful engagement.	Create a new downtown “leadership plaza” that inspires a more inclusive downtown Phoenix network or family of leaders where all members are welcome and tasked with meaningful engagement.

<p>Acknowledge network creation as the primary reason for existence.</p> <p>Both PCA and DPP should use their distinct roles as downtown network builders to clearly communicate a downtown Phoenix vision more broadly to drive a wider range of ownership of, and participation in the vision.</p> <p>Educate the existing power players, helping them understand that a move toward more inclusive community building is essential for future vibrancy and should not be viewed as “good guys” versus “bad guys.”</p> <p>Recruit members from small business and nonprofit organizations to serve on committees and on the board.</p> <p>Consider hiring a liaison to ensure a two-way dialogue with the emerging downtown organizations/grassroots groups/neighborhood groups.</p>	<p>Acknowledge network creation as the primary reason for existence.</p> <p>Both PCA and DPP should use their distinct roles as downtown network builders to clearly communicate a downtown Phoenix vision more broadly to drive a wider range of ownership of, and participation in the vision.</p> <p>Educate the existing power players, helping them understand that a move toward more inclusive community building is essential for future vibrancy and should not be viewed as “good guys” versus “bad guys.”</p> <p>Recruit members from small business and nonprofit organizations to serve on committees and on the board.</p> <p>Consider hiring a liaison to ensure a two-way dialogue with the emerging downtown organizations/grassroots groups/neighborhood groups.</p>
<p>Advocate and articulate positions about the three major Phoenix downtown opportunities: the need for a shared vision, street-level vibrancy, and affordable housing.</p>	<p>Advocate and articulate positions about the three major Phoenix downtown opportunities: the need for a shared vision, street-level vibrancy, and affordable housing.</p>
<p>Develop strategy for attracting new types of major private-sector employers to Downtown Phoenix, working closely with GPEC.</p>	<p>Develop strategy for attracting new types of major private-sector employers to Downtown Phoenix, working closely with GPEC.</p>
<p>PCA and DPP should consider co-locating in the same downtown</p>	<p>PCA and DPP should consider co-locating in the same</p>

<p>facility to create more focus and momentum for engaging the new order of downtown Phoenix leaders. Furthermore, PCA and DPP should explore whether a merger or “merged type” of organizational structure could feasibly exist, and if so, if such a merger would increase cohesiveness among new and emerging downtown leaders for the benefit of downtown Phoenix renewal.</p>	<p>downtown facility to create more focus and momentum for engaging the new order of downtown Phoenix leaders. Furthermore, PCA and DPP should explore whether a merger or “merged type” of organizational structure could feasibly exist, and if so, if such a merger would increase cohesiveness among new and emerging downtown leaders for the benefit of downtown Phoenix renewal.</p>
<p><u>PCA take the leading role in creating a shared understanding about the vision for downtown Phoenix.</u></p> <p>Continue to invite ASU faculty and students to lead community charrettes and dialogues.</p>	<p><u>DPP focus its social capital role on being an issue owner on street-level vibrancy through its continued project-based, tactical work with businesses and its conduit role with the City of Phoenix.</u></p> <p>Consider forming a “street activation” committee</p> <p>Invite input from ASU faculty and students for street-level strategies and projects with merchants.</p>
	<p>Continue to maximize the impact of its web site by promoting events, places to experience, sharing tools and templates useful for small business.</p>
	<p>DPP’s web site can be used as an effective place where the vision of downtown Phoenix can be broadly shared. Web site should share links to PCA as a resource, and vice versa.</p>
<p>PCA can more effectively partner with grassroots groups – at an organization to organization level – to get things accomplished, leveraging relationships and making assignments.</p>	<p>DPP can more effectively partner with grassroots groups – at an organization to organization level – to get things accomplished, leveraging relationships and making assignments.</p>

<p>Form strategic alliances with both large and small groups to maximize the ability to get things done.</p> <p>Partner with traditional economic and business membership groups such as Greater Phoenix Economic Council, Greater Phoenix Chamber of Commerce, Greater Phoenix Leadership.</p>	<p>Form strategic alliances with both large and small groups to maximize the ability to get things done.</p> <p>Focus on “downtown as a neighborhood,” connecting leaders of big anchor projects with leaders of small businesses, nonprofits and entrepreneurial start-ups to leverage a woven, downtown-fabric concept.</p> <p>Assess and potentially create a neighborhood parent association to create greater connections among downtown Phoenix neighborhoods.</p> <p>Partner with traditional economic and business membership groups such as Greater Phoenix Economic Council, Greater Phoenix Chamber of Commerce, Greater Phoenix Leadership.</p>
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**Street-level vibrancy**

(Social capital is enhanced by boundary spanning and many weak ties, creating new “responsibles” in downtown cities; Granovetter, 1973, 1974; Burt, 1997; Gardner, 1997.)

<b>PCA</b>	<b>DPP</b>
<p>If used properly, social media (Facebook, blogs, web sites, etc.) can significantly broaden the base of social capital for PCA as a boundary spanner and facilitator of connections. Social media can assist PCA with bonding (within organizations) and bridging (outside of organizations,) with groups such as the City of Phoenix and new key players.</p>	<p>If used properly, social media (Facebook, blogs, web sites, etc.) can significantly broaden the base of social capital for DPP as a boundary spanner and facilitator of connections. Social media can assist DPP with bonding (within organizations) and bridging (outside of organizations,) with groups such as the City of Phoenix and new key players.</p>
<p>Support the Urban Form design policies, quality of downtown life can be ensured by businesses adhering to zoning regulations targeting absentee landlords, helping to eliminate Phoenix downtown blight.</p>	<p>Support the Urban Form design policies, quality of downtown life can be ensured by businesses adhering to zoning regulations targeting absentee landlords, helping to eliminate Phoenix downtown blight.</p>
<p>Continue to use and leverage social media to reach the new face of leadership and continue to encourage broad participation in downtown Phoenix.</p>	<p>Focus on street-level vibrancy through continued project-based, tactical work with businesses and its conduit role with the City of Phoenix. Promote two- and three-story multiuse buildings priced right to actively bring in businesses.</p>
<p>Help the City of Phoenix and the State Legislature become more small-business friendly and be an even stronger and courageous voice to the city, county, and state government. Be a strong voice to help local, regional and state government</p>	<p>Continue to maximize the impact of its web site by promoting events, places to experience, and in connection with PCA, the web site can be used as an effective place where the vision of downtown Phoenix</p>

<p>create tools, such as a how-to business start-up kit, to help small businesses as members of the “downtown family” learn how to negotiate City processes and politics.</p>	<p>can be broadly shared.</p>
	<p>Continue to use and leverage social media to reach the new face of leadership and continue to encourage broad participation in downtown Phoenix.</p>
	<p>Help the City of Phoenix and the State Legislature become more small-business friendly and be an even stronger and courageous voice to the city, county, and state government. Be a strong voice to help local, regional and state government create tools, such as a how-to business start-up kit, to help small businesses as members of the “downtown family” learn how to negotiate City processes and politics.</p>

**Affordable housing**

(Social capital is a virtuous circle, promoting future improvements – affordable housing and other types of continued improvements; Herreros, 2004.)

<b>PCA</b>	<b>DPP</b>
PCA and DPP share responsibility as joint issue owners for promoting affordable housing as a critical issue.	PCA and DPP share responsibility as joint issue owners for promoting affordable housing as a critical issue.
Use social capital to raise affordable housing as a more critical issue to downtown revitalization, gathering its membership at meetings, charrettes, forums and workshops to create a much deeper understanding and collective will for affordable housing community support.	Leverage the CDC organization (under DPP’s organization) as a more effective tool for financing and implementation of affordable housing in downtown Phoenix.
Expand dialogue and for maintaining integrated affordable housing in periphery neighborhoods. Raise the issue about land banking and zoning land for skyscrapers... affordable housing won’t work in 50-story expensive projects. Many land bankers are from out of town and have no incentive to not sit on the land for years without developing it. This stands in the way of creative projects.	Play a tactical role in the implementation of housing, as its Community Development Corporation can specifically broker affordable housing projects. DPP can more effectively leverage its CDC organization as a tool for financing and implementation of affordable housing in downtown Phoenix.

**Other Issues:**

Advocate for Downtown Fiscal Policies that Fix Land Banking and Blight

<b>PCA</b>	<b>DPP</b>
PCA should actively support and promote the City’s new Urban Form principles as public policy to ensure sound downtown design principles and planning. PCA and DPP could jointly pilot a demonstration project.	DPP should actively support and promote the City’s new Urban Form principles as public policy to ensure sound downtown design principles and planning. PCA and DPP could jointly pilot a demonstration project.

**Other Issues:**

Create cohesive communication to inspire downtown identity

<b>PCA</b>	<b>DPP</b>
PCA and DPP are well-poised to take leadership roles in articulating the vision, integrating neighborhood groups and newer organizations.	PCA and DPP are well-poised to take leadership roles in articulating the vision, integrating neighborhood groups and newer organizations.

**Other Issues:**

Consider cohesive structure, location

<b>PCA</b>	<b>DPP</b>
PCA and DPP should explore co-locating in the same downtown facility and explore restructuring to either merge or create a parent organization to pull both organizations together, harnessing more focus and momentum for continuously engaging downtown constituents.	PCA and DPP should explore co-locating in the same downtown facility and explore restructuring to either merge or create a parent organization, harnessing more focus and momentum for continuously engaging downtown constituents.
PCA generally is perceived as broad-based and strategic.	DPP is viewed as tactical and focused on providing enhanced, street-level services

## APPENDIX I

### PHOENIX COMMUNITY ALLIANCE (PCA) 2010 BOARD OF DIRECTORS

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## APPENDIX K

### FOOTNOTES

<sup>i</sup> For example, according to the City of San Diego, the median income for a family of four in San Diego is \$63,400. Utilizing HUD's definition, affordable housing for a low-income family (a household earning up to 80 percent of San Diego area median income, or AMI), would be an apartment renting for about \$1,500 per month or a home priced under \$225,000. The cost would vary depending on family and unit size. California Community Redevelopment Law requires that 15 percent of housing developed in a redevelopment project area must be affordable to low- to moderate-income households (persons earning up to 120 percent of area median income). Under this provision, affordable housing would be rental units costing up to \$1,700 per month and for-sale housing priced up to about \$240,000. Public agencies define affordable housing as units with rent restrictions or price restrictions to maintain affordability as defined by HUD for the longest feasible time.