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Background Report

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Appendix C

Sustainable Economic Development Initiative of Coconino County

The following study of the Coconino County Sustainable Economic Development Initiative (SEDI) was provided by SEDI and written by Jaina Moan and John Grahame.

A Case Study in Collaborative Economic Development

The Coconino County Sustainable Economic Development Initiative (SEDI) is a non-profit organization working to develop and implement long-term strategies for economic development in northern Arizona communities. SEDI brings together businesses, non-profits, governments, and educational institutions to collaborate on one common goal – sustainable economic development. To accomplish this goal, SEDI operates as a coordinator for entities working on sustainability-based initiatives especially in the areas of local energy and resource development; tourism; business and workforce development; local agriculture; and P-20 education programs. Through this work, SEDI helps minimize duplicate and overlapping sustainable development efforts by maximizing collaboration among independent entities working toward the same goal. At the same time, SEDI facilitates the development of a long-term strategy for resilient and self-supporting regional economic growth. SEDI also has played an important role in increasing the general awareness of sustainable practice. As such, SEDI provides a unique case study of successful collaboration in the area of economic development. This report describes a brief history of SEDI, an overview of its accomplishments, and a discussion of SEDI’s organizational structure and strategy.
A Brief History of SEDI

In 2004, a report from the Battelle Memorial Institute concluded that sustainability and technology-based industries are critical to building Arizona’s innovation and technology capacity and are the wave of the future for the state's businesses, educational institutions, and communities. Governor Janet Napolitano responded with the Moving Arizona Forward initiative that urged Arizonans to take immediate action to build this capacity.

In 2005, a small group of Coconino County leaders took action by initiating a series of discussions, meetings, interviews with sustainability experts, and brainstorming sessions that revealed there were many people who were searching for opportunities to enhance regional sustainability. The group decided to organize the State of Arizona’s first regional sustainable economic development effort as the Coconino County Sustainable Economic Development Initiative. With few relevant models to draw from, the organizers began by simply inviting potential partners to the table. Representatives from virtually all incorporated and unincorporated communities, Coconino County, Native American communities, state and federal agencies, educational institutions, conservation groups, and the business community were enlisted early in the process.

In 2006, at the first full gathering of the partners, SEDI’s vision and mission were preliminarily defined. A process was created that melded research, planning, and stakeholder and public involvement. SEDI soon identified five “high yield” areas that offered significant opportunities for sustainable economic development: resource-based industries, energy efficiency and renewable energy, sustainable materials and products, sustainability-based tourism, and micro-enterprises. Action teams were organized for each of these areas, and the teams presented goals and strategies to the SEDI partners in May of 2006.
In September 2006, 150 stakeholders representing more than 70 organizations attended a one-day summit to learn more about SEDI and to contribute to its development. A steering team was formed to coordinate the work of the action teams and to develop and implement a strategic plan. A smaller mobilization team was soon created to incorporate SEDI as a non-profit to expand its funding-raising capacity. The IRS approved SEDI’s 501(c)3 status in 2007.

The Green Triangle Approach to Economic Development

In January of 2008, the SEDI Board of Directors and many stakeholders gathered for a retreat to focus on strategic goals and high priority next steps for its action teams. Three interconnected factors were identified as critical to the success of sustainable economic development in northern Arizona: green education, green workforce training, and support for green business development. SEDI Board Member Nat White proposed the Green Triangle as a model to demonstrate the relationship between these three critical components. Green education, green workforce training, and green business development constitute the points of the triangle; the sides of the triangle describe the critical relationships between each component.

Following the 2008 Board Retreat, SEDI developed an inventory of existing organizations, programs, and resources associated with each point of the triangle. An analysis of the inventory revealed where the region was lacking organizations, programs and resources, and also where effective coordination was needed to minimize redundancy and help increase efficiency and effectiveness. The “Green Triangle” concept was further developed at SEDI’s November 2008 Conference and became an organizing principle of the next stage of SEDI’s work.
At the January 2009 SEDI Board Retreat, projects were determined based on the need to develop interconnections among the points Green Triangle. The primary goal of SEDI’s Green Triangle Projects is to strengthen each component by focusing on the interconnection among all three. On-going Green Triangle projects include:

- **The Sustainable Education Initiative (SEI)** – The goal of this project is to dramatically enhance and increase efforts to infuse sustainability concepts and practices in Coconino County school curricula, teaching, and operations. In 2009, SEI conducted a survey of Flagstaff schools to analyze the current state of sustainability education, practices and policies. Results from that survey identified opportunities for infusion in the following areas: school gardens and water catchment, the 3 R’s (reduce, reuse, recycle programs), energy efficiency, renewable energy, school sustainability policy development and program/curriculum development. In January of 2010, SEI also implemented the first annual Sustainability in Education for the 21st Century awards program to reward teachers for their efforts to infuse sustainability in their classrooms.

- **The Northern Arizona Economic Development and Workforce Training Center (NAEDWTC)** – Results from a 2009 regional Workforce Demand Study demonstrated a need for coordinated workforce training efforts in northern Arizona. The initial goal of the on-going NAEDWTC project is to develop a Flagstaff facility where many of the region’s workforce training and economic development efforts can be co-located to increase efficiency and collaboration. SEDI has identified a half dozen organizations focused on workforce training, job creation and economic development interested in locating in a NAEDWTC. Second phase plans call for the creation of satellite centers in other areas of northern Arizona.
• Green Business Development – The Green Business Network (GBN) is a website designed to encourage businesses to become more sustainable in their policies and practices and allow them to advertise their accomplishments, products and services to consumers and other businesses. SEDI is also coordinating a Greening the Bottom Line Symposium Series (GBL) that will provide an open forum for businesses to exchange information about their experiences in implementing sustainable practices in their operation.

• Measuring a sustainable economy – The goal of the Sustainable Communities Indicators Project (SCIP) is to develop metrics that allow communities to measure and track the effectiveness of sustainability initiatives, and of SEDI’s own performance.

SEDI’s Organizational Structure

SEDI’s successful collaborative efforts are the result of an organizational structure that was designed to enhance open and continuous communication among stakeholders. Figure 1 provides a diagram of SEDI’s organizational structure. SEDI’s core leadership structure (enclosed within the circle at the top of the diagram) consists of a 32-member Board of Directors comprised of individuals who represent a broad cross-section of education, government, business, and non-profit stakeholders in the region. Direction for the Board is provided by four internal committees. SEDI’s officers and three members at large serve on the Executive Committee and are responsible for formulating strategic direction and policy for the organization. The Operations Committee provides oversight and evaluation of internal SEDI functions. The Marketing and Communications Committee (M&C) oversees SEDI’s public relations activities. The Finance Committee determines SEDI’s budget, oversees investments,
monitors monthly financial performance, and ensures the soundness of its financial management.

Because stakeholder collaborations are integral to SEDI’s operation, its organizational structure is designed to receive and coordinate stakeholder input on a continuous basis. Stakeholder input and SEDI’s coordination efforts are currently conducted within the framework of six stakeholder action teams that focus on: energy efficiency and renewable energy (EE&RE), regional food production and security (RFPS), resource-based industries (RBIT), green materials and products (GMAP), micro-enterprise development (MEAT), and sustainable tourism (STAT). SEDI’s action teams meet regularly and initiatives developed within each team are guided and maintained by stakeholder input. The action teams are charged with developing long-term goals and tactics in their respective areas of interest and determining action steps to achieve those goals. SEDI’s action teams work congruently with the Green Triangle Special Project Teams to implement initiatives in green education (SEI), green workforce training (NAEDWTC) and green business development (GBN and GBL).
SEDI’s Strategy, Goals and Tactics

SEDI sees its role as supporting various organizations and government entities that are working to foster social equity, economic prosperity, and ecological health in Coconino County, rather than competing with them by creating overlapping programs. If new initiatives are required to serve sustainable economic development where none are currently active, SEDI will either support its partners or new entities to fill these gaps, or it will serve as an incubator to create new organizations or structures that can provide the needed programs. In January of 2009, the
SEDI Board of Directors adopted an overall strategy which also serves as the organization’s mission statement. The strategy of SEDI is to “advance sustainable economic development in Coconino County by providing enabling, facilitating, and collaborative support to businesses, educational and government entities, and other organizations that are working to increase social equity, economic prosperity, and ecological health in the region.”

From this overarching strategy, the SEDI Board developed and adopted the following organization goals:

- Achieve awareness, understanding, and support for the economic, social, and environmental value of sustainable development among public, private, and nonprofit entities.
- Become a recognized center for sustainability policy and practice.
- Establish a culture and regulatory environment that support sustainable economic development.
- Attain integration of sustainability concepts and practices into business, educational, and workforce development entities and institutions.

To accomplish these goals, SEDI outlined the following tactics:

- Develop, implement and support strong education, marketing, and communications programs, processes and products to widely disseminate relevant information about sustainable economic development resources and opportunities.
- Recognize and reward significant achievement in sustainable economic development.
- Champion the practices of organizations that contribute to achieving our goals.
- Provide consultation and other organizational support for sustainable economic development.
- Develop and utilize appropriate metrics in order to effectively monitor and advise regional economic development activity.
- Identify and promote enhancements to public policy and regulations that support sustainable economic development and work with public, private, and nonprofit entities to implement them.
- Identify significant public policy and regulatory impediments to sustainable economic development and work with public, private, and nonprofit entities to remove them.
- Collaborate with P-20 educational institutions to identify and close gaps in green/sustainability education initiatives and programs.
- Work with business, government and educational entities to design and promote sound and needed green workforce development programs.

In order to more firmly tie the work of the action teams to SEDI overall, each action team has developed a mission, goals and tactics that closely mirror those of the organization as a whole. Action team strategies goals and tactics can be viewed on the SEDI website: www.ccsedi.org.

**SEDI’s Impact and Notable Accomplishments**

Overall, SEDI has effectively created a platform for discourse and productive collaboration among key groups in northern Arizona working to build an environmentally, socially, and economically sustainable economy. This work was recognized in August 2009 when SEDI was awarded the 2009 Governor’s Excellence Award for Innovative Economic Development, an honor that is given each year to an Arizona organization whose activities include “noteworthy, creative or innovative techniques brought to bear on challenging economic development
situations.” The award also recognizes “use of partnerships for leveraged resources in achieving business development goals.”

SEDI’s formal network now consists of over 150 active stakeholders from 32 organizations that are promoting, utilizing and adopting sustainable practices in community, business, government and education. Through this network, SEDI has been successful in galvanizing action in several areas of economic development. Below are a few examples of SEDI’s accomplishments:

- In 2009, SEDI commissioned a Demand Study for a Northern Arizona Workforce Training Center. The survey results demonstrated a need for coordinated workforce training and economic development efforts in northern Arizona.

- In 2009, SEDI convened a Sustainable Communities Indicators Project task force to define regional metrics (measures of prosperity / sustainability / quality of life) in order to establish a baseline and subsequently measure progress toward broad regional goals.

- In December 2009, SEDI’s EE&RE Action Team convened stakeholders in Flagstaff to collaborate on a proposal for a competitive $10 million Energy Efficiency and Conservation Block Grant to support a Northern Arizona Regional Network for Energy and Workforce Sustainability (RENEWS).

- In May 2010, SEDI granted a total of $1,500 to four teachers in Coconino County for their efforts to infuse sustainability into the classroom.

- In April 2010, SEDI’s EE&RE Action Team influenced a decision by the Arizona Corporation Commission that charged UniSource Energy Services to develop a revolving loan fund for energy retrofits to residential homes.

- In 2010, SEDI played a leading role in sourcing a $171,000 grant from Living Cities to support Flagstaff’s and Coconino County’s renewable energy upgrade program.

SEDI’s maintenance of a web-based project management forum has enabled community leaders to efficiently engage with their peers and work together on grant proposals, project financing, promotion of community events, and general collaboration on issues impacting sustainable development.

Lessons Learned

SEDI provides an interesting case study of an economic development organization because it has adopted a unique approach of collaborative organization work that has been effective in moving the local economy toward long-term sustainability. SEDI’s strategy and organizational structure are examined annually and adapted to meet the current needs of stakeholders. From this assessment, three key factors for success have emerged: collaboration, leadership and communication.

- Collaboration: Sustainable economic development is a large, long-term societal goal that requires input from all sectors of the community. The only way to accomplish this goal is by ensuring that everyone has a voice and a place at the table. Identifying and supporting new stakeholders is a continuous process. SEDI works to ensure that collaborators from business, education, government and non-profit sectors work together to develop strategies that ensure sustainable, long-term economic growth. By bringing a variety of stakeholders to the table, SEDI’s provides a platform for organizations with similar goals to work together on a regular basis; offers a venue for the distribution of
news and information among peer organizations; and provides an overall assessment of progress towards the long-term goal of economic sustainability.

- **Leadership:** SEDI’s experience in stakeholder collaboration and development has shown that leadership is a vital component for successfully advancing economic development goals. Strong, effective leadership provides not only a solid direction for action, but also a map for how to reach the desired goal. Leadership requires persistence, planning, and an appreciation of both short and long-term economic cycles. SEDI has also found that the most successful leaders are individuals who dedicate their time, talent, and effort through project completion.

- **Communication:** Strong communication skills and tools are fundamental in the coordination of stakeholder groups. Effective communication ensures that all participants receive on-going updates about projects and have an understanding of their role in the process. A successful communication platform provides efficient, easy access to project and contact information for stakeholders. To ensure that communications among stakeholders is effective, SEDI uses an online project management tool called 37 Signals to manage on-going initiatives. 37 Signals allows stakeholders to receive regular project updates and provides easy access to all documents and materials.

**Conclusion**

SEDI was formed to address the multi-faceted and long-term issues of economic growth in northern Arizona. Through stakeholder collaboration and coordination, SEDI focuses efforts in the areas of local energy and resource development; tourism; business and workforce development; local agriculture; and P-20 education programs. Through this work, SEDI seeks to build resiliency in the regional economy and influence a paradigm shift towards a more sustainable economic model.