

# Memorandum

**To:** Wade Kapszukiewicz, Mayor of Toledo  
**From:** [redacted], Deputy Mayor for Planning and Economic Development  
**Date:** February 25, 2020  
**Re:** Economic Development Strategies

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With regards to economic development, it is important that we frame any interventions within the context of the overall planning goals and outcomes for Toledo. Those goals are informed by the planning commission's mission statement of creating a community with a high quality of life and access to economic opportunity for all residents. As such, economic development should be viewed as distinct from economic growth, whereas the latter is concerned with gross output, the former encompasses a range of local, regional, and international policies and practices to secure a prosperous future economically, socially, and environmentally.

There are many ways to view economic development, two of the most prominent being neoclassical and new growth theory. While the neoclassical model considers exogenous factors and takes an anti-interventionist approach to the market, new growth theory focuses primarily on the endogenous factors of a city as the drivers of growth and development. Our recommendations operate within the context of new growth theory, and thus emphasize leveraging the unique regional factors that make Toledo a competitive place to live and work, while simultaneously fostering the development of human capital.

Our existing proximity to regional (Detroit, Cleveland, Dayton, etc.) and national (New York, Chicago) markets is a strong advantage, in terms of both accessibility and the innovation that is bred out of proximity. We should continue to leverage our natural assets as well, including the Maumee Riverfront and our many parks. Infrastructure must remain a priority, as the existing poor quality of our roads and transportation systems hinder not only business development and growth, but also the quality of life for our residents.

Recent success in business attraction and growth presents an opportunity to prioritize one of the primary drivers of local and regional economic development: human capital. To this end, we recommend a hybrid place/people-based approach that can generate both the provision of public goods while simultaneously uplifting our most disadvantaged citizens. Community benefit agreements and community land trusts operate to redistribute the land value benefits of development and secure the long-term availability of affordable housing and other community uses. As for the people-based approach, Chattanooga, Tennessee serves as evidence that the formation and support of neighborhood organizations and funding education reform can significantly raise the quality of life.

By focusing on the characteristics that make Toledo a unique and competitive city to work, live and play, and through deliberate coordination with the planning department and other institutional stakeholders, we can lay the foundation for our city's prosperous future.

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11.438 Economic Development Planning

Spring 2020

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