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Background on 'The Future of Lincoln'

By the University of Nebraska Public Policy Center

People sometimes call Lincoln "the biggest small town in the country." Despite its population of more than 230,000 people, Lincoln still feels to some like a close-knit town rather than a big city.

Any city's development is complex, involving many factors, from things like jobs and taxes to sewers and streets. As Lincoln keeps growing, some people worry it will lose what they perceive as its small-town, familiar, and family-friendly character. They worry that allowing too much development too quickly will destroy what makes Lincoln an enjoyable community. Others are excited by the new shopping, housing, entertainment and employment options development brings. They think Lincoln can't grow fast enough. Undoubtedly, there are also a large number of people whose views fall somewhere between these positions.

The following background materials were created to provide options to consider for those who will be discussing Lincoln's future development. These materials are not all-encompassing. They are intended to provide a basic and non-partisan overview of four matters that have been especially noteworthy in the last couple of years and have driven discussions about Lincoln's future among elected officials and other community leaders. This week they include a consultant's (Angelou Economics) report on economic development options and strategies for the community. In coming weeks we will add:

* The changes and investments happening in and near Downtown as a result of the Downtown Master Plan and the Antelope Valley Project;

* The debate over impact fees and their relationship to city growth;

* Questions about growth and the status of Lincoln's public school system.

Discussions about growth and development sometimes employ terms that may be unfamiliar. Some terms employed in these background materials and defined in the glossary.

The Angelou Report on Economic Development

In 2002, the Lincoln Partnership for Economic Development hired Angelou Economics, an Austin, Texas-based firm, to conduct a series of studies on economic development barriers and opportunities in Lincoln. The reports were based on interviews with residents and business representatives, along with data from the Census Bureau and other government sources. The final reports were made public in 2003, providing assessments and recommendations that have been both welcomed and criticized by Lincoln's civic leaders and citizens.

Community Assessment

The Angelou Community Assessment study based its findings on a series of assumptions about economic development. According to the assessment, industries are attracted to communities that have a large employment base; an educated workforce; low property taxes; low wages; and affordable housing. Although Lincoln's population grew an average of 1.6% annually in the 1990s, the report indicated

that much of the growth was due to births, and more people (especially college graduates) leave Lincoln than move in. Lincoln's workforce is very well-educated when compared with workers in other communities nationwide. Although housing prices and wages have risen significantly in previous years, they still remain competitive for industries in search of new areas to locate their operations. Lincoln's overall average annual wage, \$27,000, is some 20 percent less than the national average. This is partly due to the large number of retail and government jobs in Lincoln. Additionally, the average wage for high-skilled jobs in Lincoln is \$38,000, considerably lower than the national average of \$55,000.

Infrastructure

Angelou Economics also examined the readiness of Lincoln's infrastructure to attract large businesses and their long-term needs. The city's electric services and low rates were deemed excellent by the study, as was its supply of water. Wastewater management, however, was identified as a problem due to aging facilities. Transportation was also an issue. Although not nearly as bad as those in large metropolitan areas, Lincoln's main roadways are becoming increasingly congested, and the study noted that Lincoln is no longer considered a "15 minute town," in which any destination is 15 minutes or less away. Air connectivity is also limited with few and sporadic direct flights, particularly when compared with Omaha's Eppley Airfield.

Lincoln's main problem, however, was the general lack of sites available for business development. A number of areas exist to the

east and west of Lincoln, but are not presently viable for development because they lie in a floodplain. According to Angelou, the city's planning and permitting process, support for impact fees, and overall "lack of hospitality toward development" were in need of review.

Recommendations and Responses

The Angelou reports collectively provide a mixed review of development prospects in Lincoln. The reports recommend a strong public-private partnership between the city, University of Nebraska-Lincoln, and business interests, which Lincoln currently lacks. They also suggest the development of a comprehensive agenda to attract high-skilled industries and high-paying jobs like biotechnology, along with the well-educated, younger workforce needed for such sectors. The biggest obstacle to economic growth was lack of development opportunities due to infrastructure and planning issues, and an overall sense of indirection and absence of identity. Angelou Economics concluded that Lincoln "has a lot of soul searching to do and do it quickly."

Upon their public release, the Angelou reports were greeted with mixed results. For supporters of growth, the reports were a concise, blunt statement from an outside party outlining what Lincoln needs to do in order to develop its economy and be competitive in the future. For critics, the reports were perceived as a pro-development assessment promoting rapid expansion with unforeseen costs and consequences for quality of life, such as pollution, sprawl, and further exacerbating disparities between neighborhoods.