

Just as it's possible for a person to grow intellectually, spiritually and physically stronger without putting on excess weight, it's possible for Jackson Hole to grow in diversity, culture and economic strength without putting up excess buildings.

How? The first step is getting on the same page when we talk about growth.

In December, the Conservation Alliance brought growth management expert Michael Kinsley of the Rocky Mountain Institute to Jackson for several workshops. In this special section, we share his insights for our community – insights that can help us build a better, not necessarily bigger, Jackson Hole.

Grappling with growth

How we can build a strong economy *and* a great place to live.

By **Michael Kinsley**, *Senior Consultant Rocky Mountain Institute*

Thousands of American communities are torn by controversy surrounding “growth.” Whether it’s spiteful letters to the editor, schismatic public hearings, or screaming matches at the post office, the debate over growth can be painful and divisive.

In the heat of controversy, it’s easy to forget that, without businesspeople who are willing to take risks, the local economy and jobs wouldn’t exist. But remember, too, that sincere and committed residents seek to preserve the non-monetary aspects of a community that make it livable.

One important reason for the controversy surrounding growth is the word itself. It is often used to talk about two very different things.

We can help cool the arguments and focus on solutions by understanding this difference and saying what we mean. For example, the word “development” can be used instead of “growth” to describe those things that make a community *better* – living wage jobs, increased income and commerce, more savings and excellent quality of life.

Similarly, the word “expansion” can describe things that make a community *bigger*, such as more people, infrastructure, buildings, subdivisions and shopping centers.

Clearly, expansion doesn’t always improve a community. In fact, depending on the particular details, some expansion options can hurt it. (See Page 9 for examples.)

However, this observation doesn’t help the typical business person or the community.

But here’s where the difference between development and expansion gets exciting: **What advocates on both sides of the debate often don’t realize is that there are many development options that require little or no expansion.**

These options can create more business, jobs, income and wealth without damaging quality of life. And many of them have positive effects on both the community and its environment.

Some sustainable alternatives to rapid expansion are listed in the following three sections: Invest in resource productivity by plugging the leaks, Shift to biologically inspired economic models and Reinvest in natural capital. Many are well known, others innovative. Each community must seek its own innovation, using some of these examples and inventing its own. ■



I. Invest in resource productivity by plugging the leaks

A local economy might be compared to a bucket that the community would like to keep full. Business recruitment and community expansion are attempts to pour more money into the bucket. While these strategies may have succeeded in the past, today they often fail or generate more costs than benefits to the community.

Focusing entirely on more ways to fill the bucket ignores vast opportunities for “plugging leaks.” Economic buckets invariably have holes through which dollars leak every time local resources are used inefficiently. Smart communities seek profitable ways to keep the bucket full by plugging unnecessary leaks through one or more of

- **Energy efficiency programs** create local jobs and save millions of dollars in any community. Sacramento, Calif., invested \$59 million to save electricity. This enabled utility customers to save nearly that same amount. The program created 880 direct jobs, and increased regional income by \$124 million. Though energy is a small portion of total costs, saving energy will provide a significant contribution to profits and economic progress. (See the bottom of Page 6 for info on what the Town of Jackson, Teton County and Lower Valley Energy are already doing along these lines.)

- **Local ownership** increases the wealth-creating power of each local transaction. Land trusts and co-ops can help ensure permanent local ownership of many businesses by buying local buildings and renting them at cost only to residents. Another way to increase local wealth – buy local. Several studies in other U.S. towns have shown that spending money at locally owned businesses creates three times more local wealth as spending money at externally owned businesses. (See Page 7 for details on the Jackson Hole Chamber of Commerce’s recent “Keep Your Bucks in Jackson Hole” campaign.)

- **Import substitution** replaces “imports” with local products and services. Simple example: Locally bottled water in Tropic, Utah, replaced imports and established a new business.

- **Local sourcing** links people buying supplies for local businesses with local suppliers. An early program in Eugene, Oregon, created 100 jobs in its first year without any physical expansion of the city.

- **Water efficiency:** The grassroots group Mothers of East Los Angeles marketed a low-flush toilet retrofit program that

the techniques listed below. As a result their economies are more resilient and less vulnerable to the influences of the global economy.

This strategy is good news for communities that have little hope for expansion. It’s equally encouraging for those in which expansion is creating problems. Instead of relying on the hope of continuous expansion, which is also imposing large costs, rapidly expanding communities now have many alternatives.

As you read the following examples, think about similar or quite different ways to plug your community’s leaks. (For more business examples, see Rocky Mountain Institute’s book, *Natural Capitalism*, and check out additional resources at www.rmi.org.)



Plugging the leaks can help keep our economic bucket full

installed 270,000 toilets in three years, returned \$4 million to the neighborhoods in jobs, water-bill savings and community programs, and saves more than 3.4 billion gallons of water every year.

- **Downtown revitalization** reduces economic leakage, builds pride, encourages infill, preserves culture, celebrates history, reuses resources and reduces traffic. It can also deter sprawl if upzones in town are linked to downzones in rural areas.

- **Entrepreneurial training:** Since 1993, the Nebraska EDGE training courses have helped more than 1,250 individuals, entrepreneurs, small business owners and their partners start and improve their businesses.

- **Community supported agriculture:** CSAs are local farms that increase productivity, reduce costs and sell specialty crops direct to consumers and restaurants. (Visit www.localharvest.org and type “Jackson Hole, Wyoming” in the search field for a list and description of local CSAs as well as Farmers Markets that are open during the summer and fall in Jackson and Teton Valley.)

- **Business mentoring:** Veteran business people “adopt” start-up businesses – giving rookie proprietors someone to talk with when things go wrong, and helping them understand and avoid pitfalls. Such programs significantly reduce the high failure rate of start-ups.

- **Community cash flow** can be captured through such community enterprise as locally based credit cards, debit cards and phone service. South Orange, New Jersey’s municipal credit card funds downtown revitalization.

- **Local currency:** Ithaca, New York’s currency is accepted by 1,200 business and can’t be spent out of town.

- **Microcredit:** Many low-income or impoverished people have the skills but lack the credit to start a business. Tailored to very small, often home-based, start-up businesses, micro-loans are too small for conventional banks. Usually offered by nonprofit organizations in conjunction with basic business training, microcredit often provides a way out of poverty and off of welfare.

- **Business “visitation” programs** enlist local leaders to visit businesses to determine needs and concerns. Proprietors get the chance to offer suggestions to local governments and organizations regarding changes that could benefit local business. ■

II. Shift to biologically inspired economic models (biomimicry)

In today's economic climate, competitiveness requires lean business practices that, like biological systems, reduce and eventually eliminate waste. To be competitive, communities must pursue development strategies that analyze local material, energy use and waste streams; identify business opportunities; and match those opportunities with local businesses. Multiple benefits include more businesses and jobs, reduced resource inputs (and, therefore, lower costs), prolonged life of the local landfill, and reduced pollution. The transition to bio-entrepreneurship has begun with:

- **Waste matching:** Computer networks can make virtual industrial ecosystems by matching waste or byproducts produced at one business with potential buyers of the "waste" elsewhere. Visit www.wastematch.org for examples.
- **Building salvage:** Rather than demolish a building, dismantle and reuse its components. Southern California Gas saved \$3.2 million or 30 percent of construction costs on an office building by partly dismantling and reusing an existing building. The finished building was 80 percent made of recycled materials, keeping 350 tons of material out of the landfill.

- **Remanufacturing** creates businesses and jobs and reduces resource inputs. This new "industry" is now larger than the steel industry. In Telford, England, old Ricoh photocopiers are reconditioned instead of being dumped in landfill sites. Ninety percent of parts are reused.
- **Advanced business retention and expansion** programs mimic biological systems by enhancing adaptation, competition, interrelationships and information flow. Littleton, Colorado's program created jobs at six times the rate of its earlier recruitment efforts by offering services like problem research, competitor analysis, industry trend monitoring, video conferencing, training and market mapping.
- **Flexible business networks:** Several small businesses partner on contracts too big for any one of them, not unlike coyotes who usually hunt on their own, but run in packs when seeking larger game.
- **Stormwater capture** saves money, recharges groundwater and reduces pollution by helping rain soak in the ground rather than diverting it, which can overwhelm sewage systems, resulting in significant pollution. *(For example, the Town of Jackson's project to install stormwater treatment ponds at Karns Meadow could reduce sediment and pollutants in Flat Creek.)* ■

III. Reinvest in Natural Capital

Everyone knows that Earth and its living systems provide us with products – such resources as oil, water, trees, fish, soil and air. But living systems also provide us with equally essential *services*.

These ecosystem services include:

- Cooling (shade trees)
- Flood control (root systems)
- Purification of water and air (wetlands)
- Storage and recycling of nutrients (roots)
- Sequestration and detoxification of human and industrial waste (wetlands and ground filtration)
- Pest and disease control (by insects, birds, bats and other organisms)
- Production of grasslands, fertilizers and food
- Storage and cycling of fresh water
- Formation of topsoil and maintenance of soil fertility.

These services are essential to doing business – and to maintaining human life. Worldwide, however, these services are declining. Many of them have no known substitutes at any price. The strongest competitors in the future will be businesses and communities that recognize these facts and invest accordingly:

- **Restore natural ecosystems:** In Port Angeles, Wash., an estuary restoration project is saving the local lumber mill

Local retrofit program aims to save jobs, money and energy

By **Wendy Koelfgen**, *Energy Affairs Coordinator, Jackson Hole Energy Sustainability Project*

All those in the Lower Valley Energy service area (Teton County, Lincoln County and part of Sublette County) are facing a major challenge. In less than a year, LVE will be forced to go out on the open market to purchase additional energy at double or even triple our current energy rates. We estimate that this change will cost Lower Valley customers upwards of \$135 million in additional energy costs in the next twenty years.

So how do we support our economy without growing our population? According to the Jackson Hole Chamber of Commerce, Teton County has lost approximately 1,100 jobs during the past 18 months. What if we had a plan to put some of those people back to work, plus try to save everyone from higher energy rates and save energy at the same time?

This is exactly what the Town of Jackson, Teton County and Lower Valley Energy are joining forces to do. In a nationally groundbreaking move, the three entities are working together to launch a major plan for implementing energy efficiency retrofits in every building in Jackson Hole. We are currently working on the complicated financing puzzle but there are a few things that we know now:

- 1) Every building owner will have the opportunity to participate in the project and save.
 - 2) We are committed to using local resources whenever possible to complete the various components of the work (retrofitting, auditing, communications, financing, etc.).
- Check www.jhesp.com for more information on this exciting project as it progresses. ■

Saving energy saves \$

How energy retrofits cut costs:

The owners of one office building spent the following on energy efficient

Windows	\$67,500
Daylighting/Skylights.....	\$18,000
Insulation	\$17,200
Lighting.....	\$21,000
TOTAL.....	\$123,700

Because of these improvements, they no longer had to upgrade the building's heating and air conditioning system. This saved them \$160,000, giving them a net savings of \$36,300 for the entire retrofit project.

An additional bonus – their energy bill is now \$75,000 less a year.

Source: Rocky Mountain Institute

\$150,000 yearly through more efficient logistics. It also created space for expanding the mill and improved the town's tourism.

- **Create urban ecosystems:** Supported by these systems, birds, bats and frogs eat pesky insects. Also, nearby property values increase, generating more income for cities from property taxes.

- **Foster eco-tourism** to create local jobs while protecting important environmental values. (*Jackson Hole boasts many such businesses, including several, such as Dave Hansen Whitewater, EcoTour Adventures and Barker-Ewing, that give back even more by supporting the Alliance.*)

- **Maintain wetlands** for waste treatment, storm-water retention and wildlife habitat. Arcata, Calif., restored 154 acres of wetlands and used it to treat city wastewater. The resulting marsh is now wildlife habitat in which salmon are reared. The cost was a fraction of the costs for a conventional energy-intensive wastewater treatment system. One researcher estimated the economic benefits generated by single acre of wetland: at \$150,000 to \$200,000. In one project, reservoirs near London, England, were transformed from concrete into a diverse wetlands, which attracts visitors.

- **Maintain watersheds** for flood control and drinking water.



- **Reduce carbon dioxide emissions:** Through energy and water efficiency in city operations, Regina, Saskatchewan, reduced its carbon dioxide emissions by 10 percent while saving \$393,000. ■

The list of ecosystem services described here doesn't include such services as climate stabilization, protection against harmful cosmic radiation, distribution of fresh water, and regulation of the chemical composition of the atmosphere because some may argue that the depletion of these services is caused by factors too remote for community action. However, an increasing number of communities and businesses are implementing policies to make themselves "climate neutral." See below left for one example of what Jackson Hole is doing.

Keep Your Bucks in Jackson Hole!

By April Hankey, Jackson Hole Chamber of Commerce

Recently the Jackson Hole Chamber of Commerce embarked on an educational campaign aimed to raise awareness around the benefits of keeping local money here in Jackson Hole. Local sales tax revenues have decreased over the past two years and do not look to regain 2007 levels any time in the near future. Couple this with the cost and environmental impacts from traveling to shop or buying online, and the reasons to keep our money here multiply. The point of the Keep Your Bucks in Jackson Hole campaign is not to chastise people for shopping outside of Teton County; it's to help consumers make the connection between a healthy local economy and keeping our money local, even if this means spending a little more at times.

Here are our top five reasons to Keep Your Bucks in Jackson Hole:

- 1. You are staying healthy.** When you buy from local businesses, you're contributing to the sales tax base our local government uses towards supporting essential services, such as the Fire Department and EMT, and maintaining trail systems. Also, not driving to shop saves gas money and helps reduce pollution, sprawl and congestion.



- 2. You are helping sustain local nonprofits and community organizations.** The local government financially helps to support many community organizations through the use of sales tax dollars. Also, local businesses are more likely to contribute to our schools, nonprofits, local events and civic projects. Your money spent here in Jackson Hole helps to make all this possible.

- 3. You are supporting the START bus.** Jackson Hole's mass transit system depends on your dollars spent locally. Mass transit helps cut down on pollution, transportation-related animal deaths, congestion and more.

- 4. You are helping your neighbors.** By patronizing local businesses, you are helping to sustain your friends' and neighbors' jobs. And as a bonus, you are very likely to receive better service from a local expert here in Jackson Hole.

- 5. You are investing in our future.** Local businesses are owned and operated by people who live in this community, are less likely to leave, and are more invested in the community's future.

Visit www.keepyourbucksinjacksonhole.com or call the Jackson Hole Chamber of Commerce at (307) 733-3316 for more information on the benefits of buying local. ■

Beyond throughput: What good is growth that doesn't bring net gains?

By Michael Kinsley, Senior Consultant
Rocky Mountain Institute

Throughput is an important, but little-understood concept used in examining such large systems as companies, communities or ecosystems. To help understand how it informs a community's growth dilemma, consider the story of the recently unemployed engineer: Undaunted by downsizing, he buys a truck and a load of vegetables to sell beside the highway. After a terrific day, he's sold out. Back home, he gushes to his wife about his success. "How much did you earn?" she asks. "Eighteen hundred bucks," he crows. "And how much did you pay for the veggies?" Punching his calculator, he hesitantly announces, "Two thousand."

"Hmm," she says, "there seems to be a problem." Dreamily, he says, "Yeah, I need a bigger truck." He's intoxicated by revenue growth. But veteran businesspeople know that what counts is profit. Increasing revenue is fine, until it's outweighed by costs.

Ironically, the same smart businesspeople often neglect to calculate net gain when promoting economic development. They seek to spin the economy as fast as possible – harvesting more grain or trees, making more widgets, building more subdivisions, attracting more tourists. These are ways to increase throughput, the rate at which goods and services flow through an economy, and the rate at which resources are turned into waste. But increasing throughput does not necessarily lead to community prosperity or quality of life.

The growth debate should focus on whether increased throughput provides a net gain – that is, does it increase the well being of citizens and strengthen the community? And does continuously increasing throughput leave a viable economy for our children, or is it an illusion that, like selling more veggies, feels good in the short term but hurts later on? These are not simple questions. But answers can be found by soberly comparing the economic, community and environmental costs and benefits of specific growth proposals.

Unfortunately, community and environmental factors are seldom considered. Intoxicated by the prospect of an increase in throughput, growth boosters often ignore such costs as traffic congestion, declining schools, depleted soils or forests, increasing taxes, housing that residents can no longer afford, and groundwater pollution from chemicals that industrial agriculture substitutes for healthy soils. In a mature economy, each extra bushel, tree or tourist can create a net loss that boosters assume will be made up in volume.

"Smart growth" offers a valuable context for discussing this issue. But watch out, many unsustainable developments are dubbed "smart" in an attempt to "greenwash" projects that are not compatible with the community and its environment. In contrast, genuinely smart communities are using the strategies described here to respond to growth. Communities develop more sustainably when they seek ways to create jobs, income and savings by doing more with what they already have, in addition to seeking to expand their export capacity. In these smart communities, the economy develops, the environment stays healthy, and the town remains a place where its residents want to live... and nobody needs a "bigger truck." ■



“ People’s mental model is that we always have to expand. ”
But a local economy can develop without community expansion.

“ Can this valley support a population of one million? Sure. But how many people *make sense* here? ”
Physical expansion in a finite space is inherently unsustainable. There is no more frontier.

– Michael Kinsley, Rocky Mountain Institute

Growth myths vs. realities

Why is there so much momentum behind community expansion and sprawl, heedless of negative effects? There are many answers, but chief among them are the myths we hold and even cherish. They're powerful for at least three reasons: Each contains a nugget of truth, each is embedded in our history and each is the basis on which a few people can make a lot of money. Below are nine local growth myths:

1. Growth is good

But the word "growth" has two sets of meanings: "Expansion" (bigger) means more people, infrastructure, buildings, subdivisions, shopping centers and so on, plus increased "throughput," which may or may not benefit the community. (See Page 8 for info on throughput.) "Development" (better) means living wage jobs, increased income, more savings and better quality of life.

2. Growth increases the tax base

But rapid expansion and sprawl increase public-service costs more than they deliver in increased revenues. This forces local taxpayers to subsidize most residential, and even some commercial, expansion.

3. Growth increases business income

In many inflationary local economies, however, rents and competition increase too, often faster.

4. Growth creates better jobs

But, in many inflationary economies, the cost of living often increases more rapidly than income.

5. Controlling growth hurts the economy

Some segments may be hurt; others will be helped. In contrast, development can proceed without expansion. Expansion, however, cannot continue indefinitely.

6. Government shouldn't meddle in land use

It already meddles when it subsidizes expansion by charging all taxpayers for the costs of public services that benefit only areas where expansion takes place. Government has the responsibility to protect its constituents from serious, long-term negative effects that are not accounted for in the marketplace.

7. If we control growth, we'll be sued

Communities that take a strong stance to control growth are not always sued, and nearly always win when they are.

8. Controlling growth drives up housing prices

But rapid expansion is inherently inflationary, driving up prices. Especially in desirable locations, rapidly expanding communities with similar economic bases often experience a comparable lack of affordability despite the fact that one has significant growth controls while its counterpart doesn't. For instance, Aspen, Colo., has strict growth controls and Vail doesn't, but both have comparably high real estate prices. Unlimited expansion doesn't solve housing problems.

9. Impact fees make housing unaffordable

Local governments that don't charge cost-of-growth fees are subsidizing developers in the hope that they will pass savings on to buyers. In practice, developers charge market values, regardless of fees. ■

Getting smarter at 'Smart Growth'

In the last few years, national attention has focused on the efforts of many communities that have been wrestling with expansion problems for decades. These communities have implemented ways to:

- **Design expansion correctly** by mixing land-uses, clustering development, infilling not sprawling, and by using traditional community design, multiple transportation modes and natural infrastructure (e.g. for drainage and sewage).

- **Ensure that expansion pays its way.** Tax revenues collected from subdivisions in previously undeveloped areas are virtually never sufficient to pay for the public services demanded by those subdivisions. As a result, taxpayers in rapidly expanding communities unknowingly subsidize sprawl unless

sufficient impact or user fees are charged to those newly developing areas. Local governments that don't know the full cost of expansion are rolling the fiscal dice.

- **Restrict expansion** by such methods as meaningful zoning, urban growth boundaries, subdivision allotment systems (that control growth rate), community land trusts, and electing people who can actually say "No" to growth proposals that are incompatible with the community. Some suggest that this results in development by choice and not by chance.

- **Build affordable housing** through private, public, and nonprofit means and by requiring it as a large portion of every expansion proposal. Affordable housing is not worth building unless its affordability is permanently guaranteed through such mechanisms as deed restrictions.

Each of these four categories is an important part of any community's response to expansion problems. Each has a rich history, including plenty of controversy, and each has been the subject of many books. However, as we see in many communities, these "smart growth" actions have to be wisely implemented or the smart growth program is just more expansion.

Though often justified by intense expansion pressures, restrictions on expansion often do little to help local businesses. As a result, businesspeople often see smart growth as an enemy.

The lesson? Smart growth as it's currently applied is often incomplete. It repeatedly fails to achieve its own objectives, and it is unbalanced without compatible development activity. And that's where building better – not bigger – comes in. ■

– Michael Kinsley