

Seizing Our Destiny: Reinventing A City During An Economic Downturn

David W. Stewart

In 2008 Riverside, California found itself at the epicenter of the United States housing crisis. Unemployment in the city and surrounding region exceeded 14%. One in twelve houses were in foreclosure. An economic development model based on “cheap dirt,” had dominated the city and the region for more than a decade. Residential and commercial construction, infrastructure, and related industries, such as mortgage origination, had been the growth industries on which the region had become dependent to the near exclusion of a more diversified economic base. There was a clear and obvious need for change and a new economic model for the City and the region. There was also a clear and obvious need for leadership that could create a new vision for the future and gain broad community for change and support for this vision.

This is a case study of the way a group of community leaders recreated the vision for economic redevelopment of the City of Riverside. It illustrates leadership within the context of a public/private sector partnership focused on changing the future of a city. It also demonstrates the power of ideas when embraced by a community grass roots movement. “Seizing Our Destiny” is the name that emerged to identify this movement. Begun in early 2009 and approved by the city council in late 2009 the movement has transformed a city. In 2011 the City of Riverside was named one of the seven most intelligent cities in the world by the Intelligent Community Forum and had become California’s first Emerald City. In September of 2011 *Newsweek* ranked the City number 3 among “can do” cities. This case is the story of how Riverside, the City of Arts and Innovation, transformed itself through leadership at a grassroots level.

Background

From its beginning, Riverside has been a City of forward-thinking, creative and ingenious pioneers and innovators. In 1870 when John North looked at the rich land bordering the Santa Ana River, he was able to envision rolling hills of agriculture and a city destined to be the center of Inland Southern California. To make his dream a reality, North and other founders built in 1871 a canal that still brings a dedicated source of water, making Riverside one of the only cities in California approaching water independence. Early in the City's history, resident Eliza Tibbetts experimented with three Brazilian orange trees. They created the necessary ingredients that led to California's other "Gold Rush" - the citrus industry's rise from 1870-1940. By 1882 Riverside was home to more than half of the state's 500,000 citrus trees. Advances such as refrigerated railroad cars and innovative irrigation systems made Riverside the wealthiest city per capita nationally by 1895.

The end of World War II Riverside saw change in Inland Southern California as increasing urban sprawl in Southern California began to supplant the once prosperous agricultural region. This sprawl brought with it traffic, smog, and urban blight. The once idyllic City became a poster child for urban sprawl and smog. A study released by Smart Growth America in 2002 ranked the city number one in urban sprawl (Lyne 2002). Nevertheless, the combination of improving air quality in Southern California, improvements in infrastructure and the indomitable spirit of Riverside's citizens produced significant improvements in the quality of life of the City. In 2006 the City set about changing its economic trajectory and image by improving its infrastructure and quality of life through an investment of more than a billion and half dollars in "Riverside Renaissance," an initiative to improve traffic flow; replace aging water, sewer, and electric infrastructure; and expand and improve police, fire, parks, library, and other community facilities. This initiative focused on changing the physical environment of the City. It resulted in the completion of more projects in five years than were completed in the previous 30 years and dramatically changed the physical character of the City for the better. But trouble loomed.

Proximity to the coastal counties of Southern California and the availability of relatively cheap land made Riverside and the surrounding area a Mecca for families seeking less expensive housing, as well as businesses needing office and warehouse space at lower cost. Thus, there was an explosion of growth in the City and region. Forty-two percent of all jobs created in California from 2000-2007 were created in the region

Real estate developers scrambled to build homes and commercial space. The region was the fastest growing area in California. Then, it all stopped. Riverside became the epicenter of the housing crisis. Foreclosures ballooned. Commercial real estate vacancies soured. The economic engine that had fueled growth stalled. It was soon apparent that the “cheap dirt” model of economic development needed to change.

Even when it appeared successful by some measures, the rapid growth of the region had not always produced positive results. Even as the region grew quality of life suffered as the city and region worked to expand infrastructure and services. When growth stopped unemployment soared. It was a time of crisis and dismay. It was also a time that called for change and for leadership and a new vision for the City.

Changing the Vision

In late spring 2009 the Riverside City Workforce Advisory Panel (WAP) and the Council of Economic Development Advisors (CEDA) recognized the need for change and a new vision for the future of the city. Working together these two groups initiated a strategic visioning process for change with the goal of being forward-looking and highly inspirational. The two Riverside economic development groups were made up of leading area business persons and Mayor Ronald O. Loveridge. The Mayor asked David W. Stewart, Ph.D., Dean of the A. Gary Anderson School of Management at UC Riverside, to spearhead a fast-moving process to produce a plan for change, an “Agenda for the City” before the end of 2009. In order to provide a foundation for this effort a sub-committee of WAP-CEDA worked with Dean Stewart to create 10 bold and far-reaching aspirational statements titled “A Vision for Riverside” that served as a touchstone for the strategic visioning process and established the directions for change. On May 26, 2009, the City Council approved “A Vision for Riverside”, with the intent to guide the City to a leading position in the region, country, and world (Table 1). Given the state of the economy the statements were audacious. The City Council also stipulated that significant community input should be a major component of data gathering in creating a plan for change and a vision for the future.

A Steering Committee that included twelve highly involved community leaders was formed to guide and oversee the community visioning process and development of a project that soon came to be known as the “Seizing Our Destiny Agenda.” Over the next six months the steering committee oversaw an effort at community engagement and planning for change. In addition to hundreds of hours that the steering committee contributed to

the effort the committee reached out to the diverse *Riverside community* for input. The driving questions were:

1. What do you want the city to be like in 10 years?
What changes are necessary?
2. What makes you proud of your city? What should not be changed?
3. What would change and improve quality of life?

The committee conducted twelve focus groups and facilitated discussions with numerous community groups ranging in age, ethnicity, interests, and concerns. Leaders of the community participated in a vision lab designed to add depth and detail to ideas that surfaced in other venues. A community survey was carried out. Input was received from over a thousand people in the community. The goal of the steering committee was to create collective vision of the community that would guide change and the vision of the future. Another goal was to create a sense of collective contribution and ownership of change within the community at large.

Unlike many city-planning efforts the focus was not on infrastructure and improvement projects. Rather, the focus was on how to improve quality of life in the city:

“Using modern economic development in this Agenda, we believe that by increasing the community’s quality of life we will fuel intelligent growth, encourage innovation, position Riverside as the location of choice for diverse and dynamic people, and attract desirable businesses and jobs to the region. This is the way we will seize our destiny.”

The committee quickly identified a travel metaphor to organize its thinking. It sought to identify characteristics of the city’s future – the destination, the direction for change. It identified eleven routes for arriving at the destination. For each route several exemplary initiatives were identified to serve as examples of specific actions and changes that would move the City along a route toward the destination. These elements of the vision were organized into a map that communicated in a single page the vision and expected outcomes (Figure 1). The vision statement was considered and unanimously approved by the Riverside City Council in December of 2009.

Making it Happen

Creating a vision and plan for change is easy. The challenge for the steering committee was assuring that the vision would be realized and that the changes happened. The committee members also wanted the vision to be evergreen with the opportunity for incorporating new routes, new initiatives and ideas for change in the future. There was also the issue of creating an organizational structure that insured that there was forward movement and positive change, as well as a sense of ownership by the larger community. The structure also needed to facilitate cooperation between community volunteers and city staff members. Implementation needed to be simultaneously organic and professionally managed. There was also a need for accountability and measurement of change both in activities and in outcomes.

The structure that emerged to guide implementation and updating of the vision and change process included the appointment of “route champions,” 2-3 individuals from the community who were passionate about a route and the initiatives associated with it. These leaders of change, who volunteered their time, took responsibility for recruiting other volunteer members to a route committee that coordinated efforts and initiatives. To assure coordination with the City each route was assigned a senior staff person from the City, and each elected member of the City Council adopted one or more initiatives. A Web site was created for sharing efforts and successes. “Seizing Our Destiny” was the theme of numerous city events and became a part of the vocabulary of the City. Seizing our Destiny became the code words for a dramatic process of change.

By late 2011 change was well underway and numerous initiatives had been completed. These include launching an innovation economy initiative (Route 1, “Strong Innovative Economy that Builds Community”), obtaining a Communities Learning in Partnership grant from the Gates Foundation (Route 2, “Well Developed, Highly Sought After Workforce”), holding a Green Jobs Summit to discuss both short and long term green business (job) attraction strategies (Route 5, “Becoming a Green Machine”), the opening of a Broadway-style theater, the refurbished Fox Theater, where *Gone with the Wind* premiered decades earlier (Route 6, “Around the City, Around the Year, Around the Clock”), implementing a citywide Private Building Mural Program (Route 7, “Transforming Spaces into Places”), and the launch of a destination marketing campaign for the City (Route 11, “Telling Our Story”). Indeed, in October of 2011, less than two years after the adoption of Seizing Our Destiny the City was tracking more than 40

initiatives and more than 150 specific activities related to these initiatives. The process of change was underway and the positive outcomes associated with change were already visible.

Although still suffering the effects of the housing bubble and the recent economic downturn Riverside was moving forward. It has a new energy and a new confidence. Its efforts at transformation and change were being noticed and celebrated: Riverside has been named the first Emerald City in California, one of the 21 most intelligent tech cities in the world (the Smart21 Communities Awards), among 13 of the U.S.'s "Most Livable Communities," and Number 3 among "Can Do Cities" by Newsweek. More importantly, residents and business owners in Riverside were excited by the changes in the City and what these changes suggested about the future of the City. Through a process of collective leadership and shared commitment to change the City had seized its destiny.

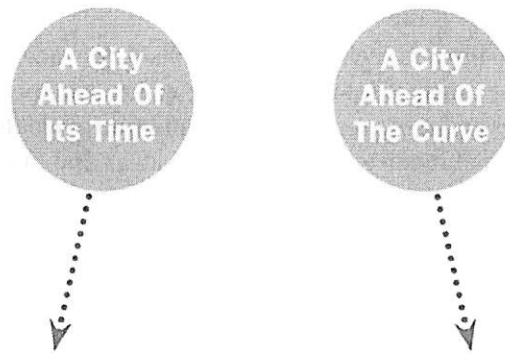
Table 1: THE CITY OF RIVERSIDE ASPIRES TO BE...

<ul style="list-style-type: none"> • A city of dynamism at the hub of the global economy where business is promoted and recognized as a powerful engine for both economic growth and for its contributions to the quality of life.
<ul style="list-style-type: none"> • A city of the future with deep historical roots that it celebrates and cherishes as a foundation for growth and future development.
<ul style="list-style-type: none"> • A city of international reach that celebrates, promotes, and seeks advantage in the diversity of its people.
<ul style="list-style-type: none"> • A city of inspiration that is the center of a vibrant arts and cultural community that contributes to the quality of life of its own residents and attracts visitors from the region and the world.
<ul style="list-style-type: none"> • A city of ideas that is a center of world-class education, drawing on its history, culture and location as a living laboratory for the development of minds, for fostering innovation, and for improving the quality of life.
<ul style="list-style-type: none"> • A city of innovation that encourages and promotes the development of new technologies and the industries and individual businesses that create and commercialize these technologies.
<ul style="list-style-type: none"> • A city of health that is home to leading institutions and industries that promote the health and welfare of its own residents and contributes to the well-being of all residents around the globe.
<ul style="list-style-type: none"> • A city of the earth that is committed to a clean and sustainable environment and creating solutions to global problems.
<ul style="list-style-type: none"> • A city of freedom to enjoy life in peace and safety.
<ul style="list-style-type: none"> • A city of community that includes a vibrant urban city center, exciting neighborhoods and a commitment to the responsible use and development of the extraordinary outdoor resources that surround us.

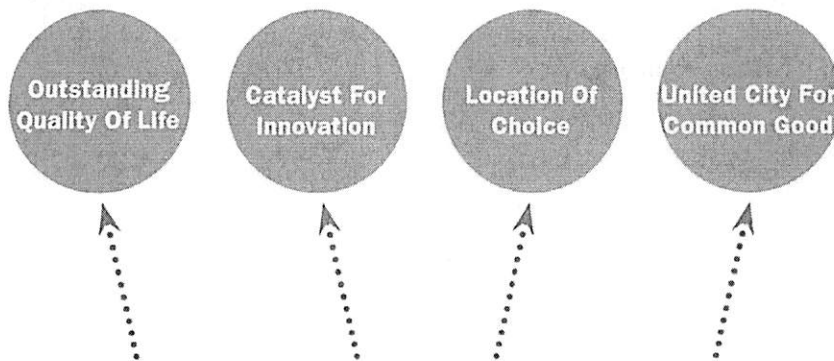
Figure 1

SEIZING OUR DESTINY: The Agenda For Riverside's Innovative Future

Our Map – Where We Are
What makes our bold innovative future possible?



Our Destination – Where We Are Going
What will people believe about Riverside?



Our Strategic Routes – How We Will Get There
How will we achieve what we envision?

- Strong Innovative Economy That Builds Community
- Well Developed Highly Sought After Workforce
- Lifelong Learning For All
- Homes Of Next Century Health Care
- Becoming A Green Machine
- Around the City, Around the Year, Around the Clock
- Transforming Spaces into Places
- Big City Recreation With Hometown Feel
- Creatively Central
- Collaborating to Build Community
- Telling Our Story

Discussion

1. Discuss the proud history of the City of Riverside California and the crisis that created a sense of urgency for change.
2. Successful major changes don't happen by chance. Discuss how the change got organized, who the primary Change Leaders were, and your assumptions before and after reading the case about the possibility of a large city or organization being able to reinvent itself in a short time frame.
3. The change process included: (1) establishing a steering committee to guide the process; (2) a compelling vision statement; (3) an assessment of present realities and future ideals; and (4) widespread involvement to generate ideas and build commitment to the change; and (5) developing a travel metaphor to create a one page change model. Discuss what was done in each of these change process steps.
4. A critical part of successful change is following through on the commitments to change. In the part of the case titled "Making It Happen" what are some of the things the steering committee did to help implement and sustain the changes?
5. What were some of the accomplishments and awards achieved by the City of Riverside and what are some things you learned about leading change?

Key Lessons In Leading Change

1. **Successful change requires visionary change leaders who carefully plan the change process, are willing to use a collaborative and inclusive process, find champions, and share leadership.**
2. **In planning changes, it is important to create an urgency for change, a compelling vision, a steering committee or change team to help guide the process for complex changes, a process for accessing present realities and future ideals, an understandable but adaptable change process, and a plan for successfully implementing and sustaining the changes.**
3. **Community transformation requires widespread involvement, rather than a traditional strategic planning committee of 10-12 people.**
4. **Transformational leaders are sponsors and facilitators of the planning process: they explain its importance, its benefits, and its outcomes in order to motivate the participation of others.**
5. **Setting audacious goals changes the way people think about the future.**
6. **The change plan and the written document that strategic planning produces is far less important than the process of planning.**

References

- Lyne, Jack (2002), "Urban Sprawl: New Smart Growth America Study Moves to Measure Elusive Location Factor," The Site Selector Online Insider, <http://www.siteselection.com/ssinsider/snapshot/sf021028.htm>, downloaded September 19, 2011.
- Seizing Our Destiny, <http://www.seizingourdestiny.com/default.aspx>.

BIOGRAPHY

David W. Stewart, Ph.D. is Distinguished Professor of Management and Marketing in the School of Business Administration at the University of California, Riverside. From 2007 to 2011 he served as the Dean of UCR's School of Business Administration and the A. Gary Anderson Graduate School of Management. He has previously served as a member of the faculty of the Marshall School of Business at the University of Southern California where he held the Robert E. Brooker Chair in Marketing and served as deputy dean of the School for five years. He also served two terms as Chairman of the Department of Marketing in the Marshall School. Prior to moving to Southern California in 1986 he was senior associate dean and associate professor of marketing at the Owen Graduate School of Management, Vanderbilt University. Dr. Stewart is a past editor of both the Journal of Marketing and the Journal of the Academy of Marketing Science.

David W. Stewart, Ph.D.
Distinguished Professor of Management and Marketing
The School of Business Administration and
The A. Gary Anderson Graduate School of Management
900 University Avenue, Anderson Hall, University of California, Riverside, CA 92521
Telephone: 951.827.4237, Office Fax: 951.827.4998
E-mail: david.stewart@ucr.edu · www.agsm.ucr.edu