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Look What You Missed!

The Restoration Economy

Synopsis of the May 2003 WFS Washington DC Chapter dinner program presented by Storm Cunningham, Executive Director of the Revitalization Institute and CEO of Revitalization Strategies, Inc.; summarized by Dave Stein and Ken Harris

You've probably noticed many local restoration projects such as the \$3 billion Pentagon restoration, the \$100 billion Chesapeake Bay restoration, the rehabilitation of thousands of old houses and office buildings, etc. However, did you realize that restoring our natural and manmade environments now accounts for over a trillion dollars per year worldwide? Our May speaker, Storm Cunningham, has discovered that this economic sector comprises eight component industries, which together are the fastest-growing portion of the global economy and which even in economic downturns are relatively robust.

Beginning with a historical perspective, Mr. Cunningham discussed the consequences of over-investment in new development at the expense of restorative development – specifically, that this *modus operandi* can lead to crises that imperil a civilization. These crises or failure modes have been contamination (pollution), corrosion (of infrastructure), and constraint (or lack of available land that is not already doing something for someone). The unique characteristics of the present era are that these three crises are occurring simultaneously – and globally – with two being driven by population growth.

A pioneer in helping businesses, investors, and governments achieve dramatic economic growth via restorative development, Mr. Cunningham identified the new restorative industries that are focused on areas such as the ecosystem, the watershed, fisheries, agriculture, brown fields, the infrastructure, and heritage. In addition, he discussed the payoff value and cost effectiveness of restoration. For example, restoration has monetary value to the local community. If a building is restored, the block gains value. If a block is restored, then an entire neighborhood gains value, and so on. Similarly, adaptive re-use of abandoned buildings puts them back on the tax rolls and into the active economy.

Another new paradigm is to re-connect people with their waterfronts after years of displacement by docks, warehouses, and factories. Likewise, improvement in scenery often leads to substantial increases in value of the adjacent properties. In one instance, the restoration of a watershed cost less than one-fourth the cost of the alternative course of action, the construction of a water filtration plant.

In some cases, as Mr. Cunningham noted, restoration can even be as simple as the passive measure of stopping the activity that is creating the damage. Considerable synergy can be attained by integrating the activities of all of these restorative industries in a given locale.

A key to restorative growth, as identified by Mr. Cunningham, is value replacement in the long term. He discussed the pitfalls of replacing a watershed that has been producing for more than a million years with a shopping mall that has an expected life of thirty years.

Mr. Cunningham believes that we are at the turning point from “frontier mode” to revitalizing the vast territories we’ve developed over the past centuries. The near future will include numerous opportunities for revitalization including Base Realignment And Closure (BRAC) 2005. He further asserts that the future belongs to those entrepreneurs, community leaders, inventors and investors who adopt the principles of **integrated restoration**. This strategy restores the natural and the manmade worlds together, thus triggering powerful, economic, social, and ecological synergies.